

News Release

3 February 2020

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD FULL-YEAR 2019 CONSOLIDATED REVENUE OF EGP 23.0 BILLION AND NET INCOME OF EGP 11.8 BILLION, OR EGP 7.33 PER SHARE, UP 23% FROM 2018

FOURTH-QUARTER 2019 CONSOLIDATED REVENUE OF EGP 6.15 BILLION AND NET INCOME OF EGP 3.26 BILLION, OR EGP 2.06 PER SHARE, UP 27% FROM FOURTH-QUARTER 2018

Record Full-Year 2019 Consolidated Financial Results

- Net income of EGP 11.8 billion, up 23% year-on-year (YoY)
- Revenues of EGP 23.0 billion, up 13% YoY
- Return on average equity of 29.5%
- Return on average assets of 3.26%
- Efficiency ratio of 21.6%
- Net interest margin (NIM)¹ of 6.48%

Record Fourth-Quarter 2019 Consolidated Financial Results

- Net income of EGP 3.26 billion, up 27% YoY
- Revenues of EGP 6.15 billion, up 18% YoY
- Return on average equity of 26.2%
- Return on average assets of 3.43%
- Efficiency ratio of 17.8%
- NIM¹ of 7.00%

Competent Balance Sheet

- Total tier capital recorded EGP 52.0 billion, or 26.1% of risk-weighted assets
- CBE local currency liquidity ratio of 74.9%, foreign currency of 56.5% (comfortably above CBE requirements of 20% and 25%, respectively)
- CIB remains well above the 100% requirement in Basel III NSFR and LCR ratios
- High quality of funding, with customer deposits comprising 91% of total liabilities
- Non-performing loans coverage ratio of 225%

Supporting our Economy

- Funding to businesses and individuals grew by 10% over 2019 to record EGP 132 billion, with real loan growth of 16%² and a loan market share of 6.82%³
- Deposits grew by 7% over 2019 to reach EGP 304 billion, with real deposit growth of 10%², translating into a deposit market share of 7.44%³
- In 2019, CIB’s operations generated EGP 5.78 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation joined forces with Ibrahim Badran Foundation to provide 48 medical convoys for children in underprivileged areas, targeting several children health issues such as internal medicine, pulmonology, orthopaedics and dermatology.
- CIB Foundation, in partnership with Yahiya Arafa Children’s Charity Foundation, supported the operations of 5 paediatric units in Ain Shams University Hospital.

¹ Based on managerial accounts

² Adjusted for the EGP appreciation

³ As of November 2019; latest available CBE data at time of print

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- CIB Foundation collaborated with Magdy Yacoub Foundation to cover 50 paediatric open-heart surgeries at Magdy Yacoub Aswan Heart Center.
- CIB Foundation, under management of Rotary Club of Giza Metropolitan, covered 32 open-heart surgeries that took place at El Kasr El Eini Hospital.

Awards & Rankings

- Global Finance: Best Trade Finance Provider in Egypt, Best Bank for Payment & Collections in the Middle East, Best Treasury & Cash Management Providers in Egypt, Best Bank in Egypt, Best Online Portal Services, Best Information Security and Fraud Management, Best Online Deposit, Credit and Investment Product Offerings, Best Bill Payment and Presentment, Best Integrated Consumer Banking Site, Best in Mobile Banking, Best Mobile Banking App, Most Innovative Digital Bank, Best Trade Finance Services, Best Sub-custodian Bank in Egypt
- Euromoney: Best Bank in Egypt, The Middle East's Best Bank for Corporate Responsibility
- EMEA Finance: Best FX Services in North Africa, Best Payment Services in North Africa

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2019 consolidated net income of EGP 3.26 billion, or EGP 2.06 per share, up 27% from fourth-quarter 2018. Full-year 2019 consolidated net income recorded EGP 11.8 billion, or EGP 7.33 per share, growing by 23% from last year.

Management commented: "Leaving behind a year of considerable macroeconomic and regulatory dynamism, 2019 witnessed numerous economic reforms as stipulated by the IMF guidelines, which, though radical and challenging in nature, placed the Egyptian economy among the highly attractive destinations for global investment. The Banking Sector had its share of the recast, with a series of consecutive corridor cut episodes slashing rates down year-round by 450bp, urged by a notable deceleration in inflation levels and relatively stabilizing macroeconomic conditions. In that event, the Banking Sector faced vigorous competition over market funds, which, alongside the new tax law enactment at the onset of the year, came in challenging to the Sector's growth prospects. Confronted with an eventful outlook, however, CIB managed to deliver a new set of record results, posting top and bottom line of EGP 23.0 billion and EGP 11.8 billion over 2019, growing from last year by 24% and 23%, respectively, after normalizing for the EGP 1.82 billion recycled in 2018 from unearned interest to interest income.

Notwithstanding the competitive outlook, CIB came through, managing to gain market share in both loans and deposits, aided by Management efforts and strategic focus on robustly growing the Bank's balance sheet while simultaneously preserving spreads to secure profitability. In evidence, CIB came amongst the fastest growing balance sheets in the market, driven primarily by growth in local currency deposits. Moreover, fourth quarter of 2019 has been a distinctively good quarter for CIB with regards to lending activity, with both local and foreign currency loans growing by 6% and 9% over the quarter, respectively, bringing entire-year loan growth to 20% in local currency and 11% in foreign currency and foreshadowing an upcoming period of impressive lending uplift in line with Management aspirations and focused efforts to keep tabs on growing the Bank's core business. Adding on, Management has been proactive in foreseeing interest rate movements, tactically furnishing the Bank's treasury portfolio in a way that would smoothly accommodate market dynamics, while retaining sufficient flexibility to capture worthy trading opportunities amidst interest rate descents.

Going apace with the Bank's strategy in sustaining the desirable balance between liquidity, solvency and profitability, CIB recorded a comfortable Capital Adequacy Ratio of 26%, granting the Bank robust coverage for both expected and unexpected losses and emphasizing its ability to secure top-notch solvency without sacrificing its normal and singular standard in top and bottom line growth.

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2019 witnessed a key achievement for CIB, making it to the first institution in the history of the Egyptian Tax Society and Tax Authority to conclude the tax inspection process for 2018 prior to the subsequent year-end and to clear all cases and disputes outstanding with the Tax Authority, further affirming its leadership in compliance with regulatory initiatives and re-instating its continuous record in granting investors a higher level of comfort in the quality of the Bank's financial reporting and regulatory standing.

Moving into 2020, we remain positive about the economic outlook and confident about CIB's ability to ride out market variations in light of the expected continuation of the monetary easing cycle, drawing on its proven record of resilient balance sheet fundamentals and effective management besides its affluent capital buffer."

FOURTH-QUARTER 2019 FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2019 standalone revenues were EGP 6.15 billion, up 18% from fourth-quarter 2018. Full-year 2019 standalone revenues were EGP 23.0 billion, up 24% YoY, after excluding EGP 1.82 billion pertaining to the transfer from unearned interest to interest income in 2018.

NET INTEREST INCOME

2019 standalone NIM¹ was 6.48%, generating net interest income of EGP 21.6 billion, up 32% YoY, excluding the aforementioned EGP 1.82 billion.

NON-INTEREST INCOME

2019 standalone non-interest income recorded EGP 1.44 billion, representing 6% of revenues. Trade service fees were EGP 739 million, with net outstanding balance of EGP 70.2 billion.

OPERATING EXPENSE

2019 standalone operating expense was EGP 5.04 billion, up 19% YoY. Cost-to-income recorded 21.6%, 123bp higher YoY, but still comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 132 billion, adding EGP 12.4 billion or 10% YoY. Growth was driven by both local currency and foreign currency loans, which added 20% or EGP 12.7 billion and 11% or USD 341 million, respectively, while the EGP appreciation brought the FCY equivalent balance down by EGP 6.47 billion. Excluding the latter, CIB's gross loans grew by 16% YoY. CIB's loan market share reached 6.82% as of November 2019.

DEPOSITS

Deposits recorded EGP 304 billion, adding EGP 19.1 billion or 7% YoY. Growth was driven wholly by local currency deposits, which grew by 18%, adding EGP 33.3 billion over 2019, while FCY deposits came lower by 4% or USD 217 million and the EGP appreciation brought the FCY equivalent balance down by a further EGP 10.3 billion. Excluding the latter, CIB's deposits grew by 10% YoY. CIB's deposit market share recorded 7.44% as of November 2019, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 3.99% of the gross loan portfolio, covered 225% by the Bank's EGP 11.8 billion loan loss provision balance. Loan Loss Provision Expense recorded EGP 1.44 billion for 2019, 14% higher YoY, excluding the aforementioned EGP 1.82 billion, transferred to interest income and fully provisioned for.



CAPITAL AND LIQUIDITY

Total tier capital was EGP 52 billion, or 26.1% of risk-weighted assets as of December 2019. Tier I capital was EGP 47.1 billion, or 90.5% of total tier capital.

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 74.9% for 2019, while foreign-currency CBE liquidity ratio reached 56.5%, above the threshold of 25%. NSFR was 255% for local currency and 156% for foreign currency, and LCR was 757% for local currency and 231% 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 105 billion, 9% higher both QoQ and YoY.
- End-of-period deposits were EGP 98 billion, 1% higher QoQ while 1% lower YoY.
- Gross outstanding contingent business reached EGP 75 billion, 2% higher QoQ while 4% lower YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 1 billion, 16% higher QoQ and 70% higher YoY.
- End-of-period deposits were EGP 23 billion, 1% higher QoQ and 18% higher YoY.
- Gross outstanding contingent business reached EGP 1.31 billion, 11% higher QoQ and 10% higher YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 26 billion, 1% higher QoQ and 15% higher YoY.
- End-of-period deposits were EGP 183 billion, 2% lower QoQ while 10% higher YoY.
- CIB continued to expand its network to reach a total of 180 branches and 27 units across Egypt, supported by a network of 1,012 ATMs.

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

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q19	3Q19	QoQ Change	4Q18	YoY change	FY19	FY18	YoY change
	EGP million	EGP million	(4Q19 vs. 3Q19)	EGP million	(4Q19 vs. 4Q18)	EGP million	EGP million	(FY19 vs. FY18)
Net Interest Income	6,130	5,443	13%	4,835	27%	21,579	18,144	19%
Non-Interest Income	19	617	-97%	381	-95%	1,441	2,235	-36%
Net Operating Income	6,149	6,060	1%	5,216	18%	23,019	20,379	13%
Non-Interest Expense	(1,160)	(1,270)	-9%	(1,276)	-9%	(5,049)	(4,224)	20%
Loan loss provision	(228)	(412)	-45%	(273)	-16%	(1,435)	(3,076)	-53%
Net Profit before Tax	4,761	4,378	9%	3,667	30%	16,535	13,079	26%
Income Tax	(1,356)	(1,225)	11%	(1,063)	28%	(4,639)	(3,626)	28%
Deferred Tax	(142)	30	NM	(42)	NM	(95)	129	NM
Net profit from continued operations	3,263	3,183	3%	2,563	27%	11,801	9,582	23%
Net profit from discontinued operations	0	0	NM	0	NM	0	0	NM
Net profit	3,263	3,183	3%	2,563	27%	11,801	9,582	23%
Minority Interest	0	0	NM	0	NM	0	0	NM
Net Profit After Minority	3,263	3,183	3%	2,563	27%	11,801	9,582	23%

Financial Indicators	4Q19	3Q19	QoQ Change	4Q18	YoY change	FY19	FY18	YoY change
			(4Q19 vs. 3Q19)		(4Q19 vs. 4Q18)			(FY19 vs. FY18)
Profitability								
ROAE*	26.2%	28.4%	-8%	31.7%	-17%	29.5%	33.1%	-11%
ROAA*	3.43%	3.46%	-1%	3.06%	12%	3.26%	3.03%	8%
Efficiency								
Cost-to-Income	17.8%	20.7%	-14%	24.0%	-26%	21.6%	20.3%	6%
Liquidity								
Gross Loans-to-Deposits	43.3%	40.0%	8%	41.9%	3%	43.3%	41.9%	3%
Asset Quality								
NPLs-to-Gross Loans	3.99%	5.27%	-24%	4.06%	-2%	3.99%	4.06%	-2%
Capital Adequacy Ratio	26.1%	27.2%	-4%	19.1%	37%	26.1%	19.1%	37%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q19	3Q19	QoQ Change	4Q18	YoY change	FY19	FY18	YoY change
	EGP million	EGP million	(4Q19 vs. 3Q19)	EGP million	(4Q19 vs. 4Q18)	EGP million	EGP million	(FY19 vs. FY18)
Net Interest Income	6,130	5,443	13%	4,835	27%	21,578	18,144	19%
Non-Interest Income	18	615	-97%	370	-95%	1,440	2,208	-35%
Net Operating Income	6,147	6,059	1%	5,205	18%	23,018	20,351	13%
Non-Interest Expense	(1,159)	(1,269)	-9%	(1,275)	-9%	(5,045)	(4,223)	19%
Loan loss provision	(228)	(412)	-45%	(273)	-16%	(1,435)	(3,076)	-53%
Net Profit before Tax	4,760	4,378	9%	3,657	30%	16,537	13,053	27%
Income Tax	(1,356)	(1,225)	11%	(1,063)	28%	(4,639)	(3,626)	28%
Deferred Tax	(142)	30	NM	(42)	NM	(95)	129	NM
Net Profit	3,262	3,183	2%	2,553	28%	11,804	9,556	24%

Financial Indicators	4Q19	3Q19	QoQ Change	4Q18	YoY change	FY19	FY18	YoY change
			(4Q19 vs. 3Q19)		(4Q19 vs. 4Q18)			(FY19 vs. FY18)
Profitability								
ROAE	26.3%	28.5%	-8%	31.7%	-17%	29.6%	33.1%	-11%
ROAA	3.43%	3.46%	-1%	3.05%	12%	3.26%	3.02%	8%
NIM**	7.00%	6.41%	9%	6.23%	12%	6.48%	6.43%	1%
Efficiency								
Cost-to-Income	17.8%	20.7%	-14%	24.0%	-26%	21.6%	20.3%	6%
Liquidity								
Gross Loans-to-Deposits	43.3%	40.0%	8%	41.9%	3%	43.3%	41.9%	3%
Asset Quality								
NPLs-to-Gross Loans	3.99%	5.27%	-24%	4.06%	-2%	3.99%	4.06%	-2%
Direct Coverage Ratio	225%	190%	18%	269%	-16%	225%	269%	-16%

*Full-year ROAE and ROAA after profit appropriation

**NIM based on managerial accounts



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BALANCE SHEET	Consolidated			Standalone		
	Dec-19	Dec-18	YoY Change	Dec-19	Dec-18	YoY Change
	EGP million	EGP million	(Dec-19 Vs. Dec-18)	EGP million	EGP million	(Dec-19 Vs. Dec-18)
Cash & Due from Central Bank	28,274	20,059	41%	28,274	20,059	41%
Due from Banks	28,353	46,519	-39%	28,353	46,519	-39%
Net Loans & Overdrafts	119,946	106,377	13%	119,946	106,377	13%
Financial Derivatives	216	52	314%	216	52	314%
Financial Investments Securities	197,542	157,586	25%	197,542	157,586	25%
Financial Investment in Subsidiaries	108	107	1%	64	69	-7%
Other Assets	12,303	11,762	5%	12,301	11,762	5%
Total Assets	386,742	342,461	13%	386,697	342,423	13%
Due to Banks	11,811	7,260	63%	11,811	7,260	63%
Customer Deposits	304,448	285,297	7%	304,484	285,340	7%
Other Liabilities	18,603	15,676	19%	18,603	15,676	19%
Total Liabilities	334,862	308,233	9%	334,897	308,276	9%
Shareholders' Equity & Net Profit	51,880	34,228	52%	51,800	34,147	52%
Total Liabilities & Shareholders' Equity	386,742	342,461	13%	386,697	342,423	13%