
News Release

13 July 2020

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS
SECOND-QUARTER 2020 CONSOLIDATED REVENUE OF EGP 6.23 BILLION AND NET INCOME OF EGP
2.60 BILLION, OR EGP 1.57 PER SHARE, DOWN 4% FROM SECOND-QUARTER 2019****🌐 Second-Quarter 2020 Consolidated Financial Results**

- Net income of EGP 2.60 billion, down 4% year-on-year (YoY)
- Revenues of EGP 6.23 billion, up 20% YoY
- Return on average equity of 21.1%
- Return on average assets of 2.66%
- Efficiency ratio of 19.2%
- Net interest margin (NIM)¹ of 6.99%

🌐 First-Half 2020 Consolidated Financial Results

- Net income of EGP 5.0 billion, down 7% YoY
- Revenues of EGP 12.7 billion, up 17% YoY
- Return on average equity of 19.2%
- Return on average assets of 2.54%
- Efficiency ratio of 20.7%
- Net interest margin¹ of 6.96%

🌐 Competent Balance Sheet

- Total tier capital recorded EGP 55.7 billion, or 29.5% of risk-weighted assets
- CBE local currency liquidity ratio of 69.0%, foreign currency liquidity ratio of 59.6% (comfortably above CBE requirements of 20% and 25%, respectively)
- CIB remains well above the 100% requirement in the Basel III NSFR and LCR ratios
- High quality of funding, with customer deposits comprising 92% of total liabilities
- Non-performing loans coverage ratio of 257%

🌐 Supporting our Economy

- Funding to businesses and individuals grew by 2% over first-half 2020 to record EGP 134 billion, with a loan market share of 6.40%²
- Deposits grew by 5% over first-half 2020 to record EGP 319 billion, with a deposit market share of 7.00%²
- In second-quarter 2020, CIB’s operations generated EGP 1.60 billion in corporate, payroll and other taxes

🌐 Committed to our Community

- CIB Foundation assisted in furnishing “The Egyptian Naval Forces New Children’s Hospital” located in Alexandria with the needed medical equipment and financed the completion of the medical requirements and electro-mechanical works.
- CIB Foundation subsidized “Children Cancer Hospital 57357” with the first Instalment for purchasing 390 infusion pumps and 216 syringe pumps.

¹ Based on managerial accounts.² As of March 2020; latest available CBE data at time of print.

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- CIB Foundation paid the first instalment to “Raei Masr Foundation for Development” for procuring and equipping 2 mobile clinics to conduct 192 medical convoys in Minya and Sohag with an aim to carry out medical check-ups for 96,000 children annually.
- CIB Foundation, in collaboration with “True Light Society Association for the Visually-Impaired”, initiated the implementation of a new project supporting visually-impaired children in their overall life needs and in their incorporation into the public schooling system.

Awards & Rankings

- Global Finance: Best Treasury & Cash Management Providers in Egypt
- Global Finance: Best Foreign Exchange Provider in Egypt
- Global Finance: Best Bank in Egypt

CAIRO - Commercial International Bank (EGX: COMI) today reported second-quarter 2020 consolidated net income of EGP 2.60 billion, or EGP 1.57 per share, down 4% from second-quarter 2019.

Management commented: “Notwithstanding an outlook that is beset with challenges, CIB managed to upkeep its resilient performance in the second quarter of 2020, delivering singular top line growth while leaving its solvency untouched. This came to pass as the Bank entered the crisis in a position of strength, owing largely to its balance sheet positioning over the past years, with a big chunk of assets in high-end corporate facilities and with a large concentration in longer-term bonds, which came to shield the Bank’s profitability against a steeply-declining-interest-rate environment. Key besides these factors has been the collaboration between the Bank’s Management and staff and commitment to ensure business continuity and to pull through these unprecedented difficult times. This effectuated as Management took a gear change in developing its communication infrastructure while capitalizing on its pre-existent digital solutions and online banking platforms, in order to maintain work efficiency without giving-in the wellbeing of the Bank’s staff and clients.

Conforming to its prudent risk management approach, the Bank’s Management deemed it appropriate to resort to the highest permissible provision band in the second quarter of 2020, accumulating provisions of EGP 1bn. The recurrent aggressive accumulation of provisions is not only grounded by profound macroeconomic ambiguity but rather builds more on methodical assessments and competent risk-modelling techniques. This further re-instates the previously bespoken affirmation that Management would spare no effort to keep the Bank’s solvency uncompromised, even if at the expense of short-term profitability, contingent upon the givens. For the second half of the year, it is more expected than not that Management would not need to replicate the aggressive provisioning of the first half, attaching weight to the economic activity resumption gradually materializing around the globe. Management yet remains pledged not to overlook any upcoming need to accumulate further provisions that may arise upon either or both of macroeconomic variations and risk assessment inferences thereafter.

On a separate note, while further attesting its resolute fundamentals amidst unfavorable global circumstances, CIB succeeded this quarter to finalize its first acquisition outside Egypt, acquiring a majority stake in Kenya’s Mayfair Bank. With that, CIB is the first Egyptian Bank to establish a presence in Kenya, further anchoring its previously signified expansion plans in Africa. The partnership largely capitalizes on CIB’s global experience and technical know-how, while CIB takes advantage of the Continent’s promise in a very well-regulated market as Kenya, hoping to turn the Bank into a trade finance hub in Kenya and neighboring countries, along.”

SECOND-QUARTER 2020 FINANCIAL HIGHLIGHTS

REVENUES

Second-quarter 2020 standalone revenues were EGP 6.24 billion, up 20% from second-quarter 2019. First-half 2020 standalone revenues were EGP 12.7 billion, up 17% from first-half 2019, on the back of net interest income growth. Upon adding/deducting back contingent provision charged/released, which is normally deducted from/added to Net Operating Income as part of Other Operating (Expenses) Income, first-half 2020 standalone revenues grew by 28% YoY.

NET INTEREST INCOME

First-half 2020 standalone NIM¹ was 6.96%, generating net interest income of EGP 12.5 billion, up 25% YoY.

NON-INTEREST INCOME

First-half 2020 standalone non-interest income recorded EGP 174 million, representing 1% of total revenues. Adding back contingent provision charged amounting to EGP 1.08 billion for first-half 2020, standalone non-interest income represented 9% of revenues. Trade service fees were EGP 331 million, with net outstanding balance of EGP 69.5 billion.

OPERATING EXPENSE

First-half 2020 standalone operating expense was EGP 2.84 billion, up 9% YoY. Cost-to-income reported 20.7%, 364bp lower YoY³, and comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 134 billion, growing by 2% or EGP 2.39 billion over first-half 2020. Growth was driven wholly by local currency loans, which grew impressively by 8% or EGP 6.36 billion. CIB's loan market share reached 6.40% as of March 2020.

DEPOSITS

Deposits recorded EGP 319 billion, growing by 5% or EGP 14.5 billion. Growth was driven mostly by local currency deposits, which grew by 6% or EGP 12.4 billion, and foreign currency deposits grew by 2% or USD 98.4 million. CIB's deposit market share recorded 7.00% as of March 2020, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.03% of the gross loan portfolio, covered 257% by the Bank's EGP 13.9 billion loan loss provision balance. Loan Loss provision expense recorded EGP 2.26 billion for first-half 2020, almost 3x higher YoY.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 55.7 billion, or 29.5% of risk-weighted assets as of June 2020. Tier I capital reached EGP 50.5 billion, or 91% of total tier capital.

³ Cost-to-income is, as has normally been, calculated using revenues after adding/deducting back contingent provision charged/released.

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CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines in both local currency and foreign currency. Local-currency CBE liquidity ratio remained well above the regulator's 20% requirement, recording 69.0% as of June 2020, while foreign-currency CBE liquidity ratio reached 59.6%, above the threshold of 25%. NSFR was 229% for local currency and 127% for foreign currency, and LCR was 1592% for local currency and 329% for foreign currency, comfortably above the 100% Basel III requirement.

KEY METRICS AND BUSINESS UPDATES⁴

- #1 private-sector bank in Egypt in terms of revenues, net income, deposits, and total assets

INSTITUTIONAL BANKING

- End-of-period gross loans were EGP 103 billion, 2% lower YtD.
- End-of-period deposits were EGP 104 billion, 5% higher YtD.
- Gross outstanding contingent business reached EGP 77.2 billion, 3% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 1 billion, 19% higher YtD.
- End-of-period deposits were EGP 25 billion, 7% higher YtD.
- Gross outstanding contingent business reached EGP 1.42 billion, 9% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 30 billion, 15% higher YtD.
- End-of-period deposits were EGP 190 billion, 4% higher YtD.
- CIB continued to expand its network to reach a total of 180 branches and 27 units across Egypt, supported by a network of 1,072 ATMs.

⁴ Loan, deposit, and outstanding contingent balances based on managerial accounts.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q20	1Q20	QoQ Change	2Q19	YoY change	1H20	1H19	YoY change
	EGP million	EGP million	(2Q20 vs. 1Q20)	EGP million	(2Q20 vs. 2Q19)	EGP million	EGP million	(1H20 vs. 1H19)
Net Interest Income	6,282	6,195	1%	5,066	24%	12,477	10,006	25%
Non-Interest Income	(53)	225	NM	142	NM	173	805	-79%
Net Operating Income	6,229	6,421	-3%	5,208	20%	12,650	10,810	17%
Non-Interest Expense	(1,323)	(1,525)	-13%	(1,297)	2%	(2,848)	(2,619)	9%
Loan Loss Provision	(1,020)	(1,240)	-18%	(274)	272%	(2,260)	(795)	184%
Net Profit before Tax	3,887	3,656	6%	3,637	7%	7,542	7,396	2%
Income Tax	(1,320)	(1,332)	-1%	(969)	36%	(2,652)	(2,059)	29%
Deferred Tax	32	75	-57%	43	-24%	108	17	522%
Net profit from Continued Operations	2,599	2,399	8%	2,711	-4%	4,998	5,355	-7%
Minority Interest	0	0	NM	0	NM	0	0	NM
Net Profit After Minority	2,599	2,399	8%	2,711	-4%	4,998	5,355	-7%

Financial Indicators	2Q20	1Q20	QoQ Change	2Q19	YoY change	1H20	1H19	YoY change
			(2Q20 vs. 1Q20)		(2Q20 vs. 2Q19)			(1H20 vs. 1H19)
Profitability								
ROAE	21.1%	19.6%	8%	26.9%	-22%	19.2%	28.1%	-32%
ROAA	2.66%	2.50%	7%	3.04%	-13%	2.54%	3.04%	-17%
Efficiency								
Cost-to-Income	19.2%	22.3%	-14%	24.6%	-22%	20.7%	24.4%	-15%
Liquidity								
Gross Loans-to-Deposits	42.2%	41.7%	1%	40.4%	4%	42.2%	40.4%	4%
Asset Quality								
NPLs-to-Gross Loans	4.01%	4.00%	0%	4.96%	-19%	4.01%	4.96%	-19%
Capital Adequacy Ratio	29.5%	26.3%	12%	25.8%	14%	29.5%	25.8%	14%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q20	1Q20	QoQ Change	2Q19	YoY change	1H20	1H19	YoY change
	EGP million	EGP million	(2Q20 vs. 1Q20)	EGP million	(2Q20 vs. 2Q19)	EGP million	EGP million	(1H20 vs. 1H19)
Net Interest Income	6,282	6,195	1%	5,066	24%	12,477	10,005	25%
Non-Interest Income	(43)	217	NM	147	NM	174	807	-78%
Net Operating Income	6,239	6,412	-3%	5,213	20%	12,651	10,812	17%
Non-Interest Expense	(1,321)	(1,524)	-13%	(1,297)	2%	(2,845)	(2,617)	9%
Loan loss provision	(1,020)	(1,240)	-18%	(274)	272%	(2,260)	(795)	184%
Net Profit before Tax	3,898	3,648	7%	3,642	7%	7,546	7,399	2%
Income Tax	(1,320)	(1,332)	-1%	(969)	36%	(2,652)	(2,059)	29%
Deferred Tax	32	75	-57%	43	-24%	108	17	522%
Net Profit	2,610	2,391	9%	2,716	-4%	5,002	5,358	-7%

Financial Indicators	2Q20	1Q20	QoQ Change	2Q19	YoY change	1H20	1H19	YoY change
			(2Q20 vs. 1Q20)		(2Q20 vs. 2Q19)			(1H20 vs. 1H19)
Profitability								
ROAE	21.2%	19.5%	9%	27.0%	-22%	19.2%	28.2%	-32%
ROAA	2.68%	2.49%	8%	3.05%	-12%	2.55%	3.05%	-16%
NIM*	6.99%	6.94%	1%	6.21%	12%	6.96%	6.23%	12%
Efficiency								
Cost-to-Income	19.1%	22.3%	-14%	24.6%	-22%	20.7%	24.4%	-15%
Liquidity								
Gross Loans-to-Deposits	42.1%	41.7%	1%	40.4%	4%	42.1%	40.4%	4%
Asset Quality								
NPLs-to-Gross Loans	4.03%	4.00%	1%	4.96%	-19%	4.03%	4.96%	-19%
Direct Coverage Ratio	257%	247%	4%	200%	29%	257%	200%	29%

*NIM based on managerial accounts

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BALANCE SHEET	Consolidated			Standalone		
	Jun-20	Dec-19	YtD Change	Jun-20	Dec-19	YtD Change
	EGP million	EGP million	(Jun-20 Vs. Dec-19)	EGP million	EGP million	(Jun-20 Vs. Dec-19)
Cash & Due from Central Bank	31,267	28,274	11%	30,421	28,274	8%
Due from Banks	56,949	28,353	101%	56,778	28,353	100%
Net Loans & Overdrafts	120,913	119,946	1%	120,234	119,946	0%
Financial Derivatives	316	216	46%	316	216	46%
Financial Investments Securities	178,430	197,542	-10%	178,099	197,542	-10%
Financial Investment in Subsidiaries	100	108	-7%	692	64	982%
Other Assets	12,074	12,303	-2%	11,753	12,301	-4%
Total Assets	400,050	386,742	3%	398,294	386,697	3%
Due to Banks	12,277	11,811	4%	12,271	11,811	4%
Customer Deposits	320,146	304,448	5%	318,944	304,484	5%
Other Liabilities	14,762	18,603	-21%	14,744	18,603	-21%
Total Liabilities	347,186	334,862	4%	345,959	334,897	3%
Shareholders' Equity & Net Profit	52,411	51,880	1%	52,335	51,800	1%
Minority Interest	453	0	NM	0	0	NM
Total Liabilities & Shareholders' Equity	400,050	386,742	3%	398,294	386,697	3%