

CIB Achieves Double-Digit Earnings Growth in 2009

CAIRO, February 17, 2009—Commercial International Bank (CIB), the leading financial institution in Egypt, today released its year end results. With its strong corporate franchise, rapidly-growing consumer business and disciplined risk management, CIB continued to deliver solid profit growth and high returns on assets and equity while maintaining strong asset quality.

Business Highlights as of 31st December 2009 – Consolidated Performance

- On a consolidated basis, CIB achieved EGP 1,710¹ million of Net Profit After Tax (NPAT) in 2009, which was an increase of 25.22% over 2008. Excluding the impact of an impairment charge in 2008, on a consolidated basis the Bank's profits, which includes amortization of EGP 67 million of intangible assets in 2009 compared to EGP 34 million in 2008 related to the acquisition of CI-CH in mid 2008, grew by 10.37²%. CIB achieved a return on average assets of 2.81% and a return on average equity of 26.74% in 2009.
- Net Interest Margin remained healthy at 3.93 % in 2009.
- CIB maintained loan growth of 3.7% during a period in which the overall loan market was up only 0.65% during the first eleven months of 2009.
- CIB continues to maintain solid liquidity, with net loans/deposits of 49.96%, strong asset quality, with NPLs/Gross Loans of 2.9%, and a prudent coverage ratio of 196.3%.
- This year CIB adopted accrual accounting for operating expenses in its financial reporting. Wherever appropriate, historical financial information is adjusted to reflect trends in operating performance more accurately.

Key Operating Ratios

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------------------|------|------|------|-------|------|
| NIM (%) ³ | 3.50 | 3.14 | 3.27 | 3.93 | 3.93 |
| ROAA (%) | 2.09 | 2.25 | 3.02 | 2.60 | 2.81 |
| ROAE (%) | 23.8 | 26.5 | 33.1 | 26.67 | 26.7 |
| Cost/Income (%) | 32.7 | 37.0 | 29.6 | 38.26 | 36.6 |
| CAR (%) ³ | 13.1 | 12.8 | 11.7 | 14.99 | 13.7 |
| NPL/Gross Loans (%) ³ | 5.6 | 3.8 | 3.0 | 2.97 | 2.91 |

1 NPAT figure excludes accounting for Minority Interest

2 Percentage is based on the NPAT before accounting for Minority Interest

3 On stand-alone basis

Summary of Year End 2009

There was much anxiety throughout the course of 2009 over the stability and trajectory of the global economy and markets. Some of this anxiety persists today given the uncertain affects of the unprecedented monetary and fiscal stimuli governments applied to offset the economic collapse caused by the market crises.

CIB ended the year with consolidated net profits of EGP 1,710 million reflecting a Return on Average Equity of 26.74% and Return On Average Assets of 2.81%. Despite the global turmoil over the past 12 months, the Egyptian economy recorded annual real GDP growth of 4.7% in 2008/09 due to the significant domestic demand component, totaling over 80% of GDP. Such economic resilience is impressive given the outright contractions that occurred across many export-dependent emerging economies. CIB's loan portfolio grew 3.7% as of December 2009 while the overall market in private corporate borrowings fell 3.6% during the first eleven months of the year⁴.

CIB's 2009 financial performance once again reflects the solid foundation of its business model, risk management culture, market position and strategy. CIB again delivered record revenue and profits across all business lines securing CIB's position as the most profitable bank in Egypt. This year marks the 32nd year CIB has achieved record earnings over a 34 year history since the Bank's founding in 1975.

Summary Consolidated Income Statement

| <i>EGP millions</i> | YTD Dec-2009 | YTD Dec-2008 | Variance % |
|---|-------------------------|-------------------------|-----------------------|
| Net Interest Income | 2,030 | 1,799 | 13% |
| Non Interest Income ⁵ | 1,354 | 1,484 | -9% |
| Operating Income | 3,384 | 3,283 | 3% |
| <i>Less:</i> | | | |
| Operating Expenses | 1,171 ⁶ | 1,039 ⁷ | 13% |
| Provisions | 97 | 410 | -76% |
| Net Profit Before Taxes | 2,048 | 1,616 | 27% |
| Taxes | 338 | 251 | 35% |
| Net Profit After Taxes⁸ | 1,710 | 1,365 | 25% |

Revenues

- During 2009, consolidated revenues increased by 3.08%, with a 12.86% rise in net interest income and an 8.77% decline in non-interest income. Adjusting for one-time gains in 2008, revenues rose by 4% and non-interest income declined by 14%.
- On a stand-alone basis, Net Interest Margin (NIM) remained healthy at 3.93% in 2009. CIB was able to maintain its NIM despite several interest rate cuts and an overall contraction in spreads due to its successful management of its assets and liabilities as well as a proactive market approach and effective pricing of loans and deposits.

⁴ The market data is based on the latest CBE data

⁵ 2008 figure includes a one-time gain of EGP 50 million due to the sale of Contact

⁶ 2009 operating expenses Include EGP 67 mn of intangibles amortization expense in 2009 expenses

⁷ Includes EGP 34 mn of intangibles amortization expense in 2008 operating expenses

⁸ Adjusting for the one-time gain and effect of taxes on T-Bills & Bonds, 2008 NPAT was EGP 1,330million and y-o-y change was 28.6%

- The trend in non-interest income was mainly attributable to a decrease in brokerage commissions due to the drop in economic and market activity in the first nine months of the year.
- According to the latest CBE data, bank lending in Egypt was largely stagnant during the first eleven months of 2009, with private sector borrowing falling by 3.6%.
- LCY loans grew 11.91% since December 31, 2008, while FCY loans declined by 3.05%. In early Q4 2008, the Bank proactively began reducing its FCY exposure with customers potentially vulnerable to foreign exchange risk. In addition, the Bank successfully shifted some FCY exposures to LCY.

Loans and Deposits by Currency

| <i>EGP million</i> | Consolidated Dec.31,2009 | Consolidated Dec. 31, 2008 | % Change |
|---------------------------|-------------------------------------|---------------------------------------|-----------------|
| LCY Net Loans | 13,288 | 11,873 | 11.91% |
| FCY Net Loans | 14,016 | 14,457 | -3.05% |
| LCY Deposits | 32,417 | 27,189 | 19.23% |
| FCY Deposits | 22,231 | 21,601 | 2.92% |
| LCY Loans/Deposits | 40.99% | 43.67% | -6.13 |
| FCY Loans/Deposits | 63.05% | 66.93% | -5.80 |

Expenses

- The Bank's Cost : Income ratio decreased to 36.59% as compared to 38.26% in 2008. Mainly attributable to efficient cost management as well as the accrual accounting system implemented in the beginning of the year.
- In the fourth quarter of 2008, CIB adopted the accrual method to account for operating expenses. This accounting change eliminates the intra-year volatility in our operating expenses witnessed in prior years.
- Given that our branch network is already the largest within the private banking sector, with 155 outlets, only a few select outlets in important strategic locations were added.
- CIB continued to invest in its alternative distribution channels expanding its ATM network to 502.

Summary Consolidated Balance Sheet

| <i>EGP Million</i> | Dec. 31, 2009 | Dec. 31, 2008 | Variance % |
|--------------------------------|--------------------------|--------------------------|-----------------------|
| Cash and Due From Central Bank | 4,179 | 4,473 | -7% |
| Due from Banks | 7,946 | 6,572 | 21% |
| Net Loans | 27,304 | 26,330 | 4% |
| Treasuries & Investments | 22,029 | 17,353 | 27% |
| Intangibles | 774 | 842 | -8% |
| Other Assets | 1,893 | 1,892 | 0% |
| Total Assets | 64,125 | 57,462 | 11.5% |
| Due to Banks | 458 | 229 | 100% |
| Customer Deposits | 54,649 | 48,790 | 12% |
| Other Liabilities | 1,976 | 2,618 | -25% |
| Total Liabilities | 57,083 | 51,637 | 11% |
| Equity | 7,042 | 5,825 | 21% |

Credit Quality and Capital Adequacy

- Although several businesses experienced adverse market effects during 2009, CIB's conservative risk management culture enabled the Bank to maintain its asset quality, with no observable deterioration. The Bank's NPLs/Loans ratio remained healthy at 2.9% while Loan Loss Provisions reached EGP 1,655 million as of December 31, 2009, increasing by approximately 2.5% as compared to 2008. Consequently, the Bank maintains a solid Coverage Ratio of 196.3% providing ample coverage should market conditions deteriorate. .
- CIB's total recoveries for the year reached EGP 24 million.
- CIB maintained its strong equity base with a conservative Capital Adequacy Ratio (CAR) of 13.66%, providing a solid cushion for adverse market movements. The year-end CAR, after adjusting to include 2009 attributable profits, reached 16.53%.