



# Consolidated Financial Statements

March 2021 - Interim Condensed



**Limited Review Report on Condensed Consolidated Interim Financial Statements**

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

***Introduction***

We have reviewed the accompanying condensed consolidated balance sheet of Commercial International Bank - Egypt (S.A.E) as of 31 March 2021 and the related condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the three months period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations, our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

***Scope of Review***

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

***Conclusion***

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly - in all material respects - the condensed consolidated financial position of Commercial International Bank - Egypt (S.A.E) as at 31 March 2021 and of its condensed consolidated financial performance and condensed consolidated cash flows for the three months period then ended in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.

***Emphasis of Matter Paragraph***

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

Cairo, May 20, 2021



**Auditors**

Tamer Abdel Tawab  
Financial Regulatory Authority  
Register Number “388”

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



Farid Samir Farid  
Financial Regulatory Authority  
Register Number “210”

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


## Condensed Consolidated Interim Balance Sheet as at March 31, 2021

	Notes	Mar. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
<b>Assets</b>			
Cash and balances at the central bank	7	21,800,293	33,768,549
Due from banks	8	97,498,269	87,426,301
Loans and advances to banks, net	10	781,084	776,980
Loans and advances to customers, net	11	121,023,429	119,570,005
Derivative financial instruments		290,438	248,759
<b>Investments</b>			
- Financial Assets at Fair Value through P&L	12	341,120	359,959
- Financial Assets at Fair Value through OCI	12	168,048,353	148,118,372
- Amortized cost	12	24,942,082	25,285,225
- Investments in associates	13	309,292	139,871
Other assets		9,481,630	9,175,525
Goodwill	22	168,468	178,782
Intangible assets	23	42,329	44,920
Deferred tax assets (Liabilities)		431,534	437,772
Property and equipment	14	2,517,780	2,311,147
<b>Total assets</b>		<b>447,676,101</b>	<b>427,842,167</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	15	2,513,449	8,817,535
Due to customers	16	366,248,516	341,169,450
Derivative financial instruments		306,569	331,073
Current tax liabilities		830,536	859,582
Other liabilities		6,817,729	5,735,269
Other loans		7,732,536	7,746,946
Provisions	17	3,272,949	3,223,501
<b>Total liabilities</b>		<b>387,722,284</b>	<b>367,883,356</b>
<b>Equity</b>			
Issued and paid up capital		14,776,813	14,776,813
Reserves		40,240,815	33,094,580
Reserve for employee stock ownership plan (ESOP)		1,227,099	1,064,648
Retained earnings *		3,225,616	10,539,715
<b>Total equity and net profit for the period / year</b>		<b>59,470,343</b>	<b>59,475,756</b>
Minority interest		483,474	483,055
<b>Total minority interest, equity and net profit for the period / year</b>		<b>59,953,817</b>	<b>59,958,811</b>
<b>Total liabilities and equity</b>		<b>447,676,101</b>	<b>427,842,167</b>

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

(Review report attached)

\* Including net profit for the current period

  
**Hussein Abaza**  
 CEO & Board member

  
**Sherif Samy**  
 Chairman

## Condensed Consolidated Interim Income Statement for the period ended March 31, 2021

	Notes	Mar. 31, 2021 EGP Thousands	Mar. 31, 2020 EGP Thousands
Interest and similar income		10,121,709	10,687,101
Interest and similar expense		<u>(4,444,196)</u>	<u>(4,491,657)</u>
<b>Net interest income</b>		<u>5,677,513</u>	<u>6,195,444</u>
Fee and commission income		844,263	805,413
Fee and commission expense		<u>(333,668)</u>	<u>(305,561)</u>
<b>Net fee and commission income</b>		<u>510,595</u>	<u>499,852</u>
Dividend income		91	-
Net trading income	5	112,718	(5,425)
Profits (Losses) on financial investments	12	493,655	470,150
Administrative expenses		<u>(1,475,077)</u>	<u>(1,524,860)</u>
Other operating (expenses) income		<u>(526,620)</u>	<u>(747,433)</u>
Goodwill amortization	22	<u>(10,314)</u>	-
Intangible assets amortization	23	<u>(2,591)</u>	-
Impairment release (charges) for credit losses		<u>(702,082)</u>	<u>(1,240,110)</u>
Bank's share in the profits of associates		<u>11,061</u>	<u>8,149</u>
<b>Profit before income tax</b>		<u>4,088,949</u>	<u>3,655,767</u>
Income tax expense		<u>(1,209,247)</u>	<u>(1,332,487)</u>
Deferred tax assets (Liabilities)		<u>(6,239)</u>	<u>75,241</u>
<b>Net profit for the period</b>		<u>2,873,463</u>	<u>2,398,521</u>
Minority interest		<u>419</u>	<u>-</u>
<b>Bank shareholders</b>		<u>2,873,044</u>	<u>2,398,521</u>
<b>Earning per share</b>	6		
Basic		1.72	1.43
Diluted		1.71	1.42



**Hussein Abaza**  
CEO & Board member



**Sherif Samy**  
Chairman

**Condensed Consolidated Interim statement of Comprehensive Income for the period ended March 31, 2021**

	Mar. 31, 2021 EGP Thousands	Mar. 31, 2020 EGP Thousands
<b>Net profit for the period</b>	<b>2,873,463</b>	2,398,521
Change in fair value of debt instruments measured at fair value through other comprehensive income	(1,674,309)	(4,865,970)
Transferred from reserve on disposal of financial assets at fair value through OCI	(104,406)	-
Cumulative foreign currencies translation differences	(3,320)	1,499
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(14,644)	(47,321)
<b>Total comprehensive income for the period</b>	<b>1,076,784</b>	(2,513,271)
As follows:		
Bank's shareholders	1,076,365	(2,513,271)
Minority interest	419	-
<b>Total comprehensive income for the period</b>	<b>1,076,784</b>	(2,513,271)

## Condensed Consolidated Interim Cash flows for the period ended March 31, 2021

	<i>Notes</i>	<b>Mar. 31, 2021</b> EGP Thousands	Mar. 31, 2020 EGP Thousands
<b>Cash flow from operating activities</b>			
Profit before income tax from continued operations		4,088,949	3,655,767
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>			
Fixed assets depreciation	14	194,609	160,538
Impairment charge for credit losses (Loans and advances to customers and banks)		720,756	1,272,649
Other provisions charges	17	114,109	439,410
Impairment charge for credit losses (due from banks)		(4,030)	14,782
Impairment charge for credit losses (financial investments)		(14,644)	(47,321)
Impairment charge for other assets		12,676	13,707
Exchange revaluation differences for financial assets at fair value through OCI		23,042	287,889
Goodwill amortization	22	37,819	-
Intangible assets amortization	23	9,502	-
Impairment charge financial assets at fair value through OCI		(72,957)	69,863
Utilization of other provisions	17	(43,518)	(726)
Other provisions no longer used	17	(5,872)	(38,630)
Exchange differences of other provisions	17	(15,271)	(22,219)
Profits from selling property, plant and equipment		(1,250)	(94)
(Profits) losses from selling financial investments	12	(420,698)	(554,113)
Shares based payments		162,451	145,069
Bank's share in the profits of associates		(11,061)	5,951
<b>Operating profits before changes in operating assets and liabilities</b>		<b>4,774,612</b>	<b>5,402,522</b>
<b>Net decrease (increase) in assets and liabilities</b>			
Due from banks		(12,278,859)	211,025
Financial assets at fair value through P&L	12	18,839	104,116
Derivative financial instruments		(66,183)	35,892
Loans and advances to banks and customers	10 - 11	(2,178,284)	2,421,201
Other assets		(371,049)	857,769
Due to banks	15	(6,304,086)	(1,372,684)
Due to customers	16	25,079,066	5,523,887
Income tax obligations paid		(29,046)	(4,639,364)
Other liabilities		(25,774)	(722,192)
<b>Net cash used in (generated from) operating activities</b>		<b>8,619,236</b>	<b>7,822,172</b>
<b>Cash flow from investing activities</b>			
Proceeds (payments) for investment in associates.		(158,360)	-
Payment for purchases of property, plant, equipment and branches constructions		(348,974)	(320,835)
Proceeds from selling property, plant and equipment		1,250	94
Proceeds from redemption of financial assets at amortized cost		452,910	45,639,889
Payment for purchases of financial assets at amortized cost		(237,609)	(44,945,839)
Payment for purchases of financial assets at fair value through OCI		(55,600,830)	(62,050,349)
Proceeds from selling financial assets at fair value through OCI		33,585,657	54,866,521
<b>Net cash generated from (used in) investing activities</b>		<b>(22,305,956)</b>	<b>(6,810,519)</b>

## Condensed Consolidated Interim Cash flows for the period ended March 31, 2021 (Cont.)

	Mar. 31, 2021 EGP Thousands	Mar. 31, 2020 EGP Thousands
<b>Cash flow from financing activities</b>		
Received (Repaid) in long term loans	(14,410)	(91,576)
Dividend paid	<u>(1,360,652)</u>	<u>(3,370,464)</u>
<b>Net cash generated from (used in) financing activities</b>	<u>(1,375,062)</u>	<u>(3,462,040)</u>
Net increase (decrease) in cash and cash equivalent during the priod	(15,061,782)	(2,450,387)
Beginning balance of cash and cash equivalent	<u>75,796,375</u>	<u>22,895,017</u>
<b>Cash and cash equivalent at the end of the period</b>	<u>60,734,593</u>	<u>20,444,630</u>
<b>Cash and cash equivalent comprise:</b>		
Cash and balances at the central bank	21,800,293	27,169,495
Due from banks	97,518,428	26,640,005
Treasury bills and other governmental notes	52,371,207	29,091,960
Obligatory reserve balance with CBE	(15,805,888)	(22,186,285)
Due from banks with maturities more than three months	(42,484,048)	(10,415,104)
Treasury bills with maturity more than three months	<u>(52,665,399)</u>	<u>(29,855,441)</u>
<b>Total cash and cash equivalent</b>	<u>60,734,593</u>	<u>20,444,630</u>



**Condensed Consolidated Interim statement of changes in shareholders' equity for the period ended March 31, 2020**

Mar. 31, 2020	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Reserve for transactions under common control</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
														EGP Thousands
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	-	13,466	4,111,781	5,164	11,881,657	963,152	2,501	51,880,445	-	51,880,445
Transferred to reserves	-	590,106	7,840,286	-	-	1,440	-	-	(8,431,832)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(3,370,464)	-	-	(3,370,464)	-	(3,370,464)
Net profit of the period	-	-	-	-	-	-	-	-	2,398,521	-	-	2,398,521	-	2,398,521
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(4,865,970)	-	-	-	-	(4,865,970)	-	(4,865,970)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	-	(47,321)	-	-	-	-	(47,321)	-	(47,321)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	145,069	-	145,069	-	145,069
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	666	-	(1,002)	(336)	-	(336)
Balance at the end of the period	<u>14,690,821</u>	<u>2,778,135</u>	<u>24,314,715</u>	<u>1,549,445</u>	<u>-</u>	<u>14,906</u>	<u>(801,510)</u>	<u>6,423</u>	<u>2,477,289</u>	<u>1,108,221</u>	<u>1,499</u>	<u>46,139,944</u>	<u>-</u>	<u>46,139,944</u>

**Condensed Consolidated Interim statement of changes in shareholders' equity for the period ended March 31, 2021**

Mar. 31, 2021	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Reserve for transactions under common control</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
	EGP Thousands													
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Transferred to reserves	-	514,939	8,420,479	-	-	1,094	-	-	(8,936,512)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	-	(1,360,652)
Net profit of the period	-	-	-	-	-	-	-	-	2,873,044	-	-	2,873,044	419	2,873,463
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	-	(104,406)	-	104,406	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	8,333	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(1,674,309)	-	-	-	-	(1,674,309)	-	(1,674,309)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	2,718	(2,718)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	(14,644)	-	-	-	-	(14,644)	-	(14,644)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	162,451	-	162,451	-	162,451
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	364	364	-	364
Balance at the end of the period	<u>14,776,813</u>	<u>3,293,074</u>	<u>33,186,137</u>	<u>1,549,445</u>	<u>8,183</u>	<u>16,000</u>	<u>2,182,155</u>	<u>9,141</u>	<u>3,225,616</u>	<u>1,227,099</u>	<u>(3,320)</u>	<u>59,470,343</u>	<u>483,474</u>	<u>59,953,817</u>

## Notes to the condensed consolidated interim financial statement for the period ended March 31, 2021

### 1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 181 branches, and 28 units employing 7162 employees on the statement of financial position date.

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

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

Financial statements have been approved by board of directors in May 20, 2021.

### 2. Summary of accounting policies

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

#### 2.1. Basis of preparation

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

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

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

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the Bank’s financial statements as at and for the year ended 31 December 2020.

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the Bank’s accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2020.

#### 2.2. Basis of consolidation

The basis of the consolidation is as follows:

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

**3.1. Loans and advances**

Loans and advances are summarized as follows:

	Mar.31, 2021		Dec.31, 2020	
	EGP Thousands		EGP Thousands	
	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>
<b>Gross Loans and advances</b>	<b>138,434,474</b>	<b>785,455</b>	<b>136,358,191</b>	<b>786,605</b>
<b>Less:</b>				
Impairment provision	17,096,477	4,371	16,434,813	9,625
Unamortized bills discount	78,093	-	104,176	-
Unamortized syndicated loans discount	197,007	-	210,680	-
Suspended credit account	39,468	-	38,517	-
<b>Net</b>	<b>121,023,429</b>	<b>781,084</b>	<b>119,570,005</b>	<b>776,980</b>

Impairment provision losses for loans and advances reached EGP 17,100,848 thousand.

During the period, the Bank's total loans and advances increased by 1.51%.

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:**
**Mar.31, 2021**
**EGP Thousands**

	<u>Stage 1:</u>	<u>Stage 2: Expected</u>	<u>Stage 3: Expected</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>credit losses Over a lifetime that is not creditworthy</u>	<u>credit losses Over a lifetime Credit default</u>	
Individuals	34,302,334	2,142,992	876,886	37,322,212
Institutions and Business Banking	51,247,222	44,614,161	5,250,879	101,112,262
<b>Total</b>	<b>85,549,556</b>	<b>46,757,153</b>	<b>6,127,765</b>	<b>138,434,474</b>

**Expected credit losses for loans and facilities to customers divided by stages:**
**Mar.31, 2021**

	<u>Stage 1:</u>	<u>Stage 2: Expected</u>	<u>Stage 3: Expected</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>credit losses Over a lifetime that is not creditworthy</u>	<u>credit losses Over a lifetime Credit default</u>	
Individuals	789,608	49,522	336,658	1,175,788
Institutions and Business Banking	1,373,870	9,388,685	5,158,134	15,920,689
<b>Total</b>	<b>2,163,478</b>	<b>9,438,207</b>	<b>5,494,792</b>	<b>17,096,477</b>

**Loans, advances and expected credit losses to banks divided by stages:**
**Mar.31, 2021**

	<u>Stage 1:</u>	<u>Stage 2: Expected</u>	<u>Stage 3: Expected</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>credit losses Over a lifetime that is not creditworthy</u>	<u>credit losses Over a lifetime Credit default</u>	
Time and term loans	-	785,455	-	785,455
Expected credit losses	-	(4,371)	-	(4,371)
<b>Net</b>	<b>-</b>	<b>781,084</b>	<b>-</b>	<b>781,084</b>

**Off balance sheet items exposed to credit risk and expected credit losses divided by stages:**
**Mar.31, 2021**

	<u>Stage 1:</u>	<u>Stage 2: Expected</u>	<u>Stage 3: Expected</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>credit losses Over a lifetime that is not creditworthy</u>	<u>credit losses Over a lifetime Credit default</u>	
Facilities and guarantees	56,413,691	26,467,239	98,857	82,979,787
Expected credit losses	(1,906,728)	(1,023,635)	(93,938)	(3,024,301)
<b>Net</b>	<b>54,506,963</b>	<b>25,443,604</b>	<b>4,919</b>	<b>79,955,486</b>

**Total balances of loans and facilities to customers divided by stages:**
**Dec.31, 2020**

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworth</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	34,766,758	947,900	584,536	36,299,194
Institutions and Business Banking	50,932,314	43,863,497	5,263,186	100,058,997
<b>Total</b>	<b>85,699,072</b>	<b>44,811,397</b>	<b>5,847,722</b>	<b>136,358,191</b>

**Expected credit losses for loans and facilities to customers divided by stages:**
**Dec.31, 2020**

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworth</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	711,711	25,326	356,726	1,093,763
Institutions and Business Banking	1,403,518	8,760,972	5,176,560	15,341,050
<b>Total</b>	<b>2,115,229</b>	<b>8,786,298</b>	<b>5,533,286</b>	<b>16,434,813</b>

**Loans, advances and expected credit losses to banks divided by stages:**
**Dec.31, 2020**

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworth</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Time and term loans	-	786,605	-	786,605
Expected credit losses	-	(9,625)	-	(9,625)
<b>Net</b>	<b>-</b>	<b>776,980</b>	<b>-</b>	<b>776,980</b>

**Off balance sheet items exposed to credit risk and expected credit losses divided by stages:**
**Dec.31, 2020**

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworth</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Facilities and guarantees	54,127,625	28,364,823	93,398	82,585,846
Expected credit losses	(1,441,650)	(1,400,364)	(88,729)	(2,930,743)
<b>Net</b>	<b>52,685,975</b>	<b>26,964,459</b>	<b>4,669</b>	<b>79,655,103</b>

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

Mar.31, 2021

EGP Thousands

**Due from banks**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	24,189	10,440,152	-	-	-	-	24,189	10,440,152
New financial assets purchased or issued	-	27,546	-	-	-	-	-	27,546
Matured or disposed financial assets	(4,150)	(1,137,862)	-	-	-	-	(4,150)	(1,137,862)
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	120	(156,426)	-	-	-	-	120	(156,426)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>20,159</b>	<b>9,173,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,159</b>	<b>9,173,410</b>

**Individual Loans:**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	711,711	34,766,759	25,326	947,899	356,726	584,536	1,093,763	36,299,194
Impairment during the period	77,897	(464,425)	24,196	1,195,093	8,749	335,711	110,842	1,066,379
Write off during the period	-	-	-	-	(43,361)	(43,361)	(43,361)	(43,361)
Recoveries	-	-	-	-	14,544	-	14,544	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>789,608</b>	<b>34,302,334</b>	<b>49,522</b>	<b>2,142,992</b>	<b>336,658</b>	<b>876,886</b>	<b>1,175,788</b>	<b>37,322,212</b>

**Corporate and Business Banking loans:**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	1,403,518	50,932,314	8,760,972	43,863,497	5,176,560	5,263,186	15,341,050	100,058,997
New financial assets purchased or issued	354,710	13,925,060	288,355	4,113,657	-	-	643,065	18,038,717
Matured or disposed financial assets	(257,624)	(14,225,905)	(353,187)	(5,316,582)	-	-	(610,811)	(19,542,487)
Transferred to stage 1	20,143	1,480,021	(24,310)	(929,523)	(355)	(7,097)	(4,522)	543,401
Transferred to stage 2	(37,180)	(1,214,784)	36,833	1,366,931	-	1	(347)	152,148
Transferred to stage 3	-	(588)	(451)	(5,099)	711	5,352	260	(335)
Changes in the probability of default and loss in case of default and the exposure at default	(27,028)	1,078,582	(59,321)	(1,357,742)	(17,317)	(10,563)	(103,666)	(289,723)
Changes to model assumptions and methodology	(81,581)	(727,478)	779,394	2,879,022	(6,624)	-	691,189	2,151,544
Recoveries	-	-	-	-	27,538	-	27,538	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	(1,088)	-	(39,600)	-	(22,379)	-	(63,067)	-
<b>Ending balance</b>	<b>1,373,870</b>	<b>51,247,222</b>	<b>9,388,685</b>	<b>44,614,161</b>	<b>5,158,134</b>	<b>5,250,879</b>	<b>15,920,689</b>	<b>101,112,262</b>

**Financial Assets at Fair Value through OCI**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	85,378	5,331,400	-	-	-	-	85,378	5,331,400
Matured or disposed financial assets	(45,830)	(6,245,967)	-	-	-	-	(45,830)	(6,245,967)
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	(55,155)	(893,894)	-	-	-	-	(55,155)	(893,894)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>603,791</b>	<b>36,581,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>603,791</b>	<b>36,581,553</b>

**Amortized cost**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	179	64,151	-	-	-	-	179	64,151
New financial assets purchased or issued	-	-	-	-	-	-	-	-
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	963	(3,574)	-	-	-	-	963	(3,574)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>1,142</b>	<b>60,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,142</b>	<b>60,577</b>

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

Dec.31, 2020

EGP Thousands

**Due from banks**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	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)	-
<b>Ending balance</b>	<b>24,189</b>	<b>10,440,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,189</b>	<b>10,440,152</b>

**Individual Loans:**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	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 period	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
<b>Ending balance</b>	<b>711,711</b>	<b>34,766,759</b>	<b>25,326</b>	<b>947,899</b>	<b>356,726</b>	<b>584,536</b>	<b>1,093,763</b>	<b>36,299,194</b>

**Corporate and Business Banking loans:**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	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	(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 period	-	-	-	-	(132,224)	(132,224)	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	-	(77,564)	-	(69,059)	-	(155,213)	-
<b>Ending balance</b>	<b>1,403,518</b>	<b>50,932,314</b>	<b>8,760,972</b>	<b>43,863,497</b>	<b>5,176,560</b>	<b>5,263,186</b>	<b>15,341,050</b>	<b>100,058,997</b>

**Financial Assets at Fair value through OCI**

	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	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	61,434	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>619,577</b>	<b>38,454,165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619,577</b>	<b>38,454,165</b>

**Loans and advances restructured**

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

	Mar.31, 2021	Dec.31, 2020
Loans and advances to	EGP Thousands	EGP Thousands
<b>Corporate</b>		
- Direct loans	5,633,143	5,537,596
<b>Total</b>	<b>5,633,143</b>	<b>5,537,596</b>

**3.2. Financial investments:**

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

**Mar.31, 2021**

EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworth</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	24,942,082	-	-	-	24,942,082
Not rated	-	-	-	-	-
<b>Total</b>	<b>24,942,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,942,082</b>

**Mar.31, 2021**

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworth</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	166,405,625	-	-	-	166,405,625
Not rated	-	-	-	-	-
<b>Total</b>	<b>166,405,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,405,625</b>

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

**Mar.31, 2021**

EGP Thousands

<u>Fair value through OCI and amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworth</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	604,933	-	-	-	604,933
Not rated	-	-	-	-	-
<b>Total</b>	<b>604,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604,933</b>



**Financial investments:**

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

Dec.31, 2020 EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	25,285,225	-	-	-	25,285,225
Not rated	-	-	-	-	-
<b>Total</b>	<b>25,285,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,285,225</b>

Dec.31, 2020 EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	146,212,769	-	-	-	146,212,769
Not rated	-	-	-	-	-
<b>Total</b>	<b>146,212,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,212,769</b>

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

Dec.31, 2020 EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	619,577	-	-	-	619,577
Not rated	-	-	-	-	-
<b>Total</b>	<b>619,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619,577</b>

**3.3. Foreign exchange risk**

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

						Equivalent EGP Thousands
Mar.31, 2021	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	<u>Total</u>
<b>Financial assets</b>						
Cash and balances at the central bank	18,710,210	1,951,276	454,387	113,760	570,660	21,800,293
Gross due from banks	52,246,100	41,761,231	2,362,203	876,698	272,196	97,518,428
Gross loans and advances to banks	-	785,455	-	-	-	785,455
Gross loans and advances to customers	93,015,814	40,312,961	4,470,795	43,817	591,087	138,434,474
Derivative financial instruments	82,724	207,714	-	-	-	290,438
<b>Financial investments</b>						
Gross financial investment securities	175,184,792	19,108,282	1,657,561	-	473,902	196,424,537
Investments in associates	309,292	-	-	-	-	309,292
<b>Total financial assets</b>	<b>339,548,932</b>	<b>104,126,919</b>	<b>8,944,946</b>	<b>1,034,275</b>	<b>1,907,845</b>	<b>455,562,917</b>
<b>Financial liabilities</b>						
Due to banks	173,754	2,300,480	29,354	9,834	27	2,513,449
Due to customers	273,925,080	82,402,436	7,550,591	997,050	1,373,359	366,248,516
Derivative financial instruments	183,517	123,052	-	-	-	306,569
Other loans	11,391	7,721,145	-	-	-	7,732,536
<b>Total financial liabilities</b>	<b>274,293,742</b>	<b>92,547,113</b>	<b>7,579,945</b>	<b>1,006,884</b>	<b>1,373,386</b>	<b>376,801,070</b>
<b>Net on-balance sheet financial position</b>	<b>65,255,190</b>	<b>11,579,806</b>	<b>1,365,001</b>	<b>27,391</b>	<b>534,459</b>	<b>78,761,847</b>
<b>Total financial assets as of December 31, 2020</b>	<b>316,524,511</b>	<b>106,062,225</b>	<b>9,033,162</b>	<b>520,241</b>	<b>2,091,583</b>	<b>434,231,722</b>
<b>Total financial liabilities as of December 31, 2020</b>	<b>253,086,441</b>	<b>95,036,585</b>	<b>7,659,514</b>	<b>942,946</b>	<b>1,339,518</b>	<b>358,065,004</b>
<b>Net on-balance sheet financial position as of December 31, 2020</b>	<b>63,438,070</b>	<b>11,025,640</b>	<b>1,373,648</b>	<b>(422,705)</b>	<b>752,065</b>	<b>76,166,718</b>

**3.4. Interest rate risk**

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

**3.5. Liquidity risk**

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

Liquidity Risk Management Organization and Measurement Tools

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

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

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

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

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

For March 2021 NSFR ratio record 236% (LCY 272% and FCY 166%), and LCR ratio record 1438% (LCY 2204% and FCY 297%).

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

For March 2021 CAR ratio record 31.50%, and 31.41% for December 2020.

For March 2021 Leverage ratio record 11.40%, and 11.62% for December 2020.

**3.6. Financial instruments not measured at fair value**

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

	<u>Book value</u>		<u>Fair value</u>	
	Mar.31, 2021	Dec.31, 2020	Mar.31, 2021	Dec.31, 2020
<b>Financial assets</b>				
Due from banks	97,498,269	87,426,301	97,271,016	87,448,058
Gross loans and advances to banks	785,455	786,605	785,455	786,605
Gross loans and advances to customers	138,434,474	136,358,191	137,587,133	136,164,909
<b>Financial investments:</b>				
Amortized cost	24,942,082	25,285,225	25,914,723	26,437,169
<b>Total financial assets</b>	<b>261,660,280</b>	<b>249,856,322</b>	<b>261,558,327</b>	<b>250,836,741</b>
<b>Financial liabilities</b>				
Due to banks	2,513,449	8,817,535	2,409,340	8,700,395
Due to customers	366,248,516	341,169,450	365,759,339	340,481,150
Other loans	7,732,536	7,746,946	7,732,536	7,746,946
<b>Total financial liabilities</b>	<b>376,494,501</b>	<b>357,733,931</b>	<b>375,901,215</b>	<b>356,928,491</b>

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

**Due from banks**

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

**Fair values of financial instruments**

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

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:**

instruments:

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

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

based on observable market data; and

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

	Date of Valuation	<b>Fair value measurement using</b>			
		<u>Total</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (level 2)</u>	<u>Valuation techniques (level 3)</u>
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
Financial Assets at Fair Value through P&L	31-Mar-21	341,120	341,120	-	-
Financial Assets at Fair Value through OCI	31-Mar-21	168,048,353	115,214,235	52,834,118	-
<b>Total</b>		<b>168,389,473</b>	<b>115,555,355</b>	<b>52,834,118</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	31-Mar-21	290,629	-	191	290,438
Financial liabilities	31-Mar-21	306,569	-	-	306,569
<b>Total</b>		<b>597,198</b>	<b>-</b>	<b>191</b>	<b>597,007</b>
<b>Assets for which fair values are disclosed:</b>					
Amortized cost	31-Mar-21	25,817,807	-	25,650,415	167,392
Loans and advances to banks	31-Mar-21	785,455	-	-	785,455
Loans and advances to customers	31-Mar-21	137,587,133	-	-	137,587,133
<b>Total</b>		<b>164,190,395</b>	<b>-</b>	<b>25,650,415</b>	<b>138,539,980</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	31-Mar-21	7,732,536	-	7,732,536	-
Due to customers	31-Mar-21	366,857,306	-	-	366,857,306
<b>Total</b>		<b>374,589,842</b>	<b>-</b>	<b>7,732,536</b>	<b>366,857,306</b>
	Date of Valuation	<u>Total</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (level 2)</u>	<u>Valuation techniques (level 3)</u>
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
Financial Assets at Fair value through P&L	31-Dec-20	359,959	359,959	-	-
Financial Assets at Fair value through OCI	31-Dec-20	148,118,372	108,161,597	39,956,775	-
<b>Total</b>		<b>148,478,331</b>	<b>108,521,556</b>	<b>39,956,775</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	31-Dec-20	248,950	-	191	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
<b>Total</b>		<b>580,023</b>	<b>-</b>	<b>191</b>	<b>579,832</b>
<b>Assets for which fair values are disclosed:</b>					
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
<b>Total</b>		<b>163,291,767</b>	<b>-</b>	<b>26,172,861</b>	<b>137,118,906</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	341,579,117	-	-	341,579,117
<b>Total</b>		<b>349,326,063</b>	<b>-</b>	<b>7,746,946</b>	<b>341,579,117</b>

#### 4. Segment analysis

##### 4.1. By business segment

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

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

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

EGP Thousands

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
<b>Mar.31, 2021</b>						
<b>Net revenue according to business segment</b>	<b>2,957,831</b>	<b>405,003</b>	<b>1,582,441</b>	<b>1,743,163</b>	<b>117,195</b>	<b>6,805,633</b>
<b>Expenses according to business segment</b>	<b>(1,546,371)</b>	<b>(236,424)</b>	<b>(49,782)</b>	<b>(884,093)</b>	<b>(433)</b>	<b>(2,717,103)</b>
<b>Profit before tax</b>	<b>1,411,460</b>	<b>168,579</b>	<b>1,532,659</b>	<b>859,070</b>	<b>116,762</b>	<b>4,088,530</b>
<b>Tax</b>	<b>(421,734)</b>	<b>(49,820)</b>	<b>(453,345)</b>	<b>(256,080)</b>	<b>(34,507)</b>	<b>(1,215,486)</b>
<b>Profit for the period</b>	<b>989,726</b>	<b>118,759</b>	<b>1,079,314</b>	<b>602,990</b>	<b>82,255</b>	<b>2,873,044</b>
<b>Total assets</b>	<b>127,564,990</b>	<b>1,856,026</b>	<b>202,418,238</b>	<b>37,074,006</b>	<b>78,762,841</b>	<b>447,676,101</b>

\*Represents the net interest income and other income

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
<b>Mar.31, 2020</b>						
Revenue according to business segment	3,038,973	405,533	1,795,704	1,802,854	176,044	7,219,108
Expenses according to business segment	(2,465,699)	(191,053)	(10,763)	(895,353)	(473)	(3,563,341)
Profit before tax	573,274	214,480	1,784,941	907,501	175,571	3,655,767
Tax	(192,929)	(74,055)	(616,301)	(313,340)	(60,621)	(1,257,246)
Profit for the year	380,345	140,425	1,168,640	594,161	114,950	2,398,521
Total assets at 31 December 2020	137,873,519	1,067,415	182,713,109	36,057,380	70,130,744	427,842,167

##### 4.2. By geographical segment

	<u>Cairo</u>	<u>Alex, Delta &amp; Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
<b>Mar.31, 2021</b>					
<b>Revenue according to geographical segment</b>	<b>5,885,015</b>	<b>726,185</b>	<b>166,741</b>	<b>27,692</b>	<b>6,805,633</b>
<b>Expenses according to geographical segment</b>	<b>(2,217,909)</b>	<b>(390,601)</b>	<b>(72,092)</b>	<b>(36,501)</b>	<b>(2,717,103)</b>
<b>Profit before tax</b>	<b>3,667,106</b>	<b>335,584</b>	<b>94,649</b>	<b>(8,809)</b>	<b>4,088,530</b>
<b>Tax</b>	<b>(1,088,339)</b>	<b>(99,175)</b>	<b>(27,972)</b>	<b>-</b>	<b>(1,215,486)</b>
<b>Profit for the period</b>	<b>2,578,767</b>	<b>236,409</b>	<b>66,677</b>	<b>(8,809)</b>	<b>2,873,044</b>
<b>Total assets</b>	<b>415,934,497</b>	<b>22,508,439</b>	<b>7,358,839</b>	<b>1,874,326</b>	<b>447,676,101</b>

	<u>Cairo</u>	<u>Alex, Delta &amp; Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
<b>Mar.31, 2020</b>					
Revenue according to geographical segment	6,223,549	799,525	196,034	-	7,219,108
Expenses according to geographical segment	(3,147,140)	(359,246)	(56,955)	-	(3,563,341)
Profit before tax	3,076,409	440,279	139,079	-	3,655,767
Tax	(1,057,206)	(152,019)	(48,021)	-	(1,257,246)
Profit for the year	2,019,203	288,260	91,058	-	2,398,521
Total assets at 31 December 2020	395,769,335	22,705,248	7,493,258	1,874,326	427,842,167

**5 . Net trading income**

	Mar.31, 2021	Mar.31, 2020
	EGP Thousands	EGP Thousands
Profit (Loss) from foreign exchange transactions	135,036	166,429
Profit (Loss) from forward foreign exchange deals revaluation	(3,870)	(55,913)
Profit (Loss) from interest rate swaps revaluation	(292)	(10,914)
Profit (Loss) from currency swap deals revaluation	769	(1,428)
Profit (Loss) from financial assets at fair value through P&L	(18,925)	(103,599)
<b>Total</b>	<b>112,718</b>	<b>(5,425)</b>

**6 . Earning per share**

	Mar.31, 2021	Mar.31, 2020
	EGP Thousands	EGP Thousands
Net profit for the year, available for distribution	2,876,300	2,391,210
Board member's bonus	(43,145)	(35,868)
Staff profit sharing	(287,630)	(239,121)
<b>* Profits attributable to shareholders</b>	<b>2,545,525</b>	<b>2,116,221</b>
Weighted average number of shares	1,477,681	1,477,681
<b>Basic earning per share</b>	<b>1.72</b>	<b>1.43</b>
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	1,482,781	1,482,781
<b>Diluted earning per share</b>	<b>1.71</b>	<b>1.42</b>

\* Based on separate financial statement profits.

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

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Cash	5,994,405	6,023,849
<b>Obligatory reserve balance with CBE</b>		
- Current accounts	15,805,888	27,744,700
<b>Total</b>	<b>21,800,293</b>	<b>33,768,549</b>
<b>Non-interest bearing balances</b>	<b>21,800,293</b>	<b>33,768,549</b>

**8 . Due from banks**

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	3,518,581	2,950,002
Deposits	93,999,847	84,500,488
Expected credit losses	(20,159)	(24,189)
<b>Total</b>	<b>97,498,269</b>	<b>87,426,301</b>
Central banks	57,965,560	54,425,073
Local banks	3,208,379	1,681,684
Foreign banks	36,324,330	31,319,544
<b>Total</b>	<b>97,498,269</b>	<b>87,426,301</b>
Non-interest bearing balances	267,764	19,515
Floating interest bearing balances	8,743,284	8,872,165
Fixed interest bearing balances	88,487,221	78,534,621
<b>Total</b>	<b>97,498,269</b>	<b>87,426,301</b>
Current balances	97,498,269	87,426,301

**Due from banks**

	Stage 1
Gross due from banks	97,518,428
Expected credit losses	(20,159)
<b>Net due from banks</b>	<b>97,498,269</b>

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

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
91 Days maturity	423,675	22,425
182 Days maturity	1,353,725	98,825
364 Days maturity	54,431,573	42,083,940
Unearned interest	(3,092,982)	(1,948,912)
<b>Total</b>	<b>53,115,991</b>	<b>40,256,278</b>
Repos - treasury bills	(744,784)	(758,586)
<b>Net</b>	<b>52,371,207</b>	<b>39,497,692</b>

**. Governmental bonds**

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
	<b><u>Financial Assets at</u></b>	<b><u>Financial Assets at</u></b>
	<b><u>Fair Value through</u></b>	<b><u>Fair Value through</u></b>
	<b><u>OCI</u></b>	<b><u>OCI</u></b>
Governmental bonds	113,400,396	106,208,507
Repo	(7,461,904)	(7,472,925)
<b>Net</b>	<b>105,938,492</b>	<b>98,735,582</b>

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

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Time and term loans	785,455	786,605
Impairment provision	(4,371)	(9,625)
<b>Net</b>	<b>781,084</b>	<b>776,980</b>
Current balances	781,084	776,980

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

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Beginning balance	(9,625)	(4,516)
Additions during the period / year	5,254	(5,109)
<b>Ending balance</b>	<b>(4,371)</b>	<b>(9,625)</b>

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

	Stage 2
Beginning Balance	(9,625)
Addition during the period	5,254
<b>Ending balance</b>	<b>(4,371)</b>

Below is an analysis of outstanding balance:

<b>Balance</b>	781,084
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**11 . Loans and advances to customers, net**

	Mar.31, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
<b>Individual</b>		
- Overdraft	1,451,737	1,519,369
- Credit cards	4,994,873	4,864,404
- Personal loans	28,794,425	27,882,072
- Real estate loans	2,081,177	2,033,349
<b>Total 1</b>	<b>37,322,212</b>	<b>36,299,194</b>
<b>Corporate</b>		
- Overdraft	26,211,103	23,698,784
- Direct loans	45,700,089	45,228,009
- Syndicated loans	29,189,679	31,110,813
- Other loans	11,391	21,391
<b>Total 2</b>	<b>101,112,262</b>	<b>100,058,997</b>
<b>Total Loans and advances to customers (1+2)</b>	<b>138,434,474</b>	<b>136,358,191</b>
<b>Less:</b>		
Unamortized bills discount	(78,093)	(104,176)
Unamortized syndicated loans discount	(197,007)	(210,680)
Impairment provision	(17,096,477)	(16,434,813)
Suspended credit account	(39,468)	(38,517)
<b>Net loans and advances to customers</b>	<b>121,023,429</b>	<b>119,570,005</b>
<b>Distributed to</b>		
Current balances	54,704,085	51,383,948
Non-current balances	66,319,344	68,186,057
<b>Total</b>	<b>121,023,429</b>	<b>119,570,005</b>

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

	EGP Thousands				
	Mar.31, 2021				
<b>Individual Loans:</b>					
	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Release / charge during the period	1,296	(27,311)	(83,295)	(1,532)	(110,842)
Written off during the period	-	11,846	31,515	-	43,361
Recoveries	-	(4,343)	(10,201)	-	(14,544)
<b>Ending balance</b>	<b>(12,298)</b>	<b>(262,085)</b>	<b>(837,586)</b>	<b>(63,819)</b>	<b>(1,175,788)</b>
<b>Corporate and Business Banking loans:</b>					
			Syndicated		
	Overdraft	Direct loans	loans	Other loans	Total
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Impairment	(145,950)	(499,991)	35,541	(4,768)	(615,168)
Written off during the period	-	-	-	-	-
Recoveries	-	(27,538)	-	-	(27,538)
foreign currencies translation differences	3,431	46,161	13,475	-	63,067
<b>Ending balance</b>	<b>(1,463,507)</b>	<b>(11,035,933)</b>	<b>(3,410,936)</b>	<b>(10,313)</b>	<b>(15,920,689)</b>
			Individual		EGP Thousands
Dec.31, 2020					
	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Acquired during the year (MAYFAIR)	(14)	-	(1,673)	(137)	(1,824)
Released (charged) released during the year	(8,167)	(153,531)	(627,396)	(20,701)	(809,795)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
<b>Ending balance</b>	<b>(13,594)</b>	<b>(242,277)</b>	<b>(775,605)</b>	<b>(62,287)</b>	<b>(1,093,763)</b>
			Corporate		
Dec.31, 2020					
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Acquired during the year (MAYFAIR)	(154)	(6,042)	-	-	(6,196)
Released (charged) released during the year	(397,054)	(2,838,640)	(752,474)	(3,446)	(3,991,614)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	108,096	36,074	-	155,213
<b>Ending balance</b>	<b>(1,320,988)</b>	<b>(10,554,565)</b>	<b>(3,459,952)</b>	<b>(5,545)</b>	<b>(15,341,050)</b>

\*From previously written off amounts

**12 . Financial investments securities**

Mar.31, 2021

	<u>Financial Assets at</u>	<u>Financial Assets</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair Value through</u>	<u>at Fair Value</u>		
	<u>P&amp;L</u>	<u>through OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
<b>Investments listed in the market</b>				
Governmental bonds	-	105,938,492	24,912,766	130,851,258
Other bonds	-	8,125,242	-	8,125,242
Equity instruments	-	450,501	-	450,501
Portfolio managed by others	341,120	-	-	341,120
Sukuk	-	700,000	-	700,000
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	52,341,891	29,316	52,371,207
Equity instruments	-	243,596	-	243,596
Mutual funds	-	248,631	-	248,631
<b>Total</b>	<b>341,120</b>	<b>168,048,353</b>	<b>24,942,082</b>	<b>193,331,555</b>

Dec.31, 2020

	<u>Financial Assets at</u>	<u>Financial Assets at</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair Value through</u>	<u>Fair Value through</u>		
	<u>P&amp;L</u>	<u>OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
<b>Investments listed in the market</b>				
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
<b>Investments not listed in the market</b>				
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
<b>Total</b>	<b>359,959</b>	<b>148,118,372</b>	<b>25,285,225</b>	<b>173,763,556</b>



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

	Mar.31, 2021 EGP Thousands	Mar.31, 2020 EGP Thousands
Profit (Loss) from selling FVOCI financial instruments	420,698	554,113
Released (Impairment) charges of FVOCI	72,957	(69,863)
Released (Impairment) charges of investments in associates and subsidiaries	-	(14,100)
<b>Total</b>	<b>493,655</b>	<b>470,150</b>

**13 Investments in associates**

Mar.31, 2021	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	EGP Thousands <u>Investment book value</u>	<u>Stake %</u>
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- 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	1,134,812	836,941	634,705	37,593	123,208	30.00
<b>Total</b>		<b>1,339,424</b>	<b>1,030,679</b>	<b>729,465</b>	<b>33,722</b>	<b>309,292</b>	

Dec.31, 2020	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	EGP Thousands <u>Investment book value</u>	<u>Stake %</u>
- 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
<b>Total</b>		<b>1,266,645</b>	<b>993,431</b>	<b>567,474</b>	<b>(3,148)</b>	<b>139,871</b>	

**14 . Property and equipment**

	<b>Mar.31, 2021</b>							<b>Total</b>
	<b>Land</b>	<b>Premises</b>	<b>IT</b>	<b>Vehicles</b>	<b>Fitting -out</b>	<b>Machines and equipment</b>	<b>Furniture and furnishing</b>	
								EGP Thousands
Cost at Jan 01, 2021 (1)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the year	-	-	295,076	5,100	50,658	46,321	4,087	401,242
Disposals during the year*	-	-	(371)	-	(1,821)	(2,006)	(461)	(4,659)
<b>Cost at end of the period (2)</b>	<b>64,709</b>	<b>1,133,279</b>	<b>2,882,277</b>	<b>138,583</b>	<b>881,425</b>	<b>777,775</b>	<b>138,339</b>	<b>6,016,387</b>
Accumulated depreciation at beginning of the period (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Depreciation for the period	-	12,969	104,096	3,586	40,836	29,309	3,813	194,609
Disposals during the year*	-	-	(371)	-	(1,821)	(2,006)	(461)	(4,659)
<b>Accumulated depreciation at end of the period (4)</b>	<b>-</b>	<b>472,591</b>	<b>1,743,535</b>	<b>57,540</b>	<b>631,360</b>	<b>499,933</b>	<b>93,648</b>	<b>3,498,607</b>
<b>Ending net assets (2-4)</b>	<b>64,709</b>	<b>660,688</b>	<b>1,138,742</b>	<b>81,043</b>	<b>250,065</b>	<b>277,842</b>	<b>44,691</b>	<b>2,517,780</b>
<b>Beginning net assets (1-3)</b>	<b>64,709</b>	<b>673,657</b>	<b>947,762</b>	<b>79,529</b>	<b>240,243</b>	<b>260,830</b>	<b>44,417</b>	<b>2,311,147</b>

Property and equipment at the balance sheet date includes assets with a net value of EGP 262,658 thousand for which registrations procedures are in process.

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

**Property and equipment**

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

Property and equipment at the balance sheet date includes assets with a net value of EGP 268,335 thousand for which registrations procedures are in process.

**15 Due to banks**

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	423,128	392,725
Deposits	2,090,321	8,424,810
<b>Total</b>	<b>2,513,449</b>	<b>8,817,535</b>
Central banks	154,062	114,786
Local banks	7,162	5,233,885
Foreign banks	2,352,225	3,468,864
<b>Total</b>	<b>2,513,449</b>	<b>8,817,535</b>
Non-interest bearing balances	303,080	232,019
Floating bearing interest balances	674,528	871,427
Fixed interest bearing balances	1,535,841	7,714,089
<b>Total</b>	<b>2,513,449</b>	<b>8,817,535</b>
Current balances	2,513,449	8,817,535

**16 Due to customers**

	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Demand deposits	113,790,522	107,514,953
Time deposits	72,432,189	58,877,291
Certificates of deposit	102,521,314	100,027,684
Saving deposits	73,802,229	70,806,502
Other deposits	3,702,262	3,943,020
<b>Total</b>	<b>366,248,516</b>	<b>341,169,450</b>
Corporate deposits	159,209,486	140,615,573
Individual deposits	207,039,030	200,553,877
<b>Total</b>	<b>366,248,516</b>	<b>341,169,450</b>
Non-interest bearing balances	48,771,022	50,113,153
Floating interest bearing balances	30,820,656	33,602,396
Fixed interest bearing balances	286,656,838	257,453,901
<b>Total</b>	<b>366,248,516</b>	<b>341,169,450</b>
Current balances	258,299,310	240,170,103
Non-current balances	107,949,206	100,999,347
<b>Total</b>	<b>366,248,516</b>	<b>341,169,450</b>

**17 Provisions**

Mar.31, 2021	<u>Beginning balance</u>	<u>Charged amounts</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	52,604	-	851	(42,785)	(3,050)	7,620
Provision for contingent	2,930,743	114,109	(20,551)	-	-	3,024,301
Provision for other claim	240,154	-	4,429	(733)	(2,822)	241,028
<b>Total</b>	<b>3,223,501</b>	<b>114,109</b>	<b>(15,271)</b>	<b>(43,518)</b>	<b>(5,872)</b>	<b>3,272,949</b>
						EGP Thousands
Dec.31, 2020	<u>Beginning balance</u>	<u>Charged during the year</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
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
<b>Total</b>	<b>2,011,369</b>	<b>1,234,980</b>	<b>(7,193)</b>	<b>(2,382)</b>	<b>(13,273)</b>	<b>3,223,501</b>

**18 . Share-based payments**

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

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

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

Details of the outstanding tranches are as follows:

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

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

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

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

**19 . Legal claims**

- There is a number of existing cases against the bank on March 31, 2021 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

**20 . Transactions with related parties**

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

**20.1 . Loans, advances, deposits and contingent liabilities**

	EGP Thousands
Loans, advances and other assets	1,060,890
Deposits	166,656
Contingent liabilities	1,210

**20.2 . Other transactions with related parties**

	<b>Income</b>	<b>Expenses</b>
	EGP Thousands	EGP Thousands
International Co. for Security & Services	2	56,747
CVenture Capital	72	159
Fawry plus	187	-
Mayfair bank	89	-
Damietta shipping & marine services	0	567
Al ahly computer	1	-
TCA Properties	26,460	-

**21 . Important events**

- During the first quarter of 2021, the bank established TCA properties, in partnership with Talaat Mostafa Group, after obtaining all necessary approvals from regulatory authorities. The share of Commercial International Bank is 37%. And no financial statements of the company have been issued yet.
- On 10 November 2020 CBE issued its report to the Bank and it covered a number of areas that needed immediate remediation covering the Internal Control Environment, Credit facilities and provisions, Governance and Compliance and also referred to instances of violations of certain provisions of the applicable laws (Articles 57, 64 and 111 of Law 88 for year 2003, and Articles 19 and 42 of the Executive Regulation of the said law), and other instances of violations of CBE regulations. The Bank's management applied its judgement and experience and included in the financial statements for the year ended 31 December 2020, their assessment of the impact of the CBE findings, including credit losses and legal and other charges. The Board of the Bank assessment is that the design of the internal controls over financial reporting remain appropriate and continue to operate effectively to ensure fair presentation of the financial position of the Bank and its financial performance. Management developed a corrective action plan for the CBE to address all the findings and to further enhance regulatory compliance and strengthen controls.

Additionally, as directed by the Non-Executive Directors, an independent international professional services firm was appointed to conduct an in depth review of the Bank's controls and lending functions with a view to addressing specific and related areas from the CBE inspection report (communicated in November 2020), based on best practice and to further enhance regulatory compliance and strengthen controls at CIB, as part of the Bank's commitment to enhancing risk management and the governance culture at the Bank. The said review started in early January 2021 and was completed in April 2021. The outcomes of this exercise and related recommendations – addressing organization, policies & procedures, training and technology - were discussed with the Directors and executive management before being formally submitted. Management has finalized an initial implementation plan addressing the recommendations and time frame and has assessed there is no further financial impact subsequent to that determined for the year ended 31 December 2020. This initial implementation plan is subject to final approval and monitoring of the Board of Directors.

**- IMPACT OF COVID-19**

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

**- BUSINESS CONTINUITY PLANNING**

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

**- IMPACT ON EXPECTED CREDIT LOSSES**

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

assessing the current position and its related impact regularly. It should be also considered that the assumptions used about economic forecasts are subject to high degree of inherent uncertainty and therefore the actual outcome may be significantly different from forecasted information. CIB has considered potential impacts of the current economic volatility in determination of the reported amounts of the bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

**- LIQUIDITY MANAGEMENT**

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

**22 . Goodwill**

	Mayfair Bank	
	Mar.31, 2021	
	EGP Thousands	
Acquisition cost	560,963	
Net assets value	354,676	
Goodwill	206,287	

	Mayfair Bank	Mayfair Bank
	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Goodwill at acquisition date	206,287	206,287
Amortization	(37,819)	(27,505)
Net book value	168,468	178,782

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

**23 Intangible assets**

	Mayfair Bank	Mayfair Bank
	Mar.31, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Intangible Assets at acquisition date	51,831	51,831
Amortization	(9,502)	(6,911)
Net book value	42,329	44,920



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