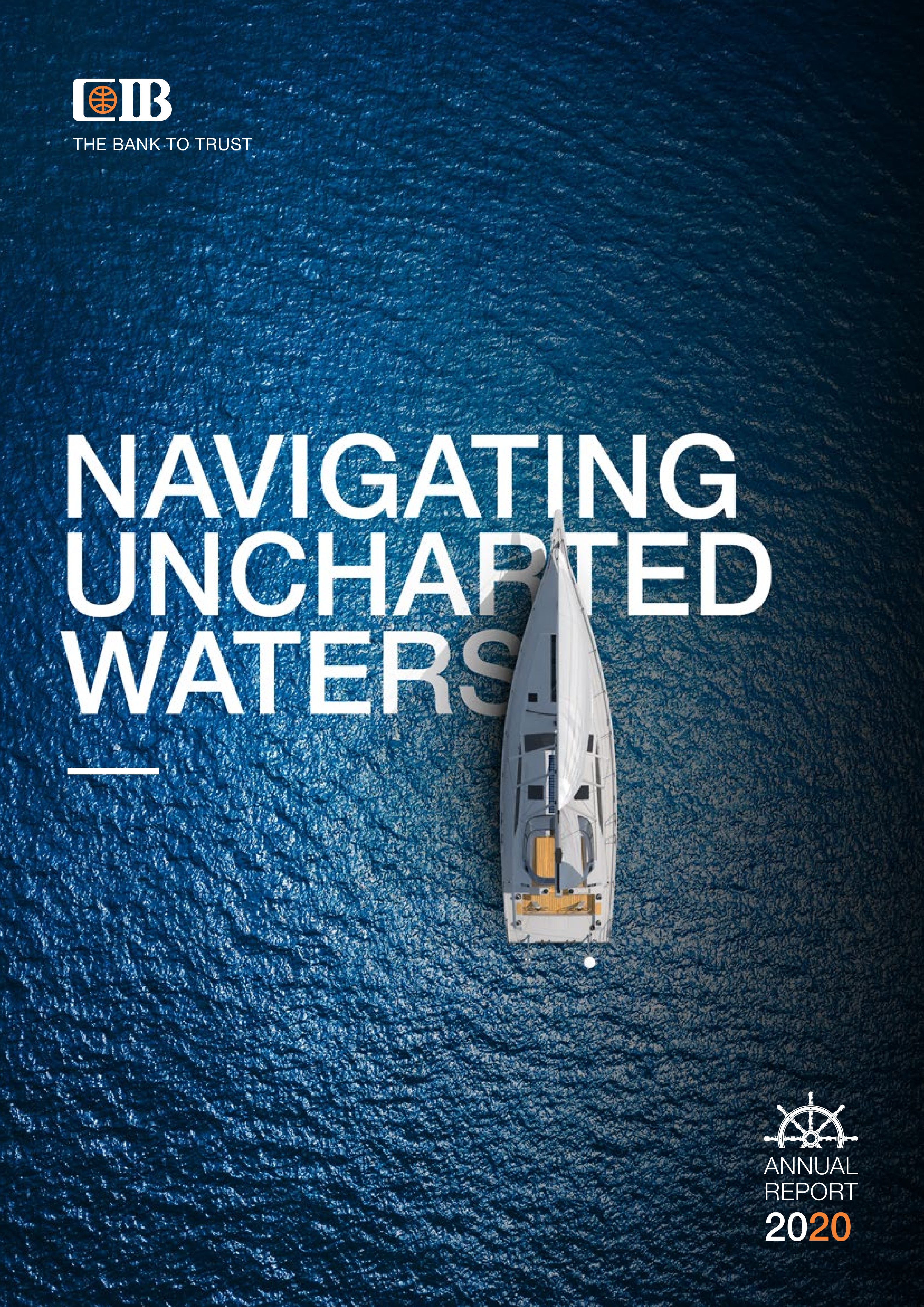
THE BANK TO TRUST

NAVIGATING UNCHARTED WATERS



ANNUAL REPORT 2020

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NAVIGATING UNCHARTED WATERS

2020 was an unprecedented year not only for CIB, but the world over. From lockdowns to dwindling investor sentiment, regulatory shifts to economic disruptions, CIB has had to call on decades of stalwart leadership and the resilience of its strategy to navigate headwinds and emerge as a stronger institution.

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CIB Introduction

#1

Bank by market cap on the EGX

CIB is dedicated to

CREATING OUTSTANDING STAKEHOLDER VALUE

and providing superior customer service solutions.

At a Glance

CIB is Egypt's leading private-sector bank, offering a full range of financial products and services to enterprises of all sizes, institutions, households, and individuals.

CIB is Egypt's leading private-sector bank. It is an award-winning institution dedicated to creating outstanding stakeholder value and providing superior customer service solutions to a broad range of clients. The Bank furnishes clients with innovative solutions that satisfy their banking needs and facilitate their financial lives. Its dynamic business model and commitment to fully integrating superior technology into its products and services allow it to maintain its market leadership and offer staff an engaging work environment, while generating mounting value. The Bank serves an expansive network of retail customers, high-net-worth (HNW) individuals, and enterprises and institutions that drive the Egyptian economy. With a well-established network of 208 branches and banking units and a workforce comprising 7,071 employees, CIB provides tailored, client-centric services to clients in the corporate, commercial, retail, wealth, and small and medium enterprise (SME) spheres, while working to deliver the most streamlined, efficient banking service offering in the Egyptian market. CIB also operates two representative offices, one in Dubai and the other in Addis Ababa, as channels driving business through these key markets while capitalizing on the synergies inherent in the Bank's business model as a means of driving value for clients. The Bank has four strategic subsidiaries and affiliates, CVentures, Mayfair CIB Limited, Falcon Group and Fawry Plus, in which CIB's shares are 99.99%, 51%, 30%, and 23.5%. In addition to CIB's strategic subsidiaries and affiliates, the Bank has direct ownership in Damietta Shipping Marine Services (DSMS) and Al Ahly Computer Equipment Company (ACE) in which it owns 49.95%, and 39.34% respectively.

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

KEY FACTS

208
Branches

+1.5
Million Clients

7,071
Employees

EGP/MN
87,464
Market Cap*

EGP/BN
25.8
Revenues

1,121
ATMs

*31st of Dec 2020.

Key Financial Highlights

	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY17 Consolidated	FY16 Consolidated	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Common Share Information Per Share															
Earning Per Share (EPS)[1]						6.21	7.33	7.26	5.76	4.56	3.58	3.55	2.67	2.42	2.43
Dividends (DPS)[2]						0.00	1.25	1.00	1.00	0.50	0.75	1.20	1.00	1.25	1.00
Book Value (BV/No of Share)						40.20	35.26	29.26	24.43	18.44	14.39	16.31	13.46	18.94	15.03
Share Price (EGP)[3]															
High						59.5	83.5	96.5	88.8	73.6	47.4	51.3	45.4	39.8	47.4
Low						59.0	82.7	67.0	71.1	30.8	28.9	32.6	27.4	21.1	18.5
Closing						59.2	83.0	74.1	77.4	76.4	38.1	49.2	32.6	34.6	18.7
Shares Outstanding (millions)						1478	1469	1167	1162	1154	1147	908	900	597	594
Market Capitalization (EGP millions)						87,464	121,963	86,439	89,865	88,155	43,692	44,673	29,330	20,646	11,098
Value Measures															
Price to Earnings Multiple (P/E)						9.5	11.3	10.2	13.4	16.8	10.6	13.9	12.2	14.3	7.7
Dividend Yield (based on closing share price)						0.0%	1.51%	1.35%	1.29%	0.65%	1.97%	2.44%	3.07%	3.62%	5.35%
Dividend Payout Ratio						0.0%	15.6%	15.3%	15.4%	9.7%	18.5%	29.9%	34.4%	33.9%	33.9%
Market Value to Book Value Ratio						1.47	2.35	2.53	3.17	4.14	2.65	3.02	2.42	1.83	1.24
Financial Results (EGP millions)															
Net Operating Income[4]	25,881	23,019	20,379	14,890	11,315	25,839	23,018	20,351	15,192	11,370	10,165	7,717	6,206	5,108	3,837
Provision for Credit Losses - Specific	5,019	1,435	3,076	1,742	893	4,989	1,435	3,076	1,742	893	1,682	589	916	610	321
Provision for Credit Losses - General															
Total Provisions	5,019	1,435	3,076	1,742	893	4,989	1,435	3,076	1,742	893	1,682	589	916	610	321
Non Interest Expense	5,626	5,049	4,224	3,119	2,433	5,553	5,045	4,223	3,119	2,433	2,028	1,705	1,450	1,445	1,337
Net Profits	10,238	11,801	9,582	7,516	6,009	10,300	11,804	9,556	7,550	5,951	4,641	3,648	2,615	2,203	1,749

[1] Based on net profit available for distribution (after deducting staff profit share and board bonus) and unadjusted to stock dividends
[2] 2018 DPS after taking into account the share distributions of one share for every four shares
[3] Unadjusted to stock dividends
[4] 2016, 2015 and 2014 excluding CI Capital profit (Discontinued Operations)

	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY17 Consolidated	FY16 Consolidated	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Financial Measures															
Cost : Income	20.71%	21.59%	20.33%	20.79%	21.36%	20.47%	21.58%	20.35%	20.38%	21.26%	19.69%	22.91%	22.89%	28.01%	35.26%
Return on Average Common Equity (ROAE)*****	19.20%	29.49%	33.14%	32.45%	34.24%	19.35%	29.55%	33.13%	32.71%	34.03%	32.80%	30.25%	24.77%	24.18%	22.23%
Net Interest Margin (NII/ average interest earning assets)						6.75%	6.48%	6.43%	4.97%	5.47%	5.74%	5.41%	5.36%	4.74%	3.71%
Return on Average Assets (ROAA)	2.53%	3.26%	3.03%	2.69%	2.71%	2.55%	3.26%	3.02%	2.72%	2.70%	2.90%	2.87%	2.54%	2.47%	2.20%
Regular Workforce Headcount						7,071	6,900	6,759	6,551	6,422	5,983	5,403	5,193	4,867	4,517
Balance Sheet and Off Balance Sheet Information (EGP millions)															
Sheet Information (EGP millions)															
Cash Resources and Securities (Non. Governmental)	131,858	63,270	69,068	63,684	77,523	131,708	63,226	69,030	63,673	73,035	34,097	19,430	16,646	16,764	19,821
Net Loans and Acceptances	120,347	119,946	106,377	88,428	85,384	119,632	119,946	106,377	88,428	86,152	57,211	49,398	41,970	41,877	41,065
Assets	427,842	386,742	342,461	294,782	267,544	426,145	386,697	342,423	294,771	263,852	179,193	143,647	113,752	94,405	85,628
Deposits	341,169	304,448	285,297	250,723	231,741	340,087	304,484	285,340	250,767	231,965	155,370	122,245	96,940	78,835	71,574
Common Shareholders Equity	59,476	51,880	34,228	28,439	21,374	59,405	51,800	34,147	28,384	21,276	16,512	14,816	12,115	11,311	8,921
Average Assets	407,292	364,602	318,622	281,163	223,522	406,421	364,560	318,597	279,312	221,523	161,420	128,700	104,079	90,017	80,361
Average Interest Earning Assets	363,922	328,296	290,869	257,931	203,053	362,981	328,296	290,869	258,315	203,625	145,835	117,133	94,605	79,834	70,549
Average Common Shareholders Equity	55,678	43,054	31,334	24,907	18,955	55,602	42,973	31,265	24,830	18,894	15,664	13,465	11,713	10,116	8,765
Balance Sheet Quality Measures															
Equity to Risk-Weighted Assets[5]	28.97%	24.32%	16.93%	15.59%	13.34%	28.94%	24.28%	16.89%	15.56%	13.28%	15.74%	15.84%	15.50%	15.69%	14.49%
Risk-Weighted Assets (EGP billions)	201	199	186	169	150	201	199	186	169	150	96	84	70	65	55
Tier 1 Capital Ratio[6]	28.09%	23.59%	16.16%	14.93%	12.90%	28.09%	23.59%	16.16%	14.93%	12.90%	15.01%	15.70%	15.23%	14.33%	14.15%
Adjusted Capital Adequacy Ratio[7]	31.41%	26.07%	19.09%	18.03%	13.97%	31.41%	26.07%	19.09%	18.03%	13.97%	16.06%	16.77%	16.32%	15.71%	15.40%

[5] Total Equity after Profit Appropriation
[6] Including CBE Deposit Auctions
[7] After Profit Appropriation.

Leadership

Board of Directors

Mr. Sherif Samy

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

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

Mr. Samy served a four-year term, ending 2017, as Chairman of Egypt's independent non-banking Financial Regulatory Authority (FRA), where he achieved a major legislative and regulatory leap in capital markets, insurance, mortgage, leasing, private pensions, factoring, and microfinance.

He served on the board of the Central Bank of Egypt from 2013 to 2017 and its Monetary Policy Committee, and chaired its Audit Committee. He was also Chairman of the Financial Services Institute, the Egyptian Institute of Directors, and a member of the board of the country's National Payment Council and its Anti-Money Laundering Unit.

In 2014, Mr. Samy became the first Egyptian to be elected to the board of the International Organization of Securities Commissions (IOSCO), and was reelected for a second term in 2016. He was also elected president of the Union of Arab Securities Authorities in 2016/2017. Prior to that, he was the Managing Director of Banque Misr's investment arm, Misr Capital, and a board member of Banque du Caire. Starting 2007, he was appointed for several consecutive terms to the board of the General Authority for Investment and Free Zones (GAFI).

Mr. Samy started his professional career with global consulting firm Accenture, where he worked in its Chicago, Riyadh, and Beirut offices. He graduated from Alexandria University's Faculty of Commerce with high distinction, and attended numerous executive programs at leading business schools in the US and Europe in the areas of strategy, management, and investment.

Mr. Hussein Abaza

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

Mr. Hussein Abaza leads strategy and operations at CIB, Egypt's premiere private sector bank serving over a million customers, including corporate clients from among Egypt's largest 500 institutions. Mr. Abaza has been Chief Executive Officer and a member of the Board of Directors since March 2017. He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, he was the bank's Chief Operating Officer and from 2001 until 2010, its Chief Risk Officer responsible for managing credit, market, and operational risk. Mr. Abaza is also a member of the Bank's award-winning investor relations program, which has helped CIB grow its market capitalization over tenfold since 2008. Previously, he served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001. Mr. Abaza joined CIB after obtaining his BA in Business Administration from the American University in Cairo. He has pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

Dr. Amani Abou-Zeid

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

H.E. Dr. Amani Abou-Zeid is the African Union (AU) Commissioner in charge of infrastructure, energy, ICT, and tourism. For more than 30 years, Dr. Abou-Zeid has served in leadership positions in international organizations and has amassed a remarkable mix of experience from across continents and stakeholders. She has managed the African Development Bank's largest operational portfolio and implemented national and continental multi-sectoral development programs, including implementing the world's largest solar power plant. As AU Commissioner, she launched the Single African Air Transport Market, benefitting 800 million Africans, delivering on the first flagship project for African Integration under AU Agenda 2063. She also launched Africa's digital transformation strategy to enhance Africa's leapfrogging development as well as the second 10-year African Programme for Infrastructure Development as well as many cross-continental initiatives and projects. Dr. Abou-Zeid was selected twice, in 2012 and 2019, as one of The Most Influential Women in Africa and also in Egypt; she was decorated the Wissam Alaouite from Morocco, named Personalité d'avenir from France and received the Outstanding Alumni Award from the University of Manchester, UK — some of numerous international awards and recognitions. Dr. Abou-Zeid is a member of the prestigious Global Leaders Broadband Commission for Sustainable Development, the Global Council on Digital ID, the Global Commission for Urgent Action on Energy Efficiency, as well as the Stewardship Board for System Initiative on Shaping the Future of Energy. Dr. Abou-Zeid sets the example for women in STEM and in leadership and decision-making positions and is long named and recognized as a champion of gender equality and women's empowerment. An Egyptian national, Dr. Abou-Zeid has a multidisciplinary educational background, receiving a BSc in Electrical Engineering from Cairo University, an MBA from Université Senghor, an MPA from Harvard University, and a PhD in Social and Economic Development from the University of Manchester.

Mrs. Magda Habib

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

Mrs. Magda Habib is the co-founder and Chief Executive Officer of Dawi Clinics, a chain of primary care clinics established in Egypt in 2016. Mrs. Habib has vast experience in the technical information technology and electronic payments fields, as well as smart banking solutions. She brings 25 years of expertise in various managerial arenas, including strategic brand management, consumer and retail marketing, corporate communications, and investor relations. She was also a co-founder, board member, and Chief Commercial, Marketing and Strategy Officer at Fawry Banking and Payment Technology Services. As a co-founder and a key member of the executive team, Mrs. Habib helped establish Fawry as the leading electronics payment platform in Egypt with more than 50,000 payment points nationwide. Mrs. Habib's journey with Fawry culminated with a successful exit to a consortium of private equity funds in 2015. Prior to Fawry, Mrs. Habib spent nine years as a member of Raya Holding's executive team, where she played a key role in the merger and development of Raya Group, as well as being responsible for the creation and development of the Raya brand during its evolution into one of Egypt's leading technology players. Mrs. Habib obtained an MBA from INSEAD, France. She holds a BSc with Honors in Computer Science from the American University in Cairo.

Mr. Paresh Sukthankar

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

Mr. Paresh Sukthankar has been a banker for over three decades. He was part of the core team that founded HDFC Bank in 1995 and helped build it into one of India's leading, most respected financial institutions. At HDFC Bank, he contributed to various key areas, including credit, risk management, finance, human resources, investor relations, corporate communications, corporate social responsibility, and information security. He also led the teams managing HDFC Bank's two acquisitions and its equity capital issuances in the domestic and international markets. Mr. Sukthankar was inducted on the bank's board as Executive Director in 2007 and was elevated to the post of Deputy Managing Director in 2014. Mr. Sukthankar resigned from HDFC Bank in 2018. Mr. Sukthankar has been a member of various committees formed by Reserve Bank of India and Indian Banks' Association. Prior to joining HDFC Bank, Mr. Sukthankar worked in Citibank for over nine years from 1985 to 1994, in various departments, including corporate banking, risk management, financial control, and credit administration. Mr. Sukthankar is currently Lead Partner in Sanaksh Advisors LLP, a firm that provides advisory services to private equity, venture capital, and other entities. Mr. Sukthankar received a BCom from Sydenham College and an MBA from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He has also completed the Advanced Management Program (AMP) from Harvard Business School.

Mr. Rajeev Kakar

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

Mr. Rajeev Kakar is a seasoned banker, business founder, entrepreneur, and corporate board member with over three decades of global banking experience and expertise in financial services, especially in emerging local corporate, commercial, MSME and retail banking, across multiple countries globally with focus on high-growth emerging markets in the Asia Pacific/China, Europe, Indian Sub-Continent, MENA/GCC, and Central/Eastern Europe regions. Mr. Kakar has a strong track record of successfully operating large banks, financial institutions, and leading business turnarounds, with a demonstrated ability to conceptualize and execute multi-country business strategies, lead acquisitions and business/digital transformations, launch green-field financial services businesses, and deliver profitability over a sustained period, while contributing to the community and serving on several boards across different countries.

He started his career at Citibank NA, where he worked for two decades, and in his last role was the Regional Head and CEO for Citibank's Turkey, Middle East, and Africa region until 2006. He moved as the Global Co-Founder of Fullerton Financial Holdings, Singapore where he served for 13 years on the Global Management Board as its Executive Vice President and Global Head of Consumer Banking, and the CEO-CEEMEA region of Fullerton Financial from 2006-2017. At the same time, he was also was the founder of Dunia Finance LLC, Fullerton's UAE subsidiary, which he operated as its Founder Managing Director and CEO until 2018. Mr. Kakar also serves on several bank and financial institution boards, namely, Eurobank Ergasias SA (Greece), Gulf International Bank (GIB Bahrain), Gulf International Bank (GIB Saudi Arabia), Commercial International Bank (Egypt), UTI Asset Management Company (India), and Satin Credit Care Networks (India). He is also a member of the Global Advisory Board of the University of Chicago's Booth School of Business since 2009.

Mr. Jay-Michael Baslow

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

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

During the late 1990s, Mr. Baslow was an investment banking client executive at Chase Securities, covering global telecommunications operators and equipment manufacturers from the bank's New York headquarters. He started his career with Chemical Bank in the 1980s, first as a technologist and then as a real estate investment banking analyst.

In addition to his banking experience, Mr. Baslow was a strategy consultant in the media and telecoms industry at Booz Allen & Hamilton. He co-founded Frictionless Commerce Incorporated, a strategic sourcing software startup in Cambridge, MA, where he was Chief Financial Officer and a member of the board; and was the Associate Dean for Resource Development at Harvard Medical School, overseeing the major gifts and planned giving operations.

Mr. Baslow received a BA in Mathematics from the University of Pennsylvania and an MBA in Finance from The Wharton School.

Management Committee

Mr. Hussein Abaza

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

Mr. Hussein Abaza leads strategy and operations at CIB, Egypt's premiere private sector bank serving over a million customers, including corporate clients from among Egypt's largest 500 institutions. Mr. Abaza has been Chief Executive Officer and a member of the Board of Directors since March 2017. He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, he was the bank's Chief Operating Officer and from 2001 until 2010, its Chief Risk Officer responsible for managing credit, market, and operational risk. Mr. Abaza is also a member of the Bank's award-winning investor relations program, which has helped CIB grow its market capitalization over tenfold since 2008. Previously, he served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001. Mr. Abaza joined CIB after obtaining his BA in Business Administration from the American University in Cairo. He has pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

Mr. Mohamed Sultan

Chief Operating Officer

Mr. Mohamed Sultan joined CIB as Head of Consumer Operations in 2008, and within six months, was appointed Head of the Operations Group. In September 2014, Mr. Sultan was appointed Head of Operations and IT before assuming his role as COO.

Under his leadership and management, the Operations Group was significantly developed, resulting in major expansions within the operations function. New divisions were established, serving the expansion of the business or merging several operations divisions, including Corporate Services, Alternative Channels, and Real Estate and Facility Management.

In his continuous efforts to enhance the Bank's internal and external customer experience in alignment with CIB's overall objectives and strategic goals, multiple departments were established, including Treasury Middle Office, Operations Control Management, Retail Operations, Customer Care and Experience, as well as the Sustainable Development Department.

His vision brought about the establishment of the Security and Resilience Management Group, with a clear strategic mandate to develop and firmly establish the Bank's business continuity and cyber security management capabilities. Under his leadership, CIB has obtained ISO22301:2012 Certification in Business Continuity Management, positioning CIB as the pioneer and leader among peer financial institutions in the market.

In 2015 and 2016, Mr. Sultan led a major transformation strategy in the IT Department, adding significant value to existing technology and enhanced infrastructure. The aim was a more solid foundation that provides superior services to customers and allows the business to grow smoothly as the Bank moves forward. Mr. Sultan has also been leading programs under the Bank's Strategic and Digital Transformational Agenda and has played a significant role in expediting the adoption of digital technologies with the aim of maintaining CIB's role as market leader in this domain.

Prior to joining CIB, Mr. Sultan held the positions of Vice President of Branch Operations and Control Management at Mashreq Bank and Country Operations Head at the National Bank of Oman. He has attended several leadership programs in top business schools and is also an alumnus of INSEAD Business School.

Mr. Amr El Ganainy

Chief Executive Officer, Institutional Banking

Mr. Amr El Ganainy joined CIB as General Manager of the Financial Institutions Group. In January 2010, he assumed his role as President of the Global Customer Relations Department, before taking on his current role.

Mr. El Ganainy is Chairman of International Securities & Services Co. (Falcon Group), and a member of the boards of CI Capital Holding Co, Misr for Central Clearing, Depositary and Registry Company, and Egyptian Sport Fund. He is also a member of Egyptair Holding Co's General Assembly, Honorary Chairman of both Interarab Cambist Association (ICA) and the Egyptian Dealers Association (ACI Egypt), and a member of the American Chamber of Commerce in Egypt.

Mr. El Ganainy served as Chairman of CI Asset Management Co, Commercial International Brokerage Co, the Normalization Committee, and Egyptian Football Association. He was on the boards of TE Data, Telecom Egypt, and the Egyptian Holding Co. for Airports and Air Navigation, and executive board member of ACI International (The Financial Market Association). He served as Chairman of Port Marsa Alam for Tourism Investment, and Capital Securities Brokerage Co, in addition to serving on the board of Royal & Sun Alliance Insurance Co.

Prior to joining CIB, Mr. El Ganainy worked at the United Bank of Egypt as General Manager, Treasurer, and Head of Correspondent Banking, and was Chief Dealer of the Export Development Bank. He began his career as a dealer at Suez Canal Bank.

Mr. Ahmed Issa

Chief Executive Officer, Retail Banking

Mr. Ahmed Issa is the Chief Executive Officer of Retail Banking and a Member of the Management Committee at CIB. He is responsible for strategy formulation and execution across CIB's consumer banking and business banking. Mr. Issa is also responsible for managing CIB's 205 branches and is a member of ALCO, and other group management committees. He has a proven track record in delivering results as a corporate and investment banker, as a retail banker, as a CFO, and as a chairman of portfolio companies. He has successfully led big change mandates across CIB business lines and support functions. Mr. Issa started his banking career in 1993 at CIB branches, attended CIB's industry-leading credit course in 1994, and was later promoted through the ranks within CIB's Corporate Banking and Investment Banking Divisions between 1995 and 2001. In 2001, he took a two-year study break to earn an MBA degree at UNC-Chapel Hill.

During his career, he took on notable positions such as Chairman of the Board of Directors at CORPLEASE, Chairman of the Board of Directors at Falcon Group, board member at CI Capital Holding, Managing Director at CI Capital Investment Banking, Group CFO at CIB, Head of FIG at CIB Institutional Banking, Co-Founder and Head of Research at CIBC, Head of Strategic Planning at CIB and Senior Manager at CIB Corporate Banking. He is the Chairman of the Banking Committee at the American Chamber of Commerce in Egypt. He was appointed by His Excellency, the Prime Minister of Egypt in 2017 to sit on the board of Egypt's Trade Development Authority. In April 2018, he became a member of the Board of Directors at EGYPTAIR Holding Company.

Ms. Hanan El Borollossy

Acting Chief Risk Officer

With more than 30 years of banking experience, Ms. Hanan El Borollossy joined CIB's Corporate Banking Department in 1991 and attended CIB's Credit Course in 1992 to begin her career as a credit analyst. Her responsibilities gradually expanded to include strategic and managerial functions required for her assigned portfolios.

In 2017, she was appointed as Deputy Chief Risk Officer overlooking CIB's integrated Enterprise Risk Management (ERM) framework through managing and developing all key financial risk areas, such as credit risk, and assets and liabilities management risk, including market, liquidity, and interest rate risks. This is in addition to non-financial risks including operations, strategic, conduct, vendor management, IT, reputation, and social and environmental risks.

In January 2020, she was appointed as Acting Chief Risk Officer to lead a highly collaborative and proactive risk function that is able to navigate an increasingly complex business and regulatory environment through the integration of overall risk concepts and frameworks into the Bank's strategy, while applying best practice methodologies and applications to mitigate those risks.

Ms. El Borollossy is a key member in the Bank's senior committees, and is Chairperson of the Non-Financial Risks and Compliance Committee, Business Banking Risk Committee, and Consumer Risk Committee.

Throughout her career, Ms. El Borollossy was chosen to represent the Bank by serving on the boards of several companies and affiliates, and was Chairperson of Commercial Life Insurance Company (CIL).

Ms. El Borollossy received her BA in Economics and Political Science from the American University in Cairo in 1983, and has since undergone various postgraduate studies and trainings in corporate, investment, marketing, leadership, risk, and strategic management areas at reputable international financial institutions including INSEAD, DC Gardner, and Euromoney.

Ms. Nevin Wefky

President of Corporate Credit and Investment

Ms. Nevin Wefky joined CIB in 1986 and finished the Credit Course in February 1987, before joining the Corporate Banking Group. Throughout her 33 years of experience, Ms. Wefky completed various post graduate training courses in the US, UK, and Europe, covering different areas as corporate, risk, investment, and strategic leadership. She assumed several roles at CIB over her career, before becoming Chief Corporate Banking Officer in 2010.

In March 2017, Ms. Wefky was appointed Deputy CEO – Institutional Banking, handling both the Corporate Banking Group and the Global Customer Relations Group, before assuming her current role as President of Corporate Credit and Investment in December 2017, handling the Corporate Credit Banking Group, Direct Investment Group, and Debt Capital Market Group.

Under her leadership, the Bank's corporate loan book has more than quadrupled in the last 10 years. Ms. Wefky is currently overseeing a transformation project for the corporate functions across the value chain aiming to migrate the entire corporate lending cycle to an electronic solution, thus streamlining all business, risk, and operation processes paving the way for future CIBians to continue leading the corporate finance market.

Throughout her career, Ms. Wefky was chosen to represent CIB as a board member, Managing Director, and Chairman at several affiliates. She is an active member in several committees within the Bank, such as the High Lending and Investment Committee, Asset and Liability Management Committee, Non-Financial Risks and Compliance Committee, and Pricing Concession Committee.

Ms. Wefky graduated from the American University in Cairo (AUC) in 1985 with a BA in Business Administration.

CIB's stalwart leadership has enabled the Bank to weather the storm during this unprecedented year.

What We Do

Institutional Banking

Corporate Banking and Global Customer Relations Group

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

Debt Capital Markets

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

Direct Investment

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

Financial Institution Group

CIB provides a diverse set of banking and financial services designed to suit the needs of different financial institutions through facilities tailored to address the financing needs of banking and nonbanking financial institutions.

Treasury and Capital Market Services

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

Strategic Relations Group

CIB is dedicated to servicing its prime institutional entities through the Strategic Relations Group. SRG carries out this function with highly qualified relationship managers, who supply our customers with exclusive, personalized services catering to their unique business needs. The market segment covered by SRG contains strategic entities, including, but not limited to, the vast majority of sovereign diplomatic missions.

Enterprise and Governmental Relations Group

Enterprise and Governmental Relations aims to manage the Bank's relationship with strategic governmental and large enterprises by focusing on providing first class service and lifetime value for top-tier local and regional companies under state-owned enterprises, governmental entities or sovereign authorities, which require a more sophisticated level of service in order to increase their business with CIB. In addition to creating new business opportunities for other LOB's out of those customers by offering different corporate, digital, and consumer products and services.

Global Transaction and Digital Banking

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

Retail Banking

Consumer Banking

The Consumer Banking division is the core engine to CIB's dynamic service offering, providing a broad range of retail clients in different customer segments (Prime, Plus, Wealth, or Private), an extensive bundle of products and services tailored to satisfy their needs. These products are diversified from personal to specialized lending solutions, cash management services to credit and debit card offerings, in light with a full-fledged competitive analysis in depth.

Business Banking

The Business Banking segment serves over 54,000 SMEs with revenues ranging from EGP 1 million to over EGP 200 million through a network of over a hundred experienced relationship managers. The division works with clients across the industry, providing market-leading services and innovative, bespoke solutions for small and medium enterprises as it works to cement CIB's position as a bank of choice for business owners.

> Widely recognized as Egypt's preeminent corporate bank, CIB serves enterprises ranging from industry leading corporates to medium-sized businesses.

Representative Offices, Strategic Subsidiaries, and Associates

Dubai Representative Office

CIB launched its UAE operations in 2005, allowing for a direct presence in the GCC region to offer a full range of products to retail and corporate clients. The Dubai Representative Office offers its existing and new customer base consultation regarding the Egyptian market, thanks to CIB's strong business foothold and track record. The office focuses on attracting and channeling inbound investments and cementing relationships with reputable GCC corporations with investment or planned investments in Egypt and Africa, in addition to targeting high-net-worth individuals and business banking clients with an appetite for the Egyptian market. The office creates a bridge between the GCC and Egyptian markets to provide growth opportunities for the Bank, while extending its business portfolio and plays a key role in building and maintaining relationships with large corporate clients and financial institutions in the GCC to boost the corporate and trade finance business in Egypt. These strategic alliances are key to the Bank's expansion strategy, allowing it to leverage unique opportunities to offer clients extensive financial tools while providing valuable market information to GCC clients.

Addis Ababa Representative Office

CIB established its Ethiopia Representative Office in April 2019 in Kirkos Sub City, Addis Ababa. The office has been fully operational since 19 July 2019. Entering one of the most attractive markets in the region, with one of the highest GDP growth rates globally over the last few years and the second largest population in Africa, CIB will be able to further its expansion strategy for tremendous growth opportunities. The office works closely with Egyptian corporations operating in Ethiopia, as well as international and local financial institutions to offer creative solutions for their foreign and local financing needs. The office maintains and builds relationships with Egyptian expatriates in Ethiopia and focuses on developing strong ties with Ethiopian banks to pave the way for establishing on-the-ground market intelligence within the country.

CVentures

CVentures is Egypt's first corporate venture capital firm owned by a bank focused primarily on investing in category-defining companies in financial technology spaces with the potential to create meaningful change in financial services. CVentures primarily participates in Series A and Series B investment rounds, and seed investment rounds in core financial applications including, but not limited to, capital markets and payments, money transfers and remittances, digital lending and financial data platforms, artificial intelligence, data analytics and machine learning, security and enterprise IT, insuretech, blockchain, marketing and customer experience, alternative finance, regtech, and digital banking solutions.

Mayfair CIB Bank Limited (MCIB)

CIB acquired 51% of Mayfair Bank Kenya, now known as Mayfair CIB Bank Limited (MCIB) in April 2020 with a share subscription of USD 35.5 million. It marked the first cross-border acquisition by CIB into Sub-Saharan Africa, allowing the Bank to penetrate what it feels is a hub for the East Africa region, giving it access to ample opportunities in light of the country's economic fundamentals, its geographic location, and its COMESA membership.

The acquisition falls in line with CIB's strategy to restore Egypt's relations with its African neighbors and the continental efforts to increase intra-African trade, which led to the ratification of the African Continental Free Trade Area (AfCFTA). The AfCFTA will build a bloc that creates a GDP of USD 2.6 trillion and a market of 1.3 billion consumers, 75% of whom are aged 35 and under. CIB's strategy for this subsidiary will focus on trade finance activities, with special attention on growing the Egypt-Kenya trade corridor, building a bridge for Egyptian large corporates and SMEs to do business and even set up shop in the hub of Eastern Africa, and serve multinational and local SMEs in Kenya.

Through MCIB, CIB is keen on the transfer of know-how to both countries. Already, CIB is investing in building a pool of young talents from all over the continent for the MCIB's head office in Cairo and subsidiary in Nairobi. CIB is paying special attention on training, learning, and development while at the same time gaining knowledge of Kenya's pioneering efforts in the fintech space.

Falcon Group

Falcon Group provides a plethora of services including, but not limited to, security services, money transfer, technical systems, and security products, public services and project management, and tourism and concierge services to a variety of industries such as the industrial, commercial, tourism, and public sectors. The Group provides state-of-the-art, holistic solutions tailored to every client's specific requirements. Falcon Group's key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, and with great flexibility at a reasonable cost.

Fawry Plus

Fawry Plus is Egypt's first agent banking company, providing a wide array of banking and financial services to end consumers and businesses through a network of retail branches across Egypt, focusing on serving urban and underserved regions. Fawry Plus branches provide banking services, including limited KYC services and document collection required for mobile wallet registration, prepaid and credit card issuance, loan issuance, and account opening. Other services include collecting bank correspondence and mail, cash withdrawal and deposits, repaying loan and credit card dues, as well as various bill payments such as utility, telecom, subscription fees, taxes, and fines.

CIB's Stock

CIB continues to hold the highest weight on the EGX30, accounting for 43.71% of the index.

Since the Bank began offering its shares to the public in 1995, it has become the biggest constituent on the Egyptian Exchange (EGX). Investors and analysts view CIB's stock as a proxy for the Egyptian market, with the Bank acting as a mirror for the local banking sector. The economy's growth prospects are generally depicted in the credit outlook, while retail banking is seen as portraying the longer-term story of financial inclusion.

In 1996, CIB became the first Egyptian bank to offer its shares on international markets with a GDR program on the London Stock Exchange (LSE). In 2001, CIB marked another first by being the first Egyptian bank to register its shares on the NYSE in the form of ADR Level 1 program. In 2012, the Bank began trading on OTCQX International Premier, a segment of the OTCQX marketplace reserved for international-leading, non-US companies listed on a qualified international exchange and providing their home country disclosure to US investors.

Breakdown of Shareholders by Region

(As of December 2020)

North America	47.53%
Africa	24.14%
GCC	9.49%
Continental Europe	8.30%
UK and Ireland	5.88%
Rest of the World	4.66%

By the end of 2020, CIB's total issued shares were 1,477,681,340, the Bank's GDR outstanding position reached 330,664,256 shares, representing 22.38% of issued shares, and its ADR outstanding position recorded 15,095,347 shares, representing 1% of issued shares.

CIB continues to hold the highest weight on the EGX30, accounting for 43.71% of the index, and the highest free float at 93.45%. CIB's stock is one of Egypt's most liquid stocks as it is considered the most valuable financial institution, with a market capitalization of EGP 87,464 million as of December 2020.

Breakdown of Shareholders by Type

(As of December 2020)

Institutions	92.48%
Individuals	7.52%

Investor Relations

The Bank's Investor Relations (IR) division maintains a proactive investor relations program to keep shareholders and investors abreast of developments impacting the Bank's performance. The team and senior management alike dedicate significant time to one-on-one meetings, road shows, investor conferences, and conference calls, sparing no effort in providing the investment community with transparent disclosures while simultaneously ensuring analysts have the information they need to maintain a balanced coverage of the Bank's shares.

During 2020, the team and senior management conducted more than 200 one-on-one and group virtual meetings through online communications platforms and met with over 500 local and international investment funds and research analysts, alongside several in-house meetings that took place before the pandemic hit Egypt. In addition to two in-person conferences attended during the first two months of 2020, the IR team participated in 10 online conferences. Moreover, the team conducted a group call attended by more than 700 participants in October and conducted a webinar in June.

During the year, disclosures, including regular updates and releases, continued to be periodically made available on CIB's IR website as well as the EGX, LSE, and OTCQX portals in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions.

Thanks to the team's continuous efforts to further enhance the program, CIB was awarded the Leading Corporate for Investor Relations in Egypt in MENA's largest investor relations event organized by the Middle East Investor Relations Association (MEIRA) in partnership with Extel. This is the seventh year in a row in which CIB receives at least one award from MEIRA.

Equity Analysts' Coverage

CIB is widely covered by leading research houses both locally and internationally. In 2020, 14 institutions regularly issued research reports on CIB.

COMI started the year with an open price of EGP 83.02 and ended it at EGP 59.19 with 29% y-o-y negative change as a result of the challenges materializing this year. During 2020, CIB's price reached a peak of EGP 86.01 and a valley of EGP 56.06, and the average VWAP during the year was EGP 68.06, with an average volume of more than EGP 2.1 million and an average market capitalization of EGP 100 billion.

Our History and Timeline

Commercial International Bank (CIB) was founded in 1975 as Chase National Bank, a joint venture between Chase Manhattan Bank and the National Bank of Egypt (NBE), with ownership of 49% and 51%, respectively. In 1987, Chase divested its ownership stake as part of a shift in its international strategy. NBE acquired that stake, renaming the former joint venture Commercial International Bank (CIB). Over time, NBE's ownership stake in CIB declined, falling to 19% in 2006. That year, a consortium led by Ripplewood Holdings acquired NBE's remaining stake. In July 2009, Actis, a Pan-African private equity firm specializing in emerging markets, acquired 50% of the Ripplewood Consortium's stake. In December 2009, Actis became the single largest shareholder in CIB with a 9.09% stake after Ripplewood sold its remaining share of 4.7% on the open market. The emergence of Actis as the predominant shareholder marked a successful transition in the Bank's strategic partnership. In March 2014, Actis undertook a partial realization of its investment in CIB by selling 2.6% of its stake on the open market, maintaining its seat on the board. In May 2014, the private equity firm sold its remaining 6.5% stake to several wholly-owned subsidiaries of Fairfax Financial Holdings, making the latter the sole strategic shareholder in CIB. Fairfax is represented on CIB's Board of Directors by a non-executive member.

1975

- Established as Chase National Bank; the first joint venture bank in Egypt
- Becomes the first Egyptian bank to introduce an Institutional Banking Risk Rating Model

1977

- Becomes first private sector bank to create a dedicated division providing 24/7 banking services to shipping clients, with a primary focus on business in the Suez Canal

1987

- Chase Manhattan divests its stake in the Bank, and Bank changes its name to Commercial International Bank (CIB)

1989

- Selected by BSP to become its agent in Egypt

1991

- First Egyptian commercial bank to arrange debt swap transactions
- First bank to launch a smart card center in Egypt

1993

- Concludes Egypt's largest initial public offering (IPO) for a domestic bank, which was 1.5x oversubscribed, selling 1.5 million shares in a span of 10 days and generating EGP 390 million in proceeds

1994

- First bank in Egypt to connect with the international SWIFT network

1996

- First Egyptian bank to have a Global Depository Receipt (GDR) program on the London Stock Exchange

1997

- First Egyptian bank to link to SWIFT via CITA
- Concludes first and largest EUR-syndicated loan
- Becomes first private sector bank with investment rating (after Luxor incident), rated BBB by Fitch IBCA

1998

- First private sector bank with investment rating (after Luxor incident), rated BBB by S&P
- First bank to link its database to Misr for Central Clearing, Depository and Registry (MCDR) Company
- First Egyptian bank to form a Board of Directors Audit Committee

2001

- First Egyptian bank to register its shares on the New York Stock Exchange in the form of American Depository Receipts (ADR) Level 1 program
- First bank to introduce FX cash services for five currencies through ATM

2005

- First bank in Egypt to launch a page on Bloomberg for local debt securities

2006

- First to adopt a pricing policy according to client risk rating to abide by Basel II requirements
- First Egyptian bank to execute a EGP 200 million repo transaction in the local market
- First and largest Egyptian bank to provide securitization trustee services

2007

- Only Bank in Egypt chosen by UNIFEM and World Bank to participate in the Gender Equity Model (GEM)

2008

- First bank to use Value at Risk (VaR) for trading and banking book for internal risk management requirements, despite there being no regulatory requirements

2009

- First regional bank to introduce unique concierge and Mastercard emergency services
- Only Egyptian bank recognized as 'Best Bank in Egypt' by four publications — Euromoney, Global Finance, EMEA Finance, and the Banker — in the same year

2010

- First Egyptian bank to establish a global transaction service department
- The only bank in Egypt able to retain one of the top two positions in the primary and secondary markets for Treasury Bills and Treasury Bonds
- First and only Egyptian bank to enforce business continuity standards
- CIB Foundation becomes the first in Egypt to have its annual budget institutionalized as part of its founding institution's bylaws, as CIB shareholders unanimously agree to dedicate 1% of annual net profit to the Foundation

2011

- CIB-TCM becomes pioneer in trading in almost 114 new and unconventional currencies

2012

- First Egyptian bank to officially establish a Sustainable Development Department

2013

- First Egyptian bank to upgrade its ADRs to trade on the OTCQX platform
- First Egyptian bank to sign an agreement with Bolero International, joining the Bolero multi-bank service for guarantees
- First Egyptian bank to establish an ERM framework and roadmap
- Becomes first Egyptian bank to use RAROC
- First Egyptian bank to introduce an interactive multimedia platform that offers customers the option of interacting with call center agents over video calls

2014

- First Egyptian bank to sign an agreement with Misr for Central Clearing, Depository and Registry (MCDR) company to issue debit cards for investors to collect cash dividends
- Launches first co-branded credit card, Mileseverywhere, with national carrier EgyptAir
- Introduces the first interactive social media platform in the Egyptian banking industry
- The first block trading transaction on the EGX takes place when Actis sells its 6.5% stake in CIB to Fairfax

2015

- First Egyptian bank to successfully pass external quality assurance on its Internal Audit Department
- Generates highest FX income in 10 years among private-sector banks in Egypt
- First Egyptian bank to recognize conduct risk and establish a framework

2016

- Launches mobile banking application
- Becomes the first Egyptian bank recognized as an active member of the United Nations Environmental Program — Financial Initiative
- Receives Socially Responsible Bank of the Year 2016 award from African Banker

2017

- Becomes the only Egyptian bank ranked on the FTSE4Good Sustainability Index

2018

- First Middle Eastern company to be analyzed in a case study conducted by the Leadership Institute of the London Business School
- Establishes CVentures, Egypt's first corporate venture capital firm primarily focused on investing in transformational fintech startups
- Receives ISO22301:2012 certification for Business Continuity Management by PECB, a global provider of training, examination, audit, and certification standards, in partnership with EGYBYTE, a leader in the MENA market for IT service management
- Ranks first on the EGX's sustainability index (S&P/EGX ESG) for the fifth year in a row since 2014

2019

- Included on the 2019 Bloomberg Gender-Equality Index (GEI), becoming the first Arab and African company to be named to the index out of the 230 companies. Bloomberg GEI is the world's only comprehensive investment-quality data source on gender equality
- Became the only representative from Egypt's private sector to join the Digital Economy Task Force (DETF)
- Launched CIB's Chatbot named Zaki, which uses artificial intelligence, becoming the first bank in Egypt to introduce a chatbot that supports both English and colloquial Arabic
- Became a founding signatory to the United Nations Environment Program Financial Initiative (UNEP-FI) Principles for Responsible Banking
- Recognized by Forbes among the top 500 employers globally coming in 90th place; within the top 100 companies in the world

2020

- Acquired 51% of a Kenyan bank, now known as Mayfair CIB Bank Limited in Kenya through a capital increase for a total transaction value of USD 35.35 million
- Included in the 2020 Bloomberg Gender Equality Index (GEI), becoming the only company in Egypt and one of just a handful from Africa to be included in the index, which features 325 companies representing 42 countries across 50 industries with a demonstrable commitment to the global advancement of women in the workplace
- Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World, ranking highest of the four Egyptian compnies on the list

The only company in Egypt to be included in the 2020 Bloomberg Gender Equality Index (GEI).

Awards

1993 – 1998

Six-time Recipient of Best Bank in Egypt award by Euromoney

2005

First Egyptian bank to win the JP Morgan Quality Recognition Award

2006 – 2012

Seven-time Recipient of JP Morgan Quality Recognition Award

2013

First Egyptian bank to win the JP Morgan Quality Recognition Award

2016

- Socially Responsible Bank of the Year by African Banker
- Best Bank in Egypt Supporting Women-Owned and Women-Run Businesses by the American Chamber of Commerce in Egypt
- Achievement in Liquidity Risk and Operational Risk for the Middle East and Africa by Asian Banker
- Best Retail Risk Management Initiative by Asian Banker
- Most Active Issuing Bank in Egypt in 2015 by the European Bank for Reconstruction and Development
- Middle East Most Effective Recovery by BCI

2017

- World's Best Bank in the Emerging Markets by Euromoney, the first bank in the Middle East and Africa to win this award
- First Egyptian bank be named Best Bank in the Middle East by Euromoney

2018

World's Best Emerging Markets Bank by Global Finance, the second consecutive year in which CIB has been awarded this title by an international institution; CIB is the first bank in Egypt and the Middle East to win this prestigious award

2019

The Middle East's Best Bank for Corporate Responsibility - By Euromoney

2020

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

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

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

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

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

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

NOTABLE RANKINGS

- Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World
- Ranked highest of the four Egyptian companies on the Top 200 Banks list by Jeune Afrique
- Ranked highest in Top Banks by African Business and Top 10 Safest Banks in Africa by Global Finance
- Only Egyptian institution to be included among the 325 companies in Bloomberg's Gender Equality Index (GEI)

02

Strategic Direction

3 strategy pillars

- Core business growth
- Digitalization
- Geographic expansion

CIB's forward-looking

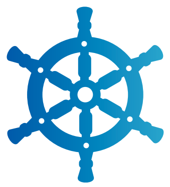
STRATEGY

is propped up by its people, effective data analytics tools, and a stalwart management team.

Strategic Direction

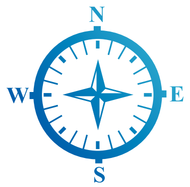
Strategy

Over the past few years, CIB's strategy has focused on uniquely positioning the Bank to become a more client-centric organization. Our motive is to move towards creating more digital experiences for our customers. As we acknowledge the pivotal role that artificial intelligence, blockchain, cloud, and data (ABCD) play, we have been heavily investing in data analytics, upscaling our infrastructure, digitizing and automating the way we do business, while simultaneously developing our employees' skillset to match the latest emerging trends.



Mission

To transform traditional financial services into simple and accessible solutions by investing in people, data, and digitization to serve tomorrow's needs today



Vision

To be at the forefront of change, building for the future, and turning aspirations into reality

Based on our mission and vision statements, CIB's strategy will focus on three main growth avenues as we move forward:

Core Business

Growing our Commercial Business Activities

When it comes to our core operations, CIB's strategy will be focused on customizing solutions to build a bespoke bank and a financial-value-creating companion for our targeted customer base.

CIB will integrate ABCD to drive the business to new levels by exploiting data, digital, new core banking modules, advanced campaign management capabilities and process re-engineering, accompanied by a new distribution strategy to expand outreach.

Using advanced campaign management techniques, CIB will focus on data-driven sales. The Bank will also continue to advance data mining capabilities to enhance its behavioral segmentation in order to target customers' effectively with relevant products.

The institutional banking unit will transform to focus on workflow optimization, digitalization, and automation. Moreover, the corporate lending function will further expand to cover new governorates.

The business banking unit will be revamped as more investment will be directed towards advanced IT solutions, digitalization of customer experiences in cash and trade management products, automation of sales management, and acquiring and payment solutions. The unit will position itself as the clients' SMEs banking partner by working on building a distinctive value proposition with the aid of data analytics for both the borrowing and non-borrowing customers.

These business aspirations will be supported by the transformation of the Global Transactional Banking via the development of products through digital channels for cash management, trade, supply chain, and global custody services. The transformation will benefit the Bank in strengthening the clients' relationship and loyalty, grow the Bank's low-cost deposit base, and significantly improve the customer experience.

Responsible Banking

The Bank continues to advocate for responsible banking through the support of financial inclusion and literacy, women and youth empowerment and equality, in addition to the adoption of best practices in sustainability, CSR, and governance.

We will also continue to work toward becoming Egypt's number one green bank and venture into initiatives such as improving employee wellbeing, community investments, promoting accessible banking, and banking the unbanked.

Organizational Development

Adoption of best practices for corporate governance is key for CIB. The full roll-out of the Enterprise Risk Management (ERM) system, which provides the organization with the necessary controls and risk-informed decision-making process, further solidifies our standing in the eyes of its stakeholders.

The continuous development of our human capital is critical to the strides we have taken to maintain and improve the quality of services offered to our customers, and, consequently, in the value created for stakeholders. Human Resources will continue to play a strategically enabling role to evolve staff capabilities, establish a culture of innovation, engagement, and enablement, while building the right skills such as adaptive thinking, cross–cultural competency, computational thinking, and virtual collaboration.

Digital Disruption

We will continue to develop our digital capabilities to encourage financial inclusion and lower the cost of service and turnaround time (TAT) to ensure operational efficiency and resource allocation. We will harness the power of technology, partnerships, and data to better identify and serve the untapped market in a sustainable manner. Our goal is to offer value-added tailored products and services through the appropriate distribution channels, while at the same time ensuring access to marginalized segments of society.

Digitalizing the banking experience and working towards direct processing not only benefits the Bank through productivity gains and cost optimization, but improves the customer experience. The Bank will continue building a resilient cyber security environment while moving towards an agile infrastructure and organization.

Geographical Expansion

To diversify our operations, balance sheet structure, and sources of income, CIB embarked on a journey to look for expansion opportunities across the border. In light of its geographical location, historic and cultural ties, its macroeconomic and demographic potential, Sub-Saharan was tapped as a key opportunity. Importantly, regional integration efforts such as the African Continental Free Trade Agreement (ACFTA) and the Egyptian government's direction to restore bilateral ties provide imperative political support.

In particular, East Africa has been identified as the most attractive region for CIB to do business. The region is home to some of the fastest growing economies in the world, while it will also provide a platform for CIB to learn and adopt the strides taken toward digital transformation and financial inclusion.

CIB will continue to work on growing and solidifying its continental footprint, especially after the establishment of its representative office in Ethiopia and the acquisition of a majority stake in a local Kenyan bank.

In short, we aim to position CIB as a trade finance hub for Egypt and East Africa, focusing on both corporate and SMEs. Capturing pent-up capital expenditure and investment flow is the route CIB has set its eyes on to continue its solid and consistent financial performance and creating value for our stakeholders.

When it comes to our core operations, CIB's strategy will be focused on customizing solutions to build a bespoke bank and a financial-value-creating companion for our targeted customer base.

Value Creation Model

Value creation is and has always been one of the main pillars of the Bank's strategy and focus. CIB works diligently to create value for its shareholders, customers, employees, and society. To do this, the Bank efficiently utilizes its key resources to best serve its strategic priorities, taking into account all the macroeconomic driving forces that prevail. This results in creating both financial and non-financial value for CIB's stakeholders.

Our Values

- Integrity
- Client Focus
- Innovation
- Hard Work
- Teamwork
- Respect for the Individual
- Decorum
- Responsible Leadership
- Empowerment

Our Pillars

- Segmentation – developing innovative products tailored to the customer's needs, while relying on behavioral analysis.
- Customer Experience – leveraging on behavioral analytics and technology to improve the customer experience.
- Operational Efficiency – ensuring a streamlined approach to provide exceptional customer experience through process re-engineering and straight-through processing.
- Digitalization of the Customer Journey – developing our digital capabilities and transactional banking.

KEY STAKEHOLDERS

Clients | Employees | Shareholders and Investors | Society

Resources (Input)	Value Created (Outcome)	
Financial Capital Strong financial capital is always reinvested in the Bank's activities	• EGP 10.2 billion in consolidated net income • EGP 25.8 billion standalone revenues • EGP 60 billion net worth • EGP 428 billion total assets • EGP 341 billion total deposits • EGP 87,464 million market capitalization • 19.2% ROAE • 4.26% NPLs • 20.7% cost/income	Financial Performance • Ranked #1 bank among all Egyptian private-sector banks in terms of revenues, net worth, total assets, and deposits • The largest market capitalization in the Egyptian banking sector. One of the highest ROEs, compared to a market average of 21.5% • One of the lowest efficiency ratios among Egyptian private-sector banks
Human Capital CIB's in-depth expertise in different industries is mainly rooted in our skilled, specialized, and dedicated staff	• 7,071 total workforce as of year-end • 6,525 trained employees • 30% of staff are women, well above Egypt's 23% average	Human Capital • Highly skilled staff capable of sustaining CIB's path of success and maintaining the Bank's leading position within the market

Resources (Input)	Value Created (Outcome)	
Responsible Banking Integrating environmental, social, and governance aspects into the Bank's policies, operations, and culture to achieve sustainable development and act as an advocate of responsible banking	• First Bank in Egypt to support the Task Force for Climate Related Financial Disclosures (TCFD) • First Egyptian bank to conduct a Debit and Credit Life Cycle Assessment • First Egyptian bank to conduct an Environmental and Social Impact Assessment on borrowing SME clients	**Responsible Banking** • Constituent of the FTSE4Good Index for the 5th consecutive year • For the 3rd consecutive year, CIB is listed on the 2021 Bloomberg Gender Equality Index (GEI), after being the first Arab and African company listed on the 2019 Bloomberg GEI — the world's only comprehensive investment quality data source on gender equality • Co-Chair of the Closing Gender Gap Accelerator supported by the World Economic Forum (WEF) • Included in the new Low Carbon Select Index in the Middle East and North Africa (MENA), recently launched by the Arab Federation of Exchanges (AFE) and data provider Refinitiv • Founding Signatory to the UNEP-FI Principles for Responsible Banking
Innovation and Technology Innovation is chiseled in the Bank's DNA, and CIB is at the forefront of the market in offering simple, fast, and contextual experiences to its customers, with a special focus on digitalization	• Largest ATM network among private banks at 1,121 ATMs, high cash deposit and withdrawal transactions migration rates from branches (96.4% and 98.5%, respectively) • 118% y-o-y increase in mobile banking transactions volume to EGP 53 billion; 35% y-o-y increase in number of online banking customers • CIB is the first bank in the market to avail digital registrations for Smart Wallet, maintaining a market competitive activity rate of 20%, with a 107% y-o-y increase in transaction value to EGP 2.8 billion over 7.5 million transactions: 34% y-o-y increase in number of customers • CIB is ranked 1st in the Egyptian banking sector in domestic payments over ACH • 93% y-o-y increase in corporate internet banking transaction volumes; 45% y-o-y increase in number of cash management products; transactions values amounted to EGP 327.5 billion • CIB is ranked 1st in Egyptian market in the e-governmental payment space; corporate payment services (CPS) saw a 70% y-o-y increase in transaction volumes to EGP 15.2 billion; 102% y-o-y increase in number of customers • CIB is ranked 1st in Egyptian market for number of securitization SPVs launched in 2020 at eight SPVs amounting to EGP 33 billion	**Innovation and Technology** • Expanding in digital banking platforms through availing more services to enhance customer experience, sales efficiency, and manage costs. Digital banking achieved a historical record of cost synergy reached EGP 3.2 billion with a 44% y-o-y increase • Continuously upgrading our infrastructure and cyber security capabilities to provide a seamless customer experience in a safe environment

Resources (Input)	Value Created (Outcome)	
Service Excellence and Brand Recognition CIB has long-standing relationships with clients that are built on trust, customer centricity, and rights concepts. The Bank's core values enable it to preserve and strengthen its brand positioning in the financial services market in Egypt as the largest private bank, the best bank when it comes to corporate and retail services and a leader in digital transformation	**NPS in 2020 (vs. 20.3 NPS ME Benchmark)** • Overall - 28 • Wealth - 28 • Plus - 29 • Prime - 27 • Corporate - 38 (vs. 37.9 NPS ME Benchmark) • Business Banking - 23 (vs. 37.9 NPS ME Benchmark) **CSAT in 2020 (vs. 8 ME Benchmark)** • Smart Wallet - 8.7 • Mobile Banking - 8.6 • Internet Banking - 8.6 • ATMs - 8.3	**Service Excellence and Brand Recognition** • Since 2014, CIB has been monitoring its service performance through a service index, ensuring sustained, high customer satisfaction levels as part of its overarching strategy • CIB has been named the World's Best Bank in Emerging Markets by Global Finance for the third time in four years, having received the same title from Euromoney in 2017 and Global Finance in 2018 • Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World

CIB works diligently to create value for its shareholders, customers, employees, and society.

A Note From Our Non-Executive Chairman

> As a Board of Directors, we are committed to ensuring world-class governance remains a hallmark of this institution.

Dear shareholders,

Staying the course is what CIB strived to do in 2020. The year saw thousands of CIBians, lead by the management team and with oversight from the Board of Directors, extend all efforts to keep our clients (and each other) safe and to mitigate as much as feasible the impact of COVID-19 on our business. The challenge was not just to minimize disruption to the business and services to our clients, but to also keep momentum going on various development initiatives.

In the early days of the pandemic, our focus was squarely on providing a safe banking experience for our clients — and a healthy work environment for our team. As COVID-19 became the 'new normal', we were keen to support clients in managing their own responses to the impact on their businesses. CIB has also fully complied with the Central Bank of Egypt's timely initiatives to support retail, SMEs, and corporate borrowers alike. The Bank's investment in technology infrastructure and innovative digital channels were also leveraged to expand its offerings to clients and migrate a larger share of transactions from branches, addressing both social distancing measures and contributing to our vision for a digital, modern banking future.

Thanks to the dedication of thousands of CIB men and women, the Bank is now emerging from the storm in a position of strength with more ambitious objectives for the year to come.

As a Board of Directors, we are committed to ensuring world-class governance remains a hallmark of this institution. We start 2021 with a non-executive chairperson and are pressing on with initiatives from last year that will further strengthen our governance, controls, and risk management systems.

We will continue fostering a strategy that prioritizes consistent growth through prudent management, which will allow us to build on the lessons learned in previous years and drive value for shareholders. Sustainability is also an integral part of CIB's strategic directives, believing that both businesses and the financial institutions that allow them access to capital must place sustainability at the heart of everything they do. Similarly, we must ensure that growth is equitable and that we work to champion the nation's push toward financial inclusion.

On behalf of the Board of Directors, I hope 2021 will be a recovery year and that we will be able to report to our shareholders, as well as the rest of our stakeholders, positive developments on performance, innovation, and responsible banking.

Sherif Samy
Non-Executive Chairman

A Note
From Our CEO

We are approaching 2021 from a position of strength: we achieved solid revenue growth in 2020, took appropriate provisions and still delivered good profitability despite an unprecedented year.

We have much for which to be grateful as we look forward to the promise of a new year, and the health and wellbeing of the thousands of people who work here — and of the hundreds of thousands of clients we serve — is at the very top of that list.

I will not dwell at length in this note on our response to COVID-19 — we have (and will continue) to report on this in successive communications materials to all stakeholders. But I do want to single those to whom we all owe thanks.

COVID-19 is insidious. Dangerous to many, fatal to some, and an omnipresent threat to us all. The courage, kindness, and hard work of each and every one of the men and women who work for us every day — particularly front-liners — saw us through the worst of it. During the first wave, we spoke of our team being everyday heroes for continuing to come to work at a time when we had no real experience — and comparatively little scientific knowledge — of the virus. And they have demonstrated great stamina and strength of character every day since.

There are really only two things you can do to prepare for a crisis: you must plan and then be flexible when the crisis arrives. The Central Bank of Egypt's response to COVID-19 is the stuff of which business school case studies are made. Far beyond measures to ensure physical safety of clients and bankers in the system, the central bank acted quickly to bolster consumer, business, and investor confidence in our financial system. It moved ahead with payment holidays for corporate and individual borrowers. It showed vision with measures designed to both minimize face-to-face contact and drive adoption of electronic payments for the long term. And it showed boldness with a multifaceted stimulus program.

As we approach our second year of this pandemic, we can see light at the end of the tunnel. In particular, the prospect of a vaccine. Egyptian medical professionals are already being vaccinated, a development that will prove to be a huge psychological leap for consumers, manufacturers, and retailers alike. And we look forward to the rollout of the vaccine to the wider public over the course of the months to come.

In the meantime, I have been regularly reminded by our clients in the business community that we have all managed businesses through more challenging times. Today, consumption is picking up. Businesses of all forms are open. Our monetary policy is appropriate to the times and our base of foreign reserves is strong, helping ensure stability of the Egyptian pound. The central bank has ensured we remain one of the best carry trades in the world, compensating for the downturn in tourism. There's every sign that smart policy will ensure that our tourism industry will be able to quickly respond when the world opens again to holidaymakers.

The question, then, is not "will there be spending on capital expenditure this year?" It is "when will we see the first signs of a pickup?" Any downward movement in interest rates will only work to support that pickup.

In short, we believe 2021 is a year in which we are planting the seeds of a solid, gradual recovery — one reinforced by our young, fast-growing population; by a rising interest in entrepreneurism; by a state-led financial inclusion drive that will bring more and more businesses into the formal financial system; and by the continued, rapid digitalization of bank and other financial services.

CIB has made substantial investments in digital infrastructure and services for going on a decade, and we started 2021 pushing faster than ever, from our e-wallet and adoption of QR code technology, to the forthcoming rollout of a new web presence with powerful new tools that help us better serve our clients of all sizes.

Among those clients will be small and medium-sized businesses. SMEs are growing in number thanks both to the rising popularity of business ownership and to incentives from policymakers and the private sector alike, whether it is new products or incentives to join the formal economy. SMEs are the mainstay of any economy, and CIB looks forward to providing a new crop of businesses with tailor-made products and services as they grow into the next generation of large corporations.

As we do so, the Bank will continue to emphasize sustainability at every turn, guided by our goal of creating shared value for every single one of our stakeholders. Our ability help drive change will be underscored later in 2021 when we become the first bank in Egypt to issue a green bond, raising capital to on-lend to pro-environment projects across the economy. And alongside others in our industry, we look forward to participating in the natural gas conversion project, which will help take vehicles more than 20 years old off the road and replace them with new cars, microbuses, and buses that are powered by dual-fuel engines that can run on petrol and cleaner-burning natural gas.

Further afield, we are now beginning our first full year in which we have owned Mayfair CIB in Kenya, marking our cautious entry to this exciting new market. Our hope is that a growing global recovery will put the winds in our sails as Egypt's trade with the rest of Africa blossoms.

In sum, we are approaching 2021 from a position of strength: we achieved solid revenue growth in 2020, took appropriate provisions and still delivered good profitability despite an unprecedented year. We have 18% unsecured portfolio coverage, which will ensure that as we see a broad-based market recovery, we will be able to capture the benefits of this upswing without having to take substantial new provisions. Our expectation is that our core corporate franchise will mark the start of its rebound — and following this, increased appetite from SMEs and continued strength in our consumer credit business.

As I wrote last year: the true measure of a banker is their ability to generate returns for shareholders over the long term by putting capital to work. If we do it right, we play meaningful roles in helping individuals live better lives and corporate clients build businesses that create meaningful jobs. I have every confidence we are up to this task in the year ahead — and far beyond.

Hussein Abaza
Chief Executive Officer

Board of Directors' Report

A Challenging Macroeconomic Environment

2020 was a year of tremendous change, not only on the local front, but on the global arena as well. With a worldwide pandemic that hit most countries, infected tens of millions of people, and claimed the lives of millions by the end of the year, COVID-19 sparked a global economic slowdown that negatively impacted sectors and businesses around the world.

Unlike many, Egypt did go into complete lockdown during the height of the pandemic, but imposed in the second half of March curfews that were gradually eased then eventually lifted toward the end of June. With a lower number of infections and fatalities than numerous other countries, the first wave of the pandemic did not hit Egypt as hard as many would have expected, given the country's population and population density. This enabled the Cabinet to open up economic activity faster, which — coupled with the economic reforms the country had finalized before the pandemic — allowed Egypt to be the only country in the MENA region to register positive GDP growth of 2.5% in the fiscal year ending June 2020. Egypt's unemployment rate returned to pre-pandemic levels in 3Q2020, falling to 7.3% compared to 7.8% in the same quarter of last year, after hitting a near two-year high of 9.6% in 2Q2020. The country's plan to 'coexist' with the virus was successful from an economic standpoint.

The government announced a EGP 100 billion stimulus package to mitigate the economic impact of COVID-19, of which half was allocated to the tourism sector. The package also included EGP 20 billion allocated by the Central Bank of Egypt (CBE) to invest in listed securities on the Egyptian Exchange (EGX) to support asset prices and stem market volatility caused by the pandemic-induced sell-off. State pensions increased by 14% and cash-transfer social programs through Takaful and Karama were extended to reach more families, while a support initiative targeting irregular workers in sectors that were most severely hit was launched. A EGP 10 billion consumer spending initiative was launched to offer citizens two-year, low-interest loans to pay for consumer goods discounted by 10-25% and provide ration-card subsidies. Energy costs were lowered for the entire industrial sector, and real estate tax relief was provided for the industrial and tourism sectors.

Under its support programs, the CBE reduced the preferential interest rate from 10% to 8% on loans to the tourism, industry, agriculture. and construction sectors and provided participating banks with the interest differential.

The CBE also launched a six-month debt moratorium for individuals and businesses in March, allowing the delay of principal and interest payments until 16 September 2020. It also lifted all fees and commissions on local currency digital payments, transfers, and out-of-network ATMs to reduce physical interactions, with an eye toward further supporting financial inclusion and the shift to a cashless economy. This was extended from September to December, and again to June 2021.Moreover, the CBE raised the ATM withdrawal ceiling, and adjusted the limit on mobile wallets and prepaid cards.

The CBE's Monetary Policy Committee (MPC) slashed interest rates by an unprecedented 300 basis points (bps) in an emergency meeting in March and kept interest rates unchanged until September, when it cut them 50 bps, followed by another 50 bps cut in its meeting in November. This brought the CBE's overnight deposit rate to 8.25%, the lending rate to 9.25%, and the main operation and discount rates to 8.75%. These decisions were supported by declining inflation, with annual headline urban inflation slowing to 5.7% in November. Even with the 400 bps rate cut in 2020, Egypt's carry trade remained attractive to foreign investors, being the second highest in the world, surpassed only by Malaysia, according to a list of more than 50 major economies tracked by Bloomberg.

However, the pandemic did not leave the economy unscathed, with Egypt seeing a total of USD 17 billion in foreign portfolio investment outflows from March to May. The government was able to balance the gap created from various sources, including drawing down on USD 5.4 billion from international reserves in March (which hit a two-year low of USD 40.1 billion before dropping to USD 36 billion in May and rebounding upwards for the following four consecutive months to end December at USD 40 billion, reaching its highest level since April, with a monthly increase of almost USD 800 million, reflecting the largest monthly increase throughout 2020. It also used c. USD 6 billion in deposits kept outside of the reserves and received a USD 2.8 billion Rapid Financing Instrument (RFI) from the International Monetary Fund (IMF) in May. In the same month, Egypt sold its largest-ever international issuance, a USD 5 billion, three-tranche Eurobond that was 4.4x oversubscribed. In June, the government secured a 12-month Stand-by Arrangement (SBA) worth USD 5.2 billion from the IMF, of which USD 3.6 billion were received, to date. This also cushioned against severe currency fluctuation.

The country's main sources of foreign currency came under pressure amid the global lockdown, with only remittances posting strong and consistent recovery, picking up in 3Q2020 to USD 8 billion (a 28% y-o-y increase) while tourism revenues, Suez Canal receipts, and Foreign Direct Investments (FDI) continued to be weak. Moreover, Egypt recorded a budget deficit of EGP 463 billion — or 7.9% of GDP — in FY2019-2020, showing an improvement from 8.2% recorded in FY2018-2019. The country's revenues for the fiscal year came in lower than the forecast of EGP 1.2 trillion by c. EGP 200 billion, recording EGP 975 billion.

How Did CIB Operate?

Through this, CIB's management demonstrated flexibility and agility to weather the storm. Throughout the pandemic, CIB called on its continuity, resilience, and crisis management plans to effectively manage the situation with minimal impact on services and operations, while simultaneously safeguarding the health and safety of employees, customers, and all relevant stakeholders.

Before the pandemic hit Egypt, a continuity and resilience gap assessment was conducted to ensure that the strategies and plans addressed all the dynamics of the situation against a set of best practices and to identify any areas of improvement. With the first COVID-19 case in Egypt, CIB began enforcing health and safety practices such as admitting fewer customers to branches, reducing workforce across departments, enforcing the use of facemasks, installing sanitizers in all premises, performing enhanced sterilization and deep cleaning, and publishing instructions for safe ATM usage on ATM screens. During the height of the crisis, the Bank managed to secure all pandemic supplies despite high demand and scarcity. The Bank also conducted protocol and PCR tests and provided proper medical care and monitoring for all infected employees. For the majority of the year, CIB provided facilities at a local hotel for infected staff that did not have the means to isolate. Moreover, a dedicated page on the Bank's website under the name Bank Safely was launched, consolidating necessary actions taken by CIB to keep all stakeholders abreast of developments daily.

The Path to Sustaining CIB's Leadership is Paved With Good Governance

Corporate governance is and has always been an area of great focus for CIB. The Bank, guided by its Board, has continuously strived to adopt sound corporate governance principles out of its belief that good governance is the best path to achieving and sustaining success.

CIB's governance framework seeks to drive long-term value for shareholders, employees, and other stakeholders through a set of robust and clear internal policies and processes that help the Board and senior management make well-informed decisions. Tailor-made to the Bank's scope, size, and business complexity, among these policies are the Code of Corporate Governance, Code of Conduct, Conflict of Interest policy, and Disclosure policy. These policies are precisely drafted, clearly communicated, and periodically reviewed to ensure that CIB is constantly up-to-date with market developments, and to reflect on areas for improvement in order to continue providing best-in-class financial solutions to clients, enterprises, and individuals alike. The framework is also anchored in the Bank's Board of Directors, with a distinguished group of independent non-executive directors (NEDs) that make up the majority of CIB's Board of Directors, along with competent board committees and an experienced management team.

The Board is collectively responsible for CIB's long-term financial and non-financial success, setting the Bank's strategic objectives and overseeing their implementation, ensuring the effectiveness of the internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability. The Board structure is in line with international best practices and allows for the position of a lead director. In July 2019, CIB appointed a lead director who is an independent member of the Board.

In compliance with CBE regulations and corporate governance directives, two of CIB's independent NEDs concluded six years of service on the Board in February and March 2020; Mr. Jawaid Mirza and Mr. Mark Richards, respectively. Additionally, Mr. Bijan Khosrowshahi concluded six years of service on the Board as NED in October.

2020 marked a new Board term for CIB, with the Bank's Ordinary General Assembly convening on 15 March 2020 and electing a new Board term for three years commencing 2020. This was followed by a number of changes to the elected Board of Directors.

On 13 October, the Board of Directors appointed Mr. Jay-Michael Baslow as a non-executive, independent member. Mr. Baslow brings to the Board a wide banking experience acquired throughout the past four decades. He spent the last 16 years of his career in Risk Management at J.P. Morgan, covering a range of sectors. Prior to his 2019 retirement, he was the Head of EMEA Risk Management for the bank's Wealth Management organization and the Chief Risk Officer of J.P. Morgan International Bank Ltd, its London-based private bank.

On 23 October, Mr. Hisham Ezz Al-Arab decided to step down from his responsibilities as Chairman and Managing Director, after receiving a letter from the CBE notifying CIB's Board that, in light of the findings of a limited review inspection, the CBE's Board of Directors issued a resolution dated 20 October to discharge the Bank's Chairman and Managing Director. The letter stipulated that CIB's board is to elect a Non-Executive Chairman from among its NEDs. The Board unanimously decided to appoint Mr. Sherif Samy, the Chairman of both the Audit and Governance and Nomination committees, to assume the responsibilities of Non-Executive Chairman of the Board, and has received the CBE's approval in this regard.

Several meetings were subsequently held at the CBE and attended by CIB's Non-Executive Chairman and management, during which the key findings of the CBE inspection were relayed. The Board dedicated significant attention to the situation, and CIB's Executive Management reviewed and carefully assessed all the inspection findings to quantify their impact on CIB. Under the Board's supervision, CIB's Management thoroughly conducted a corrective action plan that was presented to the CBE. This required additional time for the Bank to complete its review process before it could satisfactorily release the 30 September 2020 financial statements and associated disclosures. Additionally, as directed by the Board, the Audit Committee appointed an independent international professional services firm to conduct an in-depth review of the Bank's controls and lending functions, in order to further enhance regulatory compliance and strengthen controls at CIB, as part of the Bank's governance culture and commitment to enhancing risk management.

With these changes, and as of 23 October, CIB's Board is comprised of seven directors, six of whom are independent NEDs (85%). CIB's Board boasts an optimal mix of skills, experience, and diversity in terms of gender and nationality, with two female directors (28%) and three non-Egyptian directors (43%). CIB prides itself on having a diverse board with significant leadership and experience across a broad set of industries.

During 2020, CIB's Board of Directors met 17 times, three of which were attended physically, 13 conducted via video conferencing, and one attended physically by the directors who were present in Cairo, with directors residing abroad joining via video conference in view of the prevailing preventive measures due to the COVID-19 pandemic.

As such, the Board of Directors is pleased to report CIB's FY2020 strategy and robust results, despite the year's challenges and headwinds.

CIB's Strategy

CIB's flexibility to adapt to unforeseen changes in the market is underlined by our strong commitment to continuously create value for all our stakeholders. Over the past few years, the Bank adopted a strategy that focused on transforming CIB into a more customer-centric organization that stands out from its peers through its superior products, services, and brand equity.

In doing so, we have been investing heavily in data analytics and artificial intelligence, upscaling our infrastructure, digitalizing and automating how we do business, while continuously developing the skills of our employees.

The strategy was put to the test in 2020, proving once again that CIB could and will continue to be "The Bank to Trust" through a strategy anchored in the following pillars:

Growing Commercial Business Activities

CIB's strategy is focused on customizing solutions to build a bespoke bank and a financial-value-creating partner for our targeted customer base. Through artificial intelligence, blockchain, cloud, and data — or the 'alphabet of the future' better known as ABCD — CIB aims to drive all lines of business to new levels by exploiting data, digital, new core banking modules, advanced campaign management capabilities, and process re-engineering that will work hand in hand with a new distribution strategy to expand outreach.

The Bank's transformation is supported by strong and dynamic balance sheet management, which was formulated in response to a subdued borrowing appetite directly associated with COVID-19. Through a deposit-gathering strategy aimed at reshaping its funding mix, CIB was able to create a flexible balance sheet structure to secure earnings and profitability during the year.

Digital Disruption and Financial Inclusion

CIB will continue to develop its digital capabilities to encourage financial inclusion, improve the customer experience, ensure operational efficiency and resource allocation, and secure the Bank against risk.

Part of the Bank's digital strategy has always been rooted in alleviating pressure on branches and diverting customers to digital channels. In 2020, with the help of its Bank of the Future (BOTF) program, CIB more heavily relied on robotics and operational centralization to increase efficiency and reduce the cost to serve, through positioning its digital platforms as the primary channel.

CIB's ATM network continues to be the largest in Egypt among private sector banks and third in the sector. In 2020, the Bank's ATM network grew 11% y-o-y to reach 1,121 ATMs, and handled more than 61 million transactions. The Bank also supported nationwide financial inclusion efforts by offering mobile payment interoperability over the ATM network for all mobile payment schemes. Similarly, CIB participated in the regulator's ATM initiative by installing 180 ATMs across the country.

With increased reliance on digital platforms throughout the pandemic, CIB's online banking subscribers increased 35% y-o-y as of December 2020 to 802,000 users, with an activity rate of 67%. In 2020, the Bank improved its internet banking user interface, created a digital self-onboarding process for existing CIB customers to register for online or mobile banking, made local payments instant through straight-through-processing (STP), and transformed transaction processing. Online banking channels' share in total cost savings recorded EGP 946.5 million as of December 2020.

Launched in December 2019, Zaki the Chatbot now conducts over 35,000 interactions per month on both CIB's website and Facebook Messenger in English, Arabic, and colloquial Arabic. Zaki has offloaded the social media team by over 55%.

On the mobile payments front, CIB was able to utilize its Smart Wallet as one of the prime digital channels despite the circumstances imposed by the COVID-19 pandemic. CIB became the first bank in Egypt to offer digital wallet registration through SMS for banked and unbanked customers, which had a positive impact on new enrollments and created solutions utilizing major e-commerce platforms to facilitate customer needs. In 2020, smart wallet users grew 34% y-o-y to 840,000 customers, while the number of transactions recorded a 23% y-o-y increase to 7.5 million transactions with a total value of EGP 2.8 billion, an impressive 107% y-o-y increase.

The Bank continued to support the government's efforts to automate governmental payment by partnering with E-Finance Company, which develops and operates e-payment platforms and channels to enable government authorities to receive and collect payments through the E-Pay portal and Corporate Payment Services (CPS) platform. In 2020, CIB ranked first in the Egyptian market in terms of CPS online transactions, with a 102% y-o-y increase in its customer base to 1,700 corporate customers and a 70% y-o-y increase in the number of CPS transactions for 59,000 transactions worth EGP 15.2 billion.

CIB relied on analytics and data management in several initiatives and projects throughout 2020, with one aimed at reducing branch waiting times through applying Operations Research (OR) queuing theory-based models to categorize and classify transaction types and clients whose activities could be transferred to online channels. The Intelligent Product Recommendation Engine was a machine learning-based predictive model developed to help relationship managers find the most suitable products for their clients based on the client's history with CIB. The Cash Management Project worked to better utilize idle cash within CIB's different cash hubs, decreasing overall Bank-wide cash levels by establishing a cash formula that predicts the amount of cash needed at each hub. The project enabled CIB to decrease associated costs related to handling, transporting, and storing unnecessary cash.

Geographical Expansion

To diversify our operations, balance sheet structure, and sources of income, CIB began looking for expansion opportunities beyond Egypt. Considering its geographical location, historic and cultural ties, and its macroeconomic and demographic potential, Sub-Saharan Africa was tapped as a key opportunity. Importantly, regional integration efforts such as the African Continental Free Trade Agreement (ACFTA) and the Egyptian government's direction to restore bilateral ties provide imperative political support.

East Africa was identified as the most attractive region for CIB to do business. Home to some of the fastest growing economies in the world, it will provide a platform for CIB to learn and adopt the strides taken toward digital transformation and financial inclusion. We aim to position CIB as a trade finance hub for Egypt and East Africa, focusing on both corporate and SMEs, especially after the establishment of our representative office in Ethiopia and the acquisition of a 51% stake in a local Kenyan bank, which was renamed Mayfair CIB Bank Limited. Completed in May 2020, the transaction was concluded through a capital increase valued at USD 35.35 million.

People…The Main Enabler

The continuous development of CIB's human capital is critical to the strides the Bank has taken to maintain and improve the quality of services offered to customers, and, consequently, the value created for stakeholders. Human Resources will continue to play a strategically enabling role to evolve staff capabilities, establish a culture of innovation, engagement, and enablement, while building the right skills such as adaptive thinking, cross–cultural competency, computational thinking, and virtual collaboration. Moreover, the adoption of best practices for corporate governance is key for CIB. The full rollout of the Enterprise Risk Management (ERM) system, which provides the organization with the necessary controls and risk-informed decision-making process, further solidifies the Bank's standing in the eyes of our stakeholders.

By the end of 2020, CIB's total workforce stood at 7,071, with 75% of the workforce being Generation Y (1982-2000), with women accounting for 30% of staff — well above Egypt's average ratio of 23%. In 2020, CIB hired 1,013 people, made 1,278 internal transfers, and promoted 609 promising young talents.

In response to the COVID-19 pandemic, the Bank put in place a work-from-home (WFH) strategy to ensure all critical activities would be carried out smoothly. This included technology upgrades, ensuring laptops were made available, and increasing network bandwidth, among others. All departments were able to shift quickly to a more responsive approach, allowing CIB to navigate these unprecedented times. Additionally, HR conducted all entrance assessments, interviews, internal promotions, and internal hiring selection panels online, becoming the first bank in Egypt to have a full online selection process, which will continue into 2021. The Bank participated in five employment fairs, including two virtual sessions at universities to promote CIB's employer value proposition. The Bank was able to continue implementing its talent acquisition and career mobility initiatives despite the pandemic. "Tawarny", which allows university students to practice mock HR interviews, completed one virtual session, while "Ma7atetna 3andak", which initiates mobile recruitment teams outside Cairo to facilitate the recruitment process for candidates at local hubs, visited two governorates in Egypt. This year, "Ma7atetna 3andak" also worked to integrate people with disabilities, conducting one session in Alexandria where eight candidates attended and four successfully hired, and another in Tanta where 24 candidates with disabilities attended, six of whom were hired.

In 2020, CIB offered its specialized training and developmental programs online. International certification also took place for programs for the Wealth, Plus, Private, Business Banking, Branch Managers, Payroll, Retail Banking, and SMEs segments. Further learning tracks were developed for audit, trade finance, corporate services, communications, strategic planning, information security, IT, and risk.

CIB also conducted several strategic programs in 2020 such as the Analyst Program, which provided 43 analysts with over 150 virtual training hours, five mock cases, 15 virtual assessments, and various coaching sessions to prepare for the job market. The SME Academy was conducted over two rounds, with 51 employees receiving more than 400 virtual training hours, 40 assessments, and over 12 role play sessions and engaging activities. Moreover, HR introduced many leadership development tracks, with one entitled 'Leading with agility in turbulent times' in response to the pandemic. The program was moderated by a leading professor from IMD Business School and attended by 44 leaders across various areas and departments. HR also revamped and digitalized the content of its induction programs for CIB staff and Contact Center agents to benefit 404 new hires and 110 Contact Center employees.

In line with CIB's Africa expansion plan, the Bank designed an analyst program for a group of 21 select African delegates, with the induction taking place in Uganda and the program delivered virtually. HR also provided multiple learning and development solutions to employees at Mayfair CIB Bank Limited.

By continuously engaging our people, we encourage innovation, accountability, retention, and business outperformance. During 2020, CIB continued to build a robust engagement strategy to enhance employee enablement, including the first Recognition Program Event, attended by more than 1,000 top performers.

CIB rolled out several initiatives during 2020 to ensure that employees are treated with dignity and respect, creating an inclusive culture to support equal opportunities. CIB introduced the Employee Wellness Program to support employees' mental health, allowing them to lower stress levels and improve productivity. The Bank also introduced the Flexible Work Arrangement (FWA) Program to empower women in the workplace by affording new mothers the flexibility to work from home full time before applying for unpaid leave. Two rounds of the She is Back initiative, which eases the transition for women returning from maternity and/or childcare leave, were conducted for a total of 95 women. Externally, the "Helmik Yehmena" program trained and empowered women in areas where they are underrepresented, beginning with South Valley University in Qena where it reached over 200 students in Upper Egypt, and 35 in Port Said.

CIB always recognizes and rewards performance, which underpins its ability to attract, retain, and motivate employees. In 2020, CIB further enhanced the variable pay program to build a correlation between each department's performance and how it contributes to the Bank's overall performance in achieving both financial and non-financial objectives. The remuneration is assessed yearly taking into consideration market fluctuations and external developments.

2020 Financial Position

The past several years allowed CIB to enter 2020 in good form, as despite the headwinds associated with the pandemic, CIB reported FY2020, with consolidated net income down 13% y-o-y to EGP 10.2 billion. Standalone net income reached EGP 10.4 billion, down 13% from 2019. Standalone revenues grew 12% over the previous year to EGP 25.8 billion. Net interest income hit EGP 25.1 billion in FY2020, an increase of 16% y-o-y.

The Bank was able to maintain its operational efficiency in 2020 despite the extra spending related to the pandemic and the WFH arrangements, with the cost-to-income ratio standing at 20.7% compared to 21.6% in 2019. Return on average equity (ROAE) recorded 19.2% on a consolidated basis (post profit appropriation) compared to 29.5% in 2019. Consolidated return on average assets (ROAA) recorded 2.53% (post profit appropriation) for 2020, down from 3.26% in 2019. As of year-end 2020, CIB booked a net interest margin (NIM) of 6.75%, up from 6.48% a year earlier.

CIB's gross loan portfolio stood at EGP 137 billion at year-end, growing 4% y-o-y from EGP 132 billion by 2019 year-end. This increase met the Bank's strategic objectives in maintaining asset quality and enhancing profitability. CIB's market share of total loans amounted to 5.63% in September 2020.

The Bank pursued deposit growth in 2020, adding EGP 37 billion to its base, which grew to a total of EGP 341 billion over the year, an increase of 12% from 2019. CIB's share of the deposits market reached 6.56% in September 2020.

Loan-loss provision expense for 2020 exceptionally amounted to EGP 5.0 billion, bringing the loan-loss provision balance to an unprecedented EGP 16.4 billion. This was not associated with any asset quality significant deterioration, as evident by a solid NPLs of the gross loan portfolio of 4.26%, up from 3.99% by 2019 year-end, cushioned by a solid 281% coverage ratio, but rather a result of the Bank's conservative risk management strategy and management's decision to cautiously frontload adequate provisions to mitigate any and all potential risks that might arise from such a fluid year.

The Bank remains comfortably covered in terms of capital adequacy, with year-end CAR recording 31.4% (post profit appropriation) — well above the minimum regulatory requirement.

This year's financial results highlight CIB's solid strategic direction, the Board's invaluable oversight, management's strong leadership capabilities, and concrete execution across the Bank's channels, including brick and mortar operations, digital platforms, and the product and support functions.

Appropriation of Income for FY2020

On 11 January 2021, the CBE instructed banks under its supervision not to pay out cash distributions from 2020 profits and/or retained profits that are distributable to shareholders. Banks are only allowed to disburse employee profit share and Board of Directors remuneration. The decision comes to support banks' capital and aims at protecting liquidity from any negative effect COVID-19 might instill on the economy.

2020 Operational Highlights

Institutional Banking

The headwinds that resulted from the global COVID-19 pandemic were felt bank-wide. However, with the technological infrastructure in place and the dedication of its teams, the Institutional Banking (IB) Group contributed 72% to CIB's loan growth during the year.

On the positive side, businesses were pushed toward decentralization, sparking the acceleration of the digital transformation and leading clients to further utilize online transactions. Despite the obstacles stemming from the pandemic, the Bank's online platform, which offers a full array of products and services, was able to support and accommodate all clients' banking business needs with no disruption.

Despite the circumstances, the Corporate and GCR Group's year-end loan and investment portfolio reached EGP 97.5 billion through executing several new key transactions in the real estate, power, education sectors, as well as closing numerous key deals in the petroleum, pharmaceutical, and automotive industries, among others. LCY loans remained the main facilities required by clients throughout the year, up 10% y-o-y, mostly financing Working Capital needs.

With global markets severely hit by COVID-19 in the first six months of the year, which resulted in significant portfolio outflows from Egypt and a fallout in Egypt's main sources of foreign currency, the Treasury Group was able to take favorable positions that resulted in noteworthy profits. Moreover, the Group ensured sufficient liquidity was available, FX volatility was properly managed, and customer needs were fulfilled.

Despite the challenges for direct loans under Non-Banking Financial Institutions (NBFI), the division maintained strong asset quality of financed loan portfolios related to all financed clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, car finance, and microfinance sectors. As of 3Q2020, a sound improvement was reflected in the utilization rates of existing customers due to relative market stability. In light of the Bank's strategy to promote financial inclusion, NBFI supported the Digital Channels team in introducing CIB Smart Wallet to microfinance institutions for the automation of micro lending. NFBI also helped the team introduce CIB Business Online and ACH products to NBFI-affiliated companies.

Retail Banking

CIB maintained its leadership in the consumer market, adding more consumer loans and liabilities despite the circumstances imposed by the pandemic. New to Bank (NTB) figures continued to grow, ending the year with 269,000 NTB customers. Consumer Banking grew its loan portfolio 33% y-o-y and deposit portfolio 9% y-o-y. To enhance profitability and the funding mix, CIB continued to gather current accounts and savings accounts (CASA), which accounted for 53.4% of the total funding base.

CIB branches continued to outperform in 2020 under tremendous pressure from pandemic-related challenges and the highly priced liability offering from public-sector banks.
Cards' revenue was impacted by a 42% y-o-y drop, on the back of the CBE's six-month debt moratorium initiative due to the pandemic. However, CIB was able to maintain its cards' acquisition rate, with 138,000 credit cards acquired throughout the year, bringing the total card portfolio to 615,400 primary cards and 120,600 supplementary cards.

Business Banking has built a well-established cash and trade management business with average liability book growth rates of 32% and 99%, respectively, for the last three years. In 2020, operating profits for the division came in at EGP 1.6 billion, deposits hit EGP 29.5 billion, growing 26% y-o-y, while trade recorded EGP 26.7 billion. In the payment solution space, the division executed EGP 35 billion in transactions. The Business Banking client base grew to more than 64,000 companies during the year, up 12 % y-o-y.

In line with the CIB's direction and commitment to Egypt's strategy to grow and expand SME lending, Business Banking launched new lending programs targeting existing and new customers with facilitated documentation, fast approval turnaround time, and fixed monthly installments. This is in addition to a new initiative that supports SMEs in COVID-19 circumstances by offering unsecured unsupported overdraft lines to existing borrowers to pay salaries.

CIB maintained its dominant position in Egypt's payment acceptance sector in 2020, attaining a market-leading share of 28% for POS transactions and a 19% market share for e-commerce transactions. Following the country's push for financial inclusion, the Bank managed to activate all POS and e-commerce platforms to accept the government-backed Meeza card and launched QR acceptance to reach untapped segments — a key enabler of payment business growth, especially with very small merchants.

This year Business Banking witnessed an expansion in women's activities by sponsoring local and global events such as She Can and She's Next, in addition to the new Women in Business (WIB) lending program.

Operations and Information Technology

With a special focus on the customer journey within CIB, the operations and IT functions strive to incorporate technological advancements and artificial intelligence across the Bank's functions to ensure CIB meets its growth targets. To improve the customer experience and offload banking operations, the Bank implemented several enhancements to Straight Through Processing (STP) for domestic transfers, which increased four-fold daily. Additional services were added to internet banking to offload branches and expand digitalization, such as credit card requests, loan requests, and mobile wallet subscription, among others.

CIB launched an extensive process re-engineering program covering various departments and units. Moreover, CIB was able to conclude stage two of the T24 program in April 2020, with the final stage currently in progress. Moreover, the Bank conducted different activities during the year to maintain CIB's competitiveness in the market, offload front liners, and ensure a safe banking environment for customers. In line with this, the Contact Center integrated a chatbot with WhatsApp Business to cater to customers' general inquiries and inform them of any CBE policy changes.

The IT department was able to deliver on most of its projects according to schedule, and with almost 90% of the IT team working from home to maintain social distancing and reduce staff footprint within the head offices. CIB became the first organization in North and West Africa to receive the Management and Operation Stamp and Certification from Uptime Institute, a leading global data center certification group.

Security and Resilience Management

CIB has always taken its business continuity and the protection of its customers' information as a top priority. In a step that confirms that the Bank has put in place best practices for information security ensuring data integrity, confidentiality, availability and customer assets safety, CIB obtained ISO 27001 certification for Information Security Management System covering alternative Channels and Digital Services, Contact Center, and Data Center. The Bank has also been able to successfully maintain its Payment Card Industry – Data Security Standard (PCI-DSS) certification and renew its Business Continuity Management ISO 22301 certification for the third year, upgrading its certification to the 2019 version of the standards and making it one of the first financial institutions in Egypt to comply with the new version of the standards.

CIB kicked off a comprehensive Data Classification and Protection Program to implement a proper Data Protection and Information Governance framework as part of the Bank's extensive efforts to prevent confidentiality breaches and data leakage. Moreover, CIB successfully finalized one of its key strategic security programs, the Identity Access Management and Privileged Access Management.

Reaching out to Shareholders and Investors

CIB works diligently to increase value for its stakeholders. The Bank's active Investor Relations division keeps shareholders and investors abreast of developments impacting the Bank's performance. The team and senior management dedicate significant time to one-on-one meetings, road shows, investor conferences and conference calls, sparing no effort in providing the investment community with transparent disclosures while simultaneously ensuring analysts have the information needed to maintain balanced coverage of the Bank's shares.

Disclosures, including regular updates and releases, were periodically made available on CIB's investor relations website, as well as the EGX, LSE, and OTCQX portals in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions.

Thanks to the team's continuous efforts to further enhance the program, it was named Leading IR Program in Egypt in 2020 in the largest investor relations event in the MENA region organized by the Middle East Investor Relations Association (MEIRA), in partnership with Extel. This is the seventh year running in which CIB has received at least one award from MEIRA.

After the pandemic hit Egypt, the IR team was able to swiftly communicate with investors and analysts online, substituting in-person meetings with conference calls, which has proven efficient and expanded the reach of the team by overcoming the logistical issues associated with physical meetings. During 2020, the team, took part in 10 virtual investor conferences and one webinar, alongside two physical conferences and a total of 34 in-person meetings before the onset of the pandemic. In total, the team conducted more than 240 one-on-one and group meetings — both virtual and in-person — throughout the year and spoke with over 620 local and international investment funds and research analysts.

The IR team's agenda was particularly busy in March and April 2020, explaining to the investment community the COVID-19 situation in Egypt, the measures CIB was taking in response to the pandemic, and how this will impact the Bank. In October, November, and December, the team addressed the investment community with the Board changes, responded to their questions, and kept the market abreast of developments related to the findings of the CBE inspection as it continued to unfold, as well as the delay in releasing 3Q2020 financial results.

The Bank is widely covered by leading research houses both locally and internationally. In 2020, 14 institutions regularly issued research reports on CIB.

Stock Performance

COMI started the year with an open price of EGP 83.02 and ended it at EGP 59.19 with 29% y-o-y negative change. During 2020, CIB's price reached a peak of EGP 86.01 and a valley of EGP 56.06, and the average VWAP during the year was EGP 68.06, with an average volume of more than 2.1 million shares and an average market capitalization of EGP 100 billion.

Awards and Recognition in 2020

During 2020, CIB was named World's Best Bank in Emerging Markets award by Global Finance for the third time in only four years, having received the same title from Euromoney in 2017 and Global Finance in 2018. The recognition comes as the Bank pushed through digital banking solutions and financial inclusion efforts despite the challenges of COVID-19.

Moreover, CIB ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World, ranking the highest of the four Egyptian companies on the list. It was also listed among the Top 200 Banks by Jeune Afrique, Top Banks by African Business, and Top 10 Safest Banks in Africa by Global Finance. CIB was the only Egyptian institution included among the 325 companies on Bloomberg's Gender Equality Index (GEI).

CIB received several international awards demonstrating its excellence across different business lines, including:

Global Finance

- Best Foreign Exchange Provider in Egypt
- Best Treasury and Cash Management Providers in Egypt
- Best Emerging Markets Bank
- Best Private Bank in Egypt
- Best Bank in Egypt
- World's Best Consumer Digital Banks in the Middle East 2020
  - Best Consumer Digital Bank
  - Best Integrated Consumer Banking Site
  - Best Online Product Offerings
  - Best Website Design
  - Best Mobile Banking App
  - Best Information Security and Fraud Management
  - Most Innovative Digital Bank
  - Best Open Banking APIs
- World's Best Corporate/Institutional Digital Banks in the Middle East 2020
  - Best Online Investment Management Services
  - Best Online Treasury Services
  - Best Online Portal
  - Best Integrated Corporate Banking Site
  - Best Information Security and Fraud Management
  - Best Mobile Banking Adaptive Site
  - Most Innovative Digital Bank
  - Best Open Banking APIs

Euromoney

- Best Bank

Asiamoney

- Best Domestic Bank in Egypt
- Best Digital Bank in Egypt

African Banker

- Best Regional Bank in North Africa

EMEA Finance

- Pan-Africa Sustainability Award

CIB…A Model for Responsible Banking

The Bank continues to advocate for responsible banking by supporting financial inclusion and literacy, women and youth empowerment and equality, in addition to the adoption of best practices in sustainability, CSR, and governance. CIB will continue to work toward becoming Egypt's number one green bank and venture into initiatives such as improving employee wellbeing, community investments, promoting accessible banking, and banking the unbanked.

This year, CIB celebrated a year of achievements on the sustainability front since becoming a founding signatory of the United Nations Environment Program – Finance Initiative (UNEP-FI) Principles for Responsible Banking. Since becoming one of the first institutions in Egypt to introduce sustainability reporting in 2015, CIB has gradually enhanced its commitment to sustainability across its business; integrating environmental, social, and governance (ESG) dimensions into its policies, procedure, operations, and culture. In 2020, the Bank also issued its fifth sustainability report.

Sustainable Finance

CIB has established a new sustainability governance framework in 2020 and launched a Sustainable Finance division to center sustainability as a core business strategy and provide a solid platform to integrate sustainability as well as environmental, social, and governance (ESG) principles across its functions. CIB thus became the first Egyptian bank to launch this kind of a division and the first institution in Egypt to establish the role of a Chief Sustainability Officer. In recognition of its efforts, CIB was elected to represent the MENA region on the UNEP-FI Banking Board, positioning it as a champion in promoting and driving the implementation of the Principles for Responsible Banking (PRB) across the region.

High on the Bank's agenda:

- **Climate Risk:**
  - Green Bond: CIB took solid steps in its Green Bond issuance process during 2020, which was slated to be issued prior to year-end. The process has taken longer than anticipated due to pandemic-related disruptions. The Bond's proceeds will help the Bank align with the UN Sustainable Development Goals (SDGs) that fall within the materiality of CIB including SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).
  - CIB is the first bank in Egypt to join the Taskforce for Climate Related Disclosures (TCFD), an organization established in December 2015 by the Financial Stability Board (FSB) to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient. The purpose is to provide decision-useful information to investors, lenders, and other stakeholders to encourage sustainable investments and build an economy that is resilient in the face of climate related uncertainties.
- **Measuring Business Impact:** In 2020, CIB was the first bank in the MENA region to measure business and environmental impact through assessing the life cycle of credit and debit cards.

  The life cycle analysis (LCA) is performed according to ISO 14040 using a powerful modeling and simulation software that allows for detailed and reliable insights for calculation and analysis.

  CIB initiated the Greening SMEs project in February 2020 to conduct an Environmental and Social Impact Assessment as a partner with borrowing SMEs.
- **Resource Efficiency:** CIB works to measure, reduce, and improve its ecological footprint. Despite the increase in headcount and number of branches, the Bank successfully decreased its paper consumption in 2020 by 8% in comparison to 2019, beating the internal target of 1%.
- **Gender Empowerment:** CIB is one of the first two companies to acquire the Egyptian Gender Equity Seal in the private sector, obtained through a partnership with the National Council for Women and the World Bank. CIB is also Co-Chairing the World Economic Forum (WEF) Closing Gender Gap Accelerator, a national public-private collaboration model that enables governments and businesses to take decisive action toward closing economic gender gaps.
- **Community Development:** CIB partnered with the United Nations Development Program (UNDP), the Egyptian Italian Environmental Project (EIEP), and the Ministry of Environment to inaugurate the first open Natural and Cultural House in Egypt at Zewara Camp, at Wadi El Rayan Protectorate in Fayoum governorate.
- **Sustainability Indices:** CIB was included in the new Low Carbon Select Index in the Middle East and North Africa (MENA), recently launched by the Arab Federation of Exchanges (AFE) and the data provider Refinitiv. CIB Ranks first on the EGX's Sustainability Index for six consecutive years. The Bank was included in the 2019 and 2020 Bloomberg Gender Equality Index and is a constituent of the Financial Times Stock Exchange (FTSE) FTSE4Good Sustainability Index.

Social Development

CIB strives to create a positive impact on the local community and has undertaken several initiatives to support underserved segments. The Bank's commitment to social development is performed through three channels: The Corporate Social Responsibility (CSR) Program, the CIB Foundation, and dedication to supporting squash and Egyptian squash champions.

Corporate Social Responsibility

During these unprecedented times, CIB was leading a key CSR role across Egypt and expanding its commitment to the community in general and health in specific. CIB donated USD 2.5 million to support the national project of buying 100 RT-PCR detection kits to enhance testing capacity across Egypt. In a project led by the Federation of Egyptian Banks in coordination with the CBE, CIB donated EGP 80 million to support households and businesses affected by quarantine measures. CIB also participated in the national #GoodChallenge campaign managed by the NGO the Egyptian Food Bank, donating EGP 1.6 million in support of 10,000 families whose incomes were affected by these exceptional circumstances. CIB also supported many other smaller local projects/initiatives in the healthcare sector, such as supporting the El Nidaa Foundation to build a local face mask production factory in Upper Egypt. CIB also donated USD 250,000 to the African Union COVID-19 Response Fund and USD 100,000 to the Kenya COVID-19 Response Fund.

Social Activities

2020 witnessed a lighter schedule of external events and sponsorships due to the outbreak, but the Bank strived to maintain some of the activities it has long been part of.

- **KidZania** – CIB and KidZania's partnership began in 2013, and since then, the Bank has organized several trips each year to KidZania for underprivileged and special needs children, as well as children with health conditions.
- **Autism International Day/ADVANCE** – The Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). A number of activities took place in April, dubbed Autism Awareness Month, including the virtual Annual Autism Conference and the virtual Art Exhibition for Children and Youth with Autism Spectrum Disorder.
- **Beena** – For five consecutive years, the Bank was the main partner and financial sponsor of Beena, a protocol signed between CIB and the Ministry of Social Solidarity to encourage active youth participation and monitor social care services. Beena attracted thousands of youths to volunteer with orphans, senior citizens, and individuals with special needs.

CIB Foundation

Established in 2010 as a non-profit organization under the Ministry of Social Solidarity Decree No. 588, the CIB Foundation is dedicated to improving healthcare and nutrition services extended to children of underprivileged families with limited access to quality healthcare. The CIB Foundation's efforts include not only donations, but also the monitoring of projects' impact. In addition to the direct donations made to its fundraising account, the Bank supports the CIB Foundation with 1.5% of its annual net profit.

With a vision to ease the burden on families in need, the CIB Foundation works with private, public, and non-governmental healthcare providers that offer free-of-charge services to ensure the widest community reach and to maximize the value of its work through achieving positive and sustainable results.

Over the past years, the CIB Foundation has expanded its activities and initiatives to include different geographical areas throughout Egypt. During 2020, CIB Foundation allocated a total budget of EGP 177 million to support the Egyptian healthcare providers to enhance the level of service provided to children. Total expenditure in 2020 reached EGP 182.72 million for a total of 23 projects serving hundreds of thousands of Egyptian children in different governorates across Egypt.

Supporting Squash

Supporting sports and athletes has long been central to CIB's social development goal. The Bank led the fray when it came to recognizing the potential of Egypt's squash players, with six Egyptians in the world's top 10 men players and five in the top 10 women as of December 2020. Supporting these talents is part and parcel of the Bank's desire to generate value for the Egyptian athletic community, with 2020 seeing the bank broaden its support for the sport and capitalize on the traction its players are seeing around the world.

Squash Tournament Sponsorships

In 2020, the Bank held the CIB Egyptian Squash Open 2020 Women's and Men's Platinum for the second year running, a competition that brought together the world's best 96 men and women squash players from 19 different countries with a total prize money of USD 270,000 each for men and women, representing the largest sum of prizes for squash tournaments this season since the emergence of the COVID-19 outbreak. Moreover, the Bank held the CIB PSA World Tour Finals for the second year in a row. The tournament saw 16 of the world's top squash players competing for a combined USD 370,000 prize at The Park, Mall of Arabia.

Sponsoring the Egyptian Squash Federation

CIB maintained its sponsorship of the Egyptian Squash Federation for the ninth consecutive year and sponsored the National Men's, Women's, and Junior Squash Teams. Currently, Egyptian players hold the Men's World Team Championship, the Women's World Team Championships, and the Juniors' World Team Championship titles for boys and girls. Additionally, Egyptian players hold all of these individual titles.

Sponsoring Egyptian Athletes

In support of young players leading the world's squash rankings, CIB tailored special sponsorships to help eight talented players maintain their rankings and continue representing the country, as of December 2020:

- Ali Farag – #1 on the Men's PSA World Squash List
- Tarek Momen – #3 on the Men's PSA World Squash List (current world champion)
- Nour El Tayeb – #4 on the Women's PSA World Squash List (Retired in October 2020)
- Karim Abdel Gawad – #5 on the Men's PSA World Squash List
- Hania El-Hammamy – #5 on the Women's PSA World Squash List
- Marwan Elshorbagy – #6 on the Men's PSA World Squash List
- Salma Hany – #10 on the Women's PSA World Squash List
- Mohamed Abouelghar – #11 on the Men's PSA World Squash List

Partnership with Wadi Degla Clubs' Darwish Squash Academy

CIB continued its partnership with Wadi Degla Clubs to support young Egyptian squash athletes by developing their skills and enhancing their international rankings. The partnership is part of the Bank's strategy to support up-and-coming talents from the ground up and builds on our pioneering role in this area. The athletes representing Wadi Degla and sponsored by CIB are Nouran Gohar (#2 on the Women's PSA World Squash List), Ali Farag, and Karim Abdel Gawad.

Business and Operations in 2021

With the rollout of a COVID-19 vaccine, we hold optimism for 2021 as the global economy improves on the back of stoked economic activity and improved sentiment. As we embarked on setting CIB's priorities for 2021, our direction and goals remain clear: continue to provide valuable opportunities for shareholders by providing clients with the highest quality of service, while supporting their investment and financial growth plans. We come into 2021 a stronger institution not only due to our track record in the market but the ability to learn from challenges, be they economic, political, or otherwise — and 2020 was no different. We have come to understand that no matter the operating environment, CIB's strategic pillars allow us to consistently learn from the hurdles we face, and we remain committed to maximizing returns for shareholders through a business strategy centered around asset quality and profitability.

Underlining the Bank's commitment to enhancing risk management and its governance culture, CIB has appointed an independent international professional services firm to conduct an in-depth review of the Bank's controls and lending functions in the year to come. The scope of work includes addressing specific and related areas from the CBE inspection with an eye to further enhance regulatory compliance and strengthen controls, corporate governance, and risk management at CIB. Any additional recommendations of the said review will be considered in the Bank's future actions. In addition, significant improvements in internal policies, procedures, and frameworks we have implemented over the years, as well as our previously communicated digital transformation strategy, will continue to help CIB's management lead with fortitude in 2021.

2020 Performance Measures	Results
Financial • Maximize shareholder equity and deliver above-peer-average total shareholder return • Grow earnings per share (EPS) • Deliver above-peer-average return on risk-weighted assets • Focus on capital to cushion the Bank against any unforeseen external shocks	• Consolidated ROAE of 19.5% (after profit appropriation) • Consolidated EPS decreased by 12% • Total tier capital hit 31.40% of risk-weighted assets
Business Operations • Grow revenues faster than expenses • Identify market gaps and attain first-mover advantage by laying the groundwork ahead of peers to allow the Bank to benefit from rising opportunities	• Standalone cost-to-income ratio of 20.5% • Institutional banking profit before tax declined 16% y-o-y to EGP 1.8 billion, and loan portfolio declined to EGP 98.8 billion, down just below 5 % y-o-y • Retail banking profit before tax decreased 26% y-o-y to EGP 1.3 billion and deposits grew to EGP 227.8 billion, an 11% y-o-y increase
Customer • Improve customer experience • Invest in core businesses to enhance customer experience	• Much effort was exerted to improve cybersecurity, with a clear strategy and comprehensive plan to improve security capabilities and continuously provide a safe banking environment for customers • CIB obtained ISO 27001 certification for Information Security Management System covering alternative Channels and Digital Services, the Contact Center, and its Data Center. The Bank has also been able to successfully maintain its Payment Card Industry – Data Security Standard (PCI-DSS) certification • CIB renewed its Business Continuity Management ISO 22301 certification for the third year, upgrading its certification to the 2019 version of the standards and making it one of the first financial institutions in Egypt to comply with the new version
Employee • Enhance employee experience by: - Listening to employees - Providing a healthy, safe, and flexible work environment - Providing competitive pay, benefits, and performance-based compensation - Investing in training and development	• CIB had an average of 6,988 employees in 2020 with an average annual income of EGP 264,000 per employee • CIB implements an Employee Stock Ownership Plan (ESOP) as part of its compensation strategy, aimed at attracting, motivating, retaining, and rewarding outstanding employees, managers, and executive board members. ESOP allows designated employees to own CIB stocks at face value via promise-to-sell agreements. CIB allocates 1% of its issued and paid-in capital to ESOP. During 2020, CIB allocated a total of 8,599,210 stocks to 4,687 employees. Since the inception of the plan in 2006 and its renewal in 2015 and until 2020, the Bank has allocated 99,632,173 shares to its employees (taking into consideration capital increases throughout the stated period)

03

Our Businesses

EGP/BN

97.5

loan and investment portfolio

CIB's digital BUSINESS PLAN

is driven by a vision to make CIB part of our customers' daily lives.

Institutional Banking

EGP/BN
34.7
in syndicated short-, medium-, and long-term loans.

Corporate Banking and Global Customer Relations (GCR) Groups

In light of the profound negative impact of the COVID-19 pandemic on the global economy, the Corporate Banking and Global Customer Relations (GCR) Groups have operated under exceptionally challenging circumstances in 2020. Owing to its talented and agile teams, the strong balance sheet, and hard-earned, widely acknowledged market expertise, CIB was able to steer through the crisis.

Supporting clients in times of distress has always been a trademark of CIB. The Bank undertook extraordinary measures caring for its employees and supporting customers, especially in the most impacted sectors by the pandemic, such as tourism, transportation, textiles, and manufacturing, among others. This is in addition to SMEs that do not have the sufficient capital to endure the abrupt disruption of cash flows. Despite these challenging conditions, CIB continued to prioritize the health and safety of its employees, out of the belief that they are the Bank's main asset. As such, the Bank promptly mobilized flexible work arrangement policies while ensuring that productivity and performance are not undermined.

The pandemic also served as a catalyst for change and a reminder of the inevitable necessity of keeping the global financial system fully functioning, through plans for IT resilience and business continuity measures. In this respect, the Bank's accumulated investments in infrastructure over the years helped it move swiftly in the face of the crisis.

The events of 2020 also pushed businesses towards decentralization, leading clients to utilize online transactions. Despite the obstacles stemming from the pandemic, the Bank's online platform, which offers a full array of products and services, was able to accommodate all clients' banking business needs with no disruption.

This digital onboarding process was supported by the dynamic collaboration between the highly skilled Business and Global Transaction Banking teams, which allowed the Bank to create bespoke digital solutions capitalizing on the teams' extensive business-specific and technical expertise. Furthermore, the Bank is fully committed to its digital transformation plan to automate the entire credit approval cycle and provide off-the-shelf financing solutions to eliminate redundancies and provide seamless customer experience. The Bank is also working on the use of robotics and machine learning to automate corporate customers' daily operations and improve straight through processing to avail more time and resources for employees to better serve our corporate clients.

Despite the adverse conditions during the year, the Corporate and GCR Groups did not lose sight of the importance of continuously innovating their product offerings and re-engineering their processes, in line with market best practices to facilitate business, all while maintaining credit discipline. As such, the Groups are continuing to promote financial inclusion to support medium-sized companies through offering customized financial solutions. Accordingly, the Groups revisited the supply chain finance scheme, navigating towards and incentivizing the use of the designated digital platform to allow for more flexibility under the program. Moreover, the Groups are embedding sustainability into many of the daily business practices, from assessing risks to designing products and advising clients.

The Groups have expanded the existing client network to tap into further market opportunities, by financing mega-projects in active sectors such as petroleum, power generation, real estate, food and beverages, pharmaceuticals, oil and commodities, fertilizers, and ports.

The Groups' expertise helped support the Bank's clientele while providing guidance on the ever-changing business environment and regulatory frameworks. In line with recent market developments, the Groups are well-equipped to support CIB's clients in expanding their respective businesses, as well as effectively contributing to the national economic growth strategy.

2020 Highlights

Egypt's growth trajectory, unleashed by macroeconomic and political stability, undoubtedly decelerated due to the economic shock caused by the COVID-19 crisis, which created an unstable environment for banks. Factors contributing to the economic slowdown included a sharp contraction in vital sectors such as tourism, as well as a reduction in FDIs, drop in flow of remittances, slowdown in consumer spending, decline in net exports, and a growing debt burden. These factors combined weighed down on the local currency. Moreover, a generally slower global economic growth and threats of a second wave lockdown, accompanied by worsening conditions in key trade partners, could further impact growth. On the other hand, the Egyptian government implemented a steady reform plan to revive the economy, such as a lower interest rate environment, in a bid to support local economic activity. This is in addition to efforts to promote financial inclusion, implying a stronger monetary base, consolidation, and improved regulatory oversight in the banking sector, leading to stronger asset bases and declining levels of non-performing loans. Start-ups in the fintech sector are also helping broaden the reach of formal banking services in what is still a largely cash-driven society. Furthermore, the CBE undertook highly effective and swift measures to deal with the pandemic, such as extending deal maturities for six months to alleviate companies' cash flows, increasing ATM limits and waiving withdrawal fees, launching discounted pricing initiatives in earmarked sectors, and pushing banks to expedite digital and contactless solutions.

The Groups' loan and investment portfolio recorded EGP 97.5 billion as of December 2020.

The Groups closed numerous key deals throughout the period, including, but not limited to:

- Funding the development of residential, medical, commercial, and educational real estate projects and the securitization deal settling the New Urban Communities Authority (NUCA)'s bridge facility.
- Financing raw material imports for pharmaceutical products related to the COVID-19 pandemic.
- Extending short-term working capital finance to major automotive assemblers and other major players in various key industries.
- Participating in a syndicated deal to finance the upgrade of four quays in Alexandria Port.
- Funding a major acquisition in the food and beverage sector.
- Financing imports for oil and commodity market leaders.
- Supporting the IT sector in a securitization deal and financing imports for smart tablets under the Ministry of Education's National Reform Project.
- Extending contingent finance related to the new Monorail project which connects the New Capital with the 6th of October City.

2021 Forward-Looking Strategy

Amid the unprecedented market conditions in the global financial sector, and increasing competition from commercial banks and fintechs alike, the Groups' strategies will be based on diversified pillars. We will build on heavy investment in digital transformation, data analytics, machine learning, and the use of robotics, while focusing on our basic

We commit to operational excellence by adopting industry best practices, which is supported by our unique value proposition.

commercial activities through grasping strategic opportunities that will drive continuous value for clients and CIB alike. This is in addition to other opportunities, such as financing mega projects in the petrochemicals, power generation, pharmaceuticals, food and beverage, real estate, construction, healthcare, education, and ports sectors, among others.

Simultaneously, the needed groundwork, through digitization and streamlining of all credit approval cycles, as well as automation of customers' daily operations and revisiting the processes, will pave the way to ensure customers' financial needs are met in the smoothest and simplest manner.

The year will see an increased focus on financial inclusion, and the growth potential of the medium size segment and women's financing and will continue to tap on potential business opportunities in various governorates. The Groups will also continue to build strategic relationships with key governmental entities. Moreover, a special focus will be given to supply chain financing, sustainability financing, and automated cash-management solutions.

Debt Capital Markets (DCM)

CIB's Debt Capital Markets Group (DCM) has an unmatched track record and experience in financial advisory, structuring, and arranging large-ticket syndicated loans, project finance, securitization, and bonds. DCM also has a dedicated agency and security agency desk with more than 36 accounts being managed.

2020 Highlights

Project Finance and Syndicated Loans: DCM successfully closed syndicated short-, medium-, and long-term loans equivalent to EGP 34.7 billion as of 31 December 2020, out of which CIB's share amounted to EGP 3.1 billion for public and private sector companies across several sectors including oil and gas, ports, real estate, as well as mining and packaging. Moreover, DCM focused on refinancing, restructuring, and re-engineering balance sheets for private sector borrowers with deals closed as of 31 December 2020 worth EGP 11.1 billion, out of which CIB's share amounted to EGP 2.5 billion.

Securitizations: DCM continued to play a pivotal role in advising and arranging securitization issuances in cooperation with several partner banks and closed securitization deals as of 31 December 2020 worth EGP 11.7 billion out of which CIB's share amounted to EGP 2.97 billion, cementing CIB's position as one of the top Egyptian banks in structuring securitizations in the local market.

2021 Forward-Looking Strategy

DCM will continue screening the market and aligning with banks to capture new business opportunities with a special focus on the government mega infrastructure projects such as railways, dry ports, new economic zones, etc. DCM will also capture opportunities in refinancing, restructuring, and engineering balance sheets for private and public sector borrowers facing struggles because of the COVID-19 pandemic. We will also leverage on our track record in structuring debt to capture new roles such as financial advisor, global coordinator, or structuring bank to enhance fee income.

DCM has solid deals in the pipeline for FY2021 for new syndicated loans and project finance with deal sizes amounting to EGP 40 billion, as well as restructuring and refinancing deal sizes amounting to EGP 17.2 billion.

In term of securitizations and bonds, DCM's strategy is to attract new potential clients and work with the regulator to adopt more innovative structures that will pave the way for new industries to enter the securitization market. With the current market dynamics and fierce competition, DCM seeks to strengthen its alliances in the market either with established clients in sectors such as real estate, auto finance, leasing, and microfinance or with the large banks who would jointly with CIB underwrite large-ticket transactions. DCM has deals valued at EGP 7.9 billion in the pipeline for FY2021.

Direct Investment Group (DIG)

CIB's investment arm, the Direct Investment Group (DIG), is responsible for the Bank's direct equity acquisitions, divestitures, and equity portfolio management across local and regional markets. DIG maximizes CIB's return on investments by utilizing the Bank's designated funds to invest in sectors with high potential for growth.

Our primary objectives revolve around generating attractive, risk-adjusted financial returns for our institution through dividend income and capital appreciation, as well as enabling CIB to offer a broad spectrum of funding alternatives to support client growth.

We commit to operational excellence by adopting industry best practices, which is supported by our unique value proposition of a full-fledged financial partner in addition to our team of specialized investment experts.

2020 Highlights

The disruption caused by the COVID-19 pandemic has resulted in a significant downward trend for global equity markets. The crisis took its toll on the projected performance of the investments as well as underlying strategies. During 2020, DIG's ultimate objective was to preserve the Bank's rights in its portfolio and provide continuous support to our partners. Capitalizing on Egypt's economic direction and focus on key sectors, DIG has cautiously and opportunistically targeted new acquisitions with a focus on sectors that are expected to benefit from the current situation such as the education, healthcare, pharmaceutical, and food and beverages industries.

DIG has embarked on a set of initiatives, entailing new equity products and tailored structures, to expand its investment portfolio and broaden its funding alternatives offered to support clients' growth.

2021 Forward-Looking Strategy

In 2021, DIG's strategy is to achieve targeted growth considering the Bank's direction, with the aim to revive its pre-COVID-19 expansionary strategy. DIG will continue basing all its investment decisions (whether buy, hold, or exit) on pure fundamental analysis and following a systematic and rational approach in gathering, sensitizing, and analyzing information.

From a marketing perspective, DIG will continue to expand and diversify its portfolio by executing select quality investments that provide CIB with the opportunity to create possible synergies and strategic alliances, hence generating attractive financial returns for the bank. From a portfolio management perspective, DIG will ensure the Bank is represented as a full-fledged financial service provider through the active participation in companies' boards of directors as well as maximizing direct and indirect investment returns.

With responsible banking becoming the mainstream banking model around the world, CIB has taken steps to shift to sustainable practices that assess, measure, and mitigate economic, social, and environmental impact. Interest in investment products with features related to Environmental, Social, and Governance (ESG) matters has grown exponentially during the past several years and adopting this growth has been fundamental in the investment community.

In this respect, and considering the sustainability efforts undertaken by CIB in the last period, DIG is working on introducing the Green Investment initiative which will target investments in companies that currently adopt ESG standards or are planning to expand into green projects.

Financial Institutions Group (FIG)

The Financial Institutions Group (FIG) covers three business segments: 1) Correspondent Banking, Trade Finance, and International Payments, 2) Non-Bank Financial Institutions, and 3) Development Finance. The teams are CIB's first point of contact for bank and non-bank financial institutions, and serve to manage the Bank's relationships with different global institutions, including loans, trade finance, and investments, as well as agency management and promotion activities for development programs in partnership with development institutions, government agencies, and local banks.

2020 Highlights

2020 saw global correspondent banks working remotely and increasing their reliance on communication technology. CIB's investment in digitalization enabled our Correspondent Banking division to ensure that trade, treasury, and cash management services for CIB and its clients remained uninterrupted, with volumes decreasing at a lower rate than expected given lockdowns and delays in project implementation.

Africa continued to be a priority for correspondent banking; our coverage has grown to 21 countries through a network of 38 local and Pan-African banks, in addition to several African multilateral financial institutions. This includes CIB's recently acquired subsidiary in Kenya, Mayfair Bank, in addition to establishing our Representative Office in Ethiopia, a reflection of CIB's commitment to growing its business in Africa and our support to our clients when venturing into new markets, especially in sub-Saharan Africa.

By the end of September 2020, the Development Finance (DF) segment had, through managing developmental programs, served 46,778 agri-business beneficiaries with approved developmental agri-loans, at a total of EGP 742.3 million. Among those credit lines and development programs is the Sustainable Agriculture Investment and Livelihood Project (SAIL), which targets small farmers to help enhance their living standards by providing tailored loans in certain geographic areas, including Aswan, Beni Suef, and Minya. Development Finance, together with the Non-Banking Financial Institutions (NBFI) team, have disbursed EGP 1,424 million to the microfinance market. Some 44% of this amount financed women micro entrepreneurs. DF also supports CIB's financial inclusion activities by offering its customers a wide range of innovative tailored financial services to meet their needs, such as digital collections and disbursement to MFIs through the smart wallet. Building on existing CIB services such as ACH, DF introduced cash management solutions to its customers.

2020 was also challenging for direct loans under the NBFI segment. The uncertainties regarding the impact of COVID-19 and the accompanying economic slowdown led to decreased market demand and utilization growth of our NBFI clients, with a witnessed pickup during Q3. Nevertheless, the NBFI division maintained strong asset quality of financed loan portfolios related to all financed clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, car finance, and microfinance sectors. NBFI focused on wider market coverage and succeeded in onboarding new bank clients in the newly regulated consumer finance market, among others. On the investment side, while new issuances were minimal during 1H of the year, the aggressive decreases in pricing encouraged issuers to tap the market in 2H, when NBFI played a prominent role in securitization transactions related to the automotive finance and leasing sectors, in addition to being one of three lead arrangers in the first Sukuk transaction for a NBFI worth EGP 2.5 billion.

In light of the Bank's strategy to promote financial inclusion, we have supported the Digital Channels team in introducing CIB Smart Wallet to microfinance institutions for the automation of micro lending. NFBI also helped the team introduce CIB Business Online and ACH products to our clients in the non-bank segment.

Separately, new FX facilities were extended, and an automated cash flow mechanism was applied to serve third-party clients. We also extended a facility to a credit-worthy insurance company that enhanced the utilization under the CBE initiatives introduced.

2021 Forward-Looking Strategy

Egypt has been relatively resilient in the face of the pandemic, and its economic growth was not as affected as other emerging markets which paves the way for a pickup in 2021, translated into a growth on contingent trade finance business related to mega and infrastructure projects. In terms of FIG's activities, we will continue to work on expanding our correspondent network in sub-Saharan Africa. We will particularly focus on supporting the growth and development of our subsidiary in Kenya, while identifying potential African trade finance opportunities as well as select infrastructure projects involving Egyptian contractors in key markets in the East African region. We will also continue to approach credit insurance companies that will boost trade finance activities with African countries.

We aim to continue being the leading private bank in managing developmental funds. We also intend to enhance our operational effectiveness and efficiency through upgrading the current system, and to effectively market our financial services and digital solutions.

As stipulated by the CBE, we are focusing on growing our loans to the microfinance sector to fulfill 20% of loans that should be directed to the SME and microfinance sectors, and supporting financial inclusion and women's empowerment.

We are also looking to expand the sectors we finance by approaching players in the mortgage sector to add them to our client base and accordingly aid in increasing the penetration in other NBFI sectors such as leasing, car finance, microfinance, factoring, and consumer. Additionally, we are participating in the marketing of a new product, authorized by the FRA, which enhances the investments portfolio division. We are also targeting insurance, investment, and brokerage companies to increase their LCY deposits.

Treasury Group

2020 Highlights

CIB's Treasury Group was able to establish prudential safeguards that prevented adverse effects resulting from COVID-19. We were able to take necessary actions to ensure that the business is operating efficiently despite internal and external communication challenges.

Global markets were severely hit by COVID-19 in 1H2020, resulting in significant portfolio outflows from Egypt and a fallout in Egypt's main sources of foreign currency, leading to fluctuations in FX and fixed-income markets. However, we found portfolio outflows to be an opportunity to take favorable positions, which resulted in noteworthy profits. Moreover, the Group ensured sufficient liquidity was available, FX volatility was properly managed, and customer needs were fulfilled.

The Treasury Group maintained a good line of communication with other departments within the Bank to provide customers with the support they needed to alleviate the negative impact on their respective businesses through offering competitive pricing and customized foreign exchange products. TAT was enhanced through increasing FX limits for customers on the Bank's digital platforms, such as e-remittance and VCN.

In 2020, the Treasury Group won Global Finance Magazine's Best Treasury and Cash Management Provider in Egypt and Best Foreign Exchange Provider in Egypt.

2021 Forward-Looking Strategy

The Treasury Group will continue its shift from offering clients standard products to more client-centric products. In line with the Bank's expansionary plans, the Group will seek to better the performance of its trading and sales activities by expanding into other African nations, supported by the recent acquisition of Kenya's Mayfair Bank. This expansion will authorize the Group to act as a hub for international investors and support our representative office with a range of treasury solutions.

Strategic Relations Group (SRG)

The Strategic Relations Group (SRG) is an institutional banking group dedicated to initiating, nurturing, and growing banking relationships with strategic institutional depositors who are essential contributors to CIB's stable funding base. The Group's primary objective is to offer a first-class banking experience while maintaining the balance between mainstream commercial banking activities and its clients' non-commercial needs.

CIB takes pride in being the sole bank operating in Egypt with a focus group, exclusively dedicated to servicing its prime institutional entities. SRG carries out this function through highly qualified Relationship Managers, whose role is to ensure that customers receive superior, personalized services catering to their respective business needs. SRG provides tailored banking services with a highlighted focus on digital banking solutions. Products or services that CIB exclusively offers to clients include advanced, tailored GTS products, and short-term bridge finance facilities for the educational sector to eliminate cash-flow gaps that develop throughout the year.

SRG's strategic clientele consist of more than 180 diplomatic missions, NGOs, educational entities, and international and local donor agencies. The team works tirelessly to facilitate its clients' business operations and meet their banking requirements by creating innovative and tailored products and services. Its functions include offering customized digital solutions, the collection of tuition and visa fees, the monitoring and reporting of deposit activities, fund management, and savings plans, providing a settlement system between tourism companies and airlines, and special offerings for staff loans.

Although COVID-19 led SRG's foreign clients to pause certain activities, SRG successfully continued to conduct its business with foreign entities. SRG leveraged our electronic channels to ensure a normal workflow without any disruptions, and expanded utilization of GTS products in accordance with the Bank's strategy.

SRG relies heavily on data analytics and digital banking in all aspects of its business decisions, including performance analysis, pricing strategies, and customer behavior analysis. Technology, in particular digital banking, is a key marketing tool that the SRG team leverages when marketing CIB products.

2020 Highlights

The Group successfully oversaw the marketing of a lending program, which extends debt against a guaranteed flow of proceeds to an identified group of clients operating within the airline industry. In addition, efforts were directed towards expanding marketing efforts to attract the educational sector's deposits. The Group also successfully executed bridge finance facilities for the educational sector.

2021 Forward-Looking Strategy

The Group has become one of CIB's primary channels for corporate lead generators, leveraging on existing relationships while simultaneously capturing NTB opportunities by creating a wider networking base. A tailored, short-term bridge finance facility was designed and implemented for the education sector, including universities and schools, to eliminate cash flow gaps that develop during the year. This product is poised to become a major attraction for these institutions, helping expand our institutional depositor rate and enhance the utilization of CIB's digital banking solutions.

Enterprises and Governmental Relations (EGR)

Since its establishment in 2016, the Enterprises and Governmental Relations (EGR) Group has positioned itself as a market leader, focusing on large enterprises and governmental institutions.

Over the last couple of years, EGR's role evolved to manage relationships with large private sector companies, conduct fundraising, and attract customers previously segmented under state-owned enterprises, government entities, and sovereign authorities. In 2020, EGR's role expanded to include a diversity of banking business solutions and products to top-tier clients, and to increase the bank's market share in this industry. Aside from the usual financial and advisory assistance provided, EGR clients require higher flexibility and constant support in their transactions. The Group caters to the needs of these strategic customers through tailored products and services, all while growing CIB's business.

EGR is one of the market's pioneers that focus on governmental entities. The Group also overcame the challenges presented by COVID-19 and sustained its client relationships and remarkable financial figures.

2020 Highlights

During 2020, EGR continued its vital role of leveraging the power of digital banking to offer an exceptional banking experience to its customers and achieved remarkable growth in all its GTS services ratios. EGR also expanded its institutional banking liabilities portfolio, reflected in the increase in its lending capabilities and achievements in the trade finance business in comparison to the previous before.

2021 Forward-Looking Strategy

In the coming year, the division seeks to achieve a solid presence in the market and manage its relationships with clients in a sustainable manner that drives value for its customers. EGR aims to do this by growing its market database and utilize digital banking and other technologies to better the business and ease clients' relations with the Bank. At the same time, where possible, the Bank will look at decreasing transaction costs to maximize revenue through using alternative digital channels and e-banking business solutions.

EGR will continue to play a crucial role, while increasing the Bank's total portfolio and market share. The team will also continue to match its clients' requirements with the best available banking business solutions in the market, and increase its customers' penetration by sustaining its position as a client-centric organization and preferred service provider. This should lead to an increase in the banking product penetration and revenues.

SRG's strategic clientele consist of more than 180 diplomatic missions, NGOs, educational entities, and international and local donor agencies.

21 Countries

covered by CIB's correspondent banking activities.

Retail Banking

We strengthened our customer proposition with regards to product offerings and service levels and increased our customer base in our target segments.

Consumer Banking

CIB maintained its leadership in the Household market, adding more to Household loans and liabilities despite the difficult circumstances imposed by the global pandemic. This reinforced the Bank's superior position in the market. NTB figures continued to grow, ending the year with 269,000 NTB customers.

In light of the COVID-19 pandemic, the digital platform became crucial for customers to conduct seamless, easy transactions, and increase customers' migration from branches. The priority in 2020 was to drive rapid adoption of digital banking transactions across all segments, specifically in the Prime segment. Digital capabilities are planned to be one of the main sourcing channels of customers' requests. We have enhanced our customers' experience with our chatbot Zaki, and introduced predictive text to help our customers find the most frequently asked questions based on keywords. Not only did Zaki display tutorials to increase customers' awareness to the features of digital channels and the registration process, it also helped customers stay up to date with all CBE mandates and circulars related to COVID-19.

In 2020, CIB realized the efficiency gains driven from the full rollout of the CRM modules, namely account opening (A/O) and loan origination (LO). A/O improved staff efficiency and customer experience by decreasing the time and resources spent during the account opening process. The full rollout of the loan origination module across the distribution network was completed early 2020. The module reduced the loan approval process for the selected segments to two days, as the process automated the end-to-end credit assessment process while providing instant decisions based on automated workflows and decision rules.

The year also saw CIB leverage on our CRM Marketing Module, using the Campaign Command Center in launching personalized campaigns to different groups of customers. The module also sends automated personalized welcome SMSs or emails to customers in their preferred language upon the opening of their accounts, including the account data.

2020 Highlights

CIB was the first bank to launch the loan module with a decision engine. Loan origination was successfully rolled out throughout the Bank's entire branch network, covering personal loans, credit cards, and overdrafts for both secured and unsecured sorts. This led to a 22% and 64% increase in the monthly acquisitions of credit cards and unsecured lending, respectively.

We strengthened our customer proposition with regards to product offerings and service levels and increased our customer base in our target segments. We believe there is still ample room for further growth, given our upcoming strategic initiatives and business opportunities.

CIB branches continued to outperform in 2020, despite the highly priced liability offering from state banks. The Bank was able to maintain its leading position as the most efficient and productive branch operator in the peer universe, with higher household deposits, personal loans, revenues, and profits per branch than any other bank in Egypt.

Improving the customer experience and operating efficiency through the migration of activities from assisted to self-serve channels (digital), by leveraging our investment in digital capabilities, was a priority. CIB invested in different solutions to constantly move certain branch service transactions to digital channels over several phases. As transactions accelerate via other channels, branches will focus more on sales opportunities and complex services.

Segments

Private

Positioning the CIB Private brand in the high net worth (HNW) community was the key target in 2020. The Private segment launched a range of offerings; including portfolio management services in collaboration with CI Capital based on the profiling strategies intended to align customers' risk appetite with the matching portfolio.

The segment introduced the Private Facility Pack, a flexible consumer facility offered with the opportunity to switch between overdrafts and personal loan products. A Secured Overdraft against Treasury Bills was launched targeting all customers with custody portfolios, as well as increasing the maximum unsecured loan ticket size to reach EGP 5 million.

On the partnership building level, several agreements were forged throughout the year covering a variety of services aligned with private customers' demands and lifestyle. Deposits for the segment amounted to EGP 34.1 billion, while the total asset portfolio came in at EGP 5.2 billion.

Premium Segments

Premium segments (Wealth and Plus) offer distinguished propositions to their customers through the focus on customer migration to digital channels for a smoother and more convenient service.

Product penetration reached an average of 3% for Wealth and 2.4% for Plus. In 2020, deposits for the Wealth segment rose to EGP 115.5 billion, while the asset portfolio came in at EGP 16.4 billion. As for the Plus segment, total deposits reached EGP 29.9 billion and assets EGP 3.5 billion.

The segments introduced the KYC Customer Interactive Form for automating customers' data fulfillment, and enhanced customers' communication through sending email shots and personalized SMSs for impacted Wealth and Plus customers.

Prime

The Prime segment successfully launched the Prime Me bundle during 2020, geared towards the millennial sub-segment. Several activities were conducted to cluster Payroll customers into categories to provide them with the most suitable products.

"Solfa w Aman Loan" products were also launched, targeting blue collar workers earning more than EGP 3,000 a month, with a simple communication mechanism and a relatively smaller loan amount and tenor. CIB introduced a bundled proposition for prepaid cards and smart wallet, targeting financial inclusion customers whose salaries are less than EGP 3,000.

Building on successful launches in 2020, the Prime segment's assets ENR reached EGP 9.8 billion, while deposits came in at EGP 18.8 billion, with a favorable mix of 80% CASA and 20% deposits. The segment also added 253,300 NTB customers, payroll and non-payroll.

Household Assets

Household assets grew by EGP 8.7 billion, with a total ENR of EGP 34.8 billion despite challenges during the year. Cards continued to contribute to CIB's income by maintaining a high net interest margin profitability and fee revenue. Consumer loans continued to lead asset income generation, due to portfolio optimization and effective acquisition programs and tactics, newly introduced products and the full rollout of loan origination.

Cards

Due to the CBE initiative following the pandemic, card revenue was impacted, where a 42% drop was driven by the lowered arrears fees.

The acquisition figure showed significant growth, despite the circumstances, with 138,000 credit cards acquired throughout the year, bringing the total card portfolio to 615,400 primary cards and 120,600 supplementary cards.

Additionally, the pandemic impact and subsequent CBE initiative negatively contributed to the P&L, specifically on the international spending, cash advance fees, arrears, and interchange revenue lines. Despite this, gross contribution grew in 2020 compared to the previous year.

CIB launched World Credit Card during the year, with a distinguished rich travel and lifestyle proposition, targeting the Exclusive Wealth customer base to add higher value to CIB's cards product suite.

Prepaid payroll cards were also revamped (with the proper KYC requirements), complementing our payroll proposition by targeting customers with incomes of less than EGP 3,000 per month at a lower cost solution for blue collar workers in the Prime segment.

Household Loans

It has been an extremely challenging year for the personal loans business due to unprecedented COVID-19 implications such as the CBE's six-month loan installments postponement initiative, which had a negative impact on the loan top-up program and customer DBR ratios. Furthermore, we froze some lending programs due to market conditions.

This was compensated by an improvement in sales efficiency, with a significant increase in the average run rate of unsecured loans. The unsecured acquisition crossed EGP 4.26 billion, marking a record achievement in light of market challenges.

A number of new personal loans programs were launched in 2020, including "Solfa we Aman", a short-term fixed loan targeting the low-income band payroll sub-segment. CIB also launched the Car Finance program, a semi-secured bundle targeting premium segments, an unsecured loan limit increase to EGP 5 million, and overdraft lending against T-bills for Private customers.

In terms of financial achievements for loans, ENR reached EGP 26.52 billion, interest income EGP 3.2 billion, and fees EGP 186 million.

Mortgages

Despite the significant drop in the number of referrals provided by social housing, as well as the closure of the Notary Public for three months, the business managed to successfully exceed its ENR by EGP 708 million y-o-y.

Low-income mortgages continued to show a healthy portfolio in terms of delinquency, with rates maintained within the accepted level.

ENR reached EGP 1.9 billion in December, up by 61% compared to the previous year, while interest income came in at EGP 146.5 million.

Liabilities

The high-yielding CDs offered by public banks in March had a negative impact on our business growth, evidenced in the increase of outflows to state-owned institutions. In response, we launched a three-year fixed CD at 12%.

The Bank launched the CASA campaign, a loyalty program, and the customer journey to ensure a guaranteed satisfactory customer experience within the first year.

The liabilities business remains the main contributor to Retail Banking revenues through its existing product suites. One of the main products that was a key to growth, improving the overall profitability and addressing the segment's needs, was the 'Easy Account', a tailored account offering a competitive interest rate to Prime customers with low balances as an alternative to CIB Savers. Easy Account acquisitions closed at 89,700 accounts opened this year.

Liability ENR reached EGP 198.3 billion, interest income EGP 14.3 billion, and fees EGP 274 million.

Insurance

The insurance business worked with AXA to launch two new products this year: Cancer Care, a simple, pre-underwritten product that gives out a tiered lump sum upon the diagnosis, and SME, an insurance cover for companies with less than 200 employees including life and medical covers.

The business also developed insurance benefits with the Diamond Plus Payroll package, including accidental death or disability coverage and in-hospital cash covers. Introducing an enhancement to increase the medical and referral limit for unsecured personal loans to EGP 1.5 million had a positive impact on the booking process of more than 70% of the cases referred to AXA to obtain the insurability decision.

In 2020, total insurance fees reached EGP 241.3 million, while volumes for the life and health insurance business hit 594.5 million.

2021 Forward-Looking Strategy

Significant transition will take place in the service model for retail customers, and an extensive strategy to incorporate a well thought out coverage and operation model to satisfy customers' requirements, is being implemented. We will continue to improve the operating efficiency through cost control and migration of activity from assisted to self-serve channels (digital) by leveraging our investment in digital capabilities. We will also introduce a best-in-class digital onboarding solution to facilitate the onboarding of personal loans, credit cards, debit cards, and prepaid card holders with specific online propositions for customers.

Segments

In 2021, the Private proposition will be complemented by the launch of new financing programs tailored for this segment, as well as finalizing the lending policy and IT requirements for Margin Lending.

In 2021, our aim is to boost the customer base by 22% for Wealth and 20% for Plus by providing the Relationship Managers (RMs) with the best tools and retention schemes. We will continue focusing on our proposition awareness for all fronts and customers through social media. Leads generation will remain a top priority to support our RMs, and so we will continue to enhance the process. We will also leverage the Family Proposition to target potential Plus family customers to match their family banking needs. As for Overseas Banking, we aspire to grow the customer base of Non-Resident Egyptian (NRE) and Foreigner Non-Residents (FNR) customers through a proposition built on a remote/virtual set-up, unique products, and strong digital offering.

The Prime segment will identify new sub-segments through continuous marketing research, in line with our sub-segmentation strategy. We will launch the Family bundle, which will cater to affluent Prime customers to increase CIB's share of wallet. The segment will hammer on the CRM instant account opening and loan origination integration to cross-sell assets under day one programs. This is in addition to introducing agent banks like Fawry Plus as a new acquisition arm for the lower income segment, offering them prepaid cards and smart wallet bundles to reduce the payroll customers' acquisitions cost.

Household Products

For the year to come, the Bank plans to develop an online solution that leverages on CIB's digital platform to reinforce acquisitions and generate extra sourcing for cards and household loans through an efficient and customer-friendly digital onboarding experience. CRM will also roll out for the payroll channel to efficiently enable maximizing asset penetration for eligible payroll NTB customers.

In 2021, we plan to boost credit card acquisitions as well as ENR through capturing further market share and leading the business growth by leveraging on innovation, agility, and data analytics capabilities. We plan to increase our run rates and leverage the credit risk score capability to optimize acquisition efficiency.

New effective acquisition programs and tactics will be introduced. We aim to boost acquisitions in household loans by focusing on online acquisitions, leveraging our new technological capabilities and infrastructure. A new risk-based approach will also be introduced.

The liabilities business will depend on three main pillars to achieve the desired growth:

1. Pricing flexibility that is consistent with CIB's premium strategy and providing frontlines and segment management with the needed agility in acquisitions and P/L management;
2. Digital enhancements to offload frontlines and improve customer experience on lower TATs; and
3. Streamlining our product mix to simplify the range and removing redundancies and complicated pricing frameworks, at the same time delivering tailored bundles aligned with each customer segment's designed value proposition.

Business Banking

Business Banking has built a well-established cash and trade management business with average liability book growth rates of 32% and 99%, respectively, for the last three years. In 2020, operating profits for the division came in at EGP 1.6 billion, deposits hit EGP 29.5 billion, growing 26% y-o-y, while trade rose to EGP 26.7 billion. In the payment solution space, the division processed EGP 35 billion in transactions. The Business Banking client base grew to more than 64,000 companies during the year, up 12% y-o-y.

2020 Highlights

In line with the Bank's direction and commitment to Egypt's strategy to grow and expand the loan portfolio for SMEs, Business Banking launched new lending programs targeting existing and new customers with facilitated documentation, fast approval turnaround time, and fixed monthly installments. This is in addition to a new initiative that supports SMEs in COVID-19 circumstances by offering unsecured unsupported overdraft lines to existing borrowers to pay salaries.

Following the nation's strategy to support SMEs, Business Banking supported its customers through the internet banking platform for companies, the digital channels and contact center, in addition to an initiative that encourages SMEs to transact online by offering a three-month free online subscription for newly enrolled customers to online banking. Another initiative took place during the pandemic to increase SME awareness by conducting online educational webinars presented by our partners in the non-financial solutions programs covering several topics and market gaps.

Business Banking also developed unique and differentiated deposit bundles suitable for various customer needs and banking preferences, including the Super Business Account, which gives customers exclusive benefits and services to manage their business efficiently and conveniently, and the Easy Business Account, an online account that allows customers to fulfill most of their banking needs without having to visit a branch.

CIB maintained its dominant position in Egypt's payment acceptance sector in 2020, attaining a market-leading share of 28% for POS transactions. Following the country's push for financial inclusion, the Bank managed to activate all POS and e-commerce platforms to accept the government-backed Meeza card and launched QR acceptance to reach untapped segments — a key enabler of payment business growth, especially with very small merchants.

This year Business Banking witnessed an expansion in women's activities by sponsoring local and global events in addition to the new (WIB) Women in Business lending program. CIB sponsored the She Can event, a one-day local event that took place in Q1 2020, which included inspiring talks, workshops, panel discussions, master classes, mentorship, and networking activities along with funding opportunities to support the female entrepreneurship eco-system in Egypt and the MENA region. CIB also sponsored She's Next, a global event held by VISA for 3 days that took place in Q3 2020, which reflects the Bank's women's empowerment and diversity and inclusion strategy, raising brand awareness globally, promoting the strategic direction towards women's empowerment by highlighting Business Banking tailored lending products and services.

Early this year, the Sustainability team, along with the Business Banking team, decided to conduct an environmental and social impact assessment to our investments on SMEs, through a research on the CIB-funded SMEs database in order to assess the level of sustainability and promote a continuous improvement culture among our stakeholders.

2021 Forward-Looking Strategy

In the year to come, CIB Business Banking's SME client companies will enjoy a bouquet of products and services designed for each segment according to their business requirements. Business Banking will enhance its value proposition by tailoring services to the ever-changing needs of its clients.

Using state-of-the-art technology, Business Banking will build the infrastructure to automate processes to improve the customer experience. Business Banking will invest in its online banking capabilities and remote services such as (ChatBot, WhatsApp, IVR technology) to provide clients with convenient and efficient ways to manage their finances around the clock, in addition to giving them access to online government payments and payroll services. The division will focus on growing its acquiring business in e-acquiring through QR codes and developing value propositions for different merchant segments capitalizing on the current products available and suitable to merchant needs.

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

Digital Banking

The four pillars of CIB's digital business plan are improving the customer experience, increasing migration and automation ratios, optimizing costs, and generating revenue.

At CIB, digital thinking is widely and deeply integrated into the organization. This focus goes beyond service channels and transaction processing, as the Bank works to implement digital transformation throughout its entire business, from product development to risk management and human capital management. With digital banking mapping out the future of businesses and the economy at large, big data has become vital as we build information-gathering and analysis structures and turn our quantitative knowledge into building blocks for future strategies. It is these building blocks that CIB believes has formed the foundation of an entirely distinct business line: Digital Banking.

CIB's digital business plan is driven by a vision to make CIB part of our customers' daily lives. By giving customers a simple, trusted, and enjoyable experience that includes the right advice and support no matter when, where, and how they interact with the Bank, our digital solutions provide tremendous value. They enhance the customer experience, optimize working capital, reduce operating cost, improve control and visibility of payments and receivables, and add security to financial operations. These elements are also expected to see continuous optimization on the back of CIB's use of data sciences, management, and analytics in finessing its blockchain initiatives and overarching digital strategy. Through the dynamic use of data in assessing internal and external facets like risks and performance, the Bank expects to easily expand its digital infrastructure as needed to complement the ever-changing demands of digitalization.

Accordingly, the four pillars of CIB's digital business plan are improving the customer experience, increasing migration and automation ratios, optimizing costs, and generating revenue. These are handled through two core groups: the Analytics and Data Management division (ADM) and the Digital Banking and GTB Group, each of which has its own individual segments, directives, and strategies to achieve these goals. Both divisions work together seamlessly to adhere to CIB's digital business plan and transform the Bank into the digital bank of the future.

Analytics and Data Management Division

The Analytics and Data Management division (ADM) is the embodiment of the Bank's innovative drive and a much-needed change catalyst for the organization as a whole. During 2020, and as a result of CIB's position as a market leader in originality, several global organizations such as Forbes recognized CIB's achievements by featuring ADM in discussion panels and forums alongside other international organizations. The Bank's stellar performance and experience were evident during discussions with global market leaders about the banks' role in promoting modernization and keeping up with technological advances, and their responsibility towards offering clients the simplest and most convenient methods of modern banking. CIB's Data Team has successfully obtained the CMMI Certificate's latest version in Data for Development V2.0 (CMMI-DEV) Maturity Level 3. This accomplishment rendered CIB the first bank in the world and first organization in Egypt to obtain the latest version of the certification.

CMMI Maturity Models were originally created for the U.S. Department of Defense to subsequently become a prestigious attestation of extraordinary performance in all fields and sectors. Given the data-driven organic ecosystem built over the years, the necessity of such a model was indispensable to achieve the cutting-edge goals set for the future and to maintain our continuous improvement vision.

CIB's Data Lab, driven by its previous success, renewed its real-life business case practicum partnership with Carnegie Melon University Africa for the second year. The partnership aims to provide CMU Africa Masters' students with real practical experience in information technology. Through this partnership, we aim to help the master's students build a forecasting model to reliably predict demand patterns at the CIB Call Center, under the supervision of the CIB Data Science Team. The Data Lab was also featured in the IIF global survey for machine learning, focusing on our practices and use cases for machine learning. The team also applied for Gartner's prestigious 2020 Eye on Innovation Award for Financial Services with two different projects to compete with global banking and payment giants worldwide.

A clear agenda was put in place to support the business in providing best-in-class services and products to customers, optimize operational processes, and maintain CIB's position as a market leader in the field by providing continuous support in the decision-making process. Our focus has recently shifted towards the improvement of business processes, especially in light of the challenging economic and social conditions faced as a result of the COVID-19 pandemic. As such, the ADM team invented business-specific projects to enhance the Bank's bottom line and improve the customer experience. The impact of data is constantly felt across the organization, transforming it into a reliable partner that many stakeholders depend on.

ADM has always aimed to commercialize and commoditize CIB's data assets, to create value out of the intangible data that was not captured by the organization. The team was successful in doing so this year through three main tracks.

Optimization of the Customer Experience

Robust Operations Research (ROR) queuing theory-based models were applied to reduce branch waiting times, while offering fast, safe, socially distanced, and desirable services, either through our state-of-the-art online processes or our branches. This customer service enhancement came as a direct result of the ADM team's efforts to categorize and classify transaction types and clients whose activities could be transferred to online/remote channels. This process of customer and transaction segmentation has been shared with the different lines of business for alignment and implementation. Furthermore, the team is working on revamping the entire branch experience towards a more customer centric operation. Our ultimate goal was to reach the best setup for every branch regarding its operational structure, branding, staff functions, and customers' nature.

The ADM team developed a machine learning-based predictive model, Intelligent Product Recommendation Engine, to help relationship managers find the most suitable products for their clients based on the client's history with the Bank. Additionally, the team is building a fully analytics-driven customer lifetime economic model on top of advanced statistical modeling techniques, allowing us to determine the full value generated during the lifetime of any client and enabling officers to preemptively decide on discounts and pricing offered to the client.

Amid the fast-paced changes of current times, the ADM team ensures the Bank can meet new customers' demands and behaviors. As a result, the team is working on using the vast stores of customer data available on social media to try and gain a more comprehensive and timely understanding of our clients and their needs.

Operational Support Initiatives

We successfully rolled out the Cash Management Project, which aimed to decrease overall bank-wide cash levels. We identified that the amount of idle cash sitting within CIB's cash hubs can be better utilized by establishing a cash formula that predicts the amount of cash needed at each hub (branches, ATMs, central vaults, and cash-in-transit). In place for nearly a year, the project has proven highly successful, resulting in a substantial decrease in Bank-wide cash levels, along with the decrease of the associated costs related to handling, transport, and storage. The team is also working on the efficient distribution of employees and responsibilities to increase their performance and satisfaction. Mathematical optimization-based capacity planning models are built for each department, after which the team applies stochastic simulation techniques to account for uncertainties and ensure robustness. By factoring in the respective KPIs, the team will be able to provide an equitable working situation for all employees. In turn, this will result in a more pleasant banking experience for CIB's clients and a more attentive employee base.

Decision Making and Business Reporting

Building on its proven reliable information and analysis, the team has chosen to enhance already existing business intelligence (BI) capabilities (branded as CIB Navigator our own internal marketplace) and reporting tools by adding new data streams and developing new platforms that are targeted for specific products to monitor their performance more effectively. In addition to providing management with timely actionable analyses, the team presented the Treasury, management, and board with a trade portal dashboard reflecting the monthly trade activities within the Bank and all relevant data. It also benefited from the existing Institutional Banking portal to develop industry-specific analytics and KPIs reflecting customers' profitability, cost, and return on capital, as well as macroeconomic figures such as market share and trends. The ADM team is working on enhancing its specialized visualization software, which supports users by facilitating tracking changes in the business and spotting trends, in addition to facilitating the analysis of the different trends, resulting in faster and more actionable reporting.

Additionally, the team is currently working on the launch of Livestreaming Systems that will enable real-time integration of core data existing analytics platforms. It is also upgrading CIB's reporting and analytics dashboards by enhancing the Data Warehouse system based on the cutting-edge Teradata Vantage technology. The new system will give CIB a boost in its data processing and storage capacity, accommodating future business expansions. The team is also working to upgrade our Power Center Server (data integration) specifications to cater to the rising demand in data integrations and data provisioning streams to and from the enterprise data warehouse, which is required for future AI and machine learning applications.

Digital Banking

The Digital Banking Group:

- Re-engineers various operational processes to reduce turnaround time (TAT) and increase efficiency
- Provides a channel for acquiring new customers
- Creates new touch points for existing CIB customers
- Generates efficiencies and reducing costs across the Bank
- Increases migration and automation ratios
- Creates new revenue streams
- Enhances the customer experience and integrating channels seamlessly
- Enables new market segments, specifically financial inclusion
- Drives product and service innovation

The Group is divided into the following divisions:

Global Transaction Banking (GTB): The GTB division helps promote, monitor, and analyze the performance of the Bank's digital channels, reporting on traffic, segments, products, and services with the goal of maximizing product penetration and increasing CIB's share of the customer's 'wallet'. The GTB division focuses on:

- Global Securities Services products
- Cash management products
- Trade finance products
- Supply chain products
- GTB business development

Consumer Digital Products and Channels: The Consumer Digital Products and Channels division develops and promotes digital products and services for consumer banking. It monitors and analyzes the performance of these channels and platforms in terms of traffic, segments, products, and services to maximize product penetration and increase CIB's share of the customer's 'wallet'. The division focuses on:

- Consumer digital business development
- Online banking channels (Internet and mobile banking)
- IVR, Chabot, and contact center channels
- ATMs and self-service channels
- Digital transformation

Financial Inclusion and Mobile Products: CIB provides convenient, secure, and cost-effective ways to make purchases and transfer money using mobile devices, serving both banked and unbanked customer segments, and supporting financial inclusion. The Financial Inclusion and Mobile Products division oversees the implementation of the Bank's mobile payments strategy and systematically measures the Bank's digital services and their lifecycles to ensure that customer interactions continually migrate to optimal channels.

Digital Strategic Alliance and Innovation: The Digital Strategic Alliance and Innovation division leads on CIB's innovation and fintech strategies. It seeks to build a strong pipeline of potential entrepreneurs and start-ups to serve CIB's strategic objectives, enrich the Bank's value proposition, and help achieve its financial inclusion goals. As a result, the division enables CIB's positioning as a key supporter of the nation's entrepreneurial ecosystem.

Digital Banking Governance and Support: The Digital Banking Governance and Support division is dedicated to managing collaboration and ensuring compliance among all group divisions, the Bank's internal stakeholders, the regulator, and other external stakeholders.

Internal and External Success

Our successes when it comes to digital transformation come from putting the voice of the customer at the heart of product, service development, and innovation across the Bank, from new customer propositions to customizing existing ones. The Global Transactional and Digital Banking division advocates for the customer during all process redesigns, digital upgrades, and enhancements, helping to translate an understanding of customer needs into clear system requirements, ultimately improving the customer experience.

Several services have been extended to the Bank's support functions, resulting in notable gains. Awareness visits conducted for relationship managers and branch staff improved customer service by enhancing their knowledge of our digital products. Business reengineering to adopt straight-through processing (STP), including process redesigns and automation, increased efficiency and reduced the workload managed by CIB staff. These and other initiatives to digitalize internal departments helped eliminate manual work and automate daily payment processing.

Global Transactional and Digital Banking has worked hard to embed flexible and secured digital capabilities across our operations to take our consumer and corporate customers to the next level. The goal is to bring even more customers to digital solutions and provide them with a richer range of services. We also aim to optimize operations on the back end, increasing automation and streamlining workflow to cut the transaction processing times and costs, as well as strengthening security and compliance.

Digital Transformation

Digital transformation is no longer just an option, but rather a crucial move given CIB's highly ambitious endeavor to continuously provide superior services to customers, and optimize the cost to serve. The COVID-19 pandemic has put digital transformation at the forefront of our priorities. Recent years have seen significant strides towards digital transformation in different areas within CIB.

2020 was a real test for CIB's digital platform in light of the unprecedented circumstances imposed by the pandemic, pushing the Bank to attempt to deviate customer behavior away from branches and towards digital.

CIB has long sought to reduce its environmental footprint, and we take into account in our credit process the footprints of our clients.

CIB has started a new program entitled Bank of the Future (BOTF), which paves the way for the digital transformation of the existing customer base towards the new digital era.

The Bank of the Future (BOTF) program, aims to position CIB as "the digital bank to trust". It will divert customer behavior away from branches, positioning them as an alternative channel, while establishing digital as the primary channel to serve customers. The program will work to digitalize the branch experience and rely on robotics and operations centralization to increase efficiency and reduce the cost to serve. It will also introduce new ways to serve customers indirectly, by availing open platforms third parties can plug into to integrate their services with CIB. Since launching the program in October 2020, the following rates have been positively impacted:

- Online banking cost synergy increased by 42% from EGP 83.8 million m-t-d in September to EGP 119.3 million m-t-d in December 2020, being the highest m-t-d cost synergy achieved throughout the year.
- Online banking penetration rate increased from 48% y-t-d in September to 53% y-t-d in December 2020.
- Internal transfer migration rate increased from 81% m-t-d in September to 86% m-t-d in December 2020.
- External transfer migration rate increased from 60% m-t-d in September to 74% m-t-d in December 2020.

BOTF has five key pillars:

1. **Service Digitalization:** Digitalize the customer journey for several services from initiation (online or offline) to execution and delivery. This requires extending digital channels' capabilities to accommodate more diverse services. The mechanism of the service digitalization workstream is to revamp the process inside branches, educating customers on the use of digital channels for executing the transactions.
2. **Operations Centralization:** Migrate services from the branches to central operations. To start, the Bank announced the suspension of 25 in-branch services in two consecutive drops during the year.
3. **Robotics:** For banks and the financial services industry, Robotic Process Automation (RPA) is vital for success. RPA and Artificial Intelligence (AI) have already helped banks improve efficiency by up to 70% with little to no human supervision in the execution of repetitive tasks, decision making, and other complex financial activities. In 2020, CIB identified 250+ potential processes to be automated, explored from more than 40 departments and areas. The processes were initially assessed using set selection criteria: rule-based, high transaction volumes, low exceptions, stable and well-defined processes, low system change, structured data, and readable electronic inputs.
4. **Branch Digital Experience:** Enhance the branch experience with digital touch points. This includes elements of online appointment booking, self-service kiosks, WiFi, digital signage, biometrics, and experiences such as Walk-Out Banking (where the customer opens an account and walks away with a card and online banking services).
5. **Branch classification:** Review service model for the branch network and allocate branches to serve individuals only, corporate customers only, or hybrid branches and extend the coverage model to ensure all business banking customers have an assigned account officer.

The Innovation Lab

CIB's Innovation Lab is positioned as the fintech and entrepreneurial hub of Egypt's banking sector. It contributes to incubators and accelerators with workshops, mentorship, judges, and support for key events in the sector. These initiatives allow for global and local scouting of startups to enroll them into our Entrepreneurs Engagement Program (EEP), through which CIB's banking model can be complemented and/or disrupted.

EEP supports startups that have fast and agile solutions by helping them transform their offerings into a product line to serve CIB's departments. The program merges CIB's resources and brand with the startups' agility and unique offerings that would eventually allow for continuous enrichment of CIB's value proposition.

Recognizing that the best fintech providers will come from the internal talent of a financial institution as powerful as CIB, the Innovation Lab also promotes intrapreneurship. The lab conducts innovation challenges and competitions that bring together creative multidisciplinary teams from different areas and levels within the Bank.

2020 Highlights

- Despite the global impact of COVID-19 on ecosystem activities and events, the Innovation Lab team's agile model allowed for continuous support of partners, stakeholders, and the Bank's digital transformation strategy.
- Out of a pool of 200 global and local startups and fintechs, the CIB Innovation Lab was consistently managing the commercial and/or technical collaborations with multiple stakeholders across CIB in line with their current challenges and requirements.
- Participating and co-organizing youth-related competitions, design sprints, and hackathons to enable financial inclusion, increasing youth awareness, and scouting for solutions that match CIB's needs.

2021 Forward-Looking Strategy

CIB's Innovation Lab is in the process of formalizing its internal channels within CIB to enable and promote innovation and its applications through its engagement program and other projects, whether in the local market or as part of CIB's expansion plans in Africa. We aim to continuously evaluate and adopt disruptive technologies that will enable CIB's digital transformation strategy and allow for an agile banking model.

ATM Network

2020 Highlights

CIB's ATM network grew 11% to reach 1,121 ATMs, ***being the largest ATM network among private banks*** and handled more than 61 million transactions. Average monthly dispensed cash exceeded EGP 6.4 billion, while average monthly deposits reached EGP 1.7 billion. Despite the added scale and COVID-induced operational complexity, the network's availability increased in 2020, and synergies jumped 27% y-o-y to EGP 1.5 billion.

The Bank has also supported government and regulatory goals for nationwide financial inclusion by participating in the regulator's ATM initiative by committing to install an additional 180 ATMs across different geographic zones by the end of 2Q21.

A new, modern ATM user interface and contactless ATM experience were introduced in Cairo ICT 2020, both of which were received positively by attendees. The new interface has begun rollout and the contactless experience is planned to begin rolling out in 2021, upon regulatory approval.

COVID-19 measures were implemented, including: 1) waiving ATM withdrawal fees, 2) adjusting withdrawal limits to comply with the regulator, 3) customer safety measures, such as social distancing signs, and 4) educational screen displays with appropriate safety measures, encouraging the download of our mobile banking app via a QR code.

The year also saw the TAT of replenishment process for both on-site and off-site ATMs reduced. 96.4% of cash deposits below EGP 10,000 were migrated to ATMs from in-branch deposits, and 98.5% of cash withdrawals below EGP 20,000 were migrated to ATMs.

2021 Forward-Looking Strategy

We will continue to deliver on our ATM strategy, including:

- Expanding the ATM network.
- Continuing the rollout.
- Introducing contactless ATMs.
- Introducing robotics for ticketing.
- Introducing AI in Cash in Transit (CIT) route optimization.

Online Banking (Internet and Mobile Banking)

Internet and mobile banking enable customers to remotely access their accounts with ease and convenience, and to conduct a broad range of financial transactions anytime wherever they are. During the COVID-19 pandemic, online banking channels became among the main channels for our customers, with a significant increase in usage. This was particularly apparent in mobile banking usage, which surpassed that of internet banking, with almost 80% of our online banking customers relying on mobiles.

2020 Highlights

In 2020, we focused on enhancing online channels by improving the customer experience and adding more features. These included:

- Creating a digital self-onboarding process for existing CIB customers to register for internet banking or mobile banking, without the need to go to branches.
- Transforming transaction processing into straight-through-processing, which drastically reduced TAT to instant local payments and offloaded the operations teams while increasing the migration rate for external transfers to 74% in December 2020.
- Proposing the addition of 11 new requests to Internet Banking and Mobile Banking, pending regulatory approval. This would increase acquisition rates for new products such as loans, accounts, credit cards and deposits, and offload our call center and branch network.
- Launching self-service via IVR to unlock accounts and recover usernames.
- Increasing transfers limits through online channels and allowing transfers to electronic wallets.

Online banking channels share in the total cost savings recorded EGP 946.5 million as of December 2020, marking an 89% y-o-y increase. The online customer base reached 802,000 users, with an activity rate of 67% as of December 2020. Online banking subscribers increased 35% y-o-y as of December 2020. The number of Internet Banking transactions grew by 11% y-o-y in the same period, with the value of transactions reaching EGP 40 billion, while mobile banking transactions grew 118% y-o-y in the same period, with the value of transactions reaching EGP 53 billion.

Online banking migration rates y-t-d in December 2020 were 96% for credit card settlements, 81% for internal transfers, and 59% for external transfers from total branch transactions.

2021 Forward-looking Strategy

The new digital platform is expected to launch in 2021, upon final regulatory approval. It is anticipated to enhance the market position of our digital presence, boosted by new features and services, and is set to give customers more control over their position in the Bank. The new digital platform will be launched with a mega marketing campaign that will boost activity and acquisition rates for online banking and improve CIB's digital presence.

Phone Banking (IVR and Contact Center)

CIB's phone banking provides value to customers by giving them personalized advice for their banking needs and offering digital solutions that let them bank more quickly and efficiently wherever they are.

2020 Highlights

CIB's 19666 channels (IVR and Contact Center) witnessed 19% growth in calls in 2020 (vs. 11% growth in 2019), reaching nearly one million monthly calls. Customer inquiries related to regulatory initiatives associated with COVID-19 overloaded our networks, while the challenges arising from the curfew and precautionary measures led to a large percentage of absenteeism. As such, we increased voice channel capacity and launched a dedicated menu for regulator's initiatives and played back educational messages while on queue advising the caller to use alternative channels. We halted certain requests during curfew hours and advised customers to use our digital channels instead.

We changed the IVR top level menu, leading the IVR resolve rate to surpass 49% and making IVR our primary voice channel. We also added self-service features, allowing customers to unlock online banking accounts or recover their usernames, which offloaded agents' calls. These efforts and more saw a 22% y-o-y increase in the IVR customer base to 835,000 customers and a 37% y-o-y increase in synergies to EGP 35.2 million.

2021 Forward-looking Strategy

We plan to revamp the IVR UX to shorten the time to serve while reducing channel utilization/cost and introduce new self-service features. Plans are underway to transform the call center into a contact center to support new channels (live chat and video) and identify customer personas and behaviors, aiding in customer migration to the best-fit channel.

Our four growth pillars are:

1. **Quick Wins** - These are quick fixes that can help offload the call center to IVR or other channels, improving our channel utilization.
2. **Strong Foundation** - Such initiatives will strengthen our IVR and Contact Center and serve as a base for future development, including identifying customer personas and behavior in cooperation with the data analytics team.
3. **Transformation** - Projects and initiatives to continue our journey from call center to contact center, including: remote and video agents and a live text chat.
4. **Rich Portfolio** - Enhance our proposition with a portfolio of features such as branch appointment booking.

CIB Chatbot

2020 Highlights

Zaki the Chatbot, which was launched in December 2019, now conducts over 35,000 interactions per month on both the public website and Facebook Messenger in English, Arabic, and colloquial Arabic, growing fivefold in from February (pre-COVID) to April. The feature has offloaded the social media team by over 55%.

During the pandemic, a dedicated tab for regulatory mandates and FAQs for all products was updated to reflect any regulatory changes.

2021 Forward-looking Strategy

2021 will see the introduction of Zaki on WhatsApp upon regulatory approval, integrated with seamless live chat. The move will serve new segments of corporate and business banking customers and add new services and features (e.g. balance inquiry, financial transactions, banking requests).

CIB Mobile Payment (Smart Wallet)

Smart Wallet is an innovative payment experience that serves both banked and unbanked customers by providing a convenient, secure, and cost-effective way to make financial transactions through mobile devices. Customers can easily pay bills, recharge their mobile prepaid lines, send money to other wallet holders in Egypt, and deposit and withdraw funds from all ATM machines or via any of our authorized banking agents.

2020 Highlights

Despite the challenges arising from the COVID-19 pandemic, we worked on multiple fronts to leverage Smart Wallet's value proposition and increase its customer base, activity rate, transaction volumes, and value. We successfully accelerated the momentum and utilized the circumstances imposed by the COVID-19 pandemic to best utilize Smart Wallet as one of the prime digital channels.

- CIB is the first bank in the market to avail digital wallet registration through SMS for banked and unbanked customers. This had a positive impact on new enrollments.

- Applied new tactics for Smart Wallet positioning, visibility, and branding through partnering with major e-commerce platforms in the market.
- Collaborated with the acquiring team to successfully launch the CIB Merchant Mobile Wallet, through which merchants can collect money from customers via QR codes.
- CIB Smart Wallet's customer base increased by 34% y-o-y to reach 840,000 customers as of December 2020, and maintained its leading activity rate of 20% across all banks in the Egyptian market.
- CIB Smart Wallet transaction volume increased 23% y-o-y to 7.5 million transactions, while transaction value rose 107% y-o-y to reach EGP 2.8 billion as of December 2020.
- Considering CIB's financial inclusion objectives, the Bank launched its new E-Wallet program, a digital platform that provides cost effective solutions and access to affordable financial products. The program accommodates the needs of untapped individuals and merchants. The penetration test report has been submitted to the regulator and is pending approval for the launch of the pilot phase, before going to market in 2021.

2021 Forward-looking Strategy

A number of initiatives in 2021 will continue to propel the success of the Smart Wallet:

- Expand the internal and external sales force.
- Position Smart Wallet as a complimentary channel for CIB consumer banking.
- Introduce Digital Registration Channel for Smart Wallet.
- Digital Campaigns, partnerships, and on-going offers and discounts.
- Promote Mobile Acceptance as the key driver of wallet utilization.
- Introduce digital community solutions.
- Introduce new financial use cases.
- Launch the e-Wallet platform, after regulatory approval.
- Introduce new financial use cases over the e-Wallet platform such as savings, group savings, lending, and micro insurance after regulatory approval.

GTB Business Development

The GTB Business Development team provides the most comprehensive GTB solutions that best cater to corporate customers' daily banking needs, providing best-in-class financial solutions and consulting, and acting as the main stakeholder in developing corporate business needs throughout multiple tasks such as:

- Increasing CIB's market share for corporate digital solutions.
- Conducting comprehensive plans for creating bundled products and offers to all corporate customers, offering best-in-class products and pricing to encourage those customers to increase their total deposits and collections in terms of cash inflows.
- Providing comprehensive ERP integration solutions to attract multinationals and meet their sophisticated needs.

2020 Highlights

- Positioning CIB as 1st ranked in the electronic governmental and domestic payments over ACH platforms across all operating banks in the Egyptian market.
- Enabling different LOBs to exceed most of their GTB KPIs for all corporate digital products.
- Working on comprehensive GTB bundled pricing solutions and attracting new business opportunities such as deposits, trade contingents, assets, digital migration rates, and increased NII.

2021 Forward-looking Strategy

In terms of product and pricing bundling, we plan to apply multiple product pricing bundles to attract new corporate segments as well as industry segmentation to provide competitive pricing that best suit the industry.

We plan to improve collaboration with relationship managers and enhance our digital campaigns. We will launch internal and external communication campaigns through multiple channels in cooperation with the digital marketing team, including:

- Branch and RMs communications
- Flyers, banners, and radio campaigns
- Social media, CIB Chatbot, website, and multimedia campaigns
- Preparing comprehensive user guides for all GTB products
- Staff Sales Performance Rewarding programs

Cash Management Digital Products

CIB provides an agile and digitized suite of products, channels, and technology infrastructure that continuously adapts and responds to changing customer needs, while improving their access to working capital and cash flow, enhancing sales collection, digitizing the payables management process, and improving operational efficiency.

2020 Highlights

2020 saw a notable increase in transactions, generating significant synergies for cash management, which increased by 39% y-o-y as of December 2020 to reach EGP 667 million.

Other key highlights include:

- ***First*** bank in the market to acquire the IPN (Instant Payment Network) certification, which is a new payment network with instant capability to send and receive money between banks using an enhanced experience, with the ability to transact between different account types such as bank accounts, Meeza cards, and Meeza digital wallets using mobile applications, allowing customers to access their accounts in different banks through the desired mobile application provided by banks or Payment Service Providers (PSPs).
- A 45% y-o-y increase in the customer base to reach 17,300 corporate customers.
- Migration rate of 87% for all outgoing transfers.
- Migration rate of 60% for all internal transfers.
- A 28% y-o-y increase in the number of cash management product transactions to reach 3.7 million, worth EGP 327.5 billion.
- A 93% y-o-y increase in the corporate Internet banking number of transactions.
- International remittances witnessed significant improvements on a y-o-y basis, as the number of transactions increased by 136% to reach 173,000, value of transactions increased by 116% to reach EGP 2 billion, and total foreign currency increased by 183% to reach USD 170 million.
- Microfinance institutions digitalization process: digitalizing the core MFIs functions. Loan disbursements and installments collections are operated digitally using our digital solutions and customers' accounts, cards, and wallets.

2021 Forward-looking Strategy

In 2021, CIB intends to focus on building and enhancing the capabilities of current products and digital channels, as well as the payment infrastructure, by improving speed and agility through the initiation and phase deployment of the payment hub and API Gateway, improving after sales solution delivery, and accelerating process automation.

Below are some of key areas of focus in 2021:

- Continuous focus on customer and transaction migration rate to further strengthen our digital transformation.
- Implement key GTB and digital banking strategic initiatives: New CIB Business Online, Payment Hub, API Gateway, Robotics/RPA.
- Intelligent process review and automation for key manual processes.
- Accelerate customer ERP Integration.
- Scale Supply Chain Finance Sales and Cross Sell Operating Model

Trade Finance Management Digital Products

Trade Finance Online is CIB's market-leading online trade channel, offering corporate customers the ability to conduct and manage their trade finance transactions online. The channel provides customers transparent and clear information about their transactions, while eliminating paperwork and saving them time and money.

2020 Highlights

- Re-engineering and enhancing online transactions processes to accelerate the delivery process and increase customer satisfaction, through participating in the revamp of the trade finance core system. The revamp aims to improve the speed of transaction processing and reduce processing TAT.
- Re-engineering trade finance process workflow for Mayfair Bank, recently acquired by CIB.
- Creating a Trade Finance MT101 end-to-end cycle to be presented to our prime corporate customers. The new service enables our customers to send matured incoming documentary for collection payment instructions through the SWIFT system, which reduces the consumed time and provides a fast and secure channel for sending the payment instructions.
- Total trade finance online fees for deals generated online reached EGP 112 million.

- A 65% y-o-y increase in the customer base to 3,700 corporate customers.
- A 23 % y-o-y increase in the number of transactions to 26,000.
- A 75% y-o-y increase in synergies to reach EGP 18 million.

2021 Forward-Looking Strategy

- The Trade Finance Management team will work on implementation of the trade finance transformation program in cooperation with Operations and IT. This program is designed to:
  - Significantly improve the customer experience.
  - Position CIB as the preferred trade service bank in Egypt.
  - Improve transaction processing TAT leveraging automation and new technologies.
  - Significantly reduce manual intervention and increases cost synergy.
  - Trade Revenue Assurance: Automation for commissions and charges collection.

Supply Chain Finance

Supply Chain Finance is an effective way for companies to improve their working capital position, drive EBITDA improvement and strengthen supplier relationships. The key concept behind SCF is to provide suppliers with access to advantageous financing facilities by leveraging the buyer's stronger credit rating. It provides short-term credit, which can optimize cash flow by allowing buyers to lengthen their payment terms whilst providing suppliers with the option to receive payments earlier.

2020 Highlights

- Launched the electronic supply chain finance (e-SCF) module of CIB Business Online.
- Enhanced SCF's TAT on both the Bank and customer sides by revisiting the end-to-end process, enabling STP (straight through processing) for invoice eligibility, and enabling new extensions in order to facilitate the process for accepting uploading bulk documents.
- Total discounted invoices reached 950, amounting to EGP 69 million.
- Number of suppliers digitally enrolled in the SCF program reached 13.

2021 Forward-Looking Strategy

- Introduce more SCF programs, techniques, and workflows to be compatible with different types of credit approvals.
- Expand the NTB customer base.

Governmental Payment Digital Products

Considering CIB's continued support of the government's efforts to automate governmental payment, we maintain an outstanding partnership with E-Finance Company. The company develops and operates governmental e-payment platforms and channels to enable customs, tax, and other government authorities to receive and collect payments through the E-Pay portal and Corporate Payment Services (CPS) platform, which greatly improves the customer experience.

2020 Highlights

- CIB is ranked 1st in the Egyptian market in governmental e-payment transactions over the corporate payment services (CPS) portal for the last seven months, with transactions worth EGP 15.2 billion in 2020, at a market share of 26%.
- A 102% y-o-y increase in the CPS customer base to reach 1,700 corporate customers.
- A 70% y-o-y increase in the number of CPS transactions to reach 59,000 transactions amounting to EGP 15.2 billion.
- A 39% y-o-y increase in synergies to EGP 5.2 million.

2021 Forward-Looking Strategy

- A key objective for 2021 is to ease the burden of government payment on the CIB branches by enrolling corporate customers to the digital platform (CPS) in order to decrease the high traffic on branches related to processing such payments, and to meet the Bank's overall strategy.

Global Securities Services

The Global Securities Services division is responsible for marketing and developing the custody services and enhancing CIB market share. Targeted customers include institutions and high-net-worth individuals. Services are diversified among different investment instruments, such as equities, treasury bonds, treasury bills, securitization, global deposit receipts, and eurobonds.

2020 Highlights

- GSS successfully attracted new portfolios amounting to EGP 11 billion.
- Fixed income instruments hiked 18% y-o-y to EGP 222 billion.
- CIB maintained its leading position as No. 1 custodian in the local market, garnering 26% market share among all the 54 local custodians.
- CIB Custody is ranked 1st in the Egyptian market in number of securitization SPVs launched in 2020, with a total of eight SPVs amounting to EGP 33 billion.
- Enabled the consumer segment to launch lending against securities service treasury bills. Investors can now lend up to 80% of their portfolio against the outstanding treasury bill balance.

2021 Forward-Looking Strategy

- Investing in technology through enhancing and upgrading the current custody core system to support performing new use cases such as applying STP for the new depository powered by the regulator to handle the fixed income investments (treasury bills and bonds), as well as enhance billing features.
- Automating securitization operation processes by supporting the operations team in implementing a new securitization system, in correlation with the business growth in such industry, and to absorb the large volume of transactions related to different SPVs.
- Setting the roadmap to launch a margin lending product, which required some enhancements with the central depository to mitigate the business risk.

Digital Banking Governance and Support

The digital banking governance and support team is dedicated to manage collaboration among digital channels teams, the Bank's internal stakeholders, the regulator, and other external stakeholders.

2020 Highlights

In 2020, and in light of the COVID-19 pandemic, the digital governance team played an orchestrated vital role in governing and coordinating the processes and tasks for all digital channels teams. The regulator at that time issued numerous instructions and regulations for almost all our digital products, which the team handled with the digital channel owners, along with the Bank's internal stakeholders, to guarantee the full alignment among all engaged parties.

The team also closely monitored all digital channels KPIs and deliverables, in order to evaluate the overall performance, highlighting the slow momentum in some KPIs, to take corrective action.

2021 Forward-Looking Strategy

- The digital banking governance and support team will continue to diligently ensure compliance across the Bank's digital channels, challenge stakeholders to adopt new technologies while ensuring that digital products, strategies, and financial inclusion efforts comply with regulatory guidelines as they are updated. In all interactions, the team will encourage stakeholders to increase their digital appetite.
- In light of the government and CBE's financial inclusion efforts, we will continue to monitor the recently passed Egyptian Banking Law, along with the frequent regulations issued by the CBE related to digital products and financial inclusion.
- Establish a data hub to consolidate all digital channel data in order to generate periodic, comprehensive dashboards and analytical reports, and closely monitor digital channels' KPIs and deliverables.

04

Support Functions

3

Divisions form the Bank's support base: Operations and IT, HR, and Marketing

CIB's SUPPORT FUNCTIONS

form the backbone of the organization, ensuring that the Bank runs with efficiency and ease.

Operations and IT

208

branches

What separates CIB from other banks is its unmatched customer experience. The success of its customer-centric approach is due to the efficiency of its internal processes, across operations and information technology (IT) areas. Managed through the COO Area, the operations and IT functions within the Bank work together to incorporate technological advancements and artificial intelligence across the Bank's functions, with special focus on the customer journey, which is an integral part of all our processes. This is in addition to ensuring that the Bank meet its growth targets.

The Operations Group, along with the Information Technology division, remain the main enablers of the Bank's strategic vision. The Group's objective is to offer our customers the highest level of service quality, which relies on the continuous enhancement of the Bank's operational efficiency, automation, and process redesign, with an overall aim to optimize service costs and ameliorate our customer satisfaction.

2020 Highlights

2020 challenged the COO area on several different fronts, owing to the COVID-19 pandemic, which has changed the way we view the world. Equipped with the task to ensure our employees' safety, CIB managed to secure all pandemic supplies despite scarcity and made sure to conduct protocol and PCR tests for any and all infected staff members as well as ensure they had access to proper medical care. We also closely monitored all infected employees, reaching a recovery rate of more than 80%.

Digital adoption was key during this time, with the division employing digital channels and expediting digital migration, initiation of projects, and onboarding new digital initiatives. A strong business continuity plan was set in place to streamline work across the Bank's different areas and facilitate a remote working environment for most back-office staff. During the pandemic, we continued to maintain high responsiveness to customer complaints, especially with relation to regulatory changes that were implemented at the time, to ensure a smooth customer experience and optimum service.

To cope with the changes imposed by the pandemic, an initial work from home program was launched to maintain business continuity during the pandemic and ensure staff safety. Thereafter, CIB introduced the Flex Program, CIB's flexible work from home structure. This presented us with an opportunity to alter our current business model and streamline our workplace infrastructure.

The pandemic also accelerated the expansion of RPA tools to automate some processes and eliminate manual procedures, a strategic task that will help us serve 3.5 million customers by 2025. The pilot stage was first initiated in the IT Operations department and will be rolled out across other operating units.

Despite the imposition of restrictions, we continued to expand our ATM network to 1,121 ATMs. We also increased our branch network to 208 branches during the year. The reduction in staff on premises allowed us to renovate our headquarters and complete other projects, including the New Capital project and Core and Shell.

COVID-19 led to challenges in some projects. However, this afforded us the opportunity to review our project pipeline, reprioritize projects to serve the digital front, and deliver projects at an accelerated pace. This also enabled us to make optimum use of our resources across different projects and improved the timeline for product rollout to the market.

Stage 2 of the T24 program was concluded in April 2020, and the final stage is currently in progress. Stage 3 has two main technical tracks: 1) the migration of our applications to Java Technology as well as another release upgrade from R18 to T24 R20 and 2) addressing a number of module implementation and back-to-core scope items that replace old customization. Different activities were conducted to maintain CIB's competitiveness in the market in areas such as the Contact Center, where a chatbot was integrated with WhatsApp Business to cater to customers' general inquiries and inform them of any CBE policy changes. Current online platforms (CR2 and FCC) were strengthened to provide features that maintain CIB's competitiveness in the market, while working on building new platforms and solutions to enhance the Bank's digital environment and offering. All these activities aim to offload front liners and ensure a safe banking environment for our customers.

Information Technology

As a consequence of COVID-19, the industry had to adapt to changes in customer behavior, which demanded an increase in digital channels, and regulatory changes imposed by the government and CBE. The Bank dealt with these changes with ease and flexibility, while keeping security and safety tight, particularly when it came to our human capital.

Almost 90% of the IT team worked from home, which had no impact on workflow. Most of the IT department's projects were not impacted by COVID-19 and are running according to schedule. The main delay resulted from the immobilization of resources due to travel constraints imposed around the world. Major projects were rolled out, including LO across branches, IBAN Phase I, and the VDI Phase I rollout for the call center and select corporate banking users, which was completed in July 2020. The project was closed and rollout for any additional departments will be managed either as a BAU or through the CIB Flex program to ensure the project aligns with business needs.

As a result of the pandemic, CBE mandated several changes that required immediate implementation to support Egyptian citizens. All these required changes and mandates were successfully managed and implemented through the Bank's IT systems, from the Core Banking and Credit System for loans and due postponement to debit card, ATM, and POS daily limits, charges, and fees.

From the regulatory side, CIB's IT team responded to the CBE's required regulatory changes with the needed flexibility and accuracy, ensuring minimal impact on customer service and leading to maximum use of the department's automation capabilities.

In 2020, CIB became the first organization in North and West Africa to receive the Management and Operation Stamp and Certification from Uptime Institute, a leading global data center certification group, thanks to the efforts of the CIB Infrastructure team.

The Data Center team modernized the Monitoring and Control Software to Data Center Infrastructure Management (DCIM) and Building Management System (BMS). The new solution simplifies the operational processes, optimizes the monitoring and alerting capabilities, and gives insightful dashboards that reflect data center capacity and overall health.

Digitalization and Straight Through Processing (STP) were essential not only for the customer experience, but also to offload banking operations. Consequently, several improvements were implemented to equip STP for domestic transfers, which increased fourfold daily. Additional services were added to internet banking to offload branches: account opening, CD/TD booking, credit card requests, loan requests, and mobile wallet subscription. The KYC service was also introduced but is pending CBE approval before rollout to customers.

The IT department also managed to deliver other key projects for CIB's Compliance and Cards units. For the Compliance unit, the department managed to deliver the Risk Score Card and Smart Wallet Transaction Screening projects. For the Cards unit, IT successfully enhanced the system and front-end tool used by payroll corporates to include and process the additional information needed and mandated by the CBE. This enabled the business to resume prepaid payroll cards issuance. The prepaid card portfolio was migrated from the current application that has limited flexibility to in terms of a dedicated card management system with rich configuration items that support the card business strategy when it comes to expanding prepaid and Meeza card portfolio.

Operations

To accommodate the growth of the business over the coming years and in light of the ongoing global push toward automation and digital technologies, CIB has set out a digital transformation strategy to improve operational efficiency and meet customer needs.

We launched an extensive process re-engineering program covering various departments and units. The main objective was to simplify and streamline processes as well as enhance digitalization for a better customer experience through reducing TAT and increase the efficiency and productivity of the front office and backend operations. Accordingly, one of the most important approaches will be to modernize our processes by expanding technology capabilities and increasing opportunities for customer self-service. Through the self-service option, the customer will be able to send in a request through the various alternative channels, in turn initiating a STP while being able to track the request throughout its entire life cycle.

After the successful covering of ACH, inward and outward remittances, remittances can now be executed through IBAN and online channels.

Another win for the department was the successful completion of the first surveillance audit of the ISO 9001/2015 Quality Management of the Real Estate and Premises Projects.

Customer Experience continues to be a cornerstone with most of the KPIs achieved despite the reduction of manpower. Our focus continues to be on maintaining the optimum availability of digital channels to support off-loading front liners and shift customer transactions to digital channels.

Different teams within the operations department worked diligently throughout the year to optimize efficiency and productivity and absorb the increase in customer transactions while ensuring a high service level.

Security and Resilience Management

With the rapid spread of COVID-19 across the globe, CIB's efforts in terms of security and resilience management were directed toward continuity, resilience, and crisis management to effectively manage the situation with minimal impact on our services and operations, while safeguarding the health and safety of our employees and customers.

Before the pandemic hit Egypt, CIB was closely monitoring the situation to ensure containment of a potential outbreak in the country. A gap assessment was conducted from a continuity and resilience perspective to ensure our strategies and plans are comprehensively addressing all the dynamics of the situation as it evolves.

When all triggers and signs pointed towards a partial or full lockdown, a work from home (WFH) strategy was put in place to ensure activities would be carried out smoothly in either scenario. In addition, upgrades to existing technology and an increase in resources were initiated to facilitate WFH plans, such as availing laptops, increasing network bandwidth, and upgrading to collaboration tools.

At the onset of the first cases in Egypt, CIB proactively began enforcing health and safety practices by admitting fewer customers into branches and preemptively enforcing the use of facemasks in all premises. Moreover, sanitizers were made available in all branches and headquarters, social distancing was enforced by reducing the workforce, and sterilization and deep cleaning routines were regularly implemented.

The pandemic did not prevent the Bank from executing its security and resilience management strategy. It highlights: 1) organizational resilience as an important strategic pillar, focusing on aspects of visibility reporting and coping with unforeseen of risks, 2) promoting security as an asset that supports the Bank's plans to expand its digital footprint and reach untapped segments to support financial inclusion, and 3) building trust by maintaining compliance with regulations, standards and best practices as the Bank proceeds with its expansion plans in Africa. Within this framework and in alignment with its digital transformation strategy, the Bank successfully finalized one of the key strategic security programs, the identity access management and privileged access management program, which manages the identity of users and the privileged identities of IT administrators along with their access to systems and applications across the Bank. The program also provides a unified customer experience and an advanced authentication process that protects customers' identities against theft. The program benefited CIB in many ways, including but not limited to improved compliance, increased security, productivity gains, and operational cost reduction.

CIB obtained the ISO 27001 certification for Information Security Management System covering alternative channels and digital services, contact centers, and data centers. The certification highlights the Bank's commitment to adopting international best practices for information security and ensuring data integrity, confidentiality, availability, and customer assets safety. The Bank also maintained its Payment Card Industry – Data Security Standard (PCI-DSS) certification and renewed its Business Continuity Management ISO 22301 certification for the third year running, upgrading its certification to the 2019 version and making it one of the very first financial institutions in Egypt to comply with the new version of the standards.

In alignment with the Bank's efforts to secure our customers' data and ensure privacy and protection controls are in place, a comprehensive Data Classification and Protection program was initiated as one of the key strategic initiatives. The program established a data protection and information governance framework as part of the CIB's extensive efforts to prevent confidentiality breaches and data leakages. It allows the Bank to avoid financial losses and legal implications resulting from security breaches and helps us comply with data protection regulations and best practices.

With the rapid spread of COVID-19 across the globe, CIB's efforts in terms of security and resilience management were directed toward continuity, resilience, and crisis management.

Human Resources

The cornerstone of our success lies in our people. To maintain this success, we continue to develop and invest in our workforce as well as actively seek to find the right caliber to take our business forward. At the same time, we help match our talent with the right opportunities and help pave their career path. In line with the technological advancements happening within the global Human Resources (HR) field, CIB is shifting its HR focus toward the adoption of digital tools and solutions. Meanwhile, CIB will continue to build on the existing analytics arm in the HR department to propose continuous enhancements related to reshaping the hiring strategy for the future workforce, reviewing the retention tools used, and building strategic workforce planning to deal with the digital future.

2020 Highlights

Talent Acquisition and Career Mobility

Due to the COVID-19 pandemic, CIB became the first bank to digitize its hiring experience. All entrance assessments and interviews were conducted digitally and internal promotions and internal hiring processes were digitalized. This virtual approach will continue to take place in 2021 to maintain CIB's title as an "Employer of Choice".

Despite the global pandemic, CIB hired 1,013 new employees, encouraged the internal mobility of 1,278 employees and promoted 609 employees for better exposure and enhanced career progression. While a major part of our headhunting process is conducted through employment fairs, social-distancing measures forced some organizers to turn to digital; in 2020, CIB participated in five employment fairs across different universities, two of which were conducted online. It was a great experience engaging with interested students virtually in lieu of sending recruiters to campuses, an approach which has transformed from optional to being a necessity.

We continued to conduct HR initiatives despite the pandemic. In 2020, we held three virtual sessions for the Tawarny initiative, which began in 2018 to help university students practice mock HR interviews and provide them with tips to enter the workforce. Fortunately, we were able to maintain our connection with Egyptian youth and continue to qualify candidates to drive the country's development and growth.

The "Ma7atetna 3andak" initiative, which helps facilitate the recruitment process across different areas in Egypt, expanded its outreach in 2020 to include differently abled candidates. The session targeting the differently abled took place in Alexandria, with eight candidates attending, four of which were hired. Another session took place in Tanta, attended by 24 candidates, six of whom were hired.

Business Enablement and Skills Development

In 2020, CIB continued to administer specialized training programs to cater to employees' needs and enable them to achieve their objectives. A series of specialized development tracks were catered for each segment of the business, most of which came with international certifications such as those for our Wealth, Plus, Private, Business Banking, Branch Managers, Payroll, Retail Banking, and SMEs segments. Other learning tracks included programs in Audit, Trade Finance, Corporate Services, Communications, Strategic Planning, Information Security, IT, and Risk. Over 500 employees were registered in the programs collectively, and received international certifications. The programs were conducted through digital platforms.

Nevertheless, several strategic programs were conducted in 2020 to meet business aspirations, including, but not limited to the following:

- **Analyst Program:** The program provided 43 analysts with more than 150 virtual training hours, more than five mock cases, over 15 virtual assessments, and various coaching sessions with the aim of advancing their technical skills.
- **SME Academy:** A tailored program to qualify competent calibers that would support the bank in attaining its SME strategy. HR conducted two rounds composed of 51 employees and provided them with more than 400 virtual training hours, 40 assessments, and over 12 role plays and engaging activities.
- **Induction Program:** This is designed for new hires. The Induction Program was split into two tracks: one for CIB employees and the other for new Contact Center agents. In total, 404 new hires and 110 new agents were provided with a series of e-learning sessions, virtual trainings, and multiple assessments.
- **Leadership Program:** To tackle the pandemic circumstances, a new training program was introduced called Leading with Agility in Turbulent Times to train middle managers on how to lead employees during challenging times. The program was moderated by one of the top professors from IMD business school.

Finally, HR developed specialized Customer Experience training bites targeting outsourced employees to equip them with the right skills to ultimately improve the customer journey.

Learning External Empowerment Initiatives

HR has always keenly supported the bank's strategy of achieving its core pillars in regards to the social commitment and society development. Consequently, the department resumed undergraduate summer training programs. Those programs were successfully delivered virtually to undergraduates from public and private universities.

Following the Bank's strategy to expand into Africa, the HR department expanded its outreach of the Analyst Program to include a group of 21 select African delegates. The induction took place in Uganda, while the Analyst program took place online. At the same time, the HR department provided support and learning solutions to employees at the newly acquired Mayfair CIB Bank Limited, exposing them to various development opportunities.

Digital Learning

To comply with social distancing measures, all programs were offered digitally through various platforms such as e-learning modules and virtual training programs for various departments across the organization. A set of unconventional online training programs, offered by international vendors, were also availed to all employees to provide them with constant development and enhance their technical skills and abilities.

Since educational videos have become an important and effective content delivery tool to better disseminate and unify information, HR developed a series of educational videos for several departments to raise awareness related to business topics such as financial inclusion, trade finance, and commercial papers.

Employee Engagement and Enablement

During 2020, CIB continued to build a robust engagement strategy to enhance employees' level of enablement and encourage employees' sustainable engagement through the following initiatives:

- **Recognition Program Event:** CIB witnessed the successful launch of the first recognition program event that was attended by over 1,000 top-performing employees, where winners were chosen based on how they exemplified the Bank's core values, provided excellent service levels, and played a role to achieve its 2019 goals.
- **HR Help Desk (Ask HR):** CIB founded the HR Help Desk team to become the sole point of contact with employees and to make sure all HR related inquiries are answered in a timely

1,013

new hires during 2020

and efficient manner. During the pandemic, the HR Help Desk team played a crucial role in the crisis management plan. The team acted as a focal point for all employees who suffered from symptoms or tested positive. The HR Help Desk received a total of 18,700 calls until the fourth quarter of 2020. The team will continue to play an engaging role in communication between the HR department and employees while supporting the COVID-19 crisis management action plan.

- **CIB Flex:** CIB introduced the Flexible Work Arrangement (FWA) Program based on the Bank's strategic direction to adopt a more flexible workplace and adapt to the digital transformation era. The pilot phase was launched in August 2020 and two batches with a total of 378 employees were rolled out. The aim of the program is to ensure a safe work environment for employees, enhance the level of satisfaction, engagement, loyalty and commitment, and promote gender equality.
- **Employee Wellness Program:** The Employee Wellness Program seeks to support CIB's employees in terms of helping them manage their stress levels, improve their productivity, and boost their mental health.
- **Employee Onboarding:** CIB is working on enhancing the onboarding experience for new hires to maintain its position as an employer of choice.

Gender Equality Initiatives

At CIB, we are strongly committed to equality, inclusion, and diversity. To warrant our legacy as an "Employer of Choice", we create an inclusive culture to promote equal opportunities and ensure that our employees are treated with dignity and respect. We are currently particularly focused on our gender equality initiatives: "Helmik Yehmena", She is Back, and Women Empowerment.

"Helmik Yehmena"

In 2020, CIB launched the "Helmik Yehmena" initiative aiming to support women to join the workforce in certain areas where they are underrepresented. The initiative helps women using short training programs that began in South Valley University in Qena. To date, we have reached out to 200 women in Upper Egypt, 35 women attended in Port Said, and we hope to expand the program across Egypt.

She is Back

She is Back helps mothers in their transition back to work from maternity leave. Women are informed of any external or internal changes that affect both the Bank and their own respective roles during their absence. In 2020, two rounds were organized for 95 women, one of which was an online session.

Women's Empowerment

Women's empowerment was one of the main objectives of the newly introduced FWA program which gives mothers with infant children the opportunity to work from home before applying for an unpaid leave. This promotes gender equality through a higher percentage of women's representation throughout different levels in the organization.

Reward Management

The Bank's remuneration philosophy revolves around the recognition and the reward of exceptional performance. It reflects our commitment to attract, retain, and motivate employees to support the achievement of the organization's business objectives. In 2020, CIB developed its variable pay program, which links each department's performance to how it contributes to the organization's overall performance in achieving the Bank's financial and non-financial objectives. This mechanism ensures transparency, reward appropriation, and fair compensation within the organization. Our remuneration is assessed on a yearly basis taking into consideration market fluctuations and external market developments.

We further strengthened our value proposition to enhance employees' enablement and satisfaction through introducing non-cash benefits that include travel and housing benefits, as well as other benefits in collaboration with the social services community.

Employee Age Breakdown

Gen Y	75%
Gen X	22%
Boomers	2%

Employee Gender Breakdown

Male	70%
Female	30%

At CIB, we are strongly committed to equality, inclusion, and diversity.

Marketing and Corporate Communications

30%

increase in traffic to CIB's website in 2020

Marketing is constantly evolving, moving from mass to direct to digital marketing, and now to data-driven marketing. CIB's marketing strategies and resources have kept pace with these changes while adapting to external factors, the Bank's objectives, and consumer behavior. Consumers use more devices, are more privacy-aware, and have increasingly sophisticated customer-experience expectations. CIB's forward-looking approach to marketing and communications has kept us aligned with these trends, setting CIB apart from other banks. CIB owns the complete marketing funnel. The Marketing and Corporate Communications division includes a team of user experience (UX) designers who are responsible for the front-end experience across all digital touch points. Marketing campaigns have both the goal of raising awareness for products and services and of driving traffic to digital channels. CIB's marketing campaigns focus on value propositions rather than on competitive pricing or other simple appeals.

2020 Highlights

In the last nine months of 2020, we have likely experienced 10 years' worth of change. In that same brief span, we've seen businesses embrace digital transformation and thrive. In CIB, we are no different and our customers and prospects embraced Digital Banking more than ever.

The biggest shift in today's marketing is in how consumers research and buy products. The Internet is a major contributor to this shift, as is the recent and persistent COVID-19 pandemic and economic uncertainty. In categories as diverse as electronics, financial services, and health care, consumers increasingly ignore push marketing, preferring instead to use the Internet to research products and decide which ones to buy.

That said, the core challenge in business and marketing remains the same: deciding on the investments and steps needed to get your business ready to take action on your product, channel, or consumer strategy.

Challenges and Responses

The first quarter kicked off with various seasonal offers, partnerships, promotions and campaigns, while playing catch-up with the rest of world's exposure to COVID-19. Once the pandemic hit close to home, communication became key. We had to put aside our preplanned marketing calendar, pivot, and stand by CIB values like never before. It was an opportunity to project trust by being transparent about how the pandemic was impacting us, while providing guidance to customers on how to bank safely during these trying times.

The division prioritized communication of CBE regulatory changes, digital migration, general awareness for banking safely, while deprioritizing campaigns that would drive traffic to our branches or drive behavior inverse to social distancing. The marketing calendar was revisited on a weekly basis to accommodate for the changes in consumer behavior due to the impact of the pandemic. We launched a Bank Safely page, dedicated to the latest news regarding the pandemic, with a mixture of regulatory updates, branch network working hours and temporary closures due to sanitation processes and an abundance of caution, and infection and recovery rates among our staff. Even Zaki, our chatbot, still wears a facemask to promote precautionary measures. Our branch network admitted fewer customers, all of whom must be wearing masks, and our advertising real estate were riddled with messages promoting banking safely, our digital channels, and social distancing. Like the rest of the world, we were also working from home, so we needed to ensure that the teams were able to launch all campaigns remotely. During 4Q2020, we began migrating some services from branches to exclusively digital channels; by the end of the year, a total of 37 services will be discontinued from branches.

Successful 2020 initiatives

HNW Experiences Platform

CIB takes pride in the fact that we are a 'premium' bank; we do not instigate price wars and consciously play no part in them. In an increasingly competitive industry, it is becoming imperative to design experiences that would allow us to retain and grow our high-net-worth (HNW) customer portfolio, create loyalty and drive brand advocacy. We work to craft experiences that customers will cherish and appreciate, going beyond banking and tailoring to customers' lifestyles.

CIB's HNW Experiences Platform is a marketing platform built around strategic partnerships with niche brands and venues catered around the lifestyle of each segment's demographics. Experiences range from gifts, exclusive offers and discounts, outings, sports, health, shopping, entertainment, and sponsorships. We had planned to launch the platform for our Plus, Wealth, and Private consumer segments in 2020, but strategies had to be realigned once the pandemic hit due to the nature of the experiences. As it stands, all HNW perks and experiences were resumed with caution and close monitoring of the ongoing regulatory changes due to COVID-19. Nonetheless, CIB held true to its pre-COVID commitments while renegotiating discounts or contract extensions on a case by case basis to ensure continuity of the platform during these trying times when our partners' cashflow was at risk.

Personalization and Marketing Automation (Monthly Offers)

Due to the exceptional circumstances, CIB's monthly offers focused more on retailers that offered e-commerce options. CIB partnered with some of the biggest names in the Egyptian market such as Tradeline, Souq, Carrefour, and Noon, to name a few, offering our cardholders exclusive discounts, installment plans, and other promotions — positioning CIB cards in the market as the go-to cards for safe banking. Our Bonus loyalty program's redemption process has become fully digital and instant. QR Code Payment acceptance was also launched, providing a convenient and seamless experience for both merchants and eWallet customers, reducing the use of cash.

We also made large strides in automating and personalizing some Customer Relationship Management messages such as Segment Welcome emails tailored to the needs of each of our consumer segments, follow-up emails for non-customers, and personalized Bonus emails, to name a few. We will continue to look for more opportunities to automate, simplify, and personalize communications to build loyalty, pushing customers towards the conversion end of the funnel and simplifying operational marketing.

Content Marketing, Always On and Online Lead Generation

CIB is considered the best and most consistent bank in terms of social media interactions and second highest ranked for video views due in part to the Always On program launched in 2019. The program helped us generate EGP 9 million in loan bookings and 40 card bookings digitally for the first time, drove an additional 30% of traffic to our website, and pushed our monthly run rate for online banking

During the pandemic, the Corporate Communications team steadily expanded its local media relationships, focusing on online platforms and adding new journals and websites.

registrations by 35%. We continued this momentum throughout 2020, especially throughout the worst times of the pandemic, while heavily investing in the search for online lead generation and display advertising to raise awareness of our digital channels.

On the CIB website, traffic on the 'Ways to Bank' section has increased almost 3x since the beginning of year compared to last year. Apply Online lead generation for loans grew 22% y-o-y and cards 140% y-o-y as of October 2020. Even our blog is doing consistently well, with traffic up 247% y-o-y as of October 2020.

Our social media following has also grown significantly; Facebook followers climbed 14%, Instagram 63%, LinkedIn 86%, and YouTube 65% compared to last year due to consumers' increased appetite for digital, as well we our focused communications on Digital Migration and Applying Online digital channels. For the first time, on LinkedIn we extended our value proposition for small businesses to include professional services beyond traditional financial products and services. We launched the #GrowTogether miniseries, on which we hosted the CEOs of our professional services providers in live webinars to serve small businesses with advice and best practices from each provider's area of expertise.

UX Design – Launching CIB's Digital Channels
On the UX design front, the team has supported all stakeholders in optimizing UX and UI for our digital channels, leading the design process for our new public website, online banking, and ATM channels. These are planned to launch in 2020 and early 2021 under our Reliable Banking Everywhere initiative, where we worked to design digital channels with personalization and conversion in mind, similar to walking into a branch.

Branding and Corporate Communications

During 2020, CIB received a number international awards that demonstrate its excellence across different business lines, cementing its position as a leading financial services provider in Egypt and Africa. Global Finance named CIB the 2020 World's Best Bank in Emerging Markets for our excellence in innovation, our digitization and financial inclusion efforts, and serving retail and corporate clients despite all the challenges. The Corporate Communications team worked extensively on a 360-degree brand campaign promoting the award. This is CIB's third title in four years after winning it from Global Finance in 2018 and Euromoney in 2017. CIB ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World, ranked highest of the four Egyptian companies on the Top 200 Banks list by Jeune Afrique, Top Banks by African Business, and Top 10 Safest Banks in Africa by Global Finance. It is the only Egyptian institution to be included among the 325 companies in Bloomberg's Gender Equality Index. For a full list of accolades garnered during the year, please refer to the Awards section of this report.

During the COVID-19 pandemic the Corporate Communications team steadily expanded its local media relationships, increasing its exposure by focusing on online platforms and adding new journals and websites. The team successfully increased the Bank's media presence, releasing more than 44 news releases to spread awareness and knowledge and promoting its products through marketing campaigns, with 654 digital and print advertisements.

The Corporate Communications team secured interviews for senior management with the world's most prominent publications, such as Global Finance, Euromoney, and Financial Times. CIB's former Chairman Hisham Ezz Al-Arab gave insight on CIB's Challenging Today for Empowering Tomorrow campaign, despite numerous obstacles amid the challenges posed by COVID-19 and the economy.

Africa

Following the acquisition of Mayfair Bank in Kenya, now Mayfair CIB Bank Limited, a branding, marketing, and communications strategy has been developed to support CIB's business strategy in Kenya: to facilitate trade finance and credit facilities for Egyptian corporates looking to engage in Africa. As such, the division will support CIB to organize 'teach-ins' for mid-sized corporates in Cairo to present CIB's trade finance and credit facilitating capabilities, as well as market knowledge and economic insights; and lead/host individual marketing trips to Kenya for the most desirable Egyptian corporate targets to make introductions to relevant manufacturers or trading partners.

The team has developed a new corporate identity, with the rebranding of Mayfair – CIB Bank Limited being implemented across the Bank's branches, online presence, and touch points.

CIB hired a local agency to handle the pre and post-acquisition launch and provide ongoing media support and event management. Over 30 articles were generated in Kenya announcing the acquisition, and a media and communications plan has been developed to reflect our business strategy that will include traditional and social media outreach to local audience.

Internal Communications

CIB appointed an international consultant to evaluate current means of internal communication, assess the communication needs of different stakeholders/employees, and develop an internal communication channel strategy.

To ensure the right foundation was set, a comprehensive audit was conducted to develop a full understanding of the current IC strategies and endeavors and help identify gaps and focus areas. Working towards building a unified culture among employees, the second half of 2020 saw the finalization and initial implementation of the Internal Communication Strategy project, including ongoing townhalls and casual staff events, which maintain direct communication between senior management and employees. However, due to the exceptional circumstances of COVID-19, online townhalls were introduced to all CIB employees, noting that the average feedback for webinars was more than 90% positive. When caseloads lessened, we were able to resume internal and external activities in 3Q2020, such as a bi-weekly casual breakfast for a small number of junior employees along with our senior management.

Our weekly digital newsletter, CIB Round-up, which sheds light on CIB-related news, the banking sector, and the Egyptian economy, received very positive feedback from staff. The round-up was shared in both English and Arabic this year due to popular demand. A new dedicated section for CIB sustainable finance news was introduced to shed light on CIB's sustainability updates, news, performance and achievements, as well as national and global sustainability-related topics.

We completed the intranet assessment report, and 3Q2020 saw the finalization of the scope of work for intranet enhancement, concluding with the kick-off of the planning and analysis phase.

A "5 Years of Sustainability Reporting" competition also took off during 3Q2020, engaging employees while shedding light on and bringing awareness to sustainable banking. The best 12 sustainable stories were chosen to be featured in our 2021 calendar. Similarly, the Bank held an appreciation event for CIB employees in early 2020, aiming to promote engagement between staff members and management.

A dedicated page was created on the intranet for formal daily updates on the Bank's operations and procedures during the pandemic. We also launched an internal awareness campaign titled Your Safety First to encourage staff to wear masks, regularly wash/sanitize their hands, and maintain social distancing. The campaign kicked off in full force within all our premises through different channels, including posters, floor stickers, emails, and desktop screensavers.

CIB also launched an Anti-Money Laundering campaign in early 2020, aiming to increase staff awareness about the different types of anti-money tactics. The campaign was launched through all of our internal channels, including emails from our senior management.

Branches and ATMs

All updates on branch and ATM activities were communicated to customers through several channels, from updated working hours, promoting social distancing by admitting fewer customers in our waiting areas, to voiceover awareness across the branch network via the integrated sound system. Messages were also displayed on branch LCDs and ATM screens, and commercial ads were replaced with general hygiene awareness messages, including on alternative digital channels. Floor stickers were also added to our ATMs and branches promoting social distancing, in addition to "Wear Your Mask" door stickers.

Keeping our staff safe, Everyday Hero packs were distributed among all CIB front liners to express management's appreciation and gratitude for their efforts and dedication during the pandemic. Desk separators were also successfully dispersed throughout branch network to maintain social distancing.

2021 Forward-looking Strategy

Implementing Data Analytics, Digital Banking, and Technology

To deliver data-driven marketing and high-quality customer experiences, CIB needs to invest in building data-rich customer profiles by aggregating and correlating customer and prospects' transactional, behavioral, and interest-related information without breaking customer trust, while maintaining authenticity and transparency.

One of the primary requirements for actively shaping individual customer journeys across channels is to have a comprehensive data set for each customer. Knowing what customers did in the past, how we approached them, how they responded, and what their current behavior is will enable us to account for their individual needs. To make 360-degree customer profiles a reality, data from all touchpoints needs to be collected and unified in a centralized system. This means consolidating data from various sources like data warehouses, CRM systems, web-tracking systems, or channel-specific marketing tools.

With a dedicated team of UX designers who are responsible for the front-end experience across all digital touch points, CIB's marketing campaigns focus on value propositions rather than competitive pricing or other simple appeals. The result is customer advocacy, or word-of-mouth, that generates referrals and grows CIB's customer base.

Digital and Social Media Marketing

Social media will remain a strong platform for presence and generating sales leads. It will also be used to make the Bank younger by speaking to Gen-Y and millennials through portraying banking as a lifestyle facilitator and enabler. We will also focus on humanizing banking by creating content that makes the banking experience less intimidating and simpler for the average customer.

Our content strategy on social media will also be targeted. A specific plan for each channel will be developed based on the target audience. This will ensure we keep our content relevant to the audience, creating engagement and extending our organic reach.

A key online imperative will be remarketing to existing website visitors, expanding our reach by building lookalike tribes and performance marketing. Large data platforms such as Google and Facebook have extensive data about customers which we can utilize, but not acquire. Performance Marketing is about immersive marketing, whereby a customer is identified and presented with other relevant advertising based on their internet browsing. Remarketing involves any customer that showed interest, whether organically or through a paid ad, by clicking on the ad and landing on our website, to retarget them until they complete a goal.

Content Marketing and Always On

We aim to build a content resource center by creating CIB tailored content revolving around topics and events of interest that can be made relevant to banking by introducing ways to navigate daily financial challenges faced by our target customers. Over the past few years, we have been carefully creating our website content to guide customers towards the right product and service for them. This will be most visible in our new public website, once launched. Additionally, we have been slowly building our CIB Blog, which will include content for different audiences, from beginners to experts, and will include infographics and videos.

Our main objective from Always On is to use it as a vehicle that keeps communicating during campaign calendar down times through capitalizing on all our digital advertising knowhow and prowess while communicating in an untraditional tone of voice to:

- Promote products and services.
- Increase brand awareness.
- Generate overall awareness, acquisition, and growth of the customer base.
- Remain relevant and in the moment with our online customers.
- Increase customer engagement over CIB's digital and social media channels.

UX Design, Search, and Personalization

The UX team will be highly involved in the UX design of the following projects throughout 2021: new intranet, new corporate online channels, subsequent phases of retail online channels, and continuous improvements to existing channels.

The implementation of CIB's public website should be launched during 4Q2020. New Internet, Mobile Banking, and ATM platform launches are expected within 1Q21, with a carefully bespoke customer experience unique to CIB's customer needs.

Our website will serve as a repository of tailored financial related content to educate customers by serving them a series of articles and videos that will be published according to a monthly calendar to improve website retention and increase returning customers organically. Content should be relevant to challenges and everyday use cases faced by our target and existing customers. The website will include interactive tools that will help customers identify products, services, bundles, and loan and mortgage calculators, to name a few.

Search: Search Engine Optimization (SEO) and Search Engine Marketing (SEM)

Search engine optimization, or SEO, is about understanding what people are searching for online, the answers they are seeking, the words they're using, and the type of content they wish to consume. Knowing the answers to these questions allows us to connect to the people searching online for the products and services that we offer within their natural purchase journey. If knowing our customer's intent is one side of the SEO coin, configuring it in such a way that search engine crawlers can find, understand, and highly rank our content in search results is the other. At CIB, we treat SEO as an ongoing activity. The continuous optimization ensures that search engines rank us as high as possible for customers looking for information online. SEO will not be limited to products and services, but rather be configured to extend to content related to our sponsorships, investor relations, and sustainability to capture customer traffic from prospects with aligned values and interests.

Search Engine Marketing (SEM) is a campaign-by-campaign play as it simply involves paying for advertised search results. It is an effective tool but requires extended periods of time online. We will begin to more heavily invest in SEM than social media advertising given the better KPIs displayed from the traffic it generates. It is a main marketing channel when it comes to Always On campaigning and we will use it to complement SEO.

Personalization

The benefits of personalization become apparent when paired with well-targeted social media, and accurate behavior analytics. The same product can be marketed to multiple groups according to what will attract them, and when a customer lands on our site the narrative that captured their interest on social media will continue seamlessly, taking them from consideration, to evaluation and finally to action.

Our customers will be targeted based on their online behavior and interactions with our new public website. Personalization will be implemented incrementally, with a period of data-gathering after the launch of the site to be able to generate insights into what areas of the site should be personalized and how. Personalization rules will then be strategized and implemented, one at a time, with enough time in between to analyze the impact of the change.

CIB's marketing strategies and resources have kept pace with these changes while adapting to external factors, the Bank's objectives, and consumer behavior.

05

Our Controls

3

Divisions make up CIB's control structure: Risk, Compliance, and Internal Audit

CIB's CONTROL FRAMEWORK

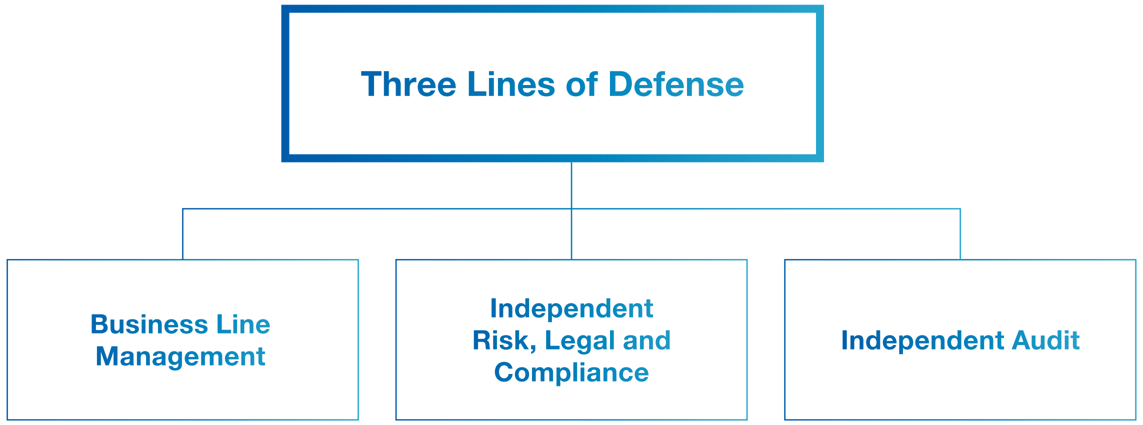
is central to ensuring the independent and objective oversight and assurance needed to secure clients' financial wellbeing as well as the Bank's.

Risk Group

The Risk Group (RG) provides independent risk oversight and supports the Enterprise Risk Management (ERM) framework across the organization by managing different types of financial and non-financial risks. The Group proactively assists in recognizing potential adverse events and establishes appropriate risk responses to proactively manage expected and unexpected losses. The framework works to identify, measure, monitor, and control risk exposure against limits, appetite, and tolerance levels, and promptly reports to senior management and the Board. The Group is managed by the Chief Risk Officer (CRO), and reports to the Board Risk Committee (BRC) to ensure independence.

CIB's Risk Group oversees five main departments:
- Credit and Investment Exposure Management
- Consumer and Business Banking Risk
- Enterprise Risk Management
- Restructuring and Recoveries of Distressed Assets
- Credit Information and Reporting

Lines of Defense



The Bank applies the Three Lines of Defense model: The first line includes all business and operations functions responsible for identifying and managing risks inherent in activities. The second line includes the Risk, Compliance, and Legal departments responsible for setting frameworks and regulations, as well as monitoring and reporting on their execution, management, and control. The third line includes Independent Audit department that provides an independent assessment of the entire process.

The Bank embeds risk management into its strategy-setting, budgeting, and performance management, providing management with the information needed to adopt appropriate strategies and enhance decision making.

A comprehensive set of risk management policies (including limits), processes, and guides is in place to cover all material risks, and is regularly updated to be in line with the Bank's strategy, CBE regulations, and international best practices. All policies, procedures, and/or guides are annually reviewed and duly approved.

2020-2021 Highlights and Forward-looking Strategy

During the height of the COVID-19 pandemic, Risk Group focused on maintaining a resilient profile and keeping exposure within acceptable levels, while sustaining a healthy profitability ratio. The Bank proactively conducted stress testing to assess unexpected losses, and the Risk Group undertook a number of initiatives that included provisioning to the most affected sectors, as well as the recognition of other risks that may continue in the 'new normal' environment.

Balance Sheet Risks

Liquidity ratios remained within acceptable levels. Local currency (LCY) liquidity ratio reached 56.18% against the CBE's 20% limit while the foreign currency (FCY) liquidity ratio reached 67.92% against the CBE's 25% limit. Furthermore, the Bank's Liquidity Coverage Ratio (LCR) remained steady at 1,359%, and the Net Stable Funding Ratio (NSFR) recorded 251%. The Interest Rate Risk in the Banking Book (IRRBB) remained at acceptable levels and allowed the balance sheet to benefit from a volatile interest rate environment. In 2021, the Bank is expected to maintain a healthy balance sheet, supported by dynamic growth and the ongoing realignment of the funding strategy.

Credit Risks

During 2020, and in light of the COVID-19 outbreak, the Risk Group diligently monitored the Bank's portfolio quality to ensure prudent impairment coverage, taking into consideration any adverse change in asset quality.

1,359%

LCR Dec. 2020

251%

NSFR Dec. 2020

288.62%

Total Coverage Dec. 2020

- ***Institutional Banking:*** An extensive bottom-up assessment was conducted, which entailed the reassessment of industry risk profiles in industry grading models, and the measurement of early warning and qualitative factors. It also included stress testing of all corporate borrowers using early warning factors as proxies for declining business activity, with a primary focus on assessing financial solvency and debt servicing

- ***Business Banking:*** As part of Egypt's 2030 Growth Strategy, the Bank focused on growing the financing of small and medium-sized enterprises (SMEs), a core pillar of the Egyptian economy. Despite COVID-19 and its related challenges, the Bank maintained the quality of its Business Banking portfolio, evidenced through Non-performing Loans (NPL) of 1% of the total portfolio and 2.9% of the unsecured portfolio and portfolio growth from EGP 2 billion in 2019 to EGP 3.3 billion in 2020, with companies served now up to 3,350 versus 2,942 in 2019.

- ***Consumer Banking:*** Households were rendered vulnerable to the potential short and long-term economic impact of the pandemic, consequently affecting the debt repayment capabilities of customers. Therefore, comprehensive portfolio analysis and stress testing have been conducted to better estimate the impact of the situation and ensure adequate provisioning. The Consumer Risk department was also able to support the business in pursuing targeted portfolio growth levels through rolling out multiple credit parameter rationalizations and programs.

The Group's primary view in 2021 is to support quality businesses in the coming cycle, as they benefit from potential market recovery while becoming resilient to market disturbances. The specific guidelines recommended are to continue to adopt financing schemes that allow close monitoring of asset conversion cycles, enhance asset protection through earmarked controls/supports with proper margins, and emphasize portfolio monitoring through top-down assessments and early warning models.

Non-Financial Risks

During the pandemic waves and lockdown, the Bank continued to enhance its governance, processes, systems and controls to mitigate potential losses arising from non-financial risks as follows:

- **Operational Risk:** The comprehensive framework is a set of interrelated tools and processes that are used to identify, assess, measure, monitor, and remediate the Bank's operational risks. The main measurements include operational/conduct risk events management, Risk and Control Self-Assessments (RCSA), Key Risk Indicators (KRIs), control testing analysis, and Operational Risk Assessment procedures (ORAP).
- **Technology Risk:** The framework was enhanced to cover the assessment of six main domains that include cyber security, information security, IT resilience, third-party, IT project execution, and IT control assurance.
- **Model Risk:** The Bank carried out several initiatives including applying an organization-wide procedure, conducting an annual inventory and documentation process for all models, enhancing risk appetite statement and thresholds, and independent validation.
- **Fraud Risk:** Improved controls were introduced in response to the expected increase in attacks involving cards and internet banking through 'Phishing'. The fraud management team monitored transactions 24/7 through a set of specific rules; and their triggers were regularly reviewed and modified to track any real-time attacks. The Bank also continuously conducts fraud awareness campaigns with customers and employees through various channels.
- **Third-Party Risk:** An organization assessment was conducted to improve coverage of the impact of third-party risks on the Bank's activities and business continuity during the pandemic, as well as assess readiness to meet unexpected risks.

As global losses continue to accelerate for non-financial risks and trends continue to shift due to COVID-19, the Bank will continue to enhance a comprehensive framework with a focus on technology, vendor, and model risks in 2021.

Enhanced Technology and Automation

During the COVID-19 lockdown in 2020, technology played an important role in enabling business continuity, and accordingly the Bank revised and prioritized its risk projects. In 2021, critical transformation projects will commence with Corporate Lending by migrating the entire lending cycle to an electronic solution. The Risk Group will also build up scalability and efficiency by leveraging on consumer transformation projects and customer behavior as main drivers to support business growth and maintain a healthy portfolio quality. Business Banking will also initiate automation of end-to-end workflows to provide superior customer experience.

Digital Financial Inclusion

A robust risk strategy as well as lending criteria will be developed to address untapped segments, in line with the Bank's business strategy and the CBE's directives in order to increase the penetration rates of underserved and unbanked segments and provide access to instant decision-making and customer experience.

Risk Culture

The Bank continues to promote a strong risk culture, where employees of all levels are engaged and empowered. The Risk Group conducted awareness sessions for employees using platforms that include e-learning and virtual trainings.

In 2020, the Risk Group diligently monitored CIB's portfolio quality to ensure prudent impairment coverage, taking into consideration any adverse change in asset quality.

4.27%

Default Dec. 2020

Compliance Group

CIB's independent Compliance Group is responsible for endorsing a culture of ethical conduct. The Group proactively drives bank-wide compliance by establishing policies, programs, and procedures that guide our employees to make sound business decisions while adhering to applicable laws, regulations, and requirements. The Group operates through an integrated compliance risk management framework, with the strategic objective of protecting CIB through the provision of guidance, training, and advice to our stakeholders as well as promoting accountability for managing compliance risk in accordance with global standards and best practices.

As CIB continues to create one success story after another, our commitment to ethical and professional practices becomes exponentially more important. Our culture is not only shaped by the Bank's vision, mission statement and strategic objectives; it is defined by how we streamline those core values in who we are and what we believe in as CIBians. Our shared vision is that compliance risk management is the responsibility of all CIBians. Our principal role is to exhibit responsible business behavior that is aligned with the highest ethical standards and is in the interest of our clients, employees, shareholders, and community.

2020 Highlights

Tone from the Top

With the world making its way through the COVID-19 pandemic, our core values and integrity are being tested now more than ever. As a way to further embed our ethical beliefs into our business culture, the Compliance Group founded the Tone from the Top campaign. The campaign is sponsored by CIB's executive and senior leadership, and is a reflection of the Bank's continued emphasis on its compliance culture, raising awareness, and reinforcing our shared responsibility in managing compliance risk.

The Tone from the Top campaign includes internal communication and bulletins, with a focus on compliance as an integral part of how we do business.

Financial Crime Combating Program

The Financial Crime Combatting (FCC) Program is an integral part of the CIB Compliance Program. The FCC team is tasked with the overall management and effective implementation of standards, policies, and procedures that safeguard CIB's local and global community against financial crime.

Consequently, the Compliance Group has implemented structural and infrastructure enhancements to ensure the FCC team is equipped with the necessary independence, manpower, and technology.

Our FCC program deploys all possible best practices and international standards to guarantee we can combat the risk of money laundering and terrorist financing. The program is founded on three main pillars:

1. **Prevention:** This primary step comes during the onboarding stage of potential customers and during important transactional engagements. Through our Know Your Customer (KYC) program and the utilization of state-of-the-art risk scoring, customer compliance risk level is preemptively defined. This provides CIB with the insights required to act proactively against the risk of money laundering and terrorist financing.
2. **Detection:** We monitor our portfolio on an ongoing basis for financial crime risk. Using data analytics, the portfolio is regularly scanned. We also ensure that specific transactions are automatically detected and monitored. Detected suspicions are investigated independently by the FCC team to ensure proper diligence is enacted.
3. **Reporting:** It is our responsibility to track, investigate, and report any suspicious activities and/or transactions.

Sanctions Program

CIB conducts business in full compliance with all applicable local and international sanctions. To that end, we maintain a robust Sanctions Compliance program that applies to customers' diverse engagements. Our program is structured to fully adhere to local sanctions requirements included in the Egyptian Money Laundering Combating Unit Sanction Lists as well as global sanctions requirements proposed by organizations such as the United Nations, European Union, Office of Foreign Assets Control, and the Financial Conduct Authority.

Required procedures are in place to ascertain that we are continuously kept abreast and in compliance with the increasingly dynamic and ever-growing sanctions requirements. Our Sanctions Compliance team drives our organization when it comes to the design of policies and procedures that incorporate robust control measures to ensure full compliance. They also lead the efforts in employee awareness raising when it comes to sanctions compliance.

Customers' Rights Protection Program

CIB has always held customers' interest as one of our top priorities. To that end and in light of the CBE's Customers' Rights Protection guidelines, CIB established the Compliance Customers' Rights team. Its strategic objective is to lay the foundation necessary to safeguard customers' rights. The team is responsible for transparency and disclosure; safe keeping confidentiality and information secrecy; handling customers' complaints and spreading awareness and financial literacy to customers.

The department works in tandem with other business, support, and control functions to guarantee customers receive financial services and solutions that serve their needs, provided with transparency and full disclosure at every interaction.

Compliance Monitoring and Control Program

We believe in having a hands-on approach to complement our advisory and oversight role. As such, as part of the CIB Compliance Group, the Internal Control Management and Compliance Monitoring and Testing teams have the strategic objective of taking the pulse of the compliance program, assuring the program's ongoing health and providing independent assessments of the compliance and control environment.

The teams act as an independent testing arm while managing the role of process control oversight as part of the second line of defense. The teams also lead the Bank-wide Compliance Risk Assessment and design and implement risk-based reviews to provide assurance related to compliance and controls at an organizational level.

Analytics for Compliance

The Compliance Group has several ongoing projects that capitalize on the innovative technical solutions, digitalization initiatives and the wealth of data and analytics available at the Bank.

The Group is currently at different stages of driving the automation of high-risk compliance processes, machine-learning and the enhancement and unification of our processes. One of our main focus areas is enhancing the process of transaction monitoring through automation and machine learning with the ultimate aim of improving the efficiency of the process and ensuring that trends are accurately identified and managed.

As the face of regulatory and compliance landscape continues to progressively change, analytics continues to be our strongest asset and the only way we can maintain the flexibility required for compliance. Based on this, the Group established an Analytics team who will work closely with respective data and technology teams to provide data-driven insights and assist in taking strategic decisions related to compliance risk scoring, risk evaluation, automation, and process enhancement. They will also be heavily involved in our regulatory reporting requirements.

Knowledge and People

We believe a true compliance and conduct culture can only be achieved through our employees. Despite the exceptionally challenging circumstances imposed by the COVID-19 pandemic and the conversion to hybrid and flexible working arrangements, the team has worked closely with the Learning and Development team to ensure that our people continue to be reminded of our responsibility toward all stakeholders.

Through e-learning and virtual classrooms, CIB staff and outsourced employees have been trained on different compliance-related topics including Financial Crime Combatting, Sanctions, Foreign Account Tax Compliance Act (FATCA) requirements, and Customers' Rights Protection.

> Through e-learning and virtual classrooms, CIB staff and outsourced employees have been trained on different compliance-related topics including Financial Crime Combatting, Sanctions, FATCA requirements and Customers' Rights Protection.

During 2020, we also chose to disseminate key messages through campaigns focusing on raising awareness. With focus on different areas, 'Suspicious Activities and Red Flags' and 'Financial Crime' have been selected as our topics of choice for this calendar year.

Commitment to our Regulators

As we embrace our compliance and controls culture, focusing on our relationship and engagement with our regulators is key. To that end, we have expanded the role of the CBE Relations team to now include two new teams: the Regulatory Affairs team and the Advisory Compliance team, together creating the Regulatory Compliance division. The division will work collaboratively with our regulator and CIB business partners to ensure a seamless and structured communication process, common understanding and proper and swift implementation of requirements.

The team also works closely on coordinating efforts with our colleagues to ensure we provide proper focus to our regulatory reporting commitments and that the process is designed with agility and capitalizes on data and analytics. The team consistently makes sure that the regulatory reporting processes are accurate and up to date.

Egypt's MENA FATF Visit

Recently, Egypt has undergone an assessment by the Middle East and North Africa Financial Action Taskforce (MENA FATF). The assessment covered several key compliance risk indicators including policies and procedures related to Ultimate Beneficial Owner (UBO) identification and on-boarding, KYC updates, Risk Classification, Transactions Monitoring and Reporting.

The MENA FATF team acknowledged that the CIB Compliance team have demonstrated the required level of understanding for FATF recommendations and associated risks and praised CIB's process and its control design.

Our Footprint in Africa - Mayfair CIB Bank Limited

In April 2020, CIB acquired 51% of Mayfair Bank in Kenya (now Mayfair CIB Bank Limited) in line with CIB's direction towards expanding its footprint in Africa. The Compliance Group has since been working diligently on fulfilling and securing all the necessary regulatory approvals, conducting required due diligence and compliance risk assessments, aligning the regulatory requirements, and fulfilling any mandates for these types of transactions.

A significant step was the completion of our FATCA requirements and fulfilling the ensuing registrations as a lead financial institution.

We are also working closely with our colleagues in Mayfair CIB Bank Limited to review and align the compliance policies and procedures in addition to exploring and assessing the regulatory and compliance landscape in Kenya. This is to ensure full alignment and synergy between the respective teams when it comes to the compliance and control culture.

2021 Forward-Looking Strategy

As we look forward to another successful year in 2021, we embrace our responsibility to continuously work on reinforcing our compliance and controls culture. Our commitment to our stakeholders is to continue being rigorous when it comes to ethical behavior and decision-making. We will continue to advocate this culture with a conviction that this is the responsibility of each and every CIBian.

We will also continue to invest in our compliance infrastructure to ensure we have the required technological solutions that provide us with agility and capability to comply at all times and adjust promptly to the ever-changing regulatory and compliance landscape.

> **The Compliance Group's principal role is to exhibit responsible business practices aligned with the highest ethical standards in the interest of our clients, employees, shareholders, and community.**

Internal Audit

The role of the Internal Audit Group (IAG) is to provide independent and objective assurance and consulting activities to its stakeholders. IAG adds value and improves the bank's operations by helping it accomplish its objectives, through a systematic, disciplined approach, to evaluate the effectiveness of the Governance Process, Enterprise Risk Management and Controls.

CIB's Audit Committee is responsible for overseeing IAG's activities, including the approval of its charter and safeguarding its independence as the third line of defense. IAG's main pillar is its employees, who are chosen based on their professional expertise. The team is pushed to leverage their own professional skills and know-how and are frequently invited to attend technical training programs and international conferences.

In accordance with international practices, IAG along with the Bank's Analytics and Data Management team, use a systemic analytical approach to implement a monitoring mechanism to detect early warning signals.

2020 Highlights

Due to the onset of the COVID-19 pandemic, 2020 was an exceptional year. As a consequence of the pandemic, IAG adjusted its methods to ensure the continuity of its services by stressing the use of the remote audit practices. Furthermore, cybersecurity was given noticeable attention due to the consequent dramatic changes, which then necessitated a continuous evaluation for the reliability and security of the Bank's work environment.

2021 Forward-Looking Strategy

IAG's 2021 strategy takes into consideration the Bank's digital transformation and further relies on big data in IAG's analytical processes. This should allow the division to maintain its swift and focused support to CIB's management.

06

Responsible Banking

5

SDGs in our focus

CIB's commitment to creating SHARED VALUE

is the guiding post of its sustainability and responsible finance strategy.

Sustainable Finance: A Strategy for Responsible Growth

CIB's journey has been distinguished by its power to link business growth to its quest to advance the wider ecosystem surrounding it. This has found expression in embracing sustainability to achieve stakeholder value creation, from employees to clients, regulators, shareholders, the wider community, and the environment. The Bank believes that to grow, it must promote the growth of all elements of life around it. CIB understands that growth is achieved through a connection with its ecosystem and the planet at large.

2020 was a year of achievements for CIB on the sustainability front, since becoming a founding signatory of the United Nations Environment Program – Finance Initiative (UNEP-FI) Principles for Responsible Banking. The Bank continues to act as a domestic and regional influencer in promoting the UNEP-FI Principals for Responsible Banking, and has worked on all of the principles in the last year.

2020 also marked the Bank's five-year anniversary for sustainability reporting. Since becoming one of the first institutions in Egypt to introduce sustainability reporting in 2015, CIB has gradually enhanced its commitment to sustainability across its business, integrating environmental, social, and governance (ESG) dimensions into its policies, procedures, operations, and culture.

CIB celebrated its fifth year of sustainability reporting by launching a Sustainability Reporting Award, given to twenty participants from the 10th Egypt CSR Forum. Award recipients received free Global Reporting Initiative (GRI) Certified Training over a two-day virtual workshop. This is in line with the Bank's strategy to increase sustainability education and spread awareness of transparent reporting.

New Structure

New Sustainability Governance

In 2020, CIB embarked on a new chapter in its sustainability journey as a pioneer in Egypt's banking sector. With the support of the Bank's committed leadership and a clear vision to place sustainability at the forefront, CIB formally established a new sustainability governance framework.

Sustainable Finance Steering Committee

A cross-functional committee that includes Board and Executive Management representation, the Sustainable Finance Steering Committee's mission is to establish, guide, empower, and monitor the Sustainable Finance Function, in line with CIB's business needs and international best practices. The committee's scope covers risk management, revenue generation, ecological footprint and sustainable finance initiatives and programs. It is mandated to endorse and formulate strategic sustainability frameworks, enable the implementation of sustainability systems, ensure stakeholder engagement, and oversee monitoring and reporting.

Chief Sustainability Officer

As part of the Bank's move towards sustainable governance, CIB was the first institution in Egypt to appoint a Chief Sustainability Officer, who now heads the new Sustainable Finance division.

Sustainable Finance Division

CIB became the first Egyptian bank to launch a Sustainable Finance division. The new division will ensure the centrality of sustainability as a core business strategy, and provide a solid platform for the integration of sustainability, and environmental, social, and governance (ESG) principles across the Bank's functions.

Sustainability Strategic Network

The Sustainability Strategic Network is a cross-functional, multi-stakeholder organizational structure that includes key representatives from across the Bank, linking functions and departments together. This structure will embody a knowledge-based and action-oriented network, focused on advancing broadly articulated sustainability issues. The structure will be an integral component of the Bank's sustainability governance structure, as it ensures an inclusive and participatory approach to embed sustainability within CIB.

Policy and Framework Architecture

CIB has a clear and comprehensive sustainability infrastructure in place that aligns with national and global frameworks and standards, and reinforces the Bank's environmental, social, and governance commitments.

Climate Change

Green Finance: The First Green Bond in Egypt

CIB acknowledges the key role that financial institutions play in economic development, given their ability to allocate monetary resources to companies engaged in diverse economic fields, as well as to private individuals. As such, the Bank aims to contribute to the development of the green bond market, as it represents another milestone in its sustainable finance journey.

As the leading private sector bank in Egypt, and in the context of its commitment to advancing sustainable finance, CIB took solid steps during 2020 to issue Egypt's first corporate Green Bond, aiming to finalize the issuance during the second quarter of 2021. The Green Bond serves as the latest addition to a suite of environmentally beneficial products to leverage capital market fixed income instruments and fund adaptation and migration measures. The Bond's proceeds will observe UN Sustainable Development Goals (SDGs) number 6, 7, 9, 11, and 13, which fall within the materiality of CIB.

Measuring Climate Risk: First Bank in Egypt to join the Taskforce for Climate Related Disclosures (TCFD)

CIB is the first bank in Egypt to join the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD was established in December 2015 by the Financial Stability Board (FSB) with the goal of developing recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, in order to provide decision-useful information to investors, lenders and other stakeholders. The TCFD aims to encourage sustainable investments so as to build a resilient economy in the face of climate-related uncertainties.

Measuring Business Impact

Credit and Debit Card Product – Life Cycle Assessment

In 2020, CIB was the first bank in Egypt and the MENA region to undertake a card product life cycle assessment initiative. The project aims to analyze the environmental impact of the credit and debit cards from initiation as raw materials until their decomposition. The life cycle analysis (LCA) is performed according to ISO 14040 using a powerful modeling and simulation software that allows for detailed and reliable insights for calculation and analysis.

Environmental and Social Impact Assessment of SMEs

CIB, as partner to its borrowing SMEs, acknowledges the opportunities resulting from greening and diversifying such operations. Therefore, in February 2020, CIB initiated the Greening SMEs project, by conducting an Environmental and Social Impact Assessment with the following main objectives:

- **Baseline Assessment:** Assess the environmental and social impacts of borrowing SMEs.
- **Mitigation Strategies:** Develop strategies to reduce the environmental and social impacts of SMEs.
- **Environmental and Social Toolkit:** Design and implement generic instruments to promote environmental compliance and sustainable business practices among different SME sectors.
- **Awareness-Raising:** Promote green behavior among SMEs.

Managing Ecological Footprint

In 2021, CIB will further its measurement and produce an Ecological Footprint report, which widens its scope of assessment and tackles a wide range of environmental indicators that are key to the Bank's stakeholders.

Building on the Bank's extensive carbon footprint assessment of all CIB branches, we have established seven carbon emission reduction targets for electricity, refrigerant leakage, water, paper usage, aerial transportation, ground transportation, and waste generation. This has culminated in a total target of 10% GHG reduction by 2025, as compared with our baseline emissions in 2018.

Resource Efficiency

CIB works to measure, reduce, and improve its ecological footprint. Despite the increase in headcount and number of branches, the Bank successfully decreased its paper consumption in 2020 by 8% in comparison to 2019. The set target for total paper reduction in 2020 was 1%.

System and Certifications

CIB began implementing an Energy Management System (EnMS) at one of its head offices (SV2). The system integrates energy management into existing mechanisms, enabling the Bank to better manage its energy, sustain achieved savings, and continuously improve energy performance. It also combines best practices in project management, energy monitoring, and energy awareness, along with an energy policy that will govern CIB's approach towards energy use and performance.

CIB was also the first organization in Egypt and the first Bank in the Middle East to receive the ISO 41001 certification in 2020. This recognition shows CIB's full adoption of the Facilities Management System developed by the International Organization for Standardization (ISO). The certification scope covers all the Bank's premises and its related operations.

Gender Empowerment

Women are positioned at the heart of CIB's employment, services, and external initiatives. CIB has been at the forefront of women's empowerment movements through pioneering innovative efforts that promote the financial inclusion and economic independence of women, to help them achieve socio-economic equality in Egypt.

At CIB, we encourage public-private collaborations to foster inclusive economies and societies, and achieve sustainability goals. We believe that such partnerships create a platform for knowledge sharing, and further enables governments and institutions. CIB is one of the first two companies to acquire the Egyptian Gender Equity Seal in the private sector, obtained through a partnership with the National Council for Women and the World Bank. In tandem with efforts directed towards narrowing the gender gap in the workforce, the Bank aims to extend this experience to its corporate clients by creating facilities that promote women's empowerment in the Egyptian market. It also encourages corporate clients to enhance female participation rates amongst their employees, senior management, and Boards of Directors.

Moreover, CIB is Co-Chairing the World Economic Forum (WEF) Closing Gender Gap Accelerator, a national public-private collaboration model which enables governments and businesses to take decisive action towards closing economic gender gaps. Along with leading businesses and ministers, the Bank will lead the accelerator's activities, shape its objectives and monitor its impact. The accelerator focuses on four key objectives: preparing women for post COVID-19 work environments, closing gender gaps in remuneration between and within sectors, facilitating women's participation in the labor force, and advancing more women into management and leadership roles.

Community Development

First Natural and Cultural House in Egypt

CIB partnered with the United Nations Development Program (UNDP), the Egyptian Italian Environmental Project (EIEP), and the Ministry of Environment for the inauguration of the first open Natural and Cultural House in Egypt at Zewara Camp, at Wadi El Rayan Protectorate in the Fayoum governorate. Aside from its social, environmental, and economic positive impact, this project provides CIB with the opportunity to align its internal environmental initiatives with external community investment.

2020 Highlights

Governance

- Organizational structure that ensures compliance, growth, and innovation

Sustainability Frameworks

- First bank in Egypt to join the Task Force for Climate Related Financial Disclosures (TCFD)

Sustainability Indices

- CIB was included in the new Low Carbon Select Index in the Middle East and North Africa (MENA), recently launched by the Arab Federation of Exchanges (AFE) and the data provider Refinitiv
- CIB Ranks 1st in the Egyptian Stock Exchange Sustainability Index for six consecutive years
- CIB is included in the 2019 and 2020 Bloomberg Gender Equality Index
- CIB is a constituent of the Financial Times Stock Exchange (FTSE) FTSE4Good Sustainability Index

Gender Empowerment

- First private bank to acquire Egyptian Gender Equity Seal
- Co-Chair of the Closing Gender Gap Accelerator supported by the World Economic Forum (WEF)

Environmental and Social Impact Assessment

- First bank in Egypt to conduct a Debit and Credit Life Cycle Assessment
- First bank in Egypt to conduct an Environmental and Social Impact Assessment on Borrowing SMEs

Community Development

- Funded the Establishment of the First Natural and Cultural House in Egypt

Social Development

CIB took a leading role in numerous community development efforts due to the pandemic.

As Egypt's leading private sector bank, CIB strives to create a positive impact on the local community. Accordingly, it has undertaken a number of initiatives to promote inclusive and sustainable development across the country, as well as provide support to underserved segments of the community through the Bank's corporate social responsibility program, the CIB Foundation, and its dedication to supporting Egyptian squash champions. Although 2020 witnessed a lighter schedule of external events and sponsorships due to the outbreak, the Bank was an active sponsor in some of the events prior to COVID-19, such as the BT 100, Climate Neutrality Dialogue, and African Footballer of the Year 2019.

CIB also took part in AUC's virtual employment fair, AUC's Engagement Fair, and the UCCD Virtual Career Fair, allowing the organization to meet potential employees in an informal setting while also giving jobseekers the opportunity to learn more about CIB and the opportunities available.

Corporate Social Responsibility

Corporate social responsibility (CSR) is at the heart of CIB's core values. This year, we implemented various CSR projects and supported initiatives carried out by other organizations. We diversified our community development activities by expanding our scope to include sports, fine art, culture, and social welfare. CIB took a leading role in numerous community development efforts due to the pandemic. Believing that healthcare is integral to community growth, it was necessary to support different initiatives not only in Egypt but also in Africa; at the onset of the COVID-19 outbreak, CIB donated USD 2.5 million to support the national project of buying 100 RT-PCR detection kits to enhance the existing COVID-19 testing capacity across Egypt. CIB also participated in a Federation of Egyptian Banks initiative, in coordination with the CBE, donating EGP 80 million to support households and businesses impacted by the preventative measures. The Bank donated an additional EGP 1.6 million to support 10,000 families whose incomes were affected by the pandemic under a project launched by the Food Bank NGO called the #GoodChallenge. CIB also supported several other smaller domestic healthcare projects/initiatives, supporting the El Nidaa Foundation to build a local face mask production factory in Upper Egypt, in addition to its donation to the Waqfeyat al Maadi Community Foundation to support daily workers to work from home.

As we start our expansion plans beyond our borders and venture into Africa, we must become a more effective global citizen by showing solidarity with the continent that we all call home. In an effort to do so, USD 250,000 was donated to the African Union COVID-19 Response Fund, as well as another USD 100,000 to the Kenya COVID-19 Response Fund.

Social Activities

KidZania

Since the founding of their partnership in 2013, CIB has organized several annual trips to KidZania for underprivileged and special needs children, and children with health conditions. The trips provided children with a fun setting in which they learned about different banking operations, such as debit cards, issuing cheques, and depositing and withdrawing money using KidZania's official currency, Kidzos.

Autism International Day/ADVANCE

The Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). A number of activities took place in April, dubbed Autism Awareness Month, including the virtual Annual Autism Conference and the virtual Art Exhibition for Children and Youth with Autism Spectrum Disorder.

Beena

Beena, a protocol signed between CIB and the Ministry of Social Solidarity, encourages active youth participation in the community and monitors the development of social care services. The Bank has been the main partner and financial sponsor of Beena for five consecutive years. This initiative successfully attracted thousands of youths around Egypt who volunteered with orphans, senior citizens, and individuals with special needs.

1.5%

profits go toward the CIB Foundation

CIB Foundation

The CIB Foundation is a non-profit organization dedicated to enhancing pediatric healthcare services in Egypt and having a positive, life-changing impact on the country's youth. Following a decade of concentrated corporate social responsibility activities, CIB established the Foundation in 2010 to move away from the mainstream charity model and towards an approach that focuses on instituting sustainable long-term projects for Egypt's most vulnerable communities.

Through an annual commitment of 1.5% of CIB's net annual profit, the Foundation concentrates on providing health and nutrition services to underprivileged children, specifically focusing on those who lack access to quality healthcare. The Foundation works with well-established healthcare partners who have an extensive outreach to ensure that the allocated funds yield positive and sustainable results, and that the children receive the care they need to lead healthy and productive lives.

The CIB Foundation does not regard itself as merely a donor organization, but an active partner in all of its projects. Monitoring the progress and ensuring the timely completion of projects is a pivotal cornerstone of the Foundation's work. Its diligence has allowed the Foundation to gain prominent recognition over the years.

Approved Projects in 2020

57357 Fighters

On the grounds of its longstanding partnership with the Children's Cancer Hospital 57357, the Foundation allocated EGP 30 million to establish the Digital Pathology Lab at the hospital. The Lab will use a computer-based technology to generate information from digitized specimen slides.

The specimen glass slides (conventional) are converted into digital slides that can be electronically shared and analyzed using a computer software. This piece of technology will increase diagnosis efficiency by rendering faster results and reducing human error. The automated lab is expected to benefit approximately 7,000 children annually.

A Journey of Hope
In collaboration with the Nile of Hope Foundation, the CIB Foundation established a pediatric radiology department in the hospital. For its part, the Foundation purchased a closed MRI machine (1.5T) for a total of USD 1.29 million. The MRI will assist in detecting and inspecting children's congenital anomalies syndrome, a structural or functional defect present at birth that may lead to physical or mental disabilities. This project is expected to scan approximately 4,000 children annually.

A Journey of Healing
The Foundation Board allocated EGP 11.77 million in April 2020 to outfit the pediatric department in the Shifaa Al-Orman Hospital in Luxor. The new department allows children to receive the required treatment without the need to travel long distances. This department fills a gap in Upper Egypt's healthcare services, where there are limited specialized centers for treating pediatric cancer patients. The commute is not only considered hazardous for the patient, but also a great financial burden on the families. The pediatric department expects to serve around 900 children annually.

Our Differences...Our Strength
In line with the Foundation's commitment to supporting children with special needs, the CIB Foundation allocated a budget of EGP 5.55 million to the outfitting of five clinics and rehabilitation centers for cerebral palsy, and audio and mental measurement in Cairo, Giza, and Helwan. This project is expected to serve approximately 1,000 children annually.

The Right to Live Upright
In collaboration with the Assiut University Hospital, CIB Foundation will fund the establishment of a specialized center in treating children with spine problems and deformities. CIB Foundation allocated EGP 4.48 million for the purchase of high-quality surgical equipment to replace the existing devices that do not adequately monitor the neurological functions. With the new equipment, the hospital will be capable of serving 104 children annually.

Touch of Hope
Building on the previous successful collaboration between the CIB Foundation and Sporting Students Hospital, the Foundation allocated EGP 3.88 million to establish an advanced pediatric cardiac operating room with a capsule system. The room is expected to enable the hospital to operate on 288 children annually while guaranteeing the highest standards of sterilization and hygiene. It will also enable the hospital to perform minimally invasive and highly advanced surgeries with the utmost accuracy, in accordance with international standards, while decreasing the number of children on the waiting lists for open-heart surgeries.

Children Without Risk
The Board approved EGP 3.94 million to outfit a Pediatric Intensive Care Unit in Mabara El Maadi Hospital in collaboration with the Garden City Cosmopolitan Lions Club. The Lions Club financed the construction and finishing works of the unit. The Foundation's role centers on outfitting the unit with the latest medical equipment. The hospital services large numbers of patients in the Maadi area and the surrounding district.

Egypt suffers from an acute shortage of around 32% in ICU beds, particularly in pediatric units. The overall purpose of the project is to provide healthcare to children who suffer from medical complications. The unit is expected to serve approximately 800 children each year, and aims to contribute to the reduction in child mortality and treat diseases that may cause permanent damage and/or disability.

Strong Hearts...Stronger Future
Building on the longstanding partnership between Magdi Yacoub Foundation and the CIB Foundation, the Foundation allocated EGP 20 million to fund 100 pediatric open-heart surgeries and purchase cath lab consumables for 350 children.

According to the data from the Aswan Heart Centre, the center performs around 4,000 surgical and cardiac procedures annually.

Gift of Life
In light of the successful collaboration between CIB Foundation, Rotary Club of Giza Metropolitan, and El Kasr El Eini Hospital, the CIB Foundation allocated EGP 4.5 million to fund the third round of 100 open-heart surgeries to be performed in El Kasr El Eini Hospital to reduce the number of children on the waiting lists and alleviate some of the financial burden on the hospital.

Super Smile
The CIB Foundation allocated EGP 1.25 million to fund 50 cleft lip and cleft palate surgeries in Ain Shams University Hospital. The choice of surgeries came after Rotary District 2451 found that these congenital defects are particularly evident in Upper Egypt. Rotary District 2451 will be in charge of selecting the candidates, as well as supervising and following up on the procedures.

Diabetic Heroes
The CIB Foundation allocated EGP 370,000 for the Medicine for All Foundation to fund the purchase of medications for 250 underprivileged diabetic children for one year, to be distributed on a monthly basis.

The Medicine for All Foundation is a specialized NGO in the field of medicine and therapy devices that provides services for underprivileged children suffering from chronic diseases such as brain atrophy, diabetes, and dwarfism.

Children's Right to Sight Program
The CIB Foundation allocated EGP 929,000 to cover 176 surgeries as part of the Children's Right to Sight (CRTS) program, in collaboration with the Kasr El Nile Rotary Club, to help eradicate the causes of blindness in children and infants.

Their Care…Our Responsibility
As part of the Foundation's longstanding partnership with the Yahia Arafa Children's Charity Foundation, the Board allocated EGP 6 million to fund the annual operating costs of five pediatric units in the Ain Shams University Hospital, supervised and managed by the Yahia Arafa Children's Charity Foundation. The units are a congenital heart defect unit, pediatric heart surgery unit, women's obstetrics hospital's neonatal unit, children's hospital's pediatric surgery unit, and the children's hospital's neonatal unit. The Board also allocated EGP 3 million for equipping the units, which will serve around 14,500 children annually.

Going Miles for Their Smiles
As part of the CIB Foundation's mandate to support children in need, the Board allocated EGP 1.85 million to support FACE for Children in Need's annual operating costs, to cover a part of the medical services and care provided to orphans at the Maadi Home Center.

7,000

children benefit from 57357's Digital Pathology Lab

1,000

children benefit from the Our Differences...Our Strength program

FACE for Children in Need is an NGO aiming to assist and protect orphans, abandoned children, and street children. FACE's mission is to create a world in which deprived and vulnerable children in Egypt receive protection, love, and education, and help them transition into adulthood.

For a Better Childhood

The Board approved a budget of EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University Hospital, which serve about 3,500 children in the Qalyubia region annually. The funding will ensure the sustainability of the project and maintain the highest level of care provided to the children.

A Warmer Winter

In 2020, the Foundation allocated EGP 8 million to fund its seventh collaboration with the Egyptian Clothing Bank to provide winter clothing to underprivileged children, especially in rural areas, across all 27 governorates. The need for winter clothing has been rising for the past few years due to weather fluctuations and low temperatures.

The money will be utilized to produce 50,000 winter training suits and 50,000 pairs of shoes, to be distributed to children in underprivileged areas across Egypt.

Private Sector Alliance Against COVID-19

The CIB Foundation allocated EGP 5 million to support the AmCham Private Sector Alliance Against COVID-19, in collaboration with UNICEF Egypt. The fund will be directed to purchasing PPE for medical staff in health units nationwide.

For a Better Life

Building on its longstanding partnership with the MOVE Foundation, the Board approved EGP 1.39 million to cover 50% of the annual operating costs of the Foundation. The operating costs will enable the MOVE Foundation to provide free services to 100 children in need. The annual operating costs cover staff salaries, maintenance work, children's transportation, stationery expenses, as well as utility bills.

One Heart

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

For a Better Eyesight

The Board allocated EGP 3.07 million to support the establishment of a pediatric ophthalmology center. The fund will be directed to outfit the outpatient clinics. The project helps eradicate the causes of blindness in children and infants. Moreover, the outpatient clinic enables the Institute to provide specialized services tailored for children, as currently they are diagnosed and treated with adults. The center will extend its services to 12,000 children a year from suburban areas in Giza, Upper Egypt, and the Delta region.

Ongoing Projects

57357 Fighters

390 Infusion Pumps and 216 Syringe Pumps

Building on its longstanding partnership with the Children's Cancer Hospital 57357, the Foundation allocated EGP 20 million in 2019, which helped the hospital acquire an integrated system that connects, manages, and monitors infusion and syringe pumps during chemotherapy sessions. This is crucial, as each patient requires a minimum of two syringe and infusion pumps per session. The Foundation will purchase 390 infusion pumps and 216 syringe pumps, as well as auxiliary equipment. This project is expected to benefit more than 18,500 children annually. The entire project amount was disbursed over two installments in 2020.

Operating Costs

The Foundation also allocated EGP 4 million to support the hospital's operations in funding key segments in the Cairo and Tanta branches. The segments include pathology, blood banks, radiology laboratories, medication, radiotherapy, nuclear medicine, and supplies. The amount was fully disbursed in 2020.

Children Without Virus C Program

In collaboration with the Egyptian Liver Care Society, the Foundation dedicated over EGP 5.1 million to fund the Children Without Virus C Program. The fund covers medications, blood tests, X-rays, medical staff training (doctors and nurses), and awareness sessions for infected children and their families. Since the program's inception, a total of EGP 2.72 million was disbursed, EGP 1.01 million of which was disbursed in 2020.

For a Better Life

Building on its longstanding partnership with the MOVE Foundation, the Board allocated EGP 1.2 million to cover the operating costs of the organization for one year to help accommodate children seeking support from the MOVE Foundation. This fund is expected to cover costs to provide care for 100 children with cerebral palsy. The MOVE Foundation has positively impacted the lives of approximately 250,000 children with cerebral palsy living in Egypt since its establishment in 2004. The fund was fully disbursed in 2020.

6/6 Eye Exam Convoys

In April 2019, the Board allocated EGP 21.57 million to fund the deployment of 100 medical convoys to provide free eye examinations to 80,000 students in underprivileged primary schools in the Beni Suef and Minya governorates. In addition to the exams, a personal hygiene and ophthalmic health awareness campaign was launched. The children also received a backpack with a hygiene kit, coloring books, and colored pencils.

This initiative was launched in collaboration with the Gozour Foundation for Development, a CIB Foundation partner since 2012. To date, the CIB Foundation has sponsored a total of 441 convoys, benefiting around 301,000 students in more than 20 governorates. The fund was disbursed in full in 2020.

The CIB Foundation allocated EGP 5 million to support the AmCham Private Sector Alliance Against COVID-19, in collaboration with UNICEF Egypt.

Strong Teeth...Better Health

Pediatric Dentistry Clinic

The Foundation allocated EGP 7.5 million in 2018 to fund the purchase of equipment and supplies for the Pediatric Dentistry Clinic in El Kasr El Aini. The amount also covers expenses for the establishment of another clinic in Sheikh Zayed to further the services available to children, including those with special needs. The clinic treats more than 95,000 children each year and is one of the country's few providers of dental services for children with special needs. The fund was fully disbursed during 2020.

Maxillofacial Unit

The CIB Foundation increased the allocated funds from EGP 45,000 to EGP 90,000 to support the operating expenses of the maxillofacial unit, due to the hikes in the prices of materials and consumables.

In April 2019, the Foundation allocated another EGP 90,000 to replace the malfunctioning sterilization device in the unit. The CIB Foundation paid the full amount to the supplier after delivery in 2020.

The Maxillofacial Unit provides treatment for children across the country, and is one of the few providers of specialized procedures. Before the center's establishment, children were treated in the general prosthodontics area with adults.

Our Kids Our Future
The Board approved the allocation of EGP 4.1 million in April 2019 to fund a project in partnership with the Ibrahim A. Badran Foundation, which deployed 48 medical convoys in Fayoum's underserved regions. The convoys offer medical services through a team of qualified doctors in various disciplines who will extend medical services to 30,000 children each year. The final installment was fully disbursed in 2020.

Kids on Wheels
In line with the Foundation's commitment to supporting children with special needs, the Board allocated EGP 4 million to provide 100 children with wheelchairs in cooperation with the Al-Hassan Foundation for Differently Abled Inclusion in April 2019. Three installments worth a total of EGP 3 million were disbursed to fund the costs of 75 German wheelchairs, designed for permanent child users.

For a Better Childhood
In April 2019, the CIB Foundation allocated EGP 12.4 million to Benha University Hospital to equip it with 40 incubators and 10 pediatric ICU beds with their auxiliaries. This planned expansion enabled the hospital to serve approximately 3,500 children each year in Benha and the surrounding areas. A total of EGP 3.32 million was disbursed in 2020.

One Heart
The Board allocated EGP 33.18 million in April 2019 to exclusively sponsor, outfit, and operate 15 cardiac pediatric intensive care units through purchasing medical equipment, while covering operating costs for six months. The Foundation also sponsored 40 pediatric open-heart surgeries through its donation. The hospital offers its services free of charge to underprivileged communities. The final installment of the project was fully disbursed in 2020.

Children Without Risk
In February 2019, the Board allocated EGP 1.63 million to purchase equipment to operate four new incubators at the Mabara El Maadi Hospital NICU, in collaboration with Garden City Cosmopolitan Lions Club. The project enables the hospital to serve around 1,200 newborns annually. The CIB Foundation disbursed the final payment after the delivery of all the required equipment and training the medical staff in 2020.

Touch of Hope
The Foundation granted the Sporting Students' Hospital EGP 3 million to acquire a new six-color flow cytometry device that assists in the accurate diagnosis of leukemia and lymphoma. The device is expected to help diagnose 1,200 children each year. The full amount was disbursed in 2020.

We Can Live Together
The Foundation allocated EGP 1.23 million to the True Light Society Association, which seeks to integrate children with visual disabilities into the public school system. The equipment provided by the Foundation includes Braille typewriters and books, visual assistants, and school supplies. Training programs will also be offered to children and their parents. Overall, the project will benefit 470 visually impaired children. A total of EGP 960,000 was disbursed in 2020.

Healthy Children
In April 2019, the Board allocated EGP 3.38 million to launch two mobile clinics providing comprehensive medical services including pediatrics, ophthalmology, and internal medicine to children in remote areas of Upper Egypt. The clinics will provide children with checkups, medical referrals for specialized cases, and medication. The clinics are expected to examine more than 95,000 children each year. In 2020, the first and second installments amounting to a total of EGP 2.25 million were disbursed.

Gift of Life
Building on the success of previous collaborations, the Board approved the allocation of EGP 3.7 million in October 2018 to support a second round of open heart surgeries for 100 underprivileged children with congenital heart diseases at the El Kasr El Aini Hospital, under the management of the Rotary Club of Giza Metropolitan. The fund was fully disbursed in 2020.

Our Children's Health is Priceless
In 2019, the Board allocated EGP 14.45 million to establish a pediatric surgery unit at the South Valley University Hospital, which serves a number of governorates in Upper Egypt and the Red Sea. The unit will be equipped with state-of-the-art facilities, including a surgical theatre, a pediatric ward (eight beds), an ICU (two beds), and a diagnostic unit. The hospital, one of few in the region, will work to minimize the risk of traveling for critically ill patients and increase the capacity of the Emergency and Accidents Department to operate on 600 children instead of 150 each year.

Kidney Care and Cure
In April 2019, the Board allocated EGP 16 million to expand and outfit Sohag University Hospital's pediatric dialysis unit. As the largest unit serving children with kidney diseases in Upper Egypt, there was a pressing need for the hospital to expand. The new dialysis unit features an ICU, a plasma separation room, 16 new dialysis machines, and a central delivery system that will lower infection rates. It is expected to serve approximately 5,000 children each year.

A Vision to the Future
In April 2019, the Board approved a budget of EGP 4.63 million to outfit the pediatric ophthalmic clinic at Alexandria University Hospital, considered to be a center of excellence serving underprivileged families in the Alexandria and Delta regions. The initiative is expected to benefit 8,750 children each year. Of the total value of the project, EGP 4.47 million was disbursed in 2020.

Superstars are Born from Scars
In 2019, the CIB Foundation allocated EGP 2 million to fund its second collaboration with the Ahl Masr Foundation to cover the costs of surgeries for more than 200 pediatric burn patients at a number of hospitals, including El Kasr El Eini, Ain Shams Specialized Hospital, El Demerdash Hospital, and others. The collaboration came in response to a severe lack of medical care available for burn victims across Egypt, with children under 18 years old making up approximately one-quarter of the total number of victims. EGP 1.72 million was disbursed in 2020.

Healing Hands
The Foundation allocated EGP 11.6 million to equip Cairo University Hospital with a state-of-the-art CT Scanner (128 slices) to detect congenital defects and tumors in the nervous, motor, digestive, urinary, and reproductive systems, along with examinations of heart arteries. The device is expected to provide scans for 6,000 children each year. To date, a total of EGP 3.9 million has been disbursed.

A Bridge of Knowledge
The Foundation will fund a five-year education and training program for 150 staff members of the Ain Shams clinical team (including doctors, nurses, and technicians) in partnership with Great Ormond Street Hospital for Children (GOSH) in London. This initiative follows the upgrade of the hospital's facilities and equipment in line with international standards.

Following the program, Ain Shams University Children's Hospital is expected to double its capacity and serve an additional 67,000 children each year along with enhancing its overall level of care.

GOSH is an international centre of excellence in paediatric care, globally recognised as one of the few world-class hospitals for children suffering from rare, complex, or multiple conditions. The emphasis on education and training is key to the delivery of improved patient outcomes. GOSH train more paediatric specialist doctors than any other centre in Europe and have Europe's largest paediatric nurse education programme, and will work with Ain Shams University Children's Hospital to deliver bespoke education and training with specific focus on paediatric/neonatal intensive care and haematology/oncology.

Volunteering/Entertainment Events

CIB Family Bag Packing Event
In February 2020, the Foundation held an event for CIB staff and families to participate in the packing of more than 11,550 school bags that include health and hygiene kits, coloring books, and colors for beneficiaries of the 6/6 Eye Exam Convoys.

Supporting Squash: Best Bank – Best Players

In 2020, CIB continued to positively impact local communities by strengthening the support for sports in Egypt, as well as nurturing the country's athletic talents. Squash-related initiatives were again at the core of CIB's CSR agenda, and we broadened our support to generate more opportunities and value for a wider community.

At CIB, we recognized early on the true potential of Egypt's squash players, who are not only dominating world rankings, but completely revolutionizing how the game is played. This year, we extended our support of the sport to capitalize on the traction its players are carrying out globally. We believe that through supporting these talents, more opportunities are generated for Egypt's athletic community and more opportunities are presented to raise Egypt's ranking on the global arena.

Egyptian squash players have especially gained traction due to their innovative techniques that has in turn both entertained worldwide spectators and brought home trophies.

Egypt has produced five number ones in the men's game and three in the women's game in global competitions. As of December 2020, five Egyptian males and five Egyptian females have made it to their respective world's top 10 players lists.

The country's dominant position in the game stems from a tight-knit squash community, which embodies the values that CIB strives to instill in its own staff and promote to the wider Egyptian community. Young players from all walks of life have the opportunity to display their skills on the global stage owing to their perseverance, openness to competition, support from peers, and the availability of resources.

Squash Tournament Sponsorships

CIB has expanded its squash-related sponsorships to allow for more Egyptian athletes to progress in the PSA world rankings.

The most notable sponsorship in 2020 was the CIB Egyptian Squash Open Women's and Men's Platinum, which took place at the Great Pyramids of Giza and brought together 96 athletes for a total prize of USD 540,000. The tournament made significant tides in both the local and global sporting arena due to the unprecedented move toward women's equality. In 2021, CIB is committed to becoming the title sponsor of future squash tournaments in Egypt.

Sponsoring the Egyptian Squash Federation

CIB maintained its sponsorship of the Egyptian Squash Federation for the ninth consecutive year. The Bank also expanded its commitment by sponsoring the National Women's and Junior Squash Teams.

Currently, Egyptian players hold the Men's World Team Championship, the Women's World Team Championships, and the Juniors' World Team Championship titles.

Sponsoring Egyptian Athletes

In support of young players leading the world's squash rankings, CIB has tailored special sponsorships to help eight talented players maintain their rankings and continue representing the country around the world. As of November 2020, the following players were recipients of the sponsorships:

- **Ali Farag: #1** on the Men's PSA World Squash List —The 2019-2020 season may have seen Farag lose the World No.1 spot, but his form was fantastic, reaching the final in five of the six tournaments he played in, along with achieving success for his country on the global front. Farag made it to the quarter-finals of the Manchester Open, the first event back after the PSA World Tour resumed following its six-month suspension due to COVID-19. He then lost out to Marwan ElShorbagy for the second straight event in Cairo, after reaching the last four of the CIB PSA World Tour Finals. The 2018-2019 World Champion found his form again at the CIB Egyptian Open, though, as he won the title after dropping just three games throughout the tournament, and with the victory at the Platinum event, he reclaimed the World No.1 spot from November 2020.
- **Nour El-Tayeb: #3** on the Women's PSA World Squash List — The 'Black Widow' began the 2019-2020 campaign in the best possible way, as she got the better of World No.1 Raneem El Welily to win the J.P. Morgan China Squash Open in September. She then made the final of the Oracle NetSuite Open in San Francisco three weeks later, but the 2017 World Champion exacted her revenge. In the first tournament back after the tour's six-month suspension, El Tayeb took the Manchester Open crown, downing Camille Serme in a high-quality final. She then made it to the final of the season-ending CIB PSA World Tour Finals in Cairo, losing out to Hania El Hammamy. El Tayeb also reached the last four of the CIB Egyptian Open, losing out to eventual champion Nour El Sherbini.
- **Karim Abdel Gawad: #5** on the Men's PSA World Squash List — Karim Abdel Gawad made it through to the final of the Manchester Open, the first event back after the PSA World Tour returned, but lost out in four games to World No.1 Mohamed ElShorbagy. He then lost out in the final of the season-ending CIB PSA World Tour Finals in Cairo, defeated by the younger of the ElShorbagy brothers.
- **Tarek Momen: #3** on the Men's PSA World Squash List and current world champion 'The Viper' started the 2019-2020 campaign with an appearance in the final of the Oracle NetSuite Open, where he lost out to Mohamed ElShorbagy. After reaching the semi-finals at the FS Investments U.S. Open Squash Championships, Momen secured the biggest crown of his career, as he was named PSA Men's World Champion following victory over Paul Coll in the final in Qatar. The start of 2020 was consistent for Momen, as he finished runner-up to Mohamed ElShorbagy at the J.P. Morgan Tournament of Champions, before winning the Troilus Canada Cup. He then made appearances in the last four of both the Windy City Open presented by the Walter Family and the St. James's Place Canary Wharf Classic before the suspension of the Tour due to COVID-19. The reigning World Champion could only make the quarter-finals in Manchester as the sport returned, losing out to Paul Coll in an epic five-game clash. 'The Viper' then reached the final of the CIB Egyptian Open, making a first final on home soil. However, he came stuck against Ali Farag, losing out in straight games.
- **Hania El-Hammamy: #5** on the Women's PSA World Squash List — Hania El Hammamy started the 2019-2020 season with a semi-final appearance at the Open de France - Nantes presented by Tailor Capital. She lost out to Camille Serme, the first of four tightly-contested battles with the Frenchwoman over the course of the campaign. She got the better of the World No.3 at the Women's World Championship en route to a first semi-final appearance at a major tournament just six weeks later. In the final event before the suspension of the PSA World Tour due to the COVID-19 pandemic in early 2020, El-Hammamy wrote her name into the history books of the sport, becoming a major winner for the first time at the age of just 19-years-old. She downed Serme once again, before overcoming tough challenges from Amanda Sobhy, Sarah-Jane Perry, and Nour El Sherbini to win the Black Ball Open. The young starlet of Egyptian


Ali Farag


Nour El-Tayeb


Karim Abdel Gawad

squash reached the semi-finals in Manchester, losing out in another five-game battle with Camille Serme. She made up for that loss in Cairo a week later, downing the Frenchwoman in the group stages route to winning the CIB PSA World Tour Finals, her second major title of the year. 'The Gazelle' continued her good form by reaching the last four of the firs Platinum event of the new campaign, losing out to Nouran Gohar in the semis of the CIB Egyptian Open.

- **Mohamed Abouelghar: #12** on the Men's PSA World Squash List — 'The Bullet' struggled through 2020, but ended the year strongly, with a quarter-final appearance at the CIB Blackball Squash Open on home soil in Cairo.
- **Marwan ElShorbagy: #6** on the Men's PSA World Squash List — ElShorbagy started the 2019-2020 campaign in good form, reaching the last four of both the J.P. Morgan China Squash Open and the Oracle NetSuite Open in San Francisco, before making it to the quarter-finals of the CIB Egyptian Squash Open held in front of the Pyramids in November. He then made it through to the semi-finals of the PSA Men's World Championships in Qatar, before quarter-final appearances at both the Channel VAS Championships and the Motor City Open. His final tournament before the COVID-19 enforced suspension of the Tour came at the St. James's Place Canary Wharf Classic, where he made it through to the last four. The younger of the ElShorbagy brothers made it through to the last four in Manchester, as the sport returned following six months. 'The Jackal' then excelled at the CIB PSA World Tour Finals, winning the title with a straight games victory over Karim Abdel Gawad in the final. His good form continued with a semi-final appearance at the CIB Egyptian Open.
- **Salma Hany: #10** on the Women's PSA World Squash List — Hany started the 2019-2020 season by reaching the quarter-finals of the J.P. Morgan China Squash Open, before consistently reaching the last 16 of the major tournaments throughout the campaign, including at the CIB PSA Women's World Championship in front of the Pyramids. The young Egyptian reached the quarter-finals of the J.P. Morgan Tournament of Champions for the second consecutive year, before also reaching the last four of the Carol Weymuller Open just a couple of weeks later. A quarter-final appearance at the Manchester Open, as squash returned following its six-month suspension due to COVID-19, was enough to see Hany move into the top ten of the World Rankings for the first time in her career in October 2020. She followed that up with another last eight result, making that mark at the Platinum level CIB Egyptian Open.

7

squash champions supported by CIB

Partnership with Wadi Degla Clubs' Darwish Squash Academy

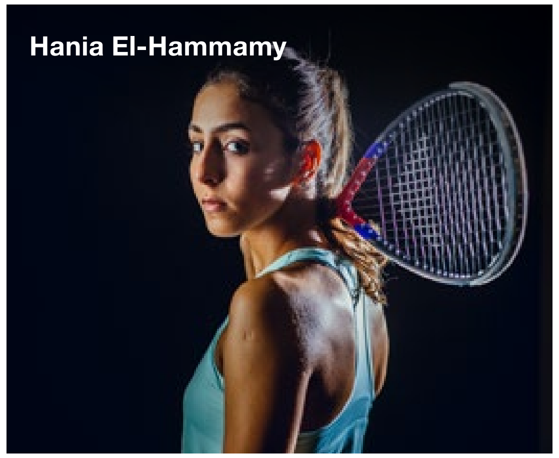
CIB continued its partnership with Wadi Degla Clubs to support young Egyptian squash athletes by developing their skills and enhancing their international rankings. The partnership is part of the Bank's strategy to support up-and-coming talents from the ground up. CIB sponsors Wadi Degla athletes Nouran Gohar, Ali Farag, and Karim Abdel Gawad.

Nouran Gohar: #2 on the Women's PSA World Squash List — Nouran Gohar won her first Tour title at the Prague Open in December 2013 at just 16. During the 2018/19 campaign, she made her way back into the top five in the rankings, starting with the semifinal appearances at the Hong Kong Open and the CIB Black Ball Open. She reached the final stage of the El Gouna International and won the British Open, attaining her first trophy. She gained a second major title by winning the 2019 FS Investments U.S. Open Squash Championships, defeating Nour El Tayeb at the final in Philadelphia, also claiming a bronze-level victory at the Carol Weymuller Open. Gohar went on to succeed the retiring Raneem El Welily as women's World No. 1, securing the top spot in the July 2020 rankings, reaching the summit for the first time in her career. She reached the CIB Egyptian Open finals but lost to Nour El Sherbini.

USD

540,000

Grand prize at the 2020 CIB Egyptian Squash Open Women's and Men's Platinum.



Corporate Governance

86%

independence rate among board members

CIB's governance framework aims to sustain the success of the Bank's business and operations, backed by a concrete set of policies and procedures relevant to the scope, size, and complexity of CIB's business.

CIB has always been keen to adopt the international best practices of corporate governance as part of its mission to become the best financial institution in Egypt. The governance framework seeks to drive long-term value for shareholders, employees, and other stakeholders. It is anchored in a distinguished group of independent non-executive directors (NED), as well as its competent board committees and experienced management team. A set of internal policies and processes helps the Board and senior management make the proper decisions.

The Bank's governance framework ensures that timely, transparent, and accurate disclosures are made available with respect to material information regarding the Bank, its ownership, operations, and financial performance. It also advocates the equal treatment of all shareholders with sound protection for their voting rights.

Besides the support provided by the committees, CIB's Board of Directors is also supported by internal and external auditors, as well as other internal control departments (Risk, Compliance, Corporate Governance, Internal Audit, and Legal). Work carried out by these functions is fully utilized by the Board to ensure the Bank adheres to local and international standards of corporate governance.

CIB's governance framework aims to sustain the success of the Bank's business and operations, backed by a concrete set of policies and procedures relevant to the scope, size, and complexity of CIB's business. The Board works to ensure proper implementation of internal and external regulations and mitigate all possible risks.

These mandates are complemented by a set of governance policies designed to promote a corporate culture that emphasizes building trust with key stakeholders. This culture is aligned with the Bank's purpose and business strategy while promoting integrity within the Bank.

The Code of Corporate Governance is the foundation of CIB's governance framework, setting forth the governance policies and procedures with an eye toward building an environment of trust, transparency, and accountability necessary for fostering long-term investment, financial stability, and business integrity.

The Code of Conduct sets out the standards of behavior expected from all employees, providing staff, senior management, and the Board with a comprehensive frame of reference regarding their rights and duties. The code further enshrines the principles of equal employment opportunity and gender equality.

CIB's Conflict of Interest policy guarantees that all staff and board members remain aware of and forthcoming about any conflict of interest between the Bank and their personal, professional, and business interests, providing guidance on how to handle such cases.

The Disclosure policy is designed to help engage with shareholders and potential investors, while increasing their confidence and satisfaction in the credibility and accessibility of the Bank's information. The policy aims to minimize the risks of violating relevant laws and regulations in relation to communicating information to the investing public and regulators of the capital and financial markets.

This comprehensive policy structure reflects CIB's prioritization of a strong governance framework, one that is fully backed by each of the Bank's board members firm leadership and vision. CIB's experienced executive management team plays an important role in the governance of the Bank by faithfully and efficiently executing the strategy set by the Board of Directors and properly implementing the Bank's policies.

Board of Directors

CIB is headed by a competent Board of Directors, which provides the Bank with the necessary leadership and experience to manage its business with integrity, efficiency, and, most importantly, excellence. The Bank's board structure is in line with local regulations and international best practices and allows for the position of a lead director. CIB's Board of Directors enjoys an optimal mix of skills, experience, and diversity in terms of gender and nationality. Some 86% of the Board of Directors are NEDs and 29% of the members are women. The Board maintains an independence level of 86% among its members.

The Bank's business and affairs are subject to the general oversight of the Board of Directors. The Board ensures that the Bank's accounts and financial statements are fair, balanced, and understandable and provide information necessary to shareholders to asses CIB's position, performance, business model, and strategy.

The Board of Directors' primary focus is CIB's long-term financial and non-financial success and seeking the best interests of all related stakeholders. The Board is also responsible for setting CIB's strategic objectives, overseeing the implementation of said strategy, providing oversight of senior management, ensuring the effectiveness of the Bank's internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability. Moreover, the Board is responsible for setting compensation and performance goals and managing director nominations, evaluations, and succession planning. It oversees CIB's economic, social, and environmental sustainability initiatives, while performing its duties with entrepreneurial leadership and in good faith. The Board also sets the seal on the existence of a sound strategy, and risk management oversight to ensure that risks are properly assessed and managed.

Changes to the Board of Directors During 2020

In January 2020, the Board of Directors consisted of nine members, seven of whom were non-executive directors, of which six were independent:

- Mr. Hisham Ezz Al-Arab – Chairman and MD
- Mr. Hussein Abaza – CEO
- Mr. Jawaid Mirza – Independent NED
- Mr. Mark Richards –Independent NED
- Mr. Bijan Khosrowshahi – NED Representative of Fairfax Financial Holding
- Dr. Amani Abou Zeid – Independent NED
- Mrs. Magda Habib – Independent NED
- Mr. Paresh Sukthankar – Independent NED
- Mr. Rajeev Kakar – Independent NED

In compliance with CBE corporate governance directives, both Mr. Jawaid Mirza and Mr. Mark Richards stepped down on 2 February 2020 and 2 March 2020, respectively, having concluded six years of service on the Board.

CIB's General Assembly Meeting was held on 15 March, during which the AMG elected and appointed the Board of Directors for a new term for three years, commencing 2020. Accordingly starting March, the elected Board was composed as follows:

- Mr. Hisham Ezz Al-Arab – Chairman and MD
- Mr. Hussein Abaza – CEO
- Mr. Bijan Khosrowshahi – NED Representative of Fairfax Financial Holding
- Dr. Amani Abou Zeid – Independent NED
- Mrs. Magda Habib – Independent NED
- Mr. Rajeev Kakar – Independent NED
- Mr. Paresh Sukthankar – Independent NED
- Mr. Sherif Samy – Independent NED

On 13 October, Mr. Bijan Khosrowshahi stepped down as an NED, after concluding six years of service on the Board. Fairfax Financial Holdings selected Mr. Paresh Sukthankar to represent its interest in CIB through its wholly-owned subsidiaries, subject to CBE approval on the matter. Moreover, Mr. Jay-Michael Baslow joined CIB's Board of Directors as an Independent NED.

On 23 October, Mr. Hisham Ezz Al- Arab decided to step down from his responsibilities as Chairman and Managing Director, after receiving a letter from the CBE stipulating that, in light of the findings of a limited review inspection, the CBE's Board of Directors issued a resolution to discharge the Bank's Chairman and Managing Director. The letter also noted that CIB's board must elect a Non-Executive Chairman from among its NEDs, in accordance with article 144 (I) of the Central Bank and Banking Law 194 for the year 2020. The Board unanimously decided to appoint Mr. Sherif Samy, Chairman of both the Audit and Governance and Nomination committees, to assume the responsibilities of Non-Executive Chairman of the Board. The decision has received CBE approval.

CIB's Board of Directors currently consists of seven members who possess an appropriate balance of experience, competencies, and individual qualifications. These collective qualities give the Bank a distinct competitive edge. Over the course of 2020, with the changes to the Board, CIB's Board of Directors met 17 times, three of which were attended in person, 13 conducted via video conferencing, and one meeting attended in person by the directors who were present in Cairo, with directors residing abroad joining via video conference, in view of the prevailing preventive measures due to the COVID-19 pandemic.

Being the single strategic shareholder in CIB through its wholly owned subsidiaries, Fairfax Financial Holding Ltd. currently holds 6.55% of CIB's local shares, following its transaction with Actis in May 2014. Fairfax Financial Holdings Ltd. appoints one representative to the Bank's Board of Directors.

Board Committees

Backed by an experienced executive management team, CIB's highly qualified Board of Directors are also supported by specialized board committees. Committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. CIB's Board of Directors has seven standing committees that assist in fulfilling its responsibilities: five non-executive and two executive committees. Each committee chairperson is responsible for briefing the Board of Directors on the major issues raised by the committee that he or she chairs. Such briefings enable the members of the Board of Directors to carry out their duties in an effective manner. Each committee operates under a written charter that sets out its responsibilities and composition requirements, reporting to the Board on a regular basis. Separate committees may be set up by the Board of Directors to consider specific issues when the need arises.

Non-Executive Committees

Audit Committee

Responsibilities: The committee was established to provide oversight of the integrity of the Bank's financial reporting process, the effectiveness of the Bank's internal control system, and its compliance with all statutory requirements. The committee is also responsible for overseeing and reviewing the performance of the Bank's Internal Audit and Compliance functions, as well as the work of the Bank's external auditors, to ensure the independence and objectivity of each, in addition to the quality of the applied processes and outcomes. In the second half of the year, a new entity was established entitled Customer Protection, reporting to Compliance, becoming among the areas on which the committee has oversight.

The committee met nine times in 2020.

2020 Audit Committee Highlights: During 2020, as mandated in its charter by the Board, the Audit committee reviewed the financial statements and clarifications prepared for publication, discussed them with the relevant bank officers and external auditors, receiving assurances that the financial statements comply with the applicable reporting standards and with CBE and FRA directives. The committee also monitored the outcome of the IFRS 9 model, with a validation exercise and assessment of the policies and methodology for expected credit loss (ECL) calculation as of 30 June 2020. This was an important undertaking in light of the COVID-19 measures and their impact.

In March 2020, the committee chair stepped down after concluding six years as a board member, as mandated by the CBE. He was replaced by Mr. Sherif Samy, who chaired the committee as of its second meeting for the year.

Chairperson:	Mr. Sherif Samy
Members:	Mrs. Magda Habib Mr. Paresh Sukthankar

Governance and Nomination Committee (GNC)

Responsibilities: The committee, which reflects the Board's voice on governance, advises the Board on the Bank's governance framework and reviews additions and amendments to the Board and committee charters. This entails a periodic review of the Bank's corporate governance structure, with the issuance of recommendations for change when and if necessary. The GNC contributes to the Board's effectiveness and governance, sets the criteria for selecting new directors, and assists the Board in identifying suitable individuals for nomination as non-shareholder representative board members. The committee's duties extend to board succession planning, including the Bank's Chief Executive Officer. The committee met seven times in 2020.

2020 Governance and Nomination Committee Highlights: Throughout 2020, the committee regularly advised the Board on governance matters based on its periodic review of the Bank's corporate governance structure. The GNC assisted the Board in operating as effectively as possible and governing the Bank's operations, to be executed in accordance with international governance best practices. The committee reviewed the Bank's 2020 Annual Corporate Governance Report. The results of the Board of Directors' annual assessment affirmed that board discussions are conducted openly and transparently, creating an environment for sustainable and robust debate. During 2020, three directors stepped down after completing six years of service on the Board, and two independent NEDs were appointed. Several potential candidates were identified and assessed by the committee throughout the year. The GNC ensured that the newly appointed candidates received proper induction, and the Non-Executive Board committee was formed to accommodate the new directors and leverage their knowledge and experience.

Chairperson:	Mr. Sherif Samy
Members:	All non-executive directors

Compensation Committee

Responsibilities: The committee was established to provide guidance regarding the appropriate compensation for the Board and the Bank's executive officers, and to ensure that compensation is consistent with the Bank's objectives, strategy, and control environment. The committee ensures that clear policies for the Bank's salaries and compensation schemes are in place, and that they are effective at attracting and retaining the best caliber professionals. The committee met three times in 2020.

2020 Compensation Committee Highlights:
During 2020, the committee assessed executive officers' and expatriates' performance for the year 2019, and recommended the appropriate compensation accordingly. The committee also reviewed and approved the Bank's overall variable compensation guidelines for 2019.

Chairperson:	Mr. Rajeev Kakar
Members:	All non-executive directors

Risk Committee

Responsibilities: This committee oversees risk management functions through periodic reports submitted by the Risk Group. The committee assesses compliance, concurs, and makes recommendations to the Board of Directors regarding risk management strategies, the Bank's risk appetite and risk related policies. This includes those related to capital adequacy, liquidity management, and various types of financial and non-financial risks such as credit, market, operations, compliance, reputation, and any other risks to which the Bank may be exposed.

The committee met eight times during 2020, with one meeting conducted in person, and seven held via video conferencing in light of the prevailing preventive measures due to the COVID-19 outbreak, as allowed by the CBE and FRA.

2020 Risk Committee Highlights: During 2020, in light of the heightened risk posed by the global pandemic, the committee supported a number of initiatives to ensure the Bank's critical operations were maintained, and employees' health safeguarded. Besides regular periodic risk reporting, the committee closely monitored the new risks encountered during the crisis, the impact on the Bank's operations, the challenges facing the business, and economic and regulatory capital adequacy. It also reviewed and challenged the Expected Credit Loss (ECL) calculation, and, accordingly, more unscheduled meetings were held during the year.

Given the inevitability of economic implications arising from the negative impact of COVID-19 on the Bank's portfolio quality and impairments, the committee was confident of the Bank's relatively better and more stable portfolio quality and healthy coverage ratios in the face of the crisis.

During the year, two committee members stepped down after concluding six years of service on the Board, as mandated by regulations. The vacancies were promptly filled to ensure a quorum for all meetings.

Chairperson:	Mr. Paresh Sukthankar
Members:	Dr. Amani Abou-Zeid Mr. Jay-Michael Baslow[1]

2020 Operations and Technology Committee Highlights: During 2020, the committee's activities involved maintaining oversight of Operations and Technology's 2020 strategy and associated budget for the different business segments and IT. Special focus was given to Digital Transformation and Robotics Process Automation (RPA), ATMs, the CIB Flex Program, agile transformation and business banking strategies. The value at stake calculation methodology of the Bank's key projects and initiatives was reviewed and validated. The committee reviewed the Bank's key operations and technology risk exposure and validated the steps management has taken to monitor and control such exposure, including, but not limited to disaster recovery, physical security, cyber security risks, model risk, and compliance risk, with key focus on the KYC update efforts and customer service charter. The committee also focused on outstanding internal and external audit issues in terms of their associated risk criticality and business impact, to ensure proper categorization, compensating controls, and mitigation are in place. In preparation for the 2021 budget, the committee reviewed, challenged, and validated the IT strategy in alignment with the anticipated business strategy, ensuring consideration of the key business transformation priorities as a top-down approach, with focus on an appropriate sourcing model, vendor selection, applicable future banking trends, enhanced customer journey, and running rather than changing the Bank's investments.

Chairperson:	Mr. Paresh Sukthankar
Members:	Dr. Amani Abou-Zeid Mr. Jay-Michael Baslow[1]

Operations and Technology Committee

Responsibilities: The Operations and Technology committee assists the Board of Directors in fulfilling its oversight responsibilities over Operations and Technology, with respect to direction and alignment with the Bank's strategy, efficiency and support of the business, robustness, and resilience. This is in addition to ensuring they are at the forefront of developments, adopting cost justified best practices, with the objective of increasing bank competitiveness and reducing risks. The committee met eight times in 2020.

2020 Operations and Technology Committee Highlights: During 2020, the committee's activities involved maintaining oversight of Operations and Technology's 2020 strategy and associated budget for the different business segments and IT. Special focus was given to Digital Transformation and Robotics Process Automation (RPA), ATMs, the CIB Flex Program, agile transformation and business banking strategies. The value at stake calculation methodology of the Bank's key projects and initiatives was reviewed and validated. The committee reviewed the Bank's key operations and technology risk exposure and validated the steps management has taken to monitor and control such exposure, including but not limited to disaster recovery, physical security, cyber security risks, model risk, and compliance risk, with key focus on the KYC update efforts and customer service charter. The committee also focused on outstanding internal and external audit issues in terms of their associated risk criticality and business impact, to ensure proper categorization, compensating controls, and mitigation are in place. In preparation for the 2021 budget, the committee reviewed, challenged, and validated the IT strategy in alignment with the anticipated business strategy, ensuring consideration of the key business transformation priorities as a top-down approach, with focus on an appropriate sourcing model, vendor selection, applicable future banking trends, enhanced customer journey, and running rather than changing the Bank's investments.

Chairperson:	Mr. Rajeev Kakar
Members:	Mrs. Magda Habib Mr. Sherif Samy

Executive Committees

Management Committee

Responsibilities: The committee is responsible for executing the Bank's strategy as approved by the Board. The committee manages the Bank's day-to-day functions to ensure alignment with strategy, effective controls, risk assessment, and efficient use of the Bank's resources. It also monitors the Bank's strategic associates and subsidiaries. The committee met 34 times in 2020.

[1] Mr. Jay-Michael Baslow joined the Board of Directors in October 2020.

Chairperson:	Mr. Hussein Abaza
Voting Members:	Mr. Ahmed Issa – CEO Retail Banking Mr. Amr El Ganainy – CEO Institutional Banking Mr. Mohamed Sultan – Chief Operating Officer Ms. Hanan El Borollossy – Deputy Chief Risk Officer (acting as CRO effective 19 January 2020) Ms. Nevine Wefky – President of Corporate Credit and Investment

High Lending and Investment Committee (HLIC)

Responsibilities: This committee is responsible for managing the asset side of the balance sheet, through monitoring asset allocation, quality, and development, as stipulated in the Bank's Credit and Investment Policies. The HLIC is the authority responsible for monitoring the decisions and performance of the Bank's other credit committees. The committee convened weekly throughout 2020, meeting a total of 54 times.

Chairperson:	Mr. Hussein Abaza
Members:	CIB Senior Management
Alternate Members:	Senior Officers of the Bank

Shareholders' Rights

CIB's Annual General Meeting of Shareholders is held in March of each year, no later than three months after the end of the Bank's financial year. Additional extraordinary general shareholder meetings may be convened at any time by the Board of Directors. The General Assembly provides a platform for shareholders to engage with the Board of Directors, ask questions, and exercise their voting rights. Shareholder consent is required for key decisions such as:

- The adoption of financial statements.
- Voting on proposed dividends by the Board of Directors.
- Significant changes to the Bank's corporate governance practices.
- The remuneration policy.
- The remuneration of NEDs.
- The appointment of the external auditor.
- The appointment, suspension, or dismissal of the members of the Board of Directors.
- The issuance of shares or rights to shares, restriction or exclusion of preemptive rights of shareholders, and repurchase or cancellation of shares.
- Amendments to the Articles of Association.

External Auditor

The Board Audit committee recommends the appointment and/or termination of the external auditor, which is approved at the General Assembly Meeting of Shareholders. Moreover, the Board Audit committee evaluates the performance of the external auditor and endorses the prepared financial statements to ensure they reflect the Bank's performance and faithfully reveal its genuine financial position. In adherence to CBE regulations, external auditors are reappointed every five years to ensure objectivity and exposure to new practices.

07

Subsidiaries and Affiliates

4

strategic subsidiaries and affiliates

CIB's subsidiaries and affiliate **ORGANIZATIONS** are part and parcel of its strategy to build out a diversified institution.

Subsidiaries and Affiliates

CVentures

CVentures is an early-stage, cross-border venture capital firm primarily focused on investing in companies creating meaningful change in financial services. CVentures favors fast-moving, forward-thinking teams with deep market insights and high-performance cultures. The firm backs groundbreaking businesses with fundamentally distinguishable characteristics and disruptive business models.

2020 Highlights

In 2020, CVentures developed promising industry relationships and a robust pipeline of companies in digital finance and digital financial services. This included:

- Three new investments, two of which have been disclosed, growing our portfolio size to four companies;
- Expanding CVentures' network across different technology hubs and entrepreneurship ecosystems; and
- Engaging with early-stage companies and investors in four continents.

CVentures continued to implement a patient deployment strategy during its second year of operations. The Investment team continued to work toward concluding other investments in emerging and disruptive digital financial services while keeping a close eye on changing market dynamics and startup activity in light of the COVID-19 outbreak.

2021 Forward-Looking Strategy

In addition to continuing to focus on complementing CIB's strategy, CVentures remains focused on actively growing its portfolio while targeting above industry-average returns and expanding its local, regional, and global footprint.

Mayfair CIB Bank Limited (MCIB)

Located in Kenya, Mayfair CIB Bank Limited, formerly known has Mayfair Bank Kenya, was established in 2017. With five branches in Nairobi, Eldoret, and Mombasa, it is Kenya's fourth smallest lender, focusing on high-net-worth individuals and the corporate market.

In April 2020, CIB acquired 51% of the bank, marking CIB's first cross-border acquisition into Sub-Saharan Africa. CIB's strategy for Mayfair focuses on trade finance activities, particularly growing the Egypt-Kenya trade corridor, enabling Egyptian large corporates and SMEs to do business in the hub of Eastern Africa.

Falcon Group

Established in 2006 as a joint venture between CIB, the CIB Employees Fund, Al-Ahly for Marketing, and other private entities, Falcon Group management's strategy is centered on service excellence. The company provides services including: security, money transfer, technical systems and security products, public services and project management, and tourism and concierge services to a variety of industries such as the industrial, commercial, tourism, and public sectors.

The Group provides state-of-the-art, holistic solutions tailored to every client. Its key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, and with great flexibility at a reasonable cost.

Falcon for Security Services

Falcon for Security Services has been the main security service provider for several top-tier government and non-government organizations, such as the United Nations, and a number of embassies in Egypt. With a portfolio of over 754 clients, the company provides services such as property protection, event security, corporate security and training, personal protection, as well as safety and industrial training to some of the biggest companies in Egypt.

2020 Highlights

Falcon for Security Services achieved its 2020 goal of working with numerous prominent institutions and added new clients, securing several projects such as ones for Tahrir Square, Porto New Cairo Mall, Alamein University, GlobeMed Egypt for Healthcare, Glala University, and King Salman University.

We secured numerous public events in 2020, organizing the Aswan International Women Film Festival, Tamer Hosni Festival at Hilton Green Plaza, and the El Gouna International Marathon.

2021 Forward-looking Strategy

We captured a market share of 70% this year and will work to maintain our market leadership by growing both organically and through acquisitions. In 2020, the Group plans to expand its market presence by 25%.

As part of the Group's goal of providing top-notch solutions, Falcon companies plan to use managed service providers for its activities. The Group also expects to target prominent institutions and clients such as SAIB, General Motors, and other companies to add to its roster of clients while simultaneously expanding its product and service offering to ensure clients remain fully satisfied and confident in them as their number one choice in terms of efficiency and customer service.

99.99%

CIB Ownership in CVentures

51%

CIB Ownership in Mayfair CIB Limited

30%

CIB Ownership in Falcon Group

Falcon for Public Services and Project Management

Falcon for Public Services and Project Management operates all facility systems to the comfort and satisfaction of facility occupants. The company offers general cleaning, landscaping, façade cleaning, and marble polishing at the highest quality, efficiency, and cost effectiveness. Falcon for Public Services and Project Management holds a market share of 20%, serving a large client base out of 330 different locations as of 2020.

2020 Highlights
Through considerable efforts to build solid relationships and gain the trust and confidence of public and private institutions, the company succeeded in signing on several new clients such as Arab Maritime Petroleum Transport Company (AMPTC), Galal University, Alamein University, and King Salman University.

The company also renewed important contracts such as with the Port Said Security Directorate, the Embassy of the Sultanate of Oman, the Embassy of the State of Kuwait, and the Social and Health Care Improvement Fund for Police Staff.

2021 Forward-looking Strategy
The company's strategy is based in its firm belief that their performance is measured by their clients' success. Over the next year, the company plans to sign sizeable several contracts with new customers such as the Ministry of Tourism and Antiquities, Mansoura University, and Hurghada University.

Falcon for Cash in Transit Services
Falcon's Cash in Transit division works with reputable banks and companies in Egypt, providing CIT services, ATM replenishment, maintenance, vaulting, cash management, and valuables transportation through a highly qualified team.

2020 Highlights
The company signed several new contracts to increase its market position, increasing cash volume 20% y-o-y. It added 14 armored vehicles to its fleet in 2020 for a total of 20 vehicles and was able to boost the number of armored safes in some governorates to make them cash centers. It also added 21 new motorcycles as a new special team service and worked to lay the foundations for several other service rollouts.

2021 Forward-looking Strategy
The company plans to grow the segment's market share through providing new services for retail, having already integrated new solutions to collect cash from shopping centers. Falcon for Cash in Transit will also use the latest technology to develop ATM services and in its managed cash offerings as part of its strategy to streamline its operations. The company is also investing considerable resources to train its team members to consistently provide the highest level of service to clients.

Falcon Tech
Falcon Security Systems designs, implements, and maintains all integrated electronic systems in the field of technical security for facilities and individuals.

2020 Highlights
Falcon Tech succeeded in expanding its market share to 70% by signing several new contracts to provide security systems to airports, commercial malls, and universities, including ones with:

- Ministry of the Armed Forces
- New CIB branches
- Red Sea Port
- Alexandria Port
- Damietta Port
- Egypt Post for Investment
- Maintenance and supply contract with Cairo Airport Company
- Maintenance and supply contract with Egyptian Airport Company
- Maintenance contract with the Ministry of Interior's Department of Technical Assistance

Falcon for PR and Communications (Tawasul)
Falcon for PR and Communications (Tawasul) specializes in communication services and consultancy as well as event and conference management. It also offers media services.

Fawry Plus
Fawry Plus was established in 2017 as a joint venture between CIB, Banque Misr, Fawry, and ACIS to become Egypt's first banking agent and forerunner in the nation's strategy to achieve financial inclusion. Fawry Plus seeks to provide a wide array of banking and financial services to consumers and businesses through a network of retail branches across Egypt, with a focus on urban and underserved regions.

Fawry Plus branches provide banking services including limited KYC services as well as a document collection services for mobile wallet registration, prepaid and credit card issuance, and loan issuance. Other services include mail and bank correspondence collection, loan and credit card payments, cash withdrawals and deposits, as well as various bill payments including utilities, telecom, subscription fees, taxes, and fines.

2020 Highlights
In 2020, Fawry Plus opened an additional nine branches, bringing the total number of operating branches to 90, and signed an agreement to triple the number of branches by using a shop-in-shop model that will allow consumers even easier access to the business. It also witnessed a growth of more than 80% in revenues because of this expansion in operations. Fawry Plus also partnered with several banks and received CBE approvals to introduce the Meeza prepaid card KYC service and international remittance disbursement service in addition to the wallet registration services, expanding the portfolio of agent banking services.

2021 Forward-Looking Strategy
Fawry Plus seeks to become the banking destination of choice for customers in 2021, attracting customers through the convenience of its branches, which are less crowded, more accessible, and operate longer working hours than banks.

The company will also seek to expand its scope of services through a multitude of avenues. It will enter into partnerships with some of Egypt's leading banks, financial institutions, and industry players to offer their services through Fawry Plus. In addition, it will focus on serving the e-commerce industry through offering cash management and logistics solutions, including setting up branches as drop-off/pick-up stations. Fawry Plus aims to double its cash management services.

23.5%
CIB Ownership in Fawry Plus

49.95%
CIB Ownership in ACE

39.34%
CIB Ownership in DSMS

Other Subsidiaries and Affiliates
In addition to CIB's strategic subsidiaries and affiliates, the Bank has direct ownership in Al Ahly Computer Equipment Company (ACE) and Damietta and Shipping Marine Services (DSMS).

Al Ahly Computer Equipment Company (ACE)
Established in October 1996 as a joint stock company, ACE has a long track record in the field of trading and maintenance of specialized information technology hardware. The company is well-positioned as the system integrator of choice for the government, major banks, and large institutions. ACE sources its original hardware products from recognized companies in the field, such as Sedco, Fujitsu, HP, and Cisco.

In 2020, ACE worked with numerous prominent institutions and was awarded a mega tender project from one of the largest national banks in Egypt. Despite tough market conditions arising from the COVID-19 pandemic, the company's management successfully increased its maintenance contracts to offset the decline in trading activity, ensuring revenue and profitability sustainability.

For the coming year, ACE looks to continue focusing on enhancing its maintenance experience and expanding its client base, along with introducing new products and exploring additional strategic technology partnerships. The ultimate objective is to increase the company's market share and value against competitors.

Damietta Shipping and Marine Services
Damietta Shipping and Marine Services (DSMS) is a shareholding company, established in 1986 through a public offering. CIB acquired stake in the company in July 2018, with its ownership reached 49.95% in October 2020. DSMS is a small-sized company, with minimal operations focusing on marine services, mainly container repairs, fuel tank rentals, and electricity generators.

08

Financial Statements

Auditors' Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank – Egypt

Report on the Separate Financial Statements
We have audited the accompanying separate financial statements of Commercial International Bank (Egypt) S.A.E, ("the bank") which comprise the separate balance sheet as at December 31, 2020 and the related separate statements of income, other comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements
These separate financial statements are the responsibility of the Bank's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations. Management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion
In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Commercial International Bank (Egypt) as of December 31, 2020 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these separate financial statements.

Emphasis of Matter Paragraph
Without qualifying our opinion, we draw attention to note (41) of the separate financial statements, which describes the findings of the Central Bank of Egypt ("CBE") limited review inspection report issued during November 2020 covering a number of areas including instances of violation of certain provisions of applicable laws and CBE regulations. Management has undertaken actions to determine and reflect the impact of the findings in the financial statements based on their judgement. The note also explains that management has developed a corrective action plan to remediate the limited review inspection report findings including an additional independent in-depth review of the Bank's Internal Control systems and certain other functions and to consider the findings, from such review.

Report on Legal and Other Regulatory Requirements
- In September 2020, the Central Bank and Banking Institutions Law No. 194 for the year 2020 was issued which cancelled the Central Bank, Banking and Monetary Institutions Law No. 88 for the year 2003. Article No. 4 of this law allows the addressees a transition period for alignment with the new law.

  There are identified instances of violations of certain provisions of the applicable laws and CBE regulations, as included in the Central Bank of Egypt's reports (see note 41). Corrective action plans have been developed by the bank to address these violations and other similar cases which will extend beyond the date of issuance of these separate financial statements

- The Bank maintains proper books of accounts, which include all that is required by law and by the statutes of the bank, the separate financial statements are in agreement thereto.

- The separate financial information included in the Board of Directors' report, prepared in accordance with law no. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Kamel Magdy Saleh
Egyptian Financial Supervisory Authority
Register Number "69"
Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

Cairo; February 28, 2021

Separate balance sheet as at December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Assets			
Cash and balances at the central bank	15	33,572,597	28,273,962
Due from banks	16	86,997,034	28,353,366
Loans and advances to banks, net	18	776,980	625,264
Loans and advances to customers, net	19	118,854,880	119,321,103
Derivative financial instruments	20	248,759	216,383
Investments			
- Financial Assets at Fair Value through P&L	21	359,959	418,781
- Financial Assets at Fair Value through OCI	21	147,646,432	89,897,257
- Amortized cost	21	25,020,917	107,225,613
- Investments in associates and subsidiaries	22	874,348	63,953
Other assets	23	9,095,212	9,747,939
Deferred tax assets (Liabilities)	31	437,772	350,339
Property and equipment	24	2,259,940	2,202,698
Total assets		**426,144,830**	**386,696,658**
Liabilities and equity			
Liabilities			
Due to banks	25	8,815,561	11,810,607
Due to customers	26	340,086,524	304,483,655
Derivative financial instruments	20	331,073	282,588
Current tax liabilities		859,582	4,639,364
Other liabilities	28	5,679,266	8,396,487
Other loans	27	7,746,946	3,272,746
Provisions	29	3,221,252	2,011,369
Total liabilities		**366,740,204**	**334,896,816**
Equity			
Issued and paid up capital	30	14,776,813	14,690,821
Reserves	33	33,085,554	24,342,314
Reserve for employee stock ownership plan (ESOP)	33	1,064,648	963,152
Retained earnings *	33	10,477,611	11,803,555
Total equity		**59,404,626**	**51,799,842**
Total liabilities and equity		**426,144,830**	**386,696,658**

The accompanying notes are an integral part of these financial statements.
(Audit report attached)

**Including net profit for the current year*

Hussein Abaza
CEO & Board member

Sherif Samy
Chairman

Separate income statement for the year ended December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Interest and similar income		42,070,598	42,600,957
Interest and similar expense		(16,980,635)	(21,022,838)
Net interest income	6	**25,089,963**	**21,578,119**
Fee and commission income		3,053,536	3,451,688
Fee and commission expense		(983,450)	(1,170,893)
Net fee and commission income	7	**2,070,086**	**2,280,795**
Dividend income	8	98,175	53,423
Net trading income	9	395,701	688,059
Profits (Losses) on financial investments	21	922,832	450,697
Administrative expenses	10	(5,552,800)	(5,044,937)
Other operating (expenses) income	11	(2,737,550)	(1,794,540)
Intangible assets amortization		-	(238,715)
Impairment release (charges) for credit losses	12	(4,989,288)	(1,435,460)
Profit before income tax		**15,297,119**	**16,537,441**
Income tax expense	13	(5,084,670)	(4,639,364)
Deferred tax assets (Liabilities)	31 - 13	87,433	(94,522)
Net profit for the year		**10,299,882**	**11,803,555**
Earning per share	14		
Basic		6.26	7.12
Diluted		6.24	7.09

Hussein Abaza
CEO & Board member

Sherif Samy
Chairman

Separate statement of other comprehensive income for the year ended December 31, 2020

	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Net profit for the year	**10,299,882**	**11,803,555**
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through other comprehensive income	(13,966)	212,967
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income	(255,293)	5,944,586
Transferred from reserve on disposal of financial assets at fair value through OCI	(76,717)	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	205,182	(184,921)
Total other comprehensive income for the year	**10,159,088**	**17,776,187**

Separate cash flow for the year ended December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Cash flow from operating activities			
Profit before income tax		15,297,119	16,537,441
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	24	677,501	576,544
Impairment charge for credit losses (Loans and advances to customers and banks)	12	4,777,592	1,610,878
Other provisions charges	29	1,232,731	461,869
Impairment charge for credit losses (due from banks)	12	6,514	9,503
Impairment charge for credit losses (financial investments)	12	205,182	(184,921)
Impairment charge for other assets	23	69,217	(93,313)
Exchange revaluation differences for financial assets at fair value through OCI	21	249,642	1,593,030
Intangible assets amortization		-	238,715
Impairment charge financial assets at fair value through OCI	21	79,126	47,197
Utilization of other provisions	29	(2,382)	(28,135)
Other provisions no longer used	29	(13,273)	(6,910)
Exchange differences of other provisions	29	(7,193)	(110,062)
(Profits) losses from selling property, plant and equipment	11	(1,094)	(1,439)
(Profits) losses from selling financial investments	21	(1,018,469)	(497,894)
Shares based payments		552,438	464,539
Released (Impairment) charges of investments in associates and subsidiaries	21	16,511	-
Operating profits before changes in operating assets and liabilities		**22,121,162**	**20,617,042**
Net decrease (increase) in assets and liabilities			
Due from banks	15	(10,899,927)	(8,870,547)
Financial assets at fair value through P&L	21	58,822	2,318,924
Derivative financial instruments	20	16,109	(2,910)
Loans and advances to banks and customers	18 - 19	(4,276,558)	(14,533,328)
Other assets	40	649,301	162,502
Due to banks	25	(2,995,046)	4,550,788
Due to customers	26	35,602,869	19,143,183
Income tax obligations paid		(3,779,782)	(3,625,579)
Other liabilities	28	(7,700,878)	1,894,934
Net cash used in (generated from) operating activities		**28,796,072**	**21,655,009**
Cash flow from investing activities			
Proceeds from investments in associates.		750	-
Payments for investment in subsidiaries and associates.		(721,352)	-
"Payment for purchases of property, plant, equipment and branches constructions"		(987,061)	(1,301,415)
Proceeds from selling property, plant and equipment	11	1,094	1,439
Proceeds from redemption of financial assets at amortized cost	21	82,203,469	43,937,957
Payment for purchases of financial assets at amortized cost	21	-	(76,516,842)
Payment for purchases of financial assets at fair value through OCI	21	(112,382,696)	(50,954,311)
Proceeds from selling financial assets at fair value through OCI		54,970,226	54,813,449
Net cash generated from (used in) investing activities		**23,084,430**	**(30,019,723)**

Separate cash flow for the year ended December 31, 2020 (Cont.)

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Cash flow from financing activities			
Received (Repaid) in long term loans	27	4,474,200	(448,783)
Dividend paid		(3,370,464)	(2,700,544)
Capital increase		85,992	105,413
Net cash generated from (used in) financing activities		**1,189,728**	**(3,043,914)**
Net increase (decrease) in cash and cash equivalent during the year		53,070,230	(11,408,628)
Beginning balance of cash and cash equivalent		22,895,017	34,303,645
Cash and cash equivalent at the end of the year		**75,965,247**	**22,895,017**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	33,572,597	28,273,962
Due from banks	16	87,020,365	28,370,183
Treasury bills and other governmental notes	17	39,464,714	27,634,062
Obligatory reserve balance with CBE	15	(27,610,380)	(22,397,310)
Due from banks with maturities more than three months		(16,280,760)	(10,593,903)
Treasury bills with maturity more than three months		(40,201,289)	(28,391,977)
Total cash and cash equivalent		**75,965,247**	**22,895,017**

Separate statement of changes in shareholders' equity for the year ended December 31, 2019

EGP Thousands

Dec. 31, 2019	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
Beginning balance	11,668,326	1,710,293	12,776,215	1,549,445	12,421	(1,860,851)	4,323	9,555,755	738,320	36,154,247
Capital increase	3,022,495	-	(2,917,082)	-	-	-	-	-	-	105,413
Transferred to reserves	-	477,736	6,615,296	-	1,045	-	-	(6,854,370)	(239,707)	-
Dividend paid	-	-	-	-	-	-	-	(2,700,544)	-	(2,700,544)
Net profit for the year	-	-	-	-	-	-	-	11,803,555	-	11,803,555
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	6,157,553	-	-	-	6,157,553
Transferred (from) to bank risk reserve	-	-	-	-	-	-	841	(841)	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	(184,921)	-	-	-	(184,921)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	464,539	464,539
Ending 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**

Separate statement of changes in shareholders' equity for the year ended December 31, 2020

EGP Thousands

Dec. 31, 2020	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	13,466	4,111,781	5,164	11,803,555	963,152	51,799,842
Capital increase	85,992	-	-	-	-	-	-	-	-	85,992
Transferred to reserves	-	590,106	8,291,229	-	1,440	-	-	(8,431,833)	(450,942)	-
Dividend paid	-	-	-	-	-	-	-	(3,370,464)	-	(3,370,464)
Net profit for the year	-	-	-	-	-	-	-	10,299,882	-	10,299,882
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	(76,717)	-	76,717	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	101,013	-	101,013
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(269,259)	-	-	-	(269,259)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-		-	**205,182**	-	-	-	**205,182**
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	**552,438**	**552,438**
Ending 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**

Proposed appropriation account for the year ended December 31, 2020

EGP Thousands

	Dec. 31, 2020	Dec. 31, 2019
Net profit after tax	10,299,882	11,803,555
Profits selling property, plant and equipment transferred to capital reserve according to the law	(1,094)	(1,439)
Bank risk reserve	(2,718)	(1,258)
Available net profit for distributing	**10,296,070**	**11,800,858**
To be distributed as follows:		
Legal reserve	514,939	590,106
General reserve	8,420,479	7,840,287
Dividends to shareholders	-	1,836,353
Staff profit sharing	1,029,607	1,180,086
Board members bonus	73,643	177,013
CIB's foundation	154,441	177,013
Support and development of banking sector fund	102,961	-
Total	**10,296,070**	**11,800,858**

Notes to the separate financial statements for the year ended December 31, 2020

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 182 branches, and 27 units employing 7071 employees on the statement of financial position date.

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

Financial statements have been approved by board of directors on February 28, 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 as modified by 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 the Egyptian Accounting Standards for policies not specifically mentioned in the instructions of the Central Bank of Egypt, under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, financial instruments categorized at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented and are set below.

Subsidiaries 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 year ended on 31 December, 2020 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Bank's functional and presentation currency.

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held-for-trading assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
- Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income right The ownership of the difference in the change in the fair value (fair value reserve / financial investments at fair value through comprehensive income).

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.

Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss. All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.

The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

	Methods of Measurement according to Business Models		
		Fair Value	
Financial Instrument	Amortized Cost	Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • Sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	Other business models include trading - management of financial assets at fair value - maximizing cash flows by selling)	• The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. • Collecting contractual cash flows is an incidental event for the model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

2.6. Financial liabilities – derecognition.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

Agreements of repos & reverse repos are shown by the net in the financial statement in treasury bills and other governmental notes.

2.8. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement unless the Bank chooses to designate the hybrid contract as at fair value through net trading income through profit and loss.

The timing method of recognition in profit and loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge)
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.8.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit and loss immediately together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit and loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit and loss from that date using the effective interest method.

2.8.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value, in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.9. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.10. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement.

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

2.11. Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

2.12. Sale and repurchase agreements

Securities may be lent or sold according to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased according to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

2.13. Investment property

The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.14. Property and equipment

Lands and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years.
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years.
Typewriters, calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.15. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit(s). A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

2.15.1. Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.15.2. Other intangible assets

The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.16. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value, or the current value of the total lease payments representing at least 90% of the value of the asset. The other leases contracts are considered operating leases contracts.

2.16.1. Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.16.2. Being lessor

For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.17. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.18. Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.19. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions, performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments on the date of grant. On each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.20. Income tax

Income tax on the profit and loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable on the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.21. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.22. Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.23. Comparatives

Comparative figures have been adjusted to conform with changes in the presentation of the current period where necessary.

2.24. Non-current assets held for sale

A non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.25. Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

The bank reduced the weights assigned to the upside scenario during 2020 as a result of the most recent developments related to COVID 19.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP633,535 thousand as of 31 December 2020 (31 December 2019: by EGP495,372 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP386,041 thousand as of 31 December 2020 (31 December 2019: by EGP348,267 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP879,960 thousand at 31 December 2020 (31 December 2019: increase or decrease of EGP 773,549 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	Description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses.

The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

The Bank sets a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

3.1.2.2. Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

3.1.2.3. Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3.1.2.4. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3. Impairment and provisioning policies

The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred on the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2020		December 31, 2019	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	80.16	22.79	85.63	19.27
2-Regular watching	11.14	17.60	6.88	8.76
3-Watch list	4.43	25.74	3.50	28.15
4-Non-Performing loans	4.27	33.87	3.99	43.82

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non performing loans
9	Doubtful	50%	4	Non performing loans
10	Bad debts	100%	4	Non performing loans

Starting 1st of Jan 2019 and after implementing CBE regulations for IFRS 9, Customer Loans has been reclassified into 3 stages based on each

facility credit characteristics. Credit characteristics that used to determine the staging is different from ORR customer classification

3.1.5. Maximum exposure to credit risk before collateral held

EGP Thousands

In balance sheet items exposed to credit risk	Dec. 31, 2020	Dec. 31, 2019
Cash and balances at the central bank	33,572,597	28,273,962
Due from banks	86,997,034	28,353,366
Gross loans and advances to banks	786,605	629,780
Less:Impairment provision	(9,625)	(4,516)
Gross loans and advances to customers		
Individual:		
- Overdraft	1,511,221	1,462,439
- Credit cards	4,864,404	4,264,204
- Personal loans	27,792,367	20,219,305
- Mortgages	2,025,630	1,330,323
Corporate:		
- Overdraft	23,541,904	19,100,709
- Direct loans	44,736,272	51,163,302
- Syndicated loans	31,110,813	33,642,235
- Other loans	21,391	61,578
Unamortized bills discount	(104,176)	(55,197)
Unamortized syndicated loans discount	(210,680)	-
Impairment provision	(16,395,749)	(11,825,887)
Unearned interest	-	(8,236)
Suspended credit account	(38,517)	(33,672)
Derivative financial instruments	248,759	216,383
Financial investments:		
-Debt instruments	170,994,957	196,046,335
Other assets (Accrued revenues)	6,759,229	4,011,196
Total	**418,204,436**	**376,847,609**
Off balance sheet items exposed to credit risk		
Financial guarantees	5,463,960	6,085,760
Customers acceptances	2,701,590	3,188,757
Letters of credit (import and export)	5,848,427	5,866,630
Letter of guarantee	73,986,785	61,143,216
Total	**88,000,762**	**76,284,363**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2020, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 28.61% of the total maximum exposure is derived from loans and advances to banks and customers against 31.83% on December 31, 2019, while investments in debt instruments represent 40.89% against 52.02% on December 31, 2019.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 91.30% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system against 92.51% on December 31, 2019
- Loans and advances assessed individualy are valued EGP 5,830,098 thousand against EGP 5,261,976 thousand on December 31, 2019
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2020.
- 95.33% of the investments in debt Instruments are Egyptian sovereign instruments against 97.54% on December 31, 2019.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

	Dec.31, 2020		Dec.31, 2019	
EGP Thousands	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	135,604,002	786,605	131,244,095	629,780
Less:				
Impairment provision	16,395,749	9,625	11,825,887	4,516
Unamortized bills discount	104,176	-	55,197	-
Unamortized syndicated loans discount	210,680	-	-	-
Unearned interest	-	-	8,236	-
Suspended credit account	38,517	-	33,672	-
Net	**118,854,880**	**776,980**	**119,321,103**	**625,264**

Impairment provision losses for loans and advances reached EGP 16,405,374 thousand.

During the year, the Bank's total loans and advances increased by 3.43%.

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

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

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	34,674,902	942,359	576,361	36,193,622
Institutions and Business Banking	50,379,160	43,777,483	5,253,737	99,410,380
Total	**85,054,062**	**44,719,842**	**5,830,098**	**135,604,002**

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

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	705,482	22,779	348,551	1,076,812
Institutions and Business Banking	1,395,756	8,756,070	5,167,111	15,318,937
Total	**2,101,238**	**8,778,849**	**5,515,662**	**16,395,749**

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

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
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 ecpected credit losses divided by stages:

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Facilities and guarantees	54,078,581	28,364,823	93,398	82,536,802
Expected credit losses	(1,439,401)	(1,400,364)	(88,729)	(2,928,494)
Net	**52,639,180**	**26,964,459**	**4,669**	**79,608,308**

Total balances of loans and facilities divided by stages:

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	26,734,506	339,408	202,357	27,276,271
Institutions and Business Banking	63,749,864	35,158,341	5,059,619	103,967,824
Total	**90,484,370**	**35,497,749**	**5,261,976**	**131,244,095**

Expected credit losses

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	96,469	10,394	210,068	316,931
Institutions and Business Banking	1,208,722	5,325,121	4,975,113	11,508,956
Total	**1,305,191**	**5,335,515**	**5,185,181**	**11,825,887**

Loans and advances to banks divided by stages:

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Time and term loans	-	629,780	-	629,780
Expected credit losses	-	(4,516)	-	(4,516)
Net	-	**625,264**	-	**625,264**

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

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Facilities and guarantees	49,459,621	20,662,650	76,331	70,198,602
Expected credit losses	(1,118,319)	(603,614)	(68,759)	(1,790,692)
Net	**48,341,302**	**20,059,036**	**7,572**	**68,407,910**

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	1%-14%	1,026,133	1,993,166	-	3,019,299
Regular watching (6)	15%-21%	369,623	2,598,500	1,802	2,969,925
Watch list (7)	21%-28%	-	4,164,404	1,842	4,166,246
Non-performing loans (8-10)	100%	-	-	5,163,467	5,163,467

Individual Loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	(0% - 5%)	704,246	-	-	704,246
Regular watching (6)	(5% - 10%)	1,236	-	-	1,236
Watch list (7)	(> 10%)	-	22,779	-	22,779
Non-performing loans (8-10)	100%	-	-	348,551	348,551

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	1%-12%	46,553,362	27,385,358	-	73,938,720
Regular watching (6)	12%-21%	3,825,798	11,288,228	8,551	15,122,577
Watch list (7)	21%-27%	-	5,103,897	1,842	5,105,739
Non-performing loans (8-10)	100%	-	-	5,243,344	5,243,344

Individual Loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	(0% - 5%)	34,602,984	-	-	34,602,984
Regular watching (6)	(5% - 10%)	71,918	-	-	71,918
Watch list (7)	(> 10%)	-	942,359	-	942,359
Non-performing loans (8-10)	100%	-	-	576,361	576,361

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	1%-14%	1,041,456	1,137,990	-	2,179,446
Regular watching (6)	15%-21%	167,266	867,786	-	1,035,052
Watch list (7)	21%-28%	-	3,319,345	-	3,319,345
Non-performing loans (8-10)	100%	-	-	4,975,113	4,975,113

Individual Loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
					EGP Thousands
Performing loans (1-5)	(0% - 5%)	95,234	-	-	95,234
Regular watching (6)	(5% - 10%)	1,235	-	-	1,235
Watch list (7)	(> 10%)	-	10,394	-	10,394
Non-performing loans (8-10)	100%	-	-	210,068	210,068

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
					EGP Thousands
Performing loans (1-5)	1%-12%	61,291,934	24,935,477	-	86,227,411
Regular watching (6)	12%-21%	2,457,930	5,944,147	-	8,402,077
Watch list (7)	21%-27%	-	4,278,717	-	4,278,717
Non-performing loans (8-10)	100%	-	-	5,059,619	5,059,619

Individual Loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
					EGP Thousands
Performing loans (1-5)	(0% - 5%)	26,059,247	-	-	26,059,247
Regular watching (6)	(5% - 10%)	675,259	-	-	675,259
Watch list (7)	(> 10%)	-	339,408	-	339,408
Non-performing loans (8-10)	100%	-	-	202,357	202,357

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2020				EGP Thousands
Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	77,096,865	-	-	77,096,865
Regular watching	9,923,500	-	-	9,923,500
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**87,020,365**	-	-	**87,020,365**
Less:Impairment provision	(23,331)	-	-	(23,331)
Book value	**86,997,034**	-	-	**86,997,034**

				EGP Thousands
Individual Loans	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	34,602,984	-	-	34,602,984
Regular watching	71,918	-	-	71,918
Watch list	-	942,359	-	942,359
Non-performing loans	-	-	576,361	576,361
Total	**34,674,902**	**942,359**	**576,361**	**36,193,622**
Less:Impairment provision	(705,482)	(22,779)	(348,551)	(1,076,812)
Book value	**33,969,420**	**919,580**	**227,810**	**35,116,810**

				EGP Thousands
Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	46,553,362	27,385,358	-	73,938,720
Regular watching	3,825,798	11,288,228	8,551	15,122,577
Watch list	-	5,103,897	1,842	5,105,739
Non-performing loans	-	-	5,243,344	5,243,344
Total	**50,379,160**	**43,777,483**	**5,253,737**	**99,410,380**
Less:Impairment provision	(1,395,756)	(8,756,070)	(5,167,111)	(15,318,937)
Book value	**48,983,404**	**35,021,413**	**86,626**	**84,091,443**

				EGP Thousands
Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	115,663,918	-	-	115,663,918
Regular watching	30,310,122	-	-	30,310,122
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**145,974,040**	-	-	**145,974,040**
Less:Impairment provision	(619,577)	-	-	(619,577)
Book value	**145,354,463**	-	-	**145,354,463**

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2019 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	19,284,999	-	-	19,284,999
Regular watching	9,085,184	-	-	9,085,184
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**28,370,183**	-	-	**28,370,183**
Less:Impairment provision	(16,817)	-	-	(16,817)
Book value	**28,353,366**	-	-	**28,353,366**

Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	26,059,247	-	-	26,059,247
Regular watching	675,259	-	-	675,259
Watch list	-	339,408	-	339,408
Non-performing loans	-	-	202,357	202,357
Total	**26,734,506**	**339,408**	**202,357**	**27,276,271**
Less:Impairment provision	(96,469)	(10,394)	(210,068)	(316,931)
Book value	**26,638,037**	**329,014**	**(7,711)**	**26,959,340**

Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	61,291,934	24,935,477	-	86,227,411
Regular watching	2,457,930	5,944,147	-	8,402,077
Watch list	-	4,278,717	-	4,278,717
Non-performing loans	-	-	5,059,619	5,059,619
Total	**63,749,864**	**35,158,341**	**5,059,619**	**103,967,824**
Less:Impairment provision	(1,208,722)	(5,325,121)	(4,975,113)	(11,508,956)
Book value	**62,541,142**	**29,833,220**	**84,506**	**92,458,868**

Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	59,915,108	-	-	59,915,108
Regular watching	28,905,614	-	-	28,905,614
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**88,820,722**	-	-	**88,820,722**
Less:Impairment provision	(414,395)	-	-	(414,395)
Book value	**88,406,327**	-	-	**88,406,327**

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

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		EGP Thousands Total	
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	16,817	9,253,619	-	-	-	-	16,817	9,253,619
New financial assets purchased or issued	4,150	1,051,335	-	-	-	-	4,150	1,051,335
Matured or disposed financial assets	(3)	80,208	-	-	-	-	(3)	80,208
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	(375,135)	-	-	-	-	2,367	(375,135)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**23,331**	**10,010,027**	-	-	-	-	**23,331**	**10,010,027**

	Stage 1 12 months		Stage 1 12 months		Stage 1 12 months		EGP Thousands Total	
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	96,469	26,734,505	10,394	339,408	210,068	202,357	316,931	27,276,270
Impairment during the year	609,013	7,940,397	12,385	602,951	173,270	449,965	794,668	8,993,313
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**705,482**	**34,674,902**	**22,779**	**942,359**	**348,551**	**576,361**	**1,076,812**	**36,193,622**

Corporate and Business Banking loans:	Stage 1 12 months ECL	Stage 1 12 months Outstanding	Stage 2 Life time ECL	Stage 2 Life time Outstanding	Stage 3 Life time ECL	Stage 3 Life time Outstanding	Total ECL	Total Outstanding
								EGP Thousands
Provision for credit losses on 1 January 2020	1,208,722	63,749,865	5,325,121	35,158,341	4,975,113	5,059,619	11,508,956	103,967,825
New financial assets purchased or issued	503,947	22,076,357	1,497,789	17,919,504	-	-	2,001,736	39,995,861
Matured or disposed financial assets	(535,980)	(31,103,750)	(1,145,259)	(20,167,844)	(163,719)	(163,720)	(1,844,958)	(51,435,314)
Transferred to stage 1	3,369	123,050	(8,211)	(135,649)	-	-	(4,842)	(12,599)
Transferred to stage 2	(32,197)	(1,241,569)	108,422	1,209,324	-	-	76,225	(32,245)
Transferred to stage 3	-	-	(371,956)	(531,834)	479,140	538,489	107,184	6,655
Changes in the probability of default and loss in case of default and the exposure at default	(50,024)	(4,070,553)	548,069	2,123,630	(43,862)	(48,427)	454,183	(1,995,350)
Changes to model assumptions and methodology	306,509	845,760	2,881,778	8,202,011	-	-	3,188,287	9,047,771
Recoveries	-	-	-	-	121,721	-	121,721	-
Write off during the year	-	-	-	-	(132,224)	(132,224)	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	-	(79,683)	-	(69,058)	-	(157,331)	-
Ending balance	**1,395,756**	**50,379,160**	**8,756,070**	**43,777,483**	**5,167,111**	**5,253,737**	**15,318,937**	**99,410,380**

Financial Assets at Fair Value through OCI	Stage 1 12 months ECL	Stage 1 12 months Outstanding	Stage 2 Life time ECL	Stage 2 Life time Outstanding	Stage 3 Life time ECL	Stage 3 Life time Outstanding	Total ECL	Total Outstanding
								EGP Thousands
Provision for credit losses on 1 January 2020	414,395	33,728,881	-	-	-	-	414,395	33,728,881
New financial assets purchased or issued	270,021	19,326,470	-	-	-	-	270,021	19,326,470
Matured or disposed financial assets	(126,273)	(14,695,439)	-	-	-	-	(126,273)	(14,695,439)
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	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	619,577	38,454,165	-	-	-	-	619,577	38,454,165

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

Dec.31, 2019 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	160	7,155	-	7,315
New financial assets purchased or issued	16,816	-	-	16,816
Matured or disposed financial assets	(158)	(7,155)	-	(7,313)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	(1)	-	-	(1)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**16,817**	-	-	**16,817**

Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	72,092	24,843	127,376	224,311
Impairment during the year	24,377	(14,449)	140,974	150,902
Write off during the year	-	-	(118,486)	(118,486)
Recoveries	-	-	60,204	60,204
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**96,469**	**10,394**	**210,068**	**316,931**

Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	691,013	6,700,083	4,709,096	12,100,192
New financial assets purchased or issued	751,746	1,074,222	-	1,825,968
Matured or disposed financial assets	(364,309)	(899,007)	(772,859)	(2,036,175)
Transferred to stage 1	158,357	(359,174)	-	(200,817)
Transferred to stage 2	(3,937)	9,427	-	5,490
Transferred to stage 3	1,472	(2,560,546)	2,409,875	(149,199)
"Changes in the probability of default and loss in case of default and the exposure at default"	93,395	1,509,405	3,051	1,605,851
Changes to model assumptions and methodology	5,845	401,743	-	407,588
Recoveries	-	-	399,429	399,429
Write off during the year	-	-	(1,262,286)	(1,262,286)
Cumulative foreign currencies translation differences	(124,860)	(551,032)	(511,193)	(1,187,085)
Ending balance	**1,208,722**	**5,325,121**	**4,975,113**	**11,508,956**

Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	595,511	3,803	-	599,314
New financial assets purchased or issued	183,940	-	-	183,940
Matured or disposed financial assets	(282,223)	(773)	-	(282,996)
Transferred to stage 1	931	(3,030)	-	(2,099)
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	(83,764)	-	-	(83,764)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**414,395**	-	-	**414,395**

Loans and advances restructured

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

Loans and advances to customer	Dec.31, 2020	EGP Thousands Dec.31, 2019
Corporate		
- Direct loans	4,794,419	4,682,243
Total	**4,794,419**	**4,682,243**

3.1.7. 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 Amortized cost	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	25,020,917	-	-	-	25,020,917
Not rated	-	-	-	-	-
Total	**25,020,917**	-	-	-	**25,020,917**

Dec.31, 2020 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	145,974,040	-	-	-	145,974,040
Not rated	-	-	-	-	-
Total	**145,974,040**	-	-	-	**145,974,040**

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 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	38,454,165	-	-	-	38,454,165
Not rated	-	-	-	-	-
Total	**38,454,165**	-	-	-	**38,454,165**

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

Dec.31, 2019 Amortized cost	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	107,225,613	-	-	-	107,225,613
Not rated	-	-	-	-	-
Total	**107,225,613**	-	-	-	**107,225,613**

Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	Total
Dec.31, 2019					EGP Thousands
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	88,820,722	-	-	-	88,820,722
Not rated	-	-	-	-	-
Total	**88,820,722**	-	-	-	**88,820,722**

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

Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	Total
Dec.31, 2019					EGP Thousands
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	414,395	-	-	-	414,395
Not rated	-	-	-	-	-
Total	**414,395**	-	-	-	**414,395**

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

Dec.31, 2020	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
				EGP Thousands
Cash and balances at the central bank	33,572,597	-	-	33,572,597
Due from banks	86,997,034	-	-	86,997,034
Gross loans and advances to banks	786,605	-	-	786,605
Less:Impairment provision	(9,625)	-	-	(9,625)
Gross loans and advances to customers				
Individual:				
- Overdrafts	1,000,304	417,515	93,402	1,511,221
- Credit cards	3,807,958	898,858	157,588	4,864,404
- Personal loans	18,483,815	7,913,359	1,395,193	27,792,367
- Mortgages	1,928,463	85,331	11,836	2,025,630
Corporate:				
- Overdrafts	21,102,760	1,433,121	1,006,023	23,541,904
- Direct loans	28,340,275	11,285,312	5,110,685	44,736,272
- Syndicated loans	28,771,413	2,218,123	121,277	31,110,813
- Other loans	16,391	5,000	-	21,391
Unamortized bills discount	(104,176)	-	-	(104,176)
Unamortized syndicated loans discount	(210,680)	-	-	(210,680)
Impairment provision	(11,851,162)	(3,512,766)	(1,031,821)	(16,395,749)
Unearned interest	-	-	-	-
Suspended credit account	(38,517)	-	-	(38,517)
Derivative financial instruments	248,759	-	-	248,759
Financial investments:				
-Debt instruments	170,994,957	-	-	170,994,957
Total	**383,837,171**	**20,743,853**	**6,864,183**	**411,445,207**
Total as at December 31, 2019	**345,106,302**	**21,081,215**	**6,648,896**	**372,836,413**

3.1.8.2. Industry sectors

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.

EGP Thousands

Dec.31, 2020	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Cash and balances at the central bank	33,572,597	-	-	-	-	-	-	33,572,597
Due from banks	86,997,034	-	-	-	-	-	-	86,997,034
Gross loans and advances to banks	786,605	-	-	-	-	-	-	786,605
Less:Impairment provision	(9,625)	-	-	-	-	-	-	(9,625)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,511,221	1,511,221
- Credit cards	-	-	-	-	-	-	4,864,404	4,864,404
- Personal loans	-	-	-	-	-	-	27,792,367	27,792,367
- Mortgages	-	-	-	-	-	-	2,025,630	2,025,630
Corporate:								
- Overdrafts	1,382,084	11,000,913	3,465,880	896,850	2,431,014	4,365,163	-	23,541,904
- Direct loans	1,066,861	20,564,699	1,575,679	907,201	4,380,823	16,241,009	-	44,736,272
- Syndicated loans	-	7,212,012	948,611	-	21,334,792	1,615,398	-	31,110,813
- Other loans	-	21,391	-	-	-	-	-	21,391
Unamortized bills discount	(104,176)	-	-	-	-	-	-	(104,176)
Unamortized syndicated loans discount	-	-	-	-	-	(210,680)	-	(210,680)
Impairment provision	(85,299)	(5,418,065)	(79,953)	(131,253)	(534,069)	(9,070,298)	(1,076,812)	(16,395,749)
Suspended credit account	-	(1,532)	-	(36,919)	-	(66)	-	(38,517)
Derivative financial instruments	248,759	-	-	-	-	-	-	248,759
Financial investments:								
-Debt instruments	7,983,338	-	-	-	163,011,619	-	-	170,994,957
Total	**131,838,178**	**33,379,418**	**5,910,217**	**1,635,879**	**190,624,179**	**12,940,526**	**35,116,810**	**411,445,207**
Total as at December 31, 2019	**64,647,310**	**37,296,832**	**4,307,448**	**1,724,398**	**222,932,593**	**15,010,400**	**26,917,432**	**372,836,413**

3.2. Market risk

Market risk represents the fluctuations in fair value, future cash flow, foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices, and it may reduce the Bank's income or the value of its portfolios. The bank assigns the market risk management department to measure, monitor and control the market risk. In addition, regular reports are submitted to the Asset and Liability "Management Committee (ALCO), Board Risk Committee and the heads of each business unit."
The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from market-making, position taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, financial investments designated as FVTOCI and amortized cost.

3.2.1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied .

3.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (95%). There is therefore a specified statistical probability (5%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management. In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

Total VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	954	4,940	109	410	2,426	50
Interest rate risk	**441,614**	**776,180**	**260,701**	**604,814**	**1,176,577**	**274,079**
- For non trading purposes	448,956	790,500	264,703	609,137	1,186,564	271,813
- For trading purposes	290	290	290	4,346	9,949	183
Portfolio managed by others risk	6,552	14,894	3,337	4,858	9,696	1,487
Investment fund	-	-	-	76	122	44
Total VaR	**443,036**	**780,053**	**261,342**	**605,585**	**1,178,349**	**274,303**

Trading portfolio VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	954	4,940	109	410	2,426	50
Interest rate risk	**290**	**290**	**290**	**4,346**	**9,949**	**183**
- For trading purposes	290	290	290	4,346	9,949	183
Funds managed by others risk	6,552	14,894	3,337	4,858	9,696	1,487
Investment fund	-	-	-	76	122	44
Total VaR	**6,752**	**14,696**	**3,398**	**5,839**	**10,382**	**3,475**

Non trading portfolio VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Interest rate risk						
- For non trading purposes	448,956	790,500	264,703	609,137	1,186,564	271,813
Total VaR	**448,956**	**790,500**	**264,703**	**609,137**	**1,186,564**	**271,813**

The increase in the value at risk, especially the rate of return, is associated with the increase in interest rate sensitivity in the global financial markets. The three previous outcomes of the VAR were calculated independently from the centers involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risk and types of portfolios and the consequent variety of impact.

3.2.3. 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
Dec.31, 2020	EGP	USD	EUR	GBP	Other	Total
Financial assets						
Cash and balances at the central bank	30,124,865	2,037,732	656,261	83,244	670,495	33,572,597
Gross due from banks	44,696,639	41,266,271	610,710	366,864	79,881	87,020,365
Gross loans and advances to banks	-	786,605	-	-	-	786,605
Gross loans and advances to customers	89,104,919	40,877,651	5,557,616	63,815	1	135,604,002
Derivative financial instruments	49,476	199,283	-	-	-	248,759
Financial investments						
Gross financial investment securities	152,329,829	20,439,255	2,205,197	-	-	174,974,281
- Investments in associates and subsidiaries	153,557	159,828	-	-	560,963	874,348
Total financial assets	**316,459,285**	**105,766,625**	**9,029,784**	**513,923**	**1,311,340**	**433,080,957**
Financial liabilities						
Due to banks	106,231	8,663,783	34,251	11,269	27	8,815,561
Due to customers	252,811,651	78,455,485	7,623,112	925,623	270,653	340,086,524
Derivative financial instruments	147,168	183,905	-	-	-	331,073
Other loans	21,391	7,725,555	-	-	-	7,746,946
Total financial liabilities	**253,086,441**	**95,028,728**	**7,657,363**	**936,892**	**270,680**	**356,980,104**
Net on-balance sheet financial position	**63,372,844**	**10,737,897**	**1,372,421**	**(422,969)**	**1,040,660**	**76,100,853**
Total financial assets as of December 31, 2019	**274,021,131**	**103,563,099**	**8,402,003**	**909,285**	**914,829**	**387,810,347**
Total financial liabilities as of December 31, 2019	**216,664,024**	**93,357,846**	**8,552,640**	**878,388**	**396,698**	**319,849,596**
Net on-balance sheet financial position as of December 31, 2019	**57,357,107**	**10,205,253**	**(150,637)**	**30,897**	**518,131**	**67,960,751**

3.2.4. 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.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2020	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non-Interest Bearing	Total
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	33,572,597	33,572,597
Gross due from banks	77,008,765	9,923,500	86,527	-	-	1,573	87,020,365
Gross loans and advances to banks	-	-	786,605	-	-	-	786,605
Gross loans and advances to customers	81,743,186	16,852,628	13,996,242	16,976,960	6,034,986	-	135,604,002
Derivatives financial instruments (including IRS notional amount)	7,266	4,737,712	3,870,718	2,466,062	6,418	-	11,088,176
Financial investments							
Gross financial investment securities	5,371,975	2,600,844	36,844,848	82,656,113	46,313,638	1,186,863	174,974,281
- Investments in associates and subsidiaries	-	-	-	-	-	874,348	874,348
Total financial assets	**164,131,192**	**34,114,684**	**55,584,940**	**102,099,135**	**52,355,042**	**35,635,381**	**443,920,374**
Financial liabilities							
Due to banks	1,032,135	7,472,747	78,660	-	-	232,019	8,815,561
Due to customers	177,446,064	32,107,020	25,986,755	54,588,241	58,540	49,899,904	340,086,524
Derivatives financial instruments (including IRS notional amount)	2,423,241	3,756,876	80,072	6,766	4,903,535	-	11,170,490
Other loans	-	4,589,135	3,153,656	4,155	-	-	7,746,946
Total financial liabilities	**180,901,440**	**47,925,778**	**29,299,143**	**54,599,162**	**4,962,075**	**50,131,923**	**367,819,521**
Total interest re-pricing gap	**(16,770,248)**	**(13,811,094)**	**26,285,797**	**47,499,973**	**47,392,967**	**(14,496,542)**	**76,100,853**
Total financial assets as of December 31, 2019	**107,147,723**	**64,307,164**	**94,406,289**	**61,344,661**	**39,777,608**	**29,707,476**	**396,690,921**
Total financial liabilities as of December 31, 2019	**187,516,737**	**38,196,955**	**21,690,398**	**34,839,667**	**1,937,061**	**44,549,352**	**328,730,170**
Total interest re-pricing gap as of December 31, 2019	**(80,369,014)**	**26,110,209**	**72,715,891**	**26,504,994**	**37,840,547**	**(14,841,876)**	**67,960,751**

3.3. 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 Poilcy 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 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.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

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.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider, product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	1,264,151	7,472,749	78,661	-	-	8,815,561
Due to customers	32,792,022	32,480,332	97,124,044	166,850,344	10,839,782	340,086,524
Other loans	-	10,079	2,629,252	2,445,156	2,662,459	7,746,946
Total liabilities (contractual and non contractual maturity dates)	**34,056,173**	**39,963,160**	**99,831,957**	**169,295,500**	**13,502,241**	**356,649,031**
Total financial assets (contractual and non contractual maturity dates)	**84,620,725**	**49,072,630**	**59,598,235**	**157,255,071**	**82,285,536**	**432,832,197**

EGP Thousands

Dec.31, 2019	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	5,795,044	320,830	5,694,733	-	-	11,810,607
Due to customers	34,976,355	25,769,297	71,077,755	161,953,222	10,707,026	304,483,655
Other loans	2,868	42,488	14,090	1,257,765	1,955,535	3,272,746
Total liabilities (contractual and non contractual maturity dates)	**40,774,267**	**26,132,615**	**76,786,578**	**163,210,987**	**12,662,561**	**319,567,008**
Total financial assets (contractual and non contractual maturity dates)	**39,156,322**	**30,113,707**	**85,349,273**	**167,623,442**	**67,757,445**	**390,000,189**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

3.3.4 Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	16,230	44,100	80,072	6,766	-	147,168
Interest rate derivatives	-	-	-	-	183,905	183,905
Total	**16,230**	**44,100**	**80,072**	**6,766**	**183,905**	**331,073**
Total as of Dec. 31, 2019	**30,061**	**51,676**	**125,307**	-	**75,544**	**282,588**

Off balance sheet items

EGP Thousands

Dec.31, 2020	Up to 1 year	1-5 years	Over 5 years	Total
Letters of credit, guarantees and other commitments	49,680,180	23,421,797	9,434,825	82,536,802
Total	**49,680,180**	**23,421,797**	**9,434,825**	**82,536,802**
Total as of Dec. 31, 2019	**50,210,710**	**14,264,820**	**5,723,073**	**70,198,603**

EGP Thousands

Dec.31, 2020	Up to 1 year	1-5 years	Total
Credit facilities commitments	3,511,831	5,383,579	8,895,410
Total	**3,511,831**	**5,383,579**	**8,895,410**

3.4. Fair value of financial assets and liabilities

3.4.1. 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.

	Book value		Fair value	
	Dec.31, 2020	Dec.31, 2019	Dec.31, 2020	Dec.31, 2019
Financial assets				
Due from banks	87,020,365	28,353,366	87,018,791	28,370,754
Gross loans and advances to banks	786,605	629,780	786,605	629,780
Gross loans and advances to customers	135,604,002	131,244,095	135,421,732	128,740,476
Financial investments:				
Amortized cost	25,020,917	107,225,613	26,172,861	106,016,744
Total financial assets	**248,431,889**	**267,452,854**	**249,399,989**	**263,757,754**
Financial liabilities				
Due to banks	8,815,561	11,810,607	8,698,421	11,702,778
Due to customers	340,086,524	304,483,655	339,293,107	302,292,025
Other loans	7,746,946	3,272,746	7,746,946	3,272,746
Total financial liabilities	**356,649,031**	**319,567,008**	**355,738,474**	**317,267,549**

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 31 December 2020:

instruments:

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

Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

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

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

Dec.31, 2019	Date of Valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-19	418,781	418,781	-	-
Financial Assets at Fair value through OCI	31-Dec-19	89,897,257	61,689,580	28,207,677	-
Total		**90,316,038**	**62,108,361**	**28,207,677**	-
Derivative financial instruments					
Financial assets	31-Dec-19	216,383	-	-	216,383
Financial liabilities	31-Dec-19	282,588	-	-	282,588
Total		**498,971**	-	-	**498,971**
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-19	106,016,744	-	106,016,744	-
Loans and advances to banks	31-Dec-19	629,780	-	-	629,780
Loans and advances to customers	31-Dec-19	128,740,476	-	-	128,740,476
Total		**235,387,000**	-	**106,016,744**	**129,370,256**
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-19	3,272,746	-	3,272,746	-
Due to customers	31-Dec-19	302,292,025	-	-	302,292,025
Total		**305,564,771**	-	**3,272,746**	**302,292,025**

Fair value of financial assets and liabilities

Loans and advances to banks

Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments

Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI.

Fair value for amortized cost assets is based on market prices.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5 Capital management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:

Tier one comprises of paid-in capital (after deducting the book value of treasury shares), retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses

Tier two:

Tier two represents the gone concern capital which is compposed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for financial assets fair value through OCI , amortized cost , subsidiaries and associates investments.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into consideration the cash collatrals. Similar criteria are used for off balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of teir 1, teir 2 , the capital adequacy ratio and leverage ratio .

1-The capital adequacy ratio	Dec.31, 2020	EGP Thousands Dec.31, 2019
Tier 1 capital		
Share capital	14,776,813	14,690,821
Goodwill	(178,782)	-
Reserves	33,427,234	24,661,076
Retained Earnings (Losses)	256,266	81,328
Total deductions from tier 1 capital common equity	(842,792)	(807,709)
Net profit for the year	8,906,131	8,430,530
Total qualifying tier 1 capital	**56,344,870**	**47,056,046**
Tier 2 capital		
Subordinated Loans	4,579,135	3,208,300
Impairment provision for loans and regular contingent liabilities	2,072,612	1,740,919
Total qualifying tier 2 capital	**6,651,747**	**4,949,219**
Total capital 1+2	**62,996,617**	**52,005,265**
Risk weighted assets and contingent liabilities		
Total credit risk	165,944,439	169,831,103
Total market risk	701,776	766,516
Total operational risk	33,923,864	28,851,964
Total	**200,570,079**	**199,449,583**
***Capital adequacy ratio (%)**	**31.41%**	**26.07%**

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

2-Leverage ratio	Dec.31, 2020	EGP Thousands Dec.31, 2019
Total qualifying tier 1 capital	**56,344,870**	**47,056,046**
On-balance sheet items & derivatives	430,849,350	409,689,485
Off-balance sheet items	54,025,891	46,195,165
Total exposures	**484,875,241**	**455,884,650**
***Percentage**	**11.62%**	**10.32%**

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2020 NSFR ratio record 250.96% (LCY 301.42% and FCY 168.09%), and LCR ratio record 1358.58% (LCY 1976.64% and FCY 336.99%).

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

4. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

4.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

5. Segment analysis

5.1. By business segment

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

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

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

Dec.31, 2020	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	EGP Thousands Total
Net revenue according to business segment *	11,509,020	1,566,102	7,952,088	6,912,740	636,807	28,576,757
Expenses according to business segment	**(8,534,961)**	**(880,520)**	**(437,153)**	**(3,425,209)**	**(1,795)**	**(13,279,638)**
Profit before tax	2,974,059	685,582	7,514,935	3,487,531	635,012	15,297,119
Tax	(971,560)	(223,965)	(2,454,966)	(1,139,301)	(207,445)	(4,997,237)
Profit for the year	2,002,499	461,617	5,059,969	2,348,230	427,567	10,299,882
Total assets	**137,464,591**	**1,067,415**	**182,133,166**	**35,348,914**	**70,130,744**	**426,144,830**

** Represents the net interest income and other income.*

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

5.2. By geographical segment

Dec.31, 2020	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	24,786,619	3,033,434	756,704	28,576,757
Expenses according to geographical segment	**(11,548,921)**	**(1,471,486)**	**(259,231)**	**(13,279,638)**
Profit before tax	13,237,698	1,561,948	497,473	15,297,119
Tax	(4,330,267)	(505,857)	(161,113)	(4,997,237)
Profit for the year	8,907,431	1,056,091	336,360	10,299,882
Total assets	**395,946,324**	**22,705,248**	**7,493,258**	**426,144,830**

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

6. Net interest income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Interest and similar income		
- Banks	2,189,215	3,308,719
- Clients	12,644,831	14,630,606
Total	**14,834,046**	**17,939,325**
Treasury bills and bonds	26,539,074	24,277,671
Repos	4,067	-
"Financial investments at amortized cost and fair value through OCI"	693,411	383,961
Total	**42,070,598**	**42,600,957**
Interest and similar expense		
- Banks	(458,190)	(597,877)
- Clients	(16,027,482)	(19,893,762)
Total	**(16,485,672)**	**(20,491,639)**
"Financial instruments purchased with a commitment to re-sale "Repos""	(209,975)	(232,055)
Other loans	(284,988)	(299,144)
Total	**(16,980,635)**	**(21,022,838)**
Net interest income	**25,089,963**	**21,578,119**

7. Net fee and commission income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Fee and commission income		
Fee and commissions related to credit	1,185,000	1,258,672
Custody fee	159,082	141,907
Other fee	1,709,454	2,051,109
Total	**3,053,536**	**3,451,688**
Fee and commission expense		
Other fee paid	(983,450)	(1,170,893)
Total	**(983,450)**	**(1,170,893)**
Net income from fee and commission	**2,070,086**	**2,280,795**

8. Dividend income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Financial assets at fair value through P&L	10,596	7,307
Financial assets at fair value through OCI	36,879	46,116
Subsidiaries and associates	50,700	-
Total	**98,175**	**53,423**

9. Net trading income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profit (Loss) from foreign exchange transactions	434,920	749,591
Profit (Loss) from forward foreign exchange deals revaluation	36,861	(85,657)
Profit (Loss) from interest rate swaps revaluation	(5,744)	(29,521)
Profit (Loss) from currency swap deals revaluation	(5,577)	3,238
Profit (Loss) from financial assets at fair value through P&L	(64,759)	50,408
Total	**395,701**	**688,059**

10. Administrative expenses

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Staff costs		
Wages and salaries	(2,897,496)	(2,604,675)
Social insurance	(123,625)	(95,408)
Other benefits	(125,338)	(108,367)
Other administrative expenses *	(2,406,341)	(2,236,487)
Total	**(5,552,800)**	**(5,044,937)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profits (losses) of non-trading assets and liabilities	25,536	91,979
Profits of selling property and equipment	1,094	1,439
Release (charges) of other provisions	(1,288,675)	(361,649)
Other income/expenses	(1,475,505)	(1,526,309)
Total	**(2,737,550)**	**(1,794,540)**

12. Impairment release (charges) for credit losses

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Loans and advances to customers	(4,777,592)	(1,610,878)
Due from banks	(6,514)	(9,503)
Financial securities	(205,182)	184,921
Total	**(4,989,288)**	**(1,435,460)**

13. Adjustments to calculate the effective tax rate

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profit before tax	15,297,119	16,537,441
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**3,441,852**	**3,720,924**
Add / (Deduct)		
Non-deductible expenses	2,806,489	1,465,811
Tax exemptions	(4,224,616)	(1,493,292)
Withholding tax	2,973,512	1,040,443
Income tax / Deferred tax	**4,997,237**	**4,733,886**
Effective tax rate	**32.67%**	**28.63%**

14. Earning per share

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Net profit for the year, available for distribution	10,296,070	11,800,858
Board member's bonus	(73,643)	(177,013)
Staff profit sharing	(1,029,607)	(1,180,086)
Profits attributable to shareholders	**9,192,820**	**10,443,759**
Weighted average number of shares	1,467,555	1,467,555
Basic earning per share	**6.26**	**7.12**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	1,473,666	1,473,666
Diluted earning per share	**6.24**	**7.09**

15. Cash and balances at the central bank

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Cash	5,962,217	5,876,652
Obligatory reserve balance with CBE		
- Current accounts	27,610,380	22,397,310
Total	**33,572,597**	**28,273,962**
Non-interest bearing balances	**33,572,597**	**28,273,962**

16. Due from banks

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Current accounts	2,932,060	3,704,142
Deposits	84,088,305	24,666,041
"Effect of applying IFRS 9 "	-	(7,314)
Expected credit losses	(23,331)	(9,503)
Total	**86,997,034**	**28,353,366**
Central banks	54,425,073	9,945,682
Local banks	1,268,079	1,348,559
Foreign banks	31,303,882	17,059,125
Total	**86,997,034**	**28,353,366**
Non-interest bearing balances	1,573	1,460
Floating interest bearing balances	8,872,165	9,085,184
Fixed interest bearing balances	78,123,296	19,266,722
Total	**86,997,034**	**28,353,366**
Current balances	86,997,034	28,353,366

Due from banks

	Stage 1
Gross due from banks	87,020,365
Expected credit losses	(23,331)
Net due from banks	**86,997,034**

17. Treasury bills and other governmental notes

	Dec.31, 2020	EGP Thousands Dec.31, 2019
91 Days maturity	22,426	6,025
182 Days maturity	98,825	749,625
364 Days maturity	42,049,022	29,112,513
Unearned interest	(1,946,973)	(1,470,340)
Total	**40,223,300**	**28,397,823**
Repos - treasury bills	(758,586)	(763,761)
Net	**39,464,714**	**27,634,062**

Governmental bonds

	Dec.31, 2020 Financial Assets at Fair Value through OCI	EGP Thousands Dec.31, 2019 Financial Assets at Fair Value through OCI
Governmental bonds	105,998,913	58,769,618
Repo	(7,472,925)	(2,406,225)
Net	**98,525,988**	**56,363,393**

Treasury bills and other government securities are classified to financial instruments through other comprehensive income when applying IFRS 9 Note 21

18. Loans and advances to banks, net

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Time and term loans	786,605	629,780
Impairment provision	(9,625)	(4,516)
Net	**776,980**	**625,264**
Current balances	776,980	625,264
Net	**776,980**	**625,264**

Analysis for impairment provision of loans and advances to banks

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	(4,516)	(3,246)
Additions during the year	(5,109)	(1,270)
Ending balance	**(9,625)**	**(4,516)**

Analysis for impairment provision of loans and advances to banks

	Stage 2	Stage 2
Beginning Balance	(4,516)	(3,246)
Addition during the year	(5,109)	(1,270)
Ending balance	**(9,625)**	**(4,516)**

Below is an analysis of outstanding balance:

Rating	Balance	Rating	Balance
B-	776,980	B-	625,264

19. Loans and advances to customers, net

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Individual		
- Overdraft	1,511,221	1,462,439
- Credit cards	4,864,404	4,264,204
- Personal loans	27,792,367	20,219,305
- Real estate loans	2,025,630	1,330,323
Total 1	**36,193,622**	**27,276,271**
Corporate		
- Overdraft	23,541,904	19,100,709
- Direct loans	44,736,272	51,163,302
- Syndicated loans	31,110,813	33,642,235
- Other loans	21,391	61,578
Total 2	**99,410,380**	**103,967,824**
Total Loans and advances to customers (1+2)	**135,604,002**	**131,244,095**
Less:		
Unamortized bills discount	(104,176)	(55,197)
Unamortized syndicated loans discount	(210,680)	-
"Effect of applying IFRS 9 "	-	716,325
Impairment provision	(16,395,749)	(12,542,212)
Unearned interest	-	(8,236)
Suspended credit account	(38,517)	(33,672)
Net loans and advances to customers	**118,854,880**	**119,321,103**
Distributed to		
Current balances	52,667,054	51,682,809
Non-current balances	66,187,826	67,638,294
Total	**118,854,880**	**119,321,103**

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

			Dec.31, 2020		EGP Thousands
Individual Loans:	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Charge during the year	(4,146)	(153,532)	(616,314)	(20,676)	(794,668)
Written off during the year	-	23,080	52,881	-	75,961
Recoveries	-	(21,050)	(20,124)	-	(41,174)
Ending balance	**(9,559)**	**(242,278)**	**(762,850)**	**(62,125)**	**(1,076,812)**

			Dec.31, 2020		
Corporate and Business Banking loans:	**Overdraft**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total**
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Charge during the year	(395,734)	(2,826,161)	(752,474)	(3,446)	(3,977,815)
Written off during the year	-	132,224	-	-	132,224
Recoveries	-	(121,721)	-	-	(121,721)
foreign currencies translation differences	11,043	110,212	36,076	-	157,331
Ending balance	**(1,319,514)**	**(10,533,928)**	**(3,459,950)**	**(5,545)**	**(15,318,937)**

			Individual		
Dec.31, 2019	**Overdraft**	**Credit cards**	**Personal loans**	**Real estate loans**	**Total**
Beginning balance	(48,619)	(42,162)	(108,768)	(24,762)	(224,311)
Released (charged) during the year	43,206	(63,280)	(115,341)	(15,487)	(150,902)
Write off during the year	-	42,267	76,219	-	118,486
Recoveries during the year*	-	(27,601)	(31,403)	(1,200)	(60,204)
Ending balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)

			Corporate		
Dec.31, 2019	**Overdraft**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total**
Beginning balance	(711,964)	(9,379,597)	(2,008,631)	-	(12,100,192)
Released (charged) during the year	(291,408)	(232,519)	(932,680)	(2,099)	(1,458,706)
Write off during the year	-	1,262,286	-	-	1,262,286
Recoveries during the year*	-	(399,429)	-	-	(399,429)
Exchange revaluation difference	68,549	920,777	197,759	-	1,187,085
Ending balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)

**From previously written off amounts*

20. Derivative financial instruments

20.1 Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1. For trading derivatives

	Dec.31, 2020			Dec.31, 2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	9,070,529	41,790	142,579	8,315,292	52,183	189,833
- Currency swap	3,364,578	7,686	4,589	4,904,151	24,756	16,082
- Options	1,339	-	-	1,365	-	-
Total (1)		**49,476**	**147,168**		**76,939**	**205,915**

20.1.2. Fair value hedge

	Dec.31, 2020			Dec.31, 2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives						
- Customers deposits hedging	10,839,417	199,283	183,905	8,880,574	139,444	76,673
Total (2)		**199,283**	**183,905**		**139,444**	**76,673**
Total financial derivatives (1+2)		**248,759**	**331,073**		**216,383**	**282,588**

20.2. Hedging derivatives

Fair value hedge

Losses arose from hedged items at December 31, 2020 reached EGP 7,034 thousand against losses of EGP 29,742 thousand at December 31, 2019.

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 15,378 thousand at the end of December 31, 2020 against EGP 62,771 thousand at December 31, 2019, resulting in losses from hedging instruments at December 31, 2020 of EGP 47,393 thousand against gains of EGP 87,619 thousand at December 31, 2019. Losses arose from the hedged items at December 31, 2020 reached EGP 55,573 thousand against losses EGP 171,993 thousand at December 31 , 2019.

21. Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Amortized cost
Beginning balance	39,217,890	73,630,764
Effect of applying IFRS 9	42,268,972	1,020,895
Addition	58,210,468	76,516,842
Disposals	(54,358,072)	(43,937,957)
Exchange revaluation differences for foreign financial assets	(1,588,099)	(4,931)
Profit (losses) from fair value difference	6,146,098	-
Ending Balance as of Dec.31, 2019	**89,897,257**	**107,225,613**

	Financial Assets at Fair Value through OCI	Amortized cost
Beginning balance	89,897,257	107,225,613
Addition	112,404,036	-
Disposals	(54,137,187)	(82,203,469)
Profit (losses) from fair value difference	(269,259)	-
Exchange revaluation differences for foreign financial assets	(248,415)	(1,227)
Ending Balance as of Dec.31, 2020	**147,646,432**	**25,020,917**

Financial investments securities

EGP Thousands

Dec.31, 2020	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	98,525,988	25,020,917	123,546,905
Other 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
Investments not listed in the market				
"Treasury bills and other governmental notes"	-	39,464,714	-	39,464,714
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	**359,959**	**147,646,432**	**25,020,917**	**173,027,308**

** During the fourth quarter, Commercial International Bank subscribed in 7 million bonds, of the first issuance of Tharwa Company, with a nominal value of 100 EGP per unit - excluding the issuance fees - with a variable return paid from the month following the closing of the subscription, and the deposit was made with the custodian: Commercial International Bank (Egypt)*

EGP Thousands

Dec.31, 2019	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	56,363,393	107,225,613	163,589,006
Other bonds	-	4,823,267	-	4,823,267
Equity instruments	-	502,920	-	502,920
Portfolio managed by others	418,781	-	-	418,781
Investments not listed in the market				
"Treasury bills and other governmental notes"	-	27,634,062	-	27,634,062
Equity instruments	-	344,929	-	344,929
Mutual funds	-	228,686	-	228,686
Total	**418,781**	**89,897,257**	**107,225,613**	**197,541,651**

disclosure and measurement of financial assets and financial liabilities:

The following table shows the financial assets and the net financial commitments according to the business model classification:

Dec.31, 2020	Amortized cost	Debt financial Assets at Fair value through OCI	Equity financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	33,572,597	-	-	-	33,572,597
Due from banks	86,997,034	-	-	-	86,997,034
Treasury bills	-	39,464,714	-	-	39,464,714
Loans and advances to customers, net	118,854,880	-	-	-	118,854,880
Derivative financial instruments	-	-	-	248,759	248,759
Financial Assets at Fair value through OCI	-	107,211,058	970,660	-	108,181,718
Amortized cost	25,020,917	-	-	-	25,020,917
Financial Assets at Fair value through P&L	-	-	-	359,959	359,959
Total 1	**264,445,428**	**146,675,772**	**970,660**	**608,718**	**412,700,578**
Due to banks	8,815,561	-	-	-	8,815,561
Due to customers	340,086,524	-	-	-	340,086,524
Derivative financial instruments	-	-	-	331,073	331,073
Other loans	7,746,946	-	-	-	7,746,946
Other provisions	3,221,252	-	-	-	3,221,252
Total 2	**359,870,283**	**-**	**-**	**331,073**	**360,201,356**

21.1. Profits (Losses) on financial investments

EGP Thousands	Dec.31, 2020	Dec.31, 2019
Profit (Loss) from selling FVOCI financial instruments	1,018,469	497,894
Released (Impairment) charges of FVOCI	(79,126)	(47,197)
Released (Impairment) charges of investments in associates and subsidiaries	**(16,511)**	-
Total	**922,832**	**450,697**

22. Investments in associates and subsidiaries

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 %
Subsidiaries							
- 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
Associates							
- 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
Total		**3,351,039**	**2,241,700**	**902,461**	**(94,162)**	**874,348**	

EGP Thousands

Dec.31, 2019	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
Subsidiaries							
- CVenture Capital	Egypt	37,240	1,259	470	3,467	40,103	99.99
Associates							
- Fawry Plus	Egypt	42,920	45,557	17,399	(19,917)	14,100	23.50
- International Co. for Security and Services (Falcon)	Egypt	741,875	501,413	511,163	22,437	9,750	32.50
Total		**822,035**	**548,229**	**529,032**	**5,987**	**63,953**	

23. Other assets

EGP Thousands	Dec.31, 2020	Dec.31, 2019
Accrued revenues	6,759,229	4,011,196
Prepaid expenses	285,585	217,484
Advances to purchase of fixed assets	1,195,099	942,781
Accounts receivable and other assets (after deducting the provision)*	755,836	4,333,966
Assets acquired as settlement of debts	169,855	356,382
Insurance	40,608	36,130
Gross	**9,206,212**	**9,897,939**
Impairment of other assets	(111,000)	(150,000)
Net	**9,095,212**	**9,747,939**

**A provision with amount EGP 69 million has been charged against pending installments.*

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in another asset category.

24. Property and equipment

Dec.31, 2020 (EGP Thousands)	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
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)
Cost at end of the year (2)	**64,709**	**1,129,713**	**2,541,603**	**132,023**	**808,039**	**700,886**	**136,093**	**5,513,066**
Accumulated depreciation at beginning of the year (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Depreciation for the year	-	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)
Accumulated depreciation at end of the year (4)	-	**458,816**	**1,615,394**	**52,714**	**584,717**	**452,895**	**88,590**	**3,253,126**
Ending net assets (2-4)	**64,709**	**670,897**	**926,209**	**79,309**	**223,322**	**247,991**	**47,503**	**2,259,940**
Beginning net assets (1-3)	**64,709**	**651,973**	**881,933**	**68,149**	**284,557**	**215,491**	**35,886**	**2,202,698**
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Property and equipmentat the balance sheet date includes assets with a net value of EGP 268,335 thousand for which registrations procedures are in process.

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

Dec.31, 2019 (EGP Thousands)	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2019 (1)	64,709	1,025,368	1,580,495	62,147	525,323	449,823	88,801	3,796,666
Additions during the year	-	53,217	593,718	47,642	284,570	122,356	25,864	1,127,367
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Cost at end of the year (2)	**64,709**	**1,074,231**	**2,172,452**	**109,789**	**769,397**	**567,026**	**113,828**	**4,871,432**
Accumulated depreciation at beginning of the year (3)	-	376,931	982,280	32,890	406,431	277,393	68,866	2,144,791
Current year depreciation	-	49,681	310,000	8,750	118,905	79,295	9,913	576,544
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Accumulated depreciation at end of the year (4)	-	**422,258**	**1,290,519**	**41,640**	**484,840**	**351,535**	**77,942**	**2,668,734**
Ending net assets (2-4)	**64,709**	**651,973**	**881,933**	**68,149**	**284,557**	**215,491**	**35,886**	**2,202,698**
Beginning net assets (1-3)	**64,709**	**648,437**	**598,215**	**29,257**	**118,892**	**172,430**	**19,935**	**1,651,875**
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Property and equipmentat the balance sheet date includes assets with a net value of EGP 291,718 thousand for which registrations procedures are in process.

25. Due to banks

EGP Thousands	Dec.31, 2020	Dec.31, 2019
Current accounts	392,725	420,500
Deposits	8,422,836	11,390,107
Total	**8,815,561**	**11,810,607**
Central banks	114,786	111,967
Local banks	5,233,885	10,476,614
Foreign banks	3,466,890	1,222,026
Total	**8,815,561**	**11,810,607**
Non-interest bearing balances	232,019	289,069
Floating bearing interest balances	871,427	4,908,538
Fixed interest bearing balances	7,712,115	6,613,000
Total	**8,815,561**	**11,810,607**
Current balances	8,815,561	11,810,607

26. Due to customers

EGP Thousands	Dec.31, 2020	Dec.31, 2019
Demand deposits	107,404,782	98,755,641
Time deposits	57,875,676	47,878,915
Certificates of deposit	100,130,108	**85,344,897**
Saving deposits	70,737,586	68,579,440
Other deposits	3,938,372	3,924,762
Total	**340,086,524**	**304,483,655**
Corporate deposits	140,253,514	120,588,414
Individual deposits	199,833,010	183,895,241
Total	**340,086,524**	**304,483,655**
Non-interest bearing balances	49,899,904	44,260,283
Floating interest bearing balances	33,533,480	**39,592,933**
Fixed interest bearing balances	256,653,140	220,630,439
Total	**340,086,524**	**304,483,655**
Current balances	237,899,134	217,393,918
Non-current balances	102,187,390	87,089,737
Total	**340,086,524**	**304,483,655**

27. Other loans

	Interest rate %	Loan duration	Due within one year EGP Thousands	Dec.31, 2020 EGP Thousands	Dec.31, 2019 EGP Thousands
CDC subordinated loan	Floating rate	10 years	-	1,432,715	-
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	-	1,573,210	-
International Finance Corporation (IFC)	Floating rate	1 renewable year	-	1,573,210	-
Environmental Compliance Project (ECO)	Fixed rate	3-5 years	314	1,391	-
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	17,000	20,000	61,578
Social Fund for Development (SFD)	Floating rate	04/01/2020*	-	-	2,868
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	-	1,573,210	1,604,150
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	-	1,573,210	1,604,150
Balance			**17,314**	**7,746,946**	**3,272,746**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

28. Other liabilities

	Dec.31, 2020	Dec.31, 2019
		EGP Thousands
Accrued interest payable	1,165,714	1,090,649
Accrued expenses	1,316,093	1,027,526
Accounts payable	3,083,529	**6,097,077**
Other credit balances	113,930	181,235
Total	**5,679,266**	**8,396,487**

29. Provisions

EGP Thousands

Dec.31, 2020	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
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
Total	**2,011,369**	**1,232,731**	**(7,193)**	**(2,382)**	**(13,273)**	**3,221,252**

EGP Thousands

Dec.31, 2019	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
Provision for income tax claims	6,910	-	-	-	(6,910)	-
Provision for legal claims	57,677	11,299	(244)	(2,626)	-	66,106
Provision for contingent	1,449,690	444,786	(103,784)	-	-	1,790,692
Provision for other claim	180,330	5,784	(6,034)	(25,509)	-	154,571
Total	**1,694,607**	**461,869**	**(110,062)**	**(28,135)**	**(6,910)**	**2,011,369**

** To face the potential risk of banking operations.*

30. Equity

30.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

- Issued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

30.2 Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital.

Central Bank of Egypt concurrence for usage of special reserve is required.

31. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets (Liabilities) Dec.31, 2020	EGP Thousands Assets (Liabilities) Dec.31, 2019
Fixed assets (depreciation)	(84,418)	(79,162)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	210,526	146,675
Other investments impairment	97,925	**76,407**
Reserve for employee stock ownership plan (ESOP)	239,545	216,709
Interest rate swaps revaluation	1,292	6,642
Trading investment revaluation	(20,059)	(35,477)
Forward foreign exchange deals revaluation	(7,039)	18,545
Balance	**437,772**	**350,339**

Movement of Deferred Tax Assets and Liabilities:

	Assets (Liabilities) Dec.31, 2020	EGP Thousands Assets (Liabilities) Dec.31, 2019
Beginning Balance	350,339	308,370
Effect of applying IFRS 9	-	136,491
Additions / disposals	87,433	**(94,522)**
Ending Balance	**437,772**	**350,339**

32. 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:

	Dec.31, 2020 No. of shares in thousand	EGP Thousands Dec.31, 2019 No. of shares in thousand
Outstanding at the beginning of the year	27,428	29,697
Granted during the year	11,313	9,152
Forfeited during the year	(1,196)	**(880)**
Exercised during the year	(8,599)	(10,541)
Outstanding at the end of the year	28,946	27,428

Details of the outstanding tranches are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares in thousand
2021	10.00	54.51	9,323
2022	10.00	50.53	8,560
2023	10.00	72.71	11,063
Total			**28,946**

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	83.02	59.26
Expected life (years)	3	**3**
Risk free rate %	13.66%	18.14%
Dividend yield%	1.50%	1.70%
Volatility%	25%	26%

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

33. Reserves and retained earnings

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Legal reserve	2,778,135	2,188,029
General reserve	24,765,658	16,474,429
Capital reserve	14,906	13,466
Retained earnings	10,477,611	11,803,555
Reserve for financial assets at fair value through OCI	3,970,987	4,111,781
Reserve for employee stock ownership plan	1,064,648	963,152
Banking risks reserve	6,423	5,164
General risk reserve	1,549,445	1,549,445
Ending balance	**44,627,813**	**37,109,021**

33.1. Banking risks reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	5,164	4,323
Transferred to banking risk reserve	1,259	841
Ending balance	**6,423**	**5,164**

33.2 . Legal reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	2,188,029	1,710,293
Transferred to legal reserve	590,106	477,736
Ending balance	**2,778,135**	**2,188,029**

33.3. Reserve for financial assets at fair value through OCI

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	4,111,781	(3,750,779)
Transferred from reserve on disposal of financial assets at fair value through OCI	(76,717)	-
Net unrealised gain/(loss) on financial assets at fair value through OCI	(269,259)	6,157,553
Effect of applying IFRS 9	-	1,889,928
Effect of ECL in fair value of debt instruments measured at fair value through OCI	205,182	(184,921)
Ending balance	**3,970,987**	**4,111,781**

33.4. Retained earnings

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	11,803,555	9,555,755
Transferred to reserves	(8,431,833)	(6,854,370)
Dividend paid	(3,370,464)	(2,700,544)
Net profit for the year	10,299,882	11,803,555
Transferred (from) to banking risk reserve	(1,259)	(841)
Transferred from previous years' outstanding balances	101,013	-
Transferred from reserve on disposal of financial assets at fair value through OCI	76,717	-
Ending balance	**10,477,611**	**11,803,555**

33.5. Reserve for employee stock ownership plan

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	963,152	738,320
Transferred to reserves	(450,942)	(239,707)
Cost of employees stock ownership plan (ESOP)	552,438	464,539
Ending balance	**1,064,648**	**963,152**

33.6. General risk reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	1,549,445	-
Effect of applying IFRS 9	-	117,251
Transferred to general risk reserve	-	1,432,194
Ending balance	**1,549,445**	**1,549,445**

34. Cash and cash equivalent

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Cash and balances at the central bank	33,572,597	28,273,962
Due from banks	87,020,365	28,370,183
Treasury bills and other governmental notes	39,464,714	27,634,062
Obligatory reserve balance with CBE	(27,610,380)	(22,397,310)
Due from banks with maturities more than three months	(16,280,760)	(10,593,903)
Treasury bills with maturities more than three months	(40,201,289)	(28,391,977)
Total	**75,965,247**	**22,895,017**

35. Contingent liabilities and commitments

35.1. Legal claims

- There is a number of existing cases against the bank on December 31, 2020 and 2019 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. (Note No. 29)

35.2. Capital commitments

35.2.1. Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 27,512 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	157,321	129,809	27,512
Financial investments in subsidiaries	157,318	157,318	-

35.3. Letters of credit, guarantees and other commitments

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Letters of guarantee	73,986,785	61,143,216
Letters of credit (import and export)	5,848,427	5,866,630
Customers acceptances	2,701,590	3,188,757
Total	**82,536,802**	**70,198,603**

35.4. Credit facilities commitments

	EGP Thousands	
	Dec.31, 2020	Dec.31, 2019
Credit facilities commitments	8,895,410	6,857,510

36. Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 4,049,086 with redeemed value of EGP 1,855,534 thousands.
- The market value per certificate reached EGP 458.26 on December 31, 2020.
- The Bank portion got 137,112 certificates with redeemed value of EGP 62,833 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 369,394 with redeemed value of EGP 62,132 thousands.
- The market value per certificate reached EGP 168.20 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 8,410 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 281,716 with redeemed value of EGP 24,887 thousands.
- The market value per certificate reached EGP 88.34 on December 31, 2020.
- The Bank portion got 34,596 certificates with redeemed value of EGP 3,056 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 90,255 with redeemed value of EGP 23,498 thousands.
- The market value per certificate reached EGP 260.35 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 13,018 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 152,949 with redeemed value of EGP 51,688 thousands.
- The market value per certificate reached EGP 337.94 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 16,897 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 131,456 with redeemed value of EGP 23,086 thousands.
- The market value per certificate reached EGP 175.62 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 8,781 thousands.

37. 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.

37.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands
	Dec.31, 2020
Loans, advances and other assets	15,049
Deposits	149,217
Contingent liabilities	1,210

37.2. Other transactions with related parties

		EGP Thousands
	Income	Expenses
International Co. for Security & Services	70	213,668
CVenture Capital	80	279
Fawry plus	739	-
Mayfair bank	17	-
Damietta shipping & marine services	5	9,469
Al ahly computer	5	57

38. Main currencies positions

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Egyptian pound	(750,477)	(387,742)
US dollar	97,057	(79,511)
Sterling pound	3,487	248
Japanese yen	(8)	6
Swiss franc	2,175	484
Euro	(218,881)	32,890

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

39. Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2017
- 2018 examined & paid
- The yearly income tax return is submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2019

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication.
- The period from 01/08/2006 till 31/12/2019 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

40. Other assets - net increase (decrease)

	EGP Thousands Dec.31, 2020
Total other assets by end of 2019	9,747,939
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Total 1	**8,448,776**
Total other assets by end of year	9,095,212
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Impairment charge for other assets	69,217
Total 2	**7,799,475**
Change (1-2)	**649,301**

	EGP Thousands Dec.31, 2019
Total other assets by end of 2018	9,563,218
Assets acquired as settlement of debts	(276,520)
Advances to purchase of fixed assets	(768,733)
Total 1	**8,517,965**
Total other assets by end of 2019	9,747,939
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Impairment charge for other assets	(93,313)
Total 2	**8,355,463**
Change (1-2)	**162,502**

41. Significant events during the year

- Based on both banks' Board of Directors' approval, and after obtaining all necessary approvals from the Central Bank of Egypt and the Central Bank of Kenya, in May 2020, CIB has acquired 51% of what is to be renamed as Mayfair CIB Bank Limited in Kenya in the form of a capital increase, for a total transaction value of USD 35.35 million. The bank has consolidated financial results starting from the second quarter of 2020.
- In May 2020, CIB gained significant influence in "Damietta Shipping and Marine Services" Company, upon controlling majority seats in the Company's Board of Directors, besides 32% of the Company's shares previously owned by the Bank. The Company's financial results have been consolidated starting Q2 2020.
- Starting from Q3 2020, CIB has combined AL-Ahly Computer company financial results as an associate using the equity method.

Loans:

During the period, CIB has obtained a total debt of $300mn USD as follows:

$100mn USD subordinated debt from CDC.
$100mn USD senior debt from the European Bank for Reconstruction and Development (EBRD).

$100mn USD senior debt from the International Finance Corporation (IFC).

- In September 2020, the Central Bank and Banking Institutions Law No. 194 for the year 2020 was issued which cancelled the Central Bank, Banking and Monetary Institutions Law No. 88 for the year 2003. Article No. 4 of Law No. 194 for the year 2020 allows the addressees a transition period for the compliance with the new law.

Subsequent event

- On Thursday October 22nd 2020 the Bank's Directors received a letter from the Central Bank of Egypt (CBE) informing them that in light of the findings of a limited review inspection, the CBE Board of Directors agreed on a resolution to discharge the Chairman and Managing Director of CIB and that its Board should elect a Non-Executive Chairman from among its Non-Executive Directors. On the following day the CIB Board convened, during that meeting the Chairman and Managing Director stepped down from his position and resigned from the board with immediate effect and Mr. Sherif Samy was elected Non-Executive Chairman.
- CBE issued its report to the Bank on 10 November 2020 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 Board of the Bank mandated management to review the CBE report findings and propose necessary corrective actions. The Bank carefully assessed all the findings and other similar matters. Since 22 October the Bank management and Board met with the CBE several times to address the matters raised, the findings and compliance requirements. The Bank also engaged external legal counsel to support in the characterization and assessment of the findings. The Bank's management applied its judgement and experience and included in these financial statements, their assessment of the impact of the CBE findings, including credit losses and legal and other charges. (see notes 19 and 29).
- 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, the Audit Committee appointed an independent international professional services firm 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, 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 is currently ongoing up to the date of issue of the financial statements. Any additional recommendations of the said review will be considered in the Bank's future actions.

Impact of covid-19

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

Business continuity planning

The Bank is closely monitoring the situation and taking rightful measures to ensure the safety and security of the bank's staff and an uninterrupted service to its customers. Remote working arrangements have been implemented and part of the Bank staff are working from home in line with government directions.

Business continuity plans are in place. The Bank has taken measures to ensure that services levels are maintained, customer complaints are resolved, and the Bank continues to serve its customers as they would do in normal conditions. CIB regularly conducts stress tests to assess the resilience of the statement of position and the capital adequacy. CIB is closely monitoring the situation and has activated its risk management practices managing the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

Impact on expected credit losses

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

The relief offered to customers may at some cases indicate a SICR. However, the bank believes that the extension of these payment reliefs does not automatically trigger a SICR and a stage migration for the purposes of calculating ECL, as these are being made available to assist borrowers affected by the Covid-19 outbreak to resume regular payments. The Bank has reassessed its ECL models, underlying assumptions including relevant available macroeconomic data, and the judgmental overlays on the basis of macroeconomic variations reflected in models pertaining to particular industries rather than on customer-account basis. The ECL amounts recognized in the bank's financial statements for the period ending December 31, 2020 were mainly increased as a result of the Covid 19 impact . The impact of current uncertain economic environment is judgmental and management will keep assessing the current position and its related impact regularly. It should be also considered that the assumptions used about economic forecasts are subject to high degree of inherent uncertainty and therefore the actual outcome may be significantly different from forecasted information. CIB has considered potential impacts of the current economic volatility in determination of the reported amounts of the bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

Liquidity management

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

Auditors' Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank - Egypt

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commercial International Bank (Egypt) S.A.E, ("the Group") which comprise the consolidated balance sheet as at December 31, 2020 and the related consolidated statements of income, other comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations. Management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Commercial International Bank (Egypt) as of December 31, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Emphasis of Matter Paragraph

Without qualifying our opinion, we draw attention to note (41) of the consolidated financial statements, which describes the findings of the Central Bank of Egypt ("CBE") limited review inspection report issued during November 2020 covering a number of areas including instances of violation of certain provisions of applicable laws and CBE regulations. Management has undertaken actions to determine and reflect the impact of the findings in the consolidated financial statements based on their judgement. The note also explains that management has developed a corrective action plan to remediate the limited review inspection report findings including an additional independent in-depth review of the Bank's Internal Control systems and certain other functions and to consider the findings, from such review.

Report on Legal and Other Regulatory Requirements

In September 2020, the Central Bank and Banking Institutions Law No. 194 for the year 2020 was issued which cancelled the Central Bank, Banking and Monetary Institutions Law No. 88 for the year 2003. Article No. 4 of this law allows the addressees a transition period for alignment with the new law.

There are identified instances of violations of certain provisions of the applicable laws and CBE regulations, as included in the Central Bank of Egypt's reports (see note 41). Corrective action plans have been developed by the Bank to address these violations and other similar cases which will extend beyond the date of issuance of these consolidated financial statements

Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Kamel Magdy Saleh
Egyptian Financial Supervisory Authority
Register Number "69"
Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

Cairo; February 28, 2021

Consolidated balance sheet as at December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Assets			
Cash and balances at the central bank	15	33,768,549	28,273,962
Due from banks	16	87,426,301	28,353,366
Loans and advances to banks, net	18	776,980	625,264
Loans and advances to customers, net	19	119,570,005	119,321,103
Derivative financial instruments	20	248,759	216,383
Investments			
- Financial Assets at Fair Value through P&L	21	359,959	418,781
- Financial Assets at Fair Value through OCI	21	148,118,372	89,897,257
- Amortized cost	21	25,285,225	107,225,613
- Investments in associates	22	139,871	107,693
Other assets	23	9,175,525	9,748,143
Goodwill	42	178,782	-
Intangible assets	43	44,920	-
Deferred tax assets (Liabilities)	31	437,772	350,339
Property and equipment	24	2,311,147	2,204,464
Total assets		**427,842,167**	**386,742,368**
Liabilities and equity			
Liabilities			
Due to banks	25	8,817,535	11,810,607
Due to customers	26	341,169,450	304,448,455
Derivative financial instruments	20	331,073	282,588
Current tax liabilities		859,582	4,639,364
Other liabilities	28	5,735,269	8,396,794
Other loans	27	**7,746,946**	**3,272,746**
Provisions	29	3,223,501	2,011,369
Total liabilities		**367,883,356**	**334,861,923**
Equity			
Issued and paid up capital	30	14,776,813	14,690,821
Reserves	33	33,094,580	24,344,815
Reserve for employee stock ownership plan (ESOP)	33	1,064,648	963,152
Retained earnings *	33	10,539,715	11,881,657
Total equity		**59,475,756**	**51,880,445**
Minority interest		483,055	-
Total minority interest, equity and net profit for the year		**59,958,811**	**51,880,445**
Total liabilities and equity		**427,842,167**	**386,742,368**

The accompanying notes are an integral part of these financial statements .
(Audit report attached)

**Including net profit for the current year*

Hussein Abaza
CEO & Board member

Sherif Samy
Chairman

Consolidated income statement for the year ended December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Interest and similar income		42,196,235	42,600,957
Interest and similar expense		(17,023,815)	(21,022,338)
Net interest income	6	**25,172,420**	**21,578,619**
Fee and commission income		3,059,264	3,451,688
Fee and commission expense		(983,450)	(1,170,893)
Net fee and commission income	7	**2,075,814**	**2,280,795**
Dividend income	8	50,175	53,423
Net trading income	9	406,631	688,059
Profits (Losses) on financial investments	21	922,832	450,697
Administrative expenses	10	(5,625,883)	(5,048,922)
Other operating (expenses) income	11	(2,742,996)	(1,794,750)
Goodwill amortization		(27,505)	-
Intangible assets amortization		(6,911)	(238,715)
Impairment release (charges) for credit losses	12	(5,018,781)	(1,435,460)
Profits from subsidiaries acquisition		8,086	-
Bank's share in the profits of associates		22,426	1,135
Profit before income tax		**15,236,308**	**16,534,881**
Income tax expense	13	(5,087,418)	(4,639,364)
Deferred tax assets (Liabilities)	31 - 13	87,433	(94,522)
Net profit for the year		**10,236,323**	**11,800,995**
Minority interest		(1,834)	-
Bank shareholders		**10,238,157**	**11,800,995**
Earning per share	14		
Basic		6.26	7.11
Diluted		6.24	7.09

Hussein Abaza
CEO & Board member

Sherif Samy
Chairman

Consolidated statement of other comprehensive income for the year ended December 31, 2020

	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Net profit for the year	**10,236,323**	**11,800,995**
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through other comprehensive income	(13,966)	212,967
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income	(250,766)	5,944,586
Transferred from reserve on disposal of financial assets at fair value through OCI	(76,717)	-
Cumulative foreign currencies translation differences	(3,684)	2,501
Effect of ECL in fair value of debt instruments measured at fair value through OCI	205,182	(184,921)
Total other comprehensive income for the year	**10,096,372**	**17,776,128**
As follows:		
Bank's shareholders	10,098,206	17,776,128
Minority interest	(1,834)	-
Total other comprehensive income for the year	**10,096,372**	**17,776,128**

Consolidated cash flow for the year ended December 31, 2020

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Cash flow from operating activities			
Profit before income tax from continued operations		15,236,308	16,534,881
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	24	733,032	576,544
Impairment charge for credit losses (Loans and advances to customers and banks)	12	4,806,518	1,610,878
Other provisions charges	29	1,234,980	461,869
Impairment charge for credit losses (due from banks)	12	7,081	9,503
Impairment charge for credit losses (financial investments)	12	205,182	(184,921)
Impairment charge for other assets	23	69,217	(93,313)
Exchange revaluation differences for financial assets at fair value through OCI	21	249,642	1,593,030
Goodwill amortization	42	27,505	-
Intangible assets amortization	43	6,911	238,715
Impairment charge financial assets at fair value through OCI	21	79,126	-
Utilization of other provisions	29	(2,382)	(28,135)
Other provisions no longer used	29	(13,273)	(6,910)
Exchange differences of other provisions	29	(7,193)	(110,062)
Profits from selling property, plant and equipment	11	(1,094)	(1,439)
(Profits) losses from selling financial investments	21	(1,018,469)	(497,894)
Released (Impairment) charges of investments in associates and subsidiaries	21	16,511	-
Shares based payments		552,438	464,539
Bank's share in the profits of associates		(22,426)	(1,135)
Operating profits before changes in operating assets and liabilities		**22,159,614**	**20,566,150**
Net decrease (increase) in assets and liabilities			
Due from banks	15	(10,899,927)	(8,870,547)
Treasury bills and other governmental notes		-	-
Financial assets at fair value through P&L	21	58,822	2,318,924
Derivative financial instruments	20	16,109	(2,910)
Loans and advances to banks and customers	18 - 19	(5,020,609)	(14,533,328)
Other assets	40	568,988	163,933
Due to banks	25	(2,993,072)	4,550,788
Due to customers	26	36,720,995	19,151,586
Income tax obligations paid		(3,779,782)	(3,625,579)
Other liabilities	28	(7,645,182)	1,895,241
Net cash used in (generated from) operating activities		**29,185,956**	**21,614,258**
Cash flow from investing activities			
Proceeds from Investments in associates.		750	-
"Payment for purchases of property, plant, equipment and branches constructions"		(1,091,829)	(1,303,181)
Proceeds from selling property, plant and equipment	11	1,094	1,439
Proceeds from redemption of financial assets at amortized cost	21	82,309,481	43,937,957
Payment for purchases of financial assets at amortized cost	21	(233,765)	(76,516,842)
Payment for purchases of financial assets at fair value through OCI	21	(112,791,966)	(50,954,311)
Proceeds from selling financial assets at fair value through OCI		54,137,187	54,855,966
Proceeds from investment in subsidiaries.		194,722	-
Net cash generated from (used in) investing activities		**22,525,674**	**(29,978,972)**

Consolidated cash flow for the year ended December 31, 2020 (Cont.)

	Notes	Dec. 31, 2020	EGP Thousands Dec. 31, 2019
Cash flow from financing activities			
Received (Repaid) in long term loans	27	4,474,200	(448,783)
Dividend paid		(3,370,464)	(2,700,544)
Capital increase		85,992	105,413
Net cash generated from (used in) financing activities		**1,189,728**	**(3,043,914)**
Net increase (decrease) in cash and cash equivalent during the year		52,901,358	(11,408,628)
Beginning balance of cash and cash equivalent		22,895,017	34,303,645
Cash and cash equivalent at the end of the year		**75,796,375**	**22,895,017**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	33,768,549	28,273,962
Due from banks	16	87,450,490	28,370,183
Treasury bills and other governmental notes	17	39,497,692	27,634,062
Obligatory reserve balance with CBE	15	(27,744,700)	(22,397,310)
Due from banks with maturities more than three months		(16,974,367)	(10,593,903)
Treasury bills with maturity more than three months		(40,201,289)	(28,391,977)
Total cash and cash equivalent		**75,796,375**	**22,895,017**

Consolidated statement of changes in shareholders' equity for the year ended December 31, 2019

EGP Thousands

Dec. 31, 2019	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Minority Interest	Total
Beginning balance	11,668,326	1,710,293	12,776,215	1,549,445	-	12,421	(1,860,851)	4,323	9,637,083	738,320	-	36,235,575	-	36,235,575
Capital increase	3,022,495	-	(2,917,082)	-	-	-	-	-	-	-	-	105,413	-	105,413
Transferred to reserves	-	477,736	6,615,296	-	-	1,045	-	-	(6,854,370)	(239,707)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(2,700,544)	-	-	(2,700,544)	-	(2,700,544)
Net profit of the year	-	-	-	-	-	-	-	-	11,800,995	-	-	11,800,995	-	11,800,995
Reserve for transactions under common control	-	-	-	-	-	-	6,157,553	-	-	-	-	6,157,553	-	6,157,553
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	841	(841)	-	-	-	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	-	(184,921)	-	-	-	-	(184,921)	-	(184,921)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	464,539	-	464,539	-	464,539
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	(666)	-	2,501	1,835	-	1,835
Balance at the end of the year	**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**

Consolidated statement of changes in shareholders' equity for the year ended December 31, 2020

EGP Thousands

Dec. 31, 2020	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Minority Interest	Total
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	-	13,466	4,111,781	5,164	11,881,657	963,152	2,501	51,880,445	-	51,880,445
Capital increase	85,992	-	-	-	-	-	-	-	-	-	-	85,992	-	85,992
Transferred to reserves	-	590,106	8,291,229	-	-	1,440	-	-	(8,431,833)	(450,942)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(3,370,464)	-	-	(3,370,464)	-	(3,370,464)
Minority Interest share	-	-	-	-	-	-	-	-	-	-	-	-	485,779	485,779
Net profit of the year	-	-	-	-	-	-	-	-	10,238,157	-	-	10,238,157	(1,834)	10,236,323
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	-	(76,717)	-	76,717	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	101,013	-	-	101,013	-	101,013
Change in retained earnings from acquisition of subsidiaries	-	-	-	-	-	-	-	-	45,727	-	-	45,727	-	45,727
Reserve for transactions under common control	-	-	-	-	8,183	-	-	-	-	-	-	8,183	-	8,183
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(264,732)	-	-	-	-	(264,732)	-	(264,732)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	205,182	-	-	-	-	205,182	-	205,182
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	552,438	-	552,438	-	552,438
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(6,185)	(6,185)	(890)	(7,075)
Balance at the end of the year	**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**

Notes to the consolidated financial statements for the year ended December 31, 2020

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 182 branches, and 27 units employing 7071 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 on February 28, 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 instructions of the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 as modified by 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.

2.1.1. 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.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Bank's functional and presentation currency.

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held-for-trading assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
- Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income.

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.
Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.
The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
	Amortized Cost	Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • Sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	Other business models include trading - management of financial assets at fair value - maximizing cash flows by selling)	• The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. • Collecting contractual cash flows is an incidental event for the model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

2.6. Financial liabilities – derecognition.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

2.8. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement unless the Bank chooses to designate the hybrid contact as at fair value through net trading income in profit or loss.

The timing of recognition in profit and loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge)
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore,

At the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.8.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date using the effective interest method.

2.8.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value , in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.9. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.10. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset. Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions. Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities or the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement .

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

Operating revenues in the holding company are:

- Commission income is resulting from purchasing and selling securities to a customer account upon receiving the transaction confirmation from the Stock Exchange.
- Mutual funds and investment portfolios management which is calculated as a percentage of the net value of assets under management according to the terms and conditions of agreement. These amounts are credited to the assets management company's revenue pool on a monthly accrual basis.

2.11. Dividend income

Dividends are recognized in the income statement when the right to collect is established.

2.12. Sale and repurchase agreements

Securities may be lent or sold subject to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased subject to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.13. Investment property

The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.14. Property and equipment

Land and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years
Typewriters, calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.15. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit/s. A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that it would have been had the original impairment not been recognized.

2.15.1. Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.15.2. Other intangible assets

The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.16. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value, or the current value of the total lease payments representing at least 90% of the value of the asset. The other leases contracts are considered operating leases contracts.

2.16.1. Being lessee
Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.16.2. Being lessor
For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.17. Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with Central Bank, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.18. Other provisions
Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.19. Share based payments
The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions and performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments at the date of grant. At each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund
Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.20. Income tax
Income tax on the profit or loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.21. Borrowings
Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.22. Dividends
Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.23. Comparatives
Comparative figures have been adjusted to conform to changes in presentation in the current period where necessary.

2.24. Noncurrent assets held for sale
a non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.25. Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

The bank reduced the weights assigned to the upside scenario during 2020 as a result of the most recent developments related to COVID 19.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP633,535 thousand as of 31 December 2020 (31 December 2019: by EGP495,372 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP386,041 thousand as of 31 December 2020 (31 December 2019: by EGP348,267 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP879,960 thousand at 31 December 2020 (31 December 2019: increase or decrease of EGP 773,549 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	description of the grade
1	performing loans
2	regular watching
3	watch list
4	non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

3.1.2.2. Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

3.1.2.3. Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3.1.2.4. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3. Impairment and provisioning policies

The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred at the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2020		December 31, 2019	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	80.16	22.76	85.63	19.27
2-Regular watching	11.14	18.11	6.88	8.76
3-Watch list	4.43	25.53	3.50	28.15
4-Non-Performing Loans	4.27	33.60	3.99	43.82

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non performing loans
9	Doubtful	50%	4	Non performing loans
10	Bad debts	100%	4	Non performing loans

"Starting 1st of Jan 2019 and after implementing CBE regulations for IFRS 9, Customer Loans has been reclassified into 3 stages based on each facility credit characteristics. Credit characteristics that used to determine the staging is different from ORR customer classification"

3.1.5. Maximum exposure to credit risk before collateral held

		EGP Thousands
In balance sheet items exposed to credit risk	**Dec. 31, 2020**	**Dec. 31, 2019**
Cash and balances at the central bank	33,768,549	28,273,962
Due from banks	87,450,490	28,353,366
Gross loans and advances to banks	786,605	629,780
Less:Impairment provision	(33,814)	(4,516)
Gross loans and advances to customers		
Individual:		
- Overdraft	1,519,369	1,462,439
- Credit cards	4,864,404	4,264,204
- Personal loans	27,882,072	20,219,305
- Mortgages	2,033,349	1,330,323
Corporate:		
- Overdraft	23,698,784	19,100,709
- Direct loans	45,228,009	51,163,302
- Syndicated loans	31,110,813	33,642,235
- Other loans	21,391	61,578
Unamortized bills discount	(104,176)	(55,197)
Unamortized syndicated loans discount	(210,680)	-
Impairment provision	(16,434,813)	(11,825,887)
Unearned interest	-	(8,236)
Suspended credit account	(38,517)	(33,672)
Derivative financial instruments	248,759	216,383
Financial investments:		
-Debt instruments	171,497,994	196,046,335
Other assets (Accrued revenues)	6,759,229	4,011,196
Total	**420,047,817**	**376,847,609**
Off balance sheet items exposed to credit risk		
Financial guarantees	5,463,960	6,085,760
Customers acceptances	2,701,590	3,188,757
Letters of credit (import and export)	5,861,017	5,866,630
Letter of guarantee	74,023,239	61,143,216
Total	**88,049,806**	**76,284,363**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2020, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 28.65% of the total maximum exposure is derived from loans and advances to banks and customers against 31.83% on December 31, 2019, while investments in debt instruments represent 40.83% against 52.02% on December 31, 2019.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 91.30% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- Loans and advances assessed individualy are valued EGP 5,830,098 thousand against EGP 5,261,976 thousand on December 31, 2019
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2020.
- 95.33% of the investments in debt Instruments are Egyptian sovereign instruments against 97.54% on December 31, 2019.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

				EGP Thousands
	Dec.31, 2020		Dec.31, 2019	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	**136,358,191**	**786,605**	**131,244,095**	**629,780**
Less:				
Impairment provision	16,434,813	9,625	11,825,887	4,516
Unamortized bills discount	104,176	-	55,197	-
Unamortized syndicated loans discount	210,680	-	-	-
Unearned interest	-	-	8,236	-
Suspended credit account	38,517	-	33,672	-
Net	**119,570,005**	**776,980**	**119,321,103**	**625,264**

Impairment provision losses for loans and advances reached EGP 16,444,438 thousand.

During the year, the Bank's total loans and advances increased by 4.00%.

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

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

				EGP Thousands
Dec.31, 2020	**Stage 1: Expected credit losses over 12 months**	**Stage 2: Expected credit losses Over a lifetime that is not creditworthy**	**Stage 3: Expected credit losses Over a lifetime Credit default**	**Total**
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:

				EGP Thousands
Dec.31, 2020	**Stage 1: Expected credit losses over 12 months**	**Stage 2: Expected credit losses Over a lifetime that is not creditworthy**	**Stage 3: Expected credit losses Over a lifetime Credit default**	**Total**
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:

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
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 ecpected credit losses divided by stages:

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
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**

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

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	26,734,506	339,408	202,357	27,276,271
Institutions and Business Banking	63,749,864	35,158,341	5,059,619	103,967,824
Total	**90,484,370**	**35,497,749**	**5,261,976**	**131,244,095**

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

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	96,469	10,394	210,068	316,931
Institutions and Business Banking	1,208,722	5,325,121	4,975,113	11,508,956
Total	**1,305,191**	**5,335,515**	**5,185,181**	**11,825,887**

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

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Time and term loans	-	629,780	-	629,780
Expected credit losses	-	(4,516)	-	(4,516)
Net	-	**625,264**	-	**625,264**

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

EGP Thousands

Dec.31, 2019	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Facilities and guarantees	49,459,621	20,662,650	76,331	70,198,602
Expected credit losses	(1,118,319)	(603,614)	(68,759)	(1,790,692)
Net	**48,341,302**	**20,059,036**	**7,572**	**68,407,910**

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	1%-14%	1,033,895	1,993,166	-	3,027,061
Regular watching (6)	15%-21%	369,623	2,603,402	1,802	2,974,827
Watch list (7)	21%-28%	-	4,164,404	10,884	4,175,288
Non-performing loans (8-10)	100%	-	-	5,163,874	5,163,874

Individual Loans:

EGP Thousands

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Performing loans (1-5)	(0% - 5%)	710,475	-	-	710,475
Regular watching (6)	(5% - 10%)	1,236	2,547	-	3,783
Watch list (7)	(> 10%)	-	22,779	4,372	27,151
Non-performing loans (8-10)	100%	-	-	352,354	352,354

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	1%-12%	47,106,516	27,385,359	-	74,491,875
Regular watching (6)	12%-21%	3,825,798	11,374,241	8,551	15,208,590
Watch list (7)	21%-27%	-	5,103,897	10,942	5,114,839
Non-performing loans (8-10)	100%	-	-	5,243,693	5,243,693

Individual Loans:

Dec.31, 2020	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	(0% - 5%)	34,694,840	-	-	34,694,840
Regular watching (6)	(5% - 10%)	71,918	5,541	-	77,459
Watch list (7)	(> 10%)	-	942,359	4,681	947,040
Non-performing loans (8-10)	100%	-	-	579,855	579,855

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	1%-14%	1,041,456	1,137,990	-	2,179,446
Regular watching (6)	15%-21%	167,266	867,786	-	1,035,052
Watch list (7)	21%-28%	-	3,319,345	-	3,319,345
Non-performing loans (8-10)	100%	-	-	4,975,113	4,975,113

Individual Loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	(0% - 5%)	95,234	-	-	95,234
Regular watching (6)	(5% - 10%)	1,235	-	-	1,235
Watch list (7)	(> 10%)	-	10,394	-	10,394
Non-performing loans (8-10)	100%	-	-	210,068	210,068

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	1%-12%	61,291,934	24,935,477	-	86,227,411
Regular watching (6)	12%-21%	2,457,930	5,944,147	-	8,402,077
Watch list (7)	21%-27%	-	4,278,717	-	4,278,717
Non-performing loans (8-10)	100%	-	-	5,059,619	5,059,619

Individual Loans:

Dec.31, 2019	Scope of probability of default (PD)	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total (EGP Thousands)
Performing loans (1-5)	(0% - 5%)	26,059,247	-	-	26,059,247
Regular watching (6)	(5% - 10%)	675,259	-	-	675,259
Watch list (7)	(> 10%)	-	339,408	-	339,408
Non-performing loans (8-10)	100%	-	-	202,357	202,357

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2020 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	77,526,990	-	-	77,526,990
Regular watching	9,923,500	-	-	9,923,500
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**87,450,490**	-	-	**87,450,490**
Less:Impairment provision	(24,189)	-	-	(24,189)
Book value	**87,426,301**	-	-	**87,426,301**

Individual Loans	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	34,694,841	-	-	34,694,841
Regular watching	71,918	5,540	-	77,458
Watch list	-	942,359	4,681	947,040
Non-performing loans	-	-	579,855	579,855
Total	**34,766,759**	**947,899**	**584,536**	**36,299,194**
Less:Impairment provision	(711,711)	(25,326)	(356,726)	(1,093,763)
Book value	**34,055,048**	**922,573**	**227,810**	**35,205,431**

Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	47,106,516	27,385,358	-	74,491,874
Regular watching	3,825,798	11,374,242	8,551	15,208,591
Watch list	-	5,103,897	10,942	5,114,839
Non-performing loans	-	-	5,243,693	5,243,693
Total	**50,932,314**	**43,863,497**	**5,263,186**	**100,058,997**
Less:Impairment provision	(1,403,518)	(8,760,972)	(5,176,560)	(15,341,050)
Book value	**49,528,796**	**35,102,525**	**86,626**	**84,717,947**

Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	115,902,647	-	-	115,902,647
Regular watching	30,310,122	-	-	30,310,122
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**146,212,769**	-	-	**146,212,769**
Less:Impairment provision	(619,577)	-	-	(619,577)
Book value	**145,593,192**	-	-	**145,593,192**

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2019 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	19,284,999	-	-	19,284,999
Regular watching	9,085,184	-	-	9,085,184
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**28,370,183**	-	-	**28,370,183**
Less:Impairment provision	(16,817)	-	-	(16,817)
Book value	**28,353,366**	-	-	**28,353,366**

Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	26,059,247	-	-	26,059,247
Regular watching	675,259	-	-	675,259
Watch list	-	339,408	-	339,408
Non-performing loans	-	-	202,357	202,357
Total	**26,734,506**	**339,408**	**202,357**	**27,276,271**
Less:Impairment provision	(96,469)	(10,394)	(210,068)	(316,931)
Book value	**26,638,037**	**329,014**	**(7,711)**	**26,959,340**

Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	61,291,934	24,935,477	-	86,227,411
Regular watching	2,457,930	5,944,147	-	8,402,077
Watch list	-	4,278,717	-	4,278,717
Non-performing loans	-	-	5,059,619	5,059,619
Total	**63,749,864**	**35,158,341**	**5,059,619**	**103,967,824**
Less:Impairment provision	(1,208,722)	(5,325,121)	(4,975,113)	(11,508,956)
Book value	**62,541,142**	**29,833,220**	**84,506**	**92,458,868**

Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	59,915,108	-	-	59,915,108
Regular watching	28,905,614	-	-	28,905,614
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**88,820,722**	-	-	**88,820,722**
Less:Impairment provision	(414,395)	-	-	(414,395)
Book value	**88,406,327**	-	-	**88,406,327**

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

Dec.31, 2020								EGP Thousands
	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	16,817	9,253,619	-	-	-	-	16,817	9,253,619
Provision for credit losses on 1 May 2020 (MAYFAIR)	383	430,125	-	-	-	-	383	430,125
New financial assets purchased or issued	5,100	1,051,335	-	-	-	-	5,100	1,051,335
Matured or disposed financial assets	(386)	80,208	-	-	-	-	(386)	80,208
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	(375,135)	-	-	-	-	2,367	(375,135)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	(92)	-	-	-	-	-	(92)	-
Ending balance	**24,189**	**10,440,152**					**24,189**	**10,440,152**

								EGP Thousands
	Stage 1 12 months		Stage 1 12 months		Stage 1 12 months		Total	
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	96,469	26,734,504	10,394	339,408	210,068	202,357	316,931	27,276,269
Provision for credit losses on 1 May 2020 (MAYFAIR)	1,536	91,857	281	5,540	7	8,175	1,824	105,572
Impairment during the year	613,706	7,940,398	14,651	602,951	181,438	449,965	809,795	8,993,314
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**711,711**	**34,766,759**	**25,326**	**947,899**	**356,726**	**584,536**	**1,093,763**	**36,299,194**

								EGP Thousands
	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Corporate and Business Banking loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	1,208,722	63,749,865	5,325,121	35,158,341	4,975,113	5,059,619	11,508,956	103,967,825
Provision for credit losses on 1 May 2020 (MAYFAIR)	4,155	542,142	1,411	86,014	630	9,449	6,196	637,605
New financial assets purchased or issued	508,339	22,087,369	1,499,691	17,919,504	6,440	-	2,014,470	40,006,873
Matured or disposed financial assets	(544,213)	(31,103,750)	(1,145,259)	(20,167,844)	(161,746)	(163,720)	(1,851,218)	(51,435,314)
Transferred to stage 1	6,739	123,050	(8,211)	(135,649)	-	-	(1,472)	(12,599)
Transferred to stage 2	(29,584)	(1,241,569)	106,755	1,209,324	-	-	77,171	(32,245)
Transferred to stage 3	1,465	-	(370,819)	(531,834)	479,547	538,489	110,193	6,655
Changes in the probability of default and loss in case of default and the exposure at default	(50,024)	(4,070,553)	548,069	2,123,630	(43,862)	(48,427)	454,183	(1,995,350)
Changes to model assumptions and methodology	306,509	845,760	2,881,778	8,202,011	-	-	3,188,287	9,047,771
Recoveries	-	-	-	-	121,721	-	121,721	-
Write off during the year	-	-	-	-	(132,224)	(132,224)	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	-	(77,564)	-	(69,059)	-	(155,213)	-
Ending balance	**1,403,518**	**50,932,314**	**8,760,972**	**43,863,497**	**5,176,560**	**5,263,186**	**15,341,050**	**100,058,997**

								EGP Thousands
	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Financial Assets at Fair Value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	414,395	33,728,881	-	-	-	-	414,395	33,728,881
New financial assets purchased or issued	270,021	19,326,470	-	-	-	-	270,021	19,326,470
Matured or disposed financial assets	(126,273)	(14,695,439)	-	-	-	-	(126,273)	(14,695,439)
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	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**619,577**	**38,454,165**	-	-	-	-	**619,577**	**38,454,165**

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

Dec.31, 2019 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	160	7,155	-	7,315
New financial assets purchased or issued	16,816	-	-	16,816
Matured or disposed financial assets	(158)	(7,155)	-	(7,313)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(1)	-	-	(1)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**16,817**	-	-	**16,817**

Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	72,092	24,843	127,376	224,311
Impairment during the year	24,377	(14,449)	140,974	150,902
Write off during the year	-	-	(118,486)	(118,486)
Recoveries	-	-	60,204	60,204
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**96,469**	**10,394**	**210,068**	**316,931**

Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	691,013	6,700,083	4,709,096	12,100,192
New financial assets purchased or issued	751,746	1,074,222	-	1,825,968
Matured or disposed financial assets	(364,309)	(899,007)	(772,859)	(2,036,175)
Transferred to stage 1	158,357	(359,174)	-	(200,817)
Transferred to stage 2	(3,937)	9,427	-	5,490
Transferred to stage 3	1,472	(2,560,546)	2,409,875	(149,199)
Changes in the probability of default and loss in case of default and the exposure at default	93,395	1,509,405	3,051	1,605,851
Changes to model assumptions and methodology	5,845	401,743	-	407,588
Recoveries	-	-	399,429	399,429
Write off during the year	-	-	(1,262,286)	(1,262,286)
Cumulative foreign currencies translation differences	(124,860)	(551,032)	(511,193)	(1,187,085)
Ending balance	**1,208,722**	**5,325,121**	**4,975,113**	**11,508,956**

Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Provision for credit losses on 1 January 2019	595,511	3,803	-	599,314
New financial assets purchased or issued	183,940	-	-	183,940
Matured or disposed financial assets	(282,223)	(773)	-	(282,996)
Transferred to stage 1	931	(3,030)	-	(2,099)
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	(83,764)	-	-	(83,764)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	**414,395**	-	-	**414,395**

Loans and advances restructured

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

Loans and advances to customer	Dec.31, 2020	EGP Thousands Dec.31, 2019
Corporate		
- Direct loans	5,537,596	4,682,243
Total	**5,537,596**	**4,682,243**

3.1.7. 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.

Dec.31, 2020 Amortized cost	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	EGP Thousands Total
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 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
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 period based on Standard & Poor's valuation and its equivalent.

Dec.31, 2020 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	38,454,165	-	-	-	38,454,165
Not rated	-	-	-	-	-
Total	**38,454,165**	-	-	-	**38,454,165**

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

Dec.31, 2019 Amortized cost	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	107,225,613	-	-	-	107,225,613
Not rated	-	-	-	-	-
Total	**107,225,613**	-	-	-	**107,225,613**

Dec.31, 2019 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	88,820,722	-	-	-	88,820,722
Not rated	-	-	-	-	-
Total	**88,820,722**	-	-	-	**88,820,722**

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

Dec.31, 2019 Fair value through OCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	414,395	-	-	-	414,395
Not rated	-	-	-	-	-
Total	**414,395**	-	-	-	**414,395**

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

Dec.31, 2020	Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt (Kenya)	EGP Thousands Total
Cash and balances at the central bank	33,620,434	-	-	148,115	33,768,549
Due from banks	87,021,223	-	-	429,267	87,450,490
Gross loans and advances to banks	786,605	-	-	-	786,605
Less:Impairment provision	(9,625)	-	-	-	(9,625)
Gross loans and advances to customers					
Individual:					
- Overdrafts	1,000,304	417,515	93,402	8,148	1,519,369
- Credit cards	3,807,958	898,858	157,588	-	4,864,404
- Personal loans	18,483,815	7,913,359	1,395,193	89,705	27,882,072
- Mortgages	1,928,463	85,331	11,836	7,719	2,033,349
Corporate:					
- Overdrafts	21,102,760	1,433,121	1,006,023	156,880	23,698,784
- Direct loans	28,351,287	11,285,312	5,110,685	480,725	45,228,009
- Syndicated loans	28,771,413	2,218,123	121,277	-	31,110,813
- Other loans	16,391	5,000	-	-	21,391
Unamortized bills discount	(104,176)	-	-	-	(104,176)
Unamortized syndicated loans discount	(210,680)	-	-	-	(210,680)
Impairment provision	(11,851,162)	(3,512,766)	(1,031,821)	(39,064)	(16,434,813)
Suspended credit account	(38,517)	-	-	-	(38,517)
Derivative financial instruments	248,759	-	-	-	248,759
Financial investments:	-	-	-	-	-
-Debt instruments	171,024,092	-	-	473,902	171,497,994
Total	**383,949,344**	**20,743,853**	**6,864,183**	**1,755,397**	**413,312,777**
Total as at December 31, 2019	**345,106,302**	**21,081,215**	**6,648,896**	**-**	**372,836,413**

3.1.8.2. Industry sectors

Dec.31, 2020	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	EGP Thousands Total
Cash and balances at the central bank	33,768,549	-	-	-	-	-	-	33,768,549
Due from banks	87,450,490	-	-	-	-	-	-	87,450,490
Gross loans and advances to banks	786,605	-	-	-	-	-	-	786,605
Less:Impairment provision	(9,625)	-	-	-	-	-	-	(9,625)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,519,369	1,519,369
- Credit cards	-	-	-	-	-	-	4,864,404	4,864,404
- Personal loans	-	-	-	-	-	-	27,882,072	27,882,072
- Mortgages	-	-	-	-	-	-	2,033,349	2,033,349
Corporate:								
- Overdrafts	1,392,221	11,014,325	3,469,351	949,422	2,431,014	4,442,451	-	23,698,784
- Direct loans	1,090,253	20,627,617	1,606,998	1,031,914	4,380,823	16,490,404	-	45,228,009
- Syndicated loans	-	7,212,012	948,611	-	21,334,792	1,615,398	-	31,110,813
- Other loans	-	21,391	-	-	-	-	-	21,391
Unamortized bills discount	(104,176)	-	-	-	-	-	-	(104,176)
Unamortized syndicated loans discount	-	-	-	-	-	(210,680)	-	(210,680)
Impairment provision	(85,299)	(5,421,142)	(80,130)	(136,549)	(534,069)	(9,083,861)	(1,093,763)	(16,434,813)
Suspended credit account	-	(1,532)	-	(36,919)	-	(66)	-	(38,517)
Derivative financial instruments	248,759	-	-	-	-	-	-	248,759
Financial investments:	-	-	-	-	-	-	-	-
-Debt instruments	7,983,338	-	-	-	163,514,656	-	-	171,497,994
Total	**132,521,115**	**33,452,671**	**5,944,830**	**1,807,868**	**191,127,216**	**13,253,646**	**35,205,431**	**413,312,777**
Total as at December 31, 2019	**64,647,310**	**37,296,832**	**4,307,448**	**1,724,398**	**222,932,593**	**15,010,400**	**26,917,432**	**372,836,413**

3.2. Market risk

Market risk represents the fluctuations in fair value, future cash flow, foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices, and it may reduce the Bank's income or the value of its portfolios. The bank assigns the market risk management department to measure, monitor and control the market risk. In addition, regular reports are submitted to the Asset and Liability "Management Committee (ALCO), Board Risk Committee and the heads of each business unit.

The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from market-making, position taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, financial investments designated as FVTOCI and amortized cost.

3.2.1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied .

3.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (95%). There is therefore a specified statistical probability (5%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.

In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

Total VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	954	4,940	109	410	2,426	50
Interest rate risk	**441,614**	**776,180**	**260,701**	**604,814**	**1,176,577**	**274,079**
- For non trading purposes	448,956	790,500	264,703	609,137	1,186,564	271,813
- For trading purposes	290	290	290	4,346	9,949	183
Portfolio managed by others risk	6,552	14,894	3,337	4,858	9,696	1,487
Investment fund	-	-	-	76	122	44
Total VaR	**443,036**	**780,053**	**261,342**	**605,585**	**1,178,349**	**274,303**

Trading portfolio VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	954	4,940	109	410	2,426	50
Interest rate risk	**290**	**290**	**290**	**4,346**	**9,949**	**183**
- For trading purposes	290	290	290	4,346	9,949	183
Funds managed by others risk	6,552	14,894	3,337	4,858	9,696	1,487
Investment fund	-	-	-	76	122	44
Total VaR	**6,752**	**14,696**	**3,398**	**5,839**	**10,382**	**3,475**

Non trading portfolio VaR by risk type

						EGP Thousands
	Last 12 months ended 31/12/2020			Last 12 months ended 31/12/2019		
	Medium	High	Low	Medium	High	Low
Interest rate risk						
- For non trading purposes	448,956	790,500	264,703	609,137	1,186,564	271,813
Total VaR	**448,956**	**790,500**	**264,703**	**609,137**	**1,186,564**	**271,813**

The increase in the value at risk, especially the rate of return, is associated with the increase in interest rate sensitivity in the global financial markets. The three previous outcomes of the VAR were calculated independently from the centers involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risk and types of portfolios and the consequent variety of impact.

3.2.3. 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	
Dec.31, 2020	**EGP**	**USD**	**EUR**	**GBP**	**Other**	**Total**
Financial assets						
Cash and balances at the central bank	30,172,703	2,054,467	658,403	85,910	797,066	33,768,549
Gross due from banks	44,696,639	41,542,328	611,381	370,516	229,626	87,450,490
Gross loans and advances to banks	-	786,605	-	-	-	786,605
Gross loans and advances to customers	89,104,919	41,040,287	5,558,181	63,815	590,989	136,358,191
Derivative financial instruments	49,476	199,283	-	-	-	248,759
Financial investments						
Gross financial investment securities	152,360,903	20,439,255	2,205,197	-	473,902	175,479,257
Investments in associates	139,871	-	-	-	-	139,871
Total financial assets	**316,524,11**	**106,062225**	**9,033,162**	**520,241**	**2,091,583**	**434,31,722**
Financial liabilities						
Due to banks	106,231	8,663,783	36,225	11,269	27	8,817,535
Due to customers	252,811,651	78,463,342	7,623,289	931,677	1,339,491	341,169,450
Derivative financial instruments	147,168	183,905	-	-	-	331,073
Other loans	21,391	7,725,555	-	-	-	7,746,946
Total financial liabilities	**253,86,441**	**95,036,585**	**7,659,514**	**942,946**	**1,339,518**	**358,065004**
Net on-balance sheet financial position	**63,438,070**	**11,025,640**	**1,373,648**	**(422,705)**	**752,065**	**76,166,718**
Total financial assets as of December 31, 2019	**274,14,974**	**103,22,996**	**8,402,003**	**909,285**	**914,829**	**387,84,087**
Total financial liabilities as of December 31, 2019	**216,628,824**	**93,357,846**	**8,552,640**	**878,388**	**396,698**	**319,814,396**
Net on-balance sheet financial position as of December 31, 2019	**57,476,150**	**10,165,150**	**(150,637)**	**30,897**	**518,131**	**68,039,691**

3.2.4. 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.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2020	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non-Interest Bearing	Total
Financial assets							
Cash and balances at the central bank	36,818	-	-	-	-	33,731,731	33,768,549
Gross due from banks	77,197,664	10,146,784	86,527	-	-	19,515	87,450,490
Gross loans and advances to banks	-	-	786,605	-	-	-	786,605
Gross loans and advances to customers	82,486,363	16,852,628	14,007,254	16,976,960	6,034,986	-	136,358,191
Derivatives financial instruments (including IRS notional amount)	7,266	4,737,712	3,870,718	2,466,062	6,418	-	11,088,176
Financial investments							
Gross financial investment securities	5,432,365	2,600,844	36,844,848	82,746,208	46,668,129	1,186,863	175,479,257
Investments in associates	-	-	-	-	-	139,871	139,871
Total financial assets	**165,160,476**	**34,337,968**	**55,595,952**	**102,189,230**	**52,709,533**	**35,077,980**	**445,071,139**
Financial liabilities							
Due to banks	1,034,109	7,472,747	78,660	-	-	232,019	8,817,535
Due to customers	177,458,413	32,691,721	26,372,246	54,588,241	58,540	50,000,289	341,169,450
Derivatives financial instruments (including IRS notional amount)	2,423,241	3,756,876	80,072	6,766	4,903,535	-	11,170,490
Other loans	-	4,589,135	3,153,656	4,155	-	-	7,746,946
Total financial liabilities	**180,915,763**	**48,510,479**	**29,684,634**	**54,599,162**	**4,962,075**	**50,232,308**	**368,904,421**
Total interest re-pricing gap	**(15,755,287)**	**(14,172,511)**	**25,911,318**	**47,590,068**	**47,747,458**	**(15,154,328)**	**76,166,718**
Total financial assets as of December 31, 2019	**107,147,723**	**64,307,164**	**94,406,289**	**61,344,661**	**39,777,608**	**29,751,216**	**396,734,661**
Total financial liabilities as of December 31, 2019	**187,481,537**	**38,196,955**	**21,690,398**	**34,839,667**	**1,937,061**	**44,549,352**	**328,694,970**
Total interest re-pricing gap as of December 31, 2019	**(80,333,814)**	**26,110,209**	**72,715,891**	**26,504,994**	**37,840,547**	**(14,798,136)**	**68,039,691**

** After adding Reverse repos and deducting Repos.*

3.3. 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 Poilcy 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.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and-Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

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.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider, product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	1,266,125	7,472,749	78,661	-	-	8,817,535
Due to customers	32,904,756	33,065,033	97,509,535	166,850,344	10,839,782	341,169,450
Other loans	-	10,079	2,629,252	2,445,156	2,662,459	7,746,946
Total liabilities (contractual and non contractual maturity dates)	**34,170,881**	**40,547,861**	**100,217,448**	**169,295,500**	**13,502,241**	**357,733,931**
Total financial assets (contractual and non contractual maturity dates)	**84,620,725**	**49,072,630**	**59,598,235**	**157,255,071**	**82,285,536**	**432,832,197**

EGP Thousands

Dec.31, 2019	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	5,795,044	320,830	5,694,733	-	-	11,810,607
Due to customers	34,976,355	25,769,297	71,077,755	161,953,222	10,671,826	304,448,455
Other loans	2,868	42,488	14,090	1,257,765	1,955,535	3,272,746
Total liabilities (contractual and non contractual maturity dates)	**40,774,267**	**26,132,615**	**76,786,578**	**163,210,987**	**12,627,361**	**319,531,808**
Total financial assets (contractual and non contractual maturity dates)	**39,156,322**	**30,113,707**	**85,349,273**	**167,623,442**	**67,757,445**	**390,000,189**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	16,230	44,100	80,072	6,766	-	147,168
Interest rate derivatives	-	-	-	-	183,905	183,905
Total	**16,230**	**44,100**	**80,072**	**6,766**	**183,905**	**331,073**
Total as of Dec. 31, 2019	**30,061**	**51,676**	**125,307**	-	**75,544**	**282,588**

Off balance sheet items

EGP Thousands

Dec.31, 2020	Up to 1 year	1-5 years	Over 5 years	Total
Letters of credit, guarantees and other commitments	49,712,249	23,438,772	9,434,825	82,585,846
Total	**49,712,249**	**23,438,772**	**9,434,825**	**82,585,846**
Total as of Dec. 31, 2019	**50,210,710**	**14,264,820**	**5,723,073**	**70,198,603**

EGP Thousands

Dec.31, 2020	Up to 1 year	1-5 years	Total
Credit facilities commitments	3,511,831	5,383,579	8,895,410
Total	**3,511,831**	**5,383,579**	**8,895,410**

3.4. Fair value of financial assets and liabilities

3.4.1. 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.

	Book value		Fair value	
	Dec.31, 2020	Dec.31, 2019	Dec.31, 2020	Dec.31, 2019
Financial assets				
Due from banks	87,426,301	28,353,366	87,448,058	28,370,754
Gross loans and advances to banks	786,605	629,780	786,605	629,780
Gross loans and advances to customers	136,358,191	131,244,095	136,164,909	128,740,476
Financial investments:				
Amortized cost	25,285,225	107,225,613	26,437,169	106,016,744
Total financial assets	**249,856,322**	**267,452,854**	**250,836,741**	**263,757,754**
Financial liabilities				
Due to banks	8,817,535	11,810,607	8,700,395	11,702,778
Due to customers	341,169,450	304,448,455	340,481,150	302,292,025
Other loans	7,746,946	3,272,746	7,746,946	3,272,746
Total financial liabilities	**357,733,931**	**319,531,808**	**356,928,491**	**317,267,549**

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 31 December 2020:

instruments:

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

Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

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

Dec.31, 2020	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
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**

Dec.31, 2019	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-19	418,781	418,781	-	-
Financial Assets at Fair value through OCI	31-Dec-19	89,897,257	61,689,580	28,207,677	-
Total		**90,316,038**	**62,108,361**	**28,207,677**	-
Derivative financial instruments					
Financial assets	31-Dec-19	216,383	-	-	216,383
Financial liabilities	31-Dec-19	282,588	-	-	282,588
Total		**498,971**	-	-	**498,971**
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-19	106,016,744	-	106,016,744	-
Loans and advances to banks	31-Dec-19	629,780	-	-	629,780
Loans and advances to customers	31-Dec-19	128,740,476	-	-	128,740,476
Total		**235,387,000**	-	**106,016,744**	**129,370,256**
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-19	3,272,746	-	3,272,746	-
Due to customers	31-Dec-19	302,256,825	-	-	302,256,825
Total		**305,529,571**	-	**3,272,746**	**302,256,825**

Fair value of financial assets and liabilities

Loans and advances to banks

Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments

Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI.

Fair value for amortized cost assets is based on market prices.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5. Capital management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:

Tier one comprises of paid-in capital (after deducting the book value of treasury shares), retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses

Tier two:

Tier two represents the gone concern capital which is compposed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for financial assets fair value through OCI , amortized cost , subsidiaries and associates investments.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into consideration the cash collatrals. Similar criteria are used for off balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of teir 1, teir 2 , the capital adequacy ratio and leverage ratio .

		EGP Thousands
1-The capital adequacy ratio	**Dec.31, 2020**	**Dec.31, 2019**
Tier 1 capital		
Share capital	14,776,813	14,690,821
Goodwill	(178,782)	-
Reserves	33,427,234	24,661,076
Retained Earnings (Losses)	256,266	81,328
Total deductions from tier 1 capital common equity	(842,792)	(807,709)
Net profit for the year	8,906,131	8,430,530
Total qualifying tier 1 capital	**56,344,870**	**47,056,046**
Tier 2 capital		
Subordinated Loans	4,579,135	3,208,300
Impairment provision for loans and regular contingent liabilities	2,072,612	1,740,919
Total qualifying tier 2 capital	**6,651,747**	**4,949,219**
Total capital 1+2	**62,996,617**	**52,005,265**
Risk weighted assets and contingent liabilities		
Total credit risk	165,944,439	169,831,103
Total market risk	701,776	766,516
Total operational risk	33,923,864	28,851,964
Total	**200,570,079**	**199,449,583**
***Capital adequacy ratio (%)**	**31.41%**	**26.07%**

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

		EGP Thousands
2-Leverage ratio	**Dec.31, 2020**	**Dec.31, 2019**
Total qualifying tier 1 capital	**56,344,870**	**47,056,046**
On-balance sheet items & derivatives	430,849,350	409,689,485
Off-balance sheet items	54,025,891	46,195,165
Total exposures	**484,875,241**	**455,884,650**
***Percentage**	**11.62%**	**10.32%**

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2020 NSFR ratio record 250.96% (LCY 301.42% and FCY 168.09%), and LCR ratio record 1358.58% (LCY 1976.64% and FCY 336.99%).

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

4. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

4.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

5. Segment analysis

5.1. By business segment

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

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

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

EGP Thousands

Dec.31, 2020	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment *	11,470,314	1,566,102	7,957,829	6,923,229	636,807	28,554,281
Expenses according to business segment	**(8,546,440)**	**(880,520)**	**(444,245)**	**(3,443,139)**	**(1,795)**	**(13,316,139)**
Profit before tax	2,923,874	685,582	7,513,584	3,480,090	635,012	15,238,142
Tax	(974,308)	(223,965)	(2,454,966)	(1,139,301)	(207,445)	(4,999,985)
Profit for the year	1,949,566	461,617	5,058,618	2,340,789	427,567	10,238,157
Total assets	**137,873,519**	**1,067,415**	**182,713,109**	**36,057,380**	**70,130,744**	**427,842,167**

** Represents the net interest income and other income.*

EGP Thousands

Dec.31, 2019	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Revenue according to business segment	7,074,284	1,694,437	3,393,932	5,216,412	644,066	18,023,131
Expenses according to business segment	(3,263,706)	(669,620)	(177,131)	(2,114,904)	(24,044)	(6,249,405)
Profit before tax	3,810,578	1,024,817	3,216,801	3,101,508	620,022	11,773,726
Tax	(1,048,033)	(281,597)	(883,907)	(852,227)	(170,368)	(3,236,132)
Profit for the year	2,762,545	743,220	2,332,894	2,249,281	449,654	8,537,594
Total assets at 31 December 2019	**103,555,078**	**1,398,063**	**200,721,627**	**26,524,730**	**54,542,870**	**386,742,368**

5.2. By geographical segment

Dec.31, 2020	Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Revenue according to geographical segment	24,736,451	3,033,434	756,704	27,692	28,554,281
Expenses according to geographical segment	**(11,548,921)**	**(1,471,486)**	**(259,231)**	**(36,501)**	**(13,316,139)**
Profit before tax	13,187,530	1,561,948	497,473	(8,809)	15,238,142
Tax	(4,333,015)	(505,857)	(161,113)	-	(4,999,985)
Profit for the year	8,854,515	1,056,091	336,360	(8,809)	10,238,157
Total assets	**395,769,335**	**22,705,248**	**7,493,258**	**1,874,326**	**427,842,167**

Dec.31, 2019	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	15,066,374	2,456,125	500,632	18,023,131
Expenses according to geographical segment	(5,015,999)	(1,042,810)	(190,596)	(6,249,405)
Profit before tax	10,050,375	1,413,315	310,036	11,773,726
Tax	(2,762,593)	(388,348)	(85,191)	(3,236,132)
Profit for the year	7,287,782	1,024,967	224,845	8,537,594
Total assets at 31 December 2019	**358,906,093**	**21,081,215**	**6,755,060**	**386,742,368**

6. Net interest income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Interest and similar income		
- Banks	2,204,633	3,308,719
- Clients	12,696,383	14,630,606
Total	**14,901,016**	**17,939,325**
Treasury bills and bonds	26,597,741	24,277,671
Repos	4,067	-
"Financial investments at amortized cost and fair value through OCI"	693,411	383,961
Total	**42,196,235**	**42,600,957**
Interest and similar expense		
- Banks	(458,210)	(597,877)
- Clients	(16,070,642)	(19,893,262)
Total	**(16,528,852)**	**(20,491,139)**
"Financial instruments purchased with a commitment to re-sale (Repos)"	(209,975)	(232,055)
Other loans	(284,988)	(299,144)
Total	**(17,023,815)**	**(21,022,338)**
Net interest income	**25,172,420**	**21,578,619**

7. Net fee and commission income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Fee and commission income		
Fee and commissions related to credit	1,189,068	1,258,672
Custody fee	159,082	141,907
Other fee	1,711,114	2,051,109
Total	**3,059,264**	**3,451,688**
Fee and commission expense		
Other fee paid	(983,450)	(1,170,893)
Total	**(983,450)**	**(1,170,893)**
Net income from fee and commission	**2,075,814**	**2,280,795**

8. Dividend income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Financial assets at fair value through P&L	10,596	7,307
Financial assets at fair value through OCI	36,879	46,116
Associates	2,700	-
Total	**50,175**	**53,423**

9. Net trading income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profit (Loss) from foreign exchange transactions	445,272	749,591
Profit (Loss) from forward foreign exchange deals revaluation	37,439	(85,657)
Profit (Loss) from interest rate swaps revaluation	(5,744)	(29,521)
Profit (Loss) from currency swap deals revaluation	(5,577)	3,238
Profit (Loss) from financial assets at fair value through P&L	(64,759)	50,408
Total	**406,631**	**688,059**

10. Administrative expenses

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Staff costs		
Wages and salaries	(2,924,411)	(2,604,675)
Social insurance	(123,625)	(95,408)
Other benefits	(125,338)	(108,367)
Other administrative expenses *	(2,452,509)	(2,240,472)
Total	**(5,625,883)**	**(5,048,922)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profits (losses) of non-trading assets and liabilities	24,845	91,769
Profits of selling property and equipment	1,094	1,439
Release (charges) of other provisions	(1,287,326)	(361,649)
Other income/expenses	(1,481,609)	(1,526,309)
Total	**(2,742,996)**	**(1,794,750)**

12. Impairment release (charges) for credit losses

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Loans and advances to customers	(4,806,518)	(1,610,878)
Due from banks impairment provision	(7,081)	(9,503)
"Provision for impairment of debt instruments investments"	(205,182)	184,921
Total	**(5,018,781)**	**(1,435,460)**

13. Adjustments to calculate the effective tax rate

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Profit before tax	15,236,308	16,534,881
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**3,428,169**	**3,720,348**
Add / (Deduct)		
Non-deductible expenses	2,822,920	1,466,387
Tax exemptions	(4,224,616)	(1,493,292)
Withholding tax	2,973,512	1,040,443
Income tax / Deferred tax	**4,999,985**	**4,733,886**
Effective tax rate	**32.82%**	**28.63%**

14. Earning per share

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Net profit for the year, available for distribution	10,296,070	11,798,161
Board member's bonus	(73,643)	(176,973)
Staff profit sharing	(1,029,607)	(1,179,816)
***Profits attributable to shareholders**	**9,192,820**	**10,441,372**
Weighted average number of shares	1,467,555	1,467,555
Basic earning per share	**6.26**	**7.11**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	1,473,666	1,473,666
Diluted earning per share	**6.24**	**7.09**

**Based on separate financial statement profits.*

15. Cash and balances at the central bank

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Cash	6,023,849	5,876,652
Obligatory reserve balance with CBE		
- Current accounts	27,744,700	22,397,310
Total	**33,768,549**	**28,273,962**
Non-interest bearing balances	**33,768,549**	**28,273,962**

16. Due from banks

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Current accounts	2,950,002	3,704,142
Deposits	84,500,488	24,666,041
"Effect of applying IFRS 9 "	-	(7,314)
Expected credit losses	(24,189)	(9,503)
Total	**87,426,301**	**28,353,366**
Central banks	54,425,073	9,945,682
Local banks	1,681,684	1,348,559
Foreign banks	31,319,544	17,059,125
Total	**87,426,301**	**28,353,366**
Non-interest bearing balances	19,515	1,460
Floating interest bearing balances	8,872,165	9,085,184
Fixed interest bearing balances	78,534,621	19,266,722
Total	**87,426,301**	**28,353,366**
Current balances	87,426,301	28,353,366

Due from banks

	Stage 1
Gross due from banks	87,450,490
Expected credit losses	(24,189)
Net due from banks	**87,426,301**

17. Treasury bills and other governmental notes

	Dec.31, 2020	EGP Thousands Dec.31, 2019
91 Days maturity	22,425	6,025
182 Days maturity	98,825	749,625
364 Days maturity	42,083,940	29,112,513
Unearned interest	(1,948,912)	(1,470,340)
Total	**40,256,278**	**28,397,823**
Repos - treasury bills	(758,586)	(763,761)
Net	**39,497,692**	**27,634,062**

Governmental bonds

	Dec.31, 2020 Financial Assets at Fair Value through OCI	EGP Thousands Dec.31, 2019 Financial Assets at Fair Value through OCI
Governmental bonds	106,208,507	58,769,618
Repo	(7,472,925)	(2,406,225)
Net	**98,735,582**	**56,363,393**

Treasury bills and other government securities are classified to financial instruments through other comprehensive income when applying IFRS 9 Note 21

18. Loans and advances to banks, net

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Time and term loans	786,605	629,780
Impairment provision	**(9,625)**	**(4,516)**
Net	776,980	625,264
Current balances	**776,980**	**625,264**
Net	**776,980**	**625,264**

Analysis for impairment provision of loans and advances to banks

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	(4,516)	(3,246)
Additions during the year	(5,109)	(1,270)
Ending balance	**(9,625)**	**(4,516)**

Analysis for impairment provision of loans and advances to banks

	Stage 2	Stage 2
Beginning Balance	(4,516)	(3,246)
Addition during the year	(5,109)	(1,270)
Ending balance	**(9,625)**	**(4,516)**

Below is an analysis of outstanding balance:

Rating	Balance	Rating	Balance
B-	776,980	B-	625264

19. Loans and advances to customers, net

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Individual		
- Overdraft	1,519,369	1,462,439
- Credit cards	4,864,404	4,264,204
- Personal loans	27,882,072	20,219,305
- Real estate loans	2,033,349	1,330,323
Total 1	**36,299,194**	**27,276,271**
Corporate		
- Overdraft	23,698,784	19,100,709
- Direct loans	45,228,009	51,163,302
- Syndicated loans	31,110,813	33,642,235
- Other loans	21,391	61,578
Total 2	**100,058,997**	**103,967,824**
Total Loans and advances to customers (1+2)	**136,358,191**	**131,244,095**
Less:		
Unamortized bills discount	(104,176)	(55,197)
Unamortized syndicated loans discount	(210,680)	-
"Effect of applying IFRS 9 "	-	716,325
Impairment provision	(16,434,813)	(12,542,212)
Unearned interest	-	(8,236)
Suspended credit account	(38,517)	(33,672)
Net loans and advances to customers	**119,570,005**	**119,321,103**
Distributed to		
Current balances	52,980,352	51,682,809
Non-current balances	66,589,653	67,638,294
Total	**119,570,005**	**119,321,103**

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

EGP Thousands

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

Corporate and Business Banking loans:	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)
Charge during the year	(397,054)	(2,838,640)	(752,474)	(3,446)	(3,991,614)
Written off during the year	-	132,224	-	-	132,224
Recoveries	-	(121,721)	-	-	(121,721)
foreign currencies translation differences	11,043	108,096	36,074	-	155,213
Ending balance	**(1,320,988)**	**(10,554,565)**	**(3,459,952)**	**(5,545)**	**(15,341,050)**

Dec.31, 2019	Individual Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(48,619)	(42,162)	(108,768)	(24,762)	(224,311)
Released (charged) during the year	43,206	(63,280)	(115,341)	(15,487)	(150,902)
Write off during the year	-	42,267	76,219	-	118,486
Recoveries during the year*	-	(27,601)	(31,403)	(1,200)	(60,204)
Ending balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)

Dec.31, 2019	Corporate Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(711,964)	(9,379,597)	(2,008,631)	-	(12,100,192)
Released (charged) during the year	(291,408)	(232,519)	(932,680)	(2,099)	(1,458,706)
Write off during the year	-	1,262,286	-	-	1,262,286
Recoveries during the year*	-	(399,429)	-	-	(399,429)
Exchange revaluation difference	68,549	920,777	197,759	-	1,187,085
Ending balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)

**From previously written off amounts*

20. Derivative financial instruments

20.1. Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1. For trading derivatives

	Dec.31, 2020			Dec.31, 2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	9,070,529	41,790	142,579	8,315,292	52,183	189,833
- Currency swap	3,364,578	7,686	4,589	4,904,151	24,756	16,082
- Options	1,339	-	-	1,365	-	-
Total (1)		**49,476**	**147,168**		**76,939**	**205,915**

20.1.2. Fair value hedge

	Dec.31, 2020			Dec.31, 2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives						
- Customers deposits hedging	10,839,417	199,283	183,905	8,880,574	139,444	76,673
Total (2)		**199,283**	**183,905**		**139,444**	**76,673**
Total financial derivatives (1+2)		**248,759**	**331,073**		**216,383**	**282,588**

20.2. Hedging derivatives

Fair value hedge

Losses arose from hedged items at December 31, 2020 reached EGP 7,034 thousand against losses of EGP 29,742 thousand at December 31, 2019.

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 15,378 thousand at the end of December 31, 2020 against EGP 62,771 thousand at December 31, 2019, resulting in losses from hedging instruments at December 31, 2020 of EGP 47,393 thousand against gains of EGP 87,619 thousand at December 31, 2019. Losses arose from the hedged items at December 31, 2020 reached EGP 55,573 thousand against losses EGP 171,993 thousand at December 31 , 2019.

21. Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Amortized cost
Beginning balance	39,217,890	73,630,764
Effect of applying IFRS 9	42,268,972	1,020,895
Addition	58,210,468	76,516,842
Disposals	(54,358,072)	(43,937,957)
Exchange revaluation differences for foreign financial assets	(1,588,099)	(4,931)
Profit (losses) from fair value difference	6,146,098	-
Ending Balance as of Dec.31, 2019	**89,897,257**	**107,225,613**

	Financial Assets at Fair Value through OCI	Amortized cost
Beginning balance	89,897,257	107,225,613
Acquired during the year (MAYFAIR)	74,353	136,555
Addition	112,791,966	233,765
Disposals	(54,137,187)	(82,309,481)
Profit (losses) from fair value difference	(259,602)	-
Exchange revaluation differences for foreign financial assets	**(248,415)**	**(1,227)**
Ending Balance as of Dec.31, 2020	**148,118,372**	**25,285,225**

Financial investments securities

EGP Thousands

Dec.31, 2020	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	98,735,582	25,255,909	123,991,491
Other 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**

**During the fourth quarter, Commercial International Bank subscribed in 7 million bonds, of the first issuance of Tharwa Company, with a nominal value of 100 EGP per unit - excluding the issuance fees - with a variable return paid from the month following the closing of the subscription, and the deposit was made with the custodian: Commercial International Bank (Egypt)*

EGP Thousands

Dec.31, 2019	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	56,363,393	107,225,613	163,589,006
Other bonds	-	4,823,267	-	4,823,267
Equity instruments	-	502,920	-	502,920
Portfolio managed by others	418,781	-	-	418,781
Investments not listed in the market				
Treasury bills and other governmental notes	-	27,634,062	-	27,634,062
Equity instruments	-	344,929	-	344,929
Mutual funds	-	228,686	-	228,686
Total	**418,781**	**89,897,257**	**107,225,613**	**197,541,651**

disclosure and measurement of financial assets and financial liabilities:

The following table shows the financial assets and the net financial commitments according to the business model classification:

Dec.31, 2020	Amortized cost	Debt financial Assets at Fair value through OCI	Equity financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	33,768,549	-	-	-	33,768,549
Due from banks	87,426,301	-	-	-	87,426,301
Treasury bills	29,316	39,468,376	-	-	39,497,692
Loans and advances to customers, net	119,570,005	-	-	-	119,570,005
Derivative financial instruments	-	-	-	248,759	248,759
Financial Assets at Fair value through OCI	-	107,679,336	970,660	-	108,649,996
Amortized cost	25,285,225	-	-	-	25,285,225
Financial Assets at Fair value through P&L	-	-	-	359,959	359,959
Total 1	**266,079,396**	**147,147,712**	**970,660**	**608,718**	**414,806,486**
Due to banks	8,817,535	-	-	-	8,817,535
Due to customers	341,169,450	-	-	-	341,169,450
Derivative financial instruments	-	-	-	331,073	331,073
Other loans	7,746,946	-	-	-	7,746,946
Other provisions	3,223,501	-	-	-	3,223,501
Total 2	**360,957,432**	-	-	**331,073**	**361,288,505**

21.1. Profits (Losses) on financial investments

	EGP Thousands	
	Dec.31, 2020	Dec.31, 2019
Profit (Loss) from selling FVOCI financial instruments	1,018,469	497,894
Released (Impairment) charges of FVOCI	(79,126)	(47,197)
Released (Impairment) charges of investments in associates and subsidiaries	**(16,511)**	-
Total	**922,832**	**450,697**

22. Investments in associates

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 %
Associates							
- 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**	

EGP Thousands

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

23. Other assets

	EGP Thousands	
	Dec.31, 2020	Dec.31, 2019
Accrued revenues	6,759,229	4,011,196
Prepaid expenses	291,468	217,484
Advances to purchase of fixed assets	1,195,099	942,985
Accounts receivable and other assets (after deducting the provision)*	830,266	4,333,966
Assets acquired as settlement of debts	169,855	356,382
Insurance	40,608	36,130
Gross	**9,286,525**	**9,898,143**
Impairment of other assets	(111,000)	(150,000)
Net	**9,175,525**	**9,748,143**

**A provision with amount EGP 69 million has been charged against pending installments.*

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in in another asset category.

24. Property and equipment

	Dec.31, 2020							EGP Thousands
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
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 year (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
Depreciation for the year	-	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**
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Property and equipmentat the balance sheet date includes assets with a net value of EGP 268,335 thousand for which registrations procedures are in process.

There was no impairment provision charged for fixed assets.

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

	Dec.31, 2019							EGP Thousands
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2019 (1)	64,709	1,025,368	1,580,495	62,147	525,323	449,823	88,801	3,796,666
Additions during the year	-	53,217	593,718	47,642	284,570	122,356	27,630	1,129,133
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Cost at end of the year (2)	**64,709**	**1,074,231**	**2,172,452**	**109,789**	**769,397**	**567,026**	**115,594**	**4,873,198**
Accumulated depreciation at beginning of the year (3)	-	376,931	982,280	32,890	406,431	277,393	68,866	2,144,791
Current year depreciation	-	49,681	310,000	8,750	118,905	79,295	9,913	576,544
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Accumulated depreciation at end of the year (4)	-	**422,258**	**1,290,519**	**41,640**	**484,840**	**351,535**	**77,942**	**2,668,734**
Ending net assets (2-4)	**64,709**	**651,973**	**881,933**	**68,149**	**284,557**	**215,491**	**37,652**	**2,204,464**
Beginning net assets (1-3)	**64,709**	**648,437**	**598,215**	**29,257**	**118,892**	**172,430**	**19,935**	**1,651,875**
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Property and equipmentat the balance sheet date includes assets with a net value of EGP 291,718 thousand for which registrations procedures are in process.

25. Due to banks

		EGP Thousands
	Dec.31, 2020	Dec.31, 2019
Current accounts	392,725	420,500
Deposits	8,424,810	11,390,107
Total	**8,817,535**	**11,810,607**
Central banks	114,786	111,967
Local banks	5,233,885	10,476,614
Foreign banks	3,468,864	1,222,026
Total	**8,817,535**	**11,810,607**
Non-interest bearing balances	232,019	289,069
Floating bearing interest balances	871,427	4,908,538
Fixed interest bearing balances	7,714,089	6,613,000
Total	**8,817,535**	**11,810,607**
Current balances	8,817,535	11,810,607

26. Due to customers

		EGP Thousands
	Dec.31, 2020	Dec.31, 2019
Demand deposits	107,514,953	98,755,641
Time deposits	58,877,291	47,843,715
Certificates of deposit	100,027,684	**85,344,897**
Saving deposits	70,806,502	68,579,440
Other deposits	3,943,020	3,924,762
Total	**341,169,450**	**304,448,455**
Corporate deposits	140,615,573	120,553,214
Individual deposits	200,553,877	183,895,241
Total	**341,169,450**	**304,448,455**
Non-interest bearing balances	50,113,153	44,260,283
Floating interest bearing balances	33,602,396	**39,592,933**
Fixed interest bearing balances	257,453,901	220,595,239
Total	**341,169,450**	**304,448,455**
Current balances	240,170,103	217,358,718
Non-current balances	100,999,347	87,089,737
Total	**341,169,450**	**304,448,455**

27. Other loans

	Interest rate %	Loan duration	Due within one year EGP Thousands	Dec.31, 2020 EGP Thousands	Dec.31, 2019 EGP Thousands
CDC subordinated loan	Floating rate	10 years	-	1,432,715	-
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	-	1,573,210	-
International Finance Corporation (IFC)	Floating rate	1 renewable year	-	1,573,210	-
Environmental Compliance Project (ECO)	Fixed rate	3-5 years	314	1,391	-
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	17,000	20,000	61,578
Social Fund for Development (SFD)	Floating rate	04/01/2020*	-	-	2,868
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	-	1,573,210	1,604,150
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	-	1,573,210	1,604,150
Balance			**17,314**	**7,746,946**	**3,272,746**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

28. Other liabilities

EGP Thousands	Dec.31, 2020	Dec.31, 2019
Accrued interest payable	1,165,714	1,090,649
Accrued expenses	1,319,652	1,027,526
Accounts payable	3,127,411	**6,097,077**
Other credit balances	122,492	181,542
Total	**5,735,269**	**8,396,794**

29. Provisions

EGP Thousands

Dec.31, 2020	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
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**

EGP Thousands

Dec.31, 2019	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
Provision for income tax claims	6,910	-	-	-	(6,910)	-
Provision for legal claims	57,677	11,299	(244)	(2,626)	-	66,106
Provision for contingent	1,449,690	444,786	(103,784)	-	-	1,790,692
Provision for other claim	180,330	5,784	(6,034)	(25,509)	-	154,571
Total	**1,694,607**	**461,869**	**(110,062)**	**(28,135)**	**(6,910)**	**2,011,369**

**To face the potential risk of banking operations.*

30. Equity

30.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

- Issued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

30.2. Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital.

Central Bank of Egypt concurrence for usage of special reserve is required.

31. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets (Liabilities) Dec.31, 2020	EGP Thousands Assets (Liabilities) Dec.31, 2019
Fixed assets (depreciation)	(84,418)	(79,162)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	210,526	146,675
Other investments impairment	97,925	**76,407**
Reserve for employee stock ownership plan (ESOP)	239,545	216,709
Interest rate swaps revaluation	1,292	6,642
Trading investment revaluation	(20,059)	(35,477)
Forward foreign exchange deals revaluation	(7,039)	18,545
Balance	**437,772**	**350,339**

Movement of Deferred Tax Assets and Liabilities:

	Assets (Liabilities) Dec.31, 2020	EGP Thousands Assets (Liabilities) Dec.31, 2019
Beginning Balance	350,339	308,370
Effect of applying IFRS 9	-	136,491
Additions / disposals	87,433	**(94,522)**
Ending Balance	**437,772**	**350,339**

32. 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:

	Dec.31, 2020 No. of shares in thousand	EGP Thousands Dec.31, 2019 No. of shares in thousand
Outstanding at the beginning of the year	27,428	29,697
Granted during the year	11,313	9,152
Forfeited during the year	(1,196)	**(880)**
Exercised during the year	(8,599)	(10,541)
Outstanding at the end of the year	28,946	27,428

Details of the outstanding tranches are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares in thousand
2021	10.00	54.51	9,323
2022	10.00	50.53	8,560
2023	10.00	72.71	11,063
Total			**28,946**

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	83.02	59.26
Expected life (years)	3	**3**
Risk free rate %	13.66%	18.14%
Dividend yield%	1.50%	1.70%
Volatility%	25%	26%

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

33. Reserves and retained earnings

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Legal reserve	2,778,135	2,188,029
General reserve	24,765,658	16,474,429
Capital reserve	14,906	13,466
Retained earnings	10,539,715	11,881,657
Reserve for transactions under common control	8,183	-
Reserve for financial assets at fair value through OCI	3,975,514	4,111,781
Reserve for employee stock ownership plan	1,064,648	963,152
Banking risks reserve	6,423	5,164
Cumulative foreign currencies translation differences	(3,684)	2,501
General risk reserve	1,549,445	1,549,445
Ending balance	**44,698,943**	**37,189,624**

33.1. Banking risks reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	5,164	4,323
Transferred to banking risk reserve	1,259	841
Ending balance	**6,423**	**5,164**

33.2. Legal reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	2,188,029	1,710,293
Transferred to legal reserve	590,106	477,736
Ending balance	**2,778,135**	**2,188,029**

33.3. Reserve for financial assets at fair value through OCI

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	4,111,781	(3,750,779)
Transferred from reserve on disposal of financial assets at fair value through OCI	(76,717)	-
Net unrealised gain/(loss) on financial assets at fair value through OCI	(264,732)	6,157,553
Effect of applying IFRS 9	-	1,889,928
Effect of ECL in fair value of debt instruments measured at fair value through OCI	205,182	(184,921)
Ending balance	**3,975,514**	**4,111,781**

33.4. Retained earnings

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	11,881,657	9,637,083
Transferred to reserves	(8,431,833)	(6,854,370)
Change in retained earnings from acquisition of subsidiaries	45,727	
Dividend paid	(3,370,464)	(2,700,544)
Net profit of the year	10,238,157	11,800,995
Transferred (from) to banking risk reserve	(1,259)	(841)
Cumulative foreign currencies translation differences	-	(666)
Transferred from previous years' outstanding balances	**101,013**	-
Transferred from reserve on disposal of financial assets at fair value through OCI	**76,717**	-
Ending balance	**10,539,715**	**11,881,657**

33.5. Reserve for employee stock ownership plan

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	963,152	738,320
Transferred to reserves	(450,942)	(239,707)
Cost of employees stock ownership plan (ESOP)	552,438	464,539
Ending balance	**1,064,648**	**963,152**

33.6. General risk reserve

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Beginning balance	1,549,445	-
Effect of applying IFRS 9	-	117,251
Transferred to general risk reserve	-	1,432,194
Ending balance	**1,549,445**	**1,549,445**

34. Cash and cash equivalent

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Cash and balances at the central bank	33,768,549	28,273,962
Due from banks	87,450,490	28,370,183
Treasury bills and other governmental notes	39,497,692	27,634,062
Obligatory reserve balance with CBE	(27,744,700)	(22,397,310)
Due from banks with maturities more than three months	(16,974,367)	(10,593,903)
Treasury bills with maturities more than three months	(40,201,289)	(28,391,977)
Total	**75,796,375**	**22,895,017**

35. Contingent liabilities and commitments

35.1. Legal claims

- There is a number of existing cases against the bank on December 31, 2020 and 2019 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. (Note No. 29)

35.2. Capital commitments

35.2.1. Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 27,512 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	157,321	129,809	27,512
Financial investments in subsidiaries	157,318	157,318	-

35.2.2. Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 751,736 thousand against EGP 911,159 thousand in 2019.

35.3. Letters of credit, guarantees and other commitments

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Letters of guarantee	74,023,239	61,143,216
Letters of credit (import and export)	5,861,017	5,866,630
Customers acceptances	2,701,590	3,188,757
Total	**82,585,846**	**70,198,603**

35.4. Credit facilities commitments

	Dec.31, 2020	EGP Thousands Dec.31, 2019
Credit facilities commitments	8,895,410	6,857,510

36. Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 4,049,086 with redeemed value of EGP 1,855,534 thousands.
- The market value per certificate reached EGP 458.26 on December 31, 2020.
- The Bank portion got 137,112 certificates with redeemed value of EGP 62,833 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 369,394 with redeemed value of EGP 62,132 thousands.
- The market value per certificate reached EGP 168.20 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 8,410 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 281,716 with redeemed value of EGP 24,887 thousands.
- The market value per certificate reached EGP 88.34 on December 31, 2020.
- The Bank portion got 34,596 certificates with redeemed value of EGP 3,056 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 90,255 with redeemed value of EGP 23,498 thousands.
- The market value per certificate reached EGP 260.35 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 13,018 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 152,949 with redeemed value of EGP 51,688 thousands.
- The market value per certificate reached EGP 337.94 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 16,897 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 131,456 with redeemed value of EGP 23,086 thousands.
- The market value per certificate reached EGP 175.62 on December 31, 2020.
- The Bank portion got 50,000 certificates with redeemed value of EGP 8,781 thousands.

37 . 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.

37.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands Dec.31, 2020
Loans, advances and other assets	125,540
Deposits	709,933
Contingent liabilities	1,210

37.2. Other transactions with related parties

		EGP Thousands
	Income	Expenses
International Co. for Security & Services	70	213,668
CVenture Capital	80	279
Fawry plus	739	-
Mayfair bank	17	-
Damietta shipping & marine services	5	9,469
Al ahly computer	5	57

38. Main currencies positions

		EGP Thousands
	Dec.31, 2020	Dec.31, 2019
Egyptian pound	(750,477)	(387,742)
US dollar	100,004	(79,511)
Sterling pound	3,518	248
Japanese yen	(8)	6
Swiss franc	2,175	484
Euro	(219,313)	32,890

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

39. Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2017
- 2018 examined & paid
- The yearly income tax return is submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2019

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication
- The period from 01/08/2006 till 31/12/2019 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

40. Other assets - net increase (decrease)

	EGP Thousands Dec.31, 2020
Total other assets by end of 2019	9,747,939
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Total 1	**8,448,776**
Total other assets by end of year	9,175,525
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Impairment charge for other assets	69,217
Total 2	**7,879,788**
Change (1-2)	**568,988**

	EGP Thousands Dec.31, 2019
Total other assets by end of 2018	9,563,218
Assets acquired as settlement of debts	(276,520)
Advances to purchase of fixed assets	(768,733)
Total 1	**8,517,965**
Total other assets by end of 2019	9,746,431
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Impairment charge for other assets	(93,236)
Total 2	**8,354,032**
Change (1-2)	**163,933**

41. Significant events during the year

Based on both banks' Board of Directors' approval, and after obtaining all necessary approvals from the Central Bank of Egypt and the Central Bank of Kenya, in May 2020, CIB has acquired 51% of what is to be renamed as Mayfair CIB Bank Limited in Kenya in the form of a capital increase, for a total transaction value of USD 35.35 million. The bank has consolidated financial results starting from the second quarter of 2020.

In May 2020, CIB gained significant influence in "Damietta Shipping and Marine Services" Company, upon controlling majority seats in the Company's Board of Directors, besides 32% of the Company's shares previously owned by the Bank. The Company's financial results have been consolidated starting Q2 2020.

Starting from Q3 2020, CIB has combined AL-Ahly Computer company financial results as an associate using the equity method.

Loans:

During the period, CIB has obtained a total debt of $300mn USD as follows:

- $100mn USD subordinated debt from CDC.
- $100mn USD senior debt from the European Bank for Reconstruction and Development (EBRD).
- $100mn USD senior debt from the International Finance Corporation (IFC).
- In September 2020, the Central Bank and Banking Institutions Law No. 194 for the year 2020 was issued which cancelled the Central Bank, Banking and Monetary Institutions Law No. 88 for the year 2003. Article No. 4 of Law No. 194 for the year 2020 allows the addressees a transition period for the compliance with the new law.

On Thursday October 22nd 2020 the Bank's Directors received a letter from the Central Bank of Egypt (CBE) informing them that in light of the findings of a limited review inspection, the CBE Board of Directors agreed on a resolution to discharge the Chairman and Managing Director of CIB and that its Board should elect a Non-Executive Chairman from among its Non-Executive Directors. On the following day the CIB Board convened, during that meeting the Chairman and Managing Director stepped down from his position and resigned from the board with immediate effect and Mr. Sherif Samy was elected Non-Executive Chairman.

CBE issued its report to the Bank on 10 November 2020 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 Board of the Bank mandated management to review the CBE report findings and propose necessary corrective actions. The Bank carefully assessed all the findings and other similar matters. Since 22 October the Bank management and Board met with the CBE several times to address the matters raised, the findings and compliance requirements. The Bank also engaged external legal counsel to support in the characterization and assessment of the findings. The Bank's management applied its judgement and experience and included in these financial statements, their assessment of the impact of the CBE findings, including credit losses and legal and other charges. (see notes 19 and 29).

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, the Audit Committee appointed an independent international professional services firm 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, 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 is currently ongoing up to the date of issue of the financial statements. Any additional recommendations of the said review will be considered in the Bank's future actions.

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 y focusing on economic sector wise segmentation analysis using both a top-down approach and the Bank own experience. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in our ECL estimates. In addition to the assumptions outlined above, CIB has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk (SICR) leading to reclassifying loans from stage 1 to stage 2 and assessing the indicators of impairment for the exposures in potentially affected sectors. The bank has implemented the CBE initiative of payment relief for the customers by deferring interest/principal due for six months.

The relief offered to customers may at some cases indicate a SICR. However, the bank believes that the extension of these payment reliefs does not automatically trigger a SICR and a stage migration for the purposes of calculating ECL, as these are being made available to assist borrowers affected by the Covid-19 outbreak to resume regular payments. The Bank has reassessed its ECL models, underlying assumptions including relevant available macroeconomic data, and the judgmental overlays on the basis of macroeconomic variations reflected in models pertaining to particular industries rather than on customer- account basis. The ECL amounts recognized in the bank's financial statements for the period ending December 31, 2020 were mainly increased as a result of the Covid 19 impact . The impact of current uncertain economic environment is judgmental and management will keep assessing the current position and its related impact regularly. It should be also considered that the assumptions used about economic forecasts are subject to high degree of inherent uncertainty and therefore the actual outcome may be significantly different from forecasted information. CIB has considered potential impacts of the current economic volatility in determination of the reported amounts of the bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

Liquidity management

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

42. Goodwill

- Based on both banks' Board of Directors' approval, and after obtaining all necessary approvals from the Central Bank of Egypt and the Central Bank of Kenya, in May 2020, CIB has acquired 51% of what is to be renamed as Mayfair CIB Bank Limited in Kenya in the form of a capital increase, for a total transaction value of USD 35.35 million. The bank has consolidated financial results starting from the second quarter of 2020. In May 2020, CIB gained significant influence in "Damietta Shipping and Marine Services" Company, upon controlling majority seats in the Company's Board of Directors, besides 32% of the Company's shares previously owned by the Bank. The Company's financial results have been consolidated starting Q2 2020.
- Starting from Q3 2020, CIB has combined AL-Ahly Computer company financial results as an associate using the equity method.

	EGP Thousands Mayfair Bank Dec.31, 2020
Acquisition cost	560,963
Net assets value	354,676
***Goodwill**	**206,287**

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

	EGP Thousands Mayfair Bank Dec.31, 2020
Goodwill at acquisition date	206,287
Amortization	(27,505)
Net book value	**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.

43. Intangible assets

	EGP Thousands Mayfair Bank Dec.31, 2020
Intangible Assets at acquisition date	51,831
Amortization	(6,911)
Net book value	44,920