

CIB maintains solid performance with EGP 1,416 million net profits in the first nine months of 2010

CAIRO, November 10th, 2010—Commercial International Bank (CIB), the leading financial institution in Egypt, today released its third quarter results. With its strong corporate franchise, rapidly-growing consumer business and disciplined risk management, CIB continues to deliver solid profit growth and high returns on assets and equity while maintaining strong asset quality and liquidity.

Business Highlights as of 30 September 2010— Consolidated Performance

- On a consolidated basis, CIB achieved EGP 1,416 million of Net Profit after Tax (NPAT)¹ as of September 2010 growing by 11.44% compared to EGP 1,271 million in September 2009. Adjusting for the impact of the goodwill amortization, the bottom line will reflect a 13.8% growth over 2009.
- ROAE and ROAA remained healthy at 25.19% and 2.79% respectively.
- On a stand alone basis, Net Interest Margin in Q3'2010 remained healthy at 3.55% till the end of Q3'2010. NIM has shown an increase of 0.82% quarter on quarter on normalized basis.
- The Bank's loans increased by 22.26%, while the overall market for loans grew by 7.9% during the first eight months of the year², driven by an increase in corporate loans by 20.51% and net growth in the retail loan portfolio by 39.54%. Furthermore, the increase in deposit by 10.42% predominantly reflects the solid deposit base.
- CIB's market shares in both loans and deposits increased to record a steady share of 7.35% and 6.55% respectively, as of August 2010.
- CIB continues to maintain strong liquidity ratios, with Gross Loans/Deposits of 58.57%, strong asset quality, with NPLs/Gross Loans of 2.89 %, and a prudent coverage ratio of 144.41%. (coverage ratio recorded 186.55% based on CBE provision)

Key Operating Ratios (Consolidated)

	YTD Sep-10	YTD Sep-09
NIM (%) ³	3.55	3.83
ROAA (%)	2.79	2.87
ROAE (%)	25.19	27.10
Cost/Income (%)	38.01	36.01
Adjusted Cost/Income*	36.95	36.01

**Adjusted for Goodwill Impact*

¹ NPAT figure is after Minority Interest

² Based on latest CBE data available as of August 2010

³ On stand-alone basis

Summary of the third quarter of 2010

Structurally and fundamentally, emerging market economies are generally in a better position to withstand crises and deliver growth as opposed to developed economies which are more prone to see a contraction in growth. In fact, the MENA region is in a substantially stronger position to face a global crisis and deliver growth than it was at the beginning of the decade. Across the region, countries have stronger economic frameworks, especially in light of the economic reform programs adopted over the past 5 years and resulted in structurally stronger economies and allowed great flexibility in policy responses to support growth. Egypt is no exception as it boasts one of the largest sustainable economic growth areas in the region with plentiful growth factors and solid fundamentals.

As a matter of fact, Egypt posted **Real GDP growth** of 5.6% as of Q1 of FY 2010/2011 up from 5.4% in Q4 of FY 2009/2010. Moreover, September inflation figures showed that annual **headline inflation** slightly inched up to 11.0% mainly driven by a seasonal increase in food prices along with the extended summer heat that affected some crops during the month of Ramadan and summer. In effect, **core inflation** slowed to 7.59% from 8.18% in August - bringing it back within the CBE's comfort zone.

The 1Q of FY 2010/2011's solid macro economic indicators reflect the resilience of the Egyptian economy and reaffirms Egypt's position as a growth spot on the investment map.

In the third quarter of 2010, CIB's loan growth reached 6%, due to both unabated corporate demand and the increased efficiency of the retail systems. This brought total loan growth for the first nine months of 2010 to 22.26% compared to 3.2% for the same period of 2009. Consequently, loans to deposits ratio rose from 56.48% as of June 2010 to record 58.57%. Despite the market environment of basis risk where the Corridor Rate remains stagnant, T-Bill rates are volatile along with the competitiveness of loan and deposits pricing, normalized NIM remained stable.

2010 first three quarters financial performance confirms the solid foundation of its business model, risk management culture, market position and strategy.

A number of initiatives are underway in CIB to enhance the product offering to our customers. Bancassurance, Transaction services, Payroll proposition will all contribute to the strategy of CIB to be the leading bank for its customers.

On the consumer loans, CIB has built a robust consumer risk Infrastructure including Specialized and Centralized Underwriting, Collections and Portfolio Monitoring units to effectively manage Consumer Credit Cycle and support aggressive growth plans on the anvil.

At the same time, several initiatives are being undertaken in CIB on the business plans and integration of support areas, in addition to revising business models and go-to-market strategy.

For decades, CIB has invested heavily in its training and development programs, where our Corporate Credit Training Program became a key competitive advantage for the Bank. Recently, CIB has started its Consumer Leadership Training Program building the needed skill set and leadership required for our aspiration of being the prime consumer bank in Egypt.

Summary Consolidated Income Statement

<i>EGP millions</i>	YTD Sep-10	YTD Sep-09	Variance %
Net Interest Income	1,644	1,509	8.9
Non Interest Income	1,185	1,083	9.44
Operating Income	2,829	2,592	9.13
<i>Less:</i>			
Operating Expenses	(1,075)	(933)	15.19
Provisions	(29)	(140)	-79.44
Operating Profit before taxes	1,725	1,519	13.53
Taxes	(308)	(244)	26.03
Net Profit After Taxes	1,417	1,275	11.14
Minority Interest	1	5	
Net Profit After Taxes	1,416	1,271	11.44

Revenues

- During the third quarter of 2010, consolidated revenues increased by 9%, driven by both a healthy rise of 9.44% in non interest income and an 8.90% increase in net interest income.
- The contribution of non interest income to total revenues has been increasing YOY and now stands at 41.78% of total operating revenues, which demonstrates management's commitment to find alternative means of income generation to sustain the growth momentum moving forward.
- Income before provisions has grown by 5.71%, which when normalized for goodwill would record healthy growth of 7.53%.
- LCY loans grew 26.63% compared to December 2009, while FCY loans grew by 17.98%. Such growth reflects the return of market confidence in the economy, where Corporate Egypt wants to benefit from the sustained favorable growth momentum of the economy.

Loans and Deposits by Currency

<i>EGP million</i>	<i>Consolidated Sep.30,2010</i>	<i>Consolidated Dec. 31, 2009</i>	<i>% Change</i>
LCY Gross Loans	18,160	14,341	26.63%
FCY Gross Loans	17,273	14,640	17.98%
LCY Deposits	35,910	32,417	10.77%
FCY Deposits	24,588	22,231	10.60%
LCY Loans/Deposits	50.57%	44.24%	14.31%
FCY Loans/Deposits	70.25%	65.85%	6.67%
Loans/Deposits	58.57%	53.03%	10.44%

Expenses

- Total expenses increased by 15.19% to record a cost to income ratio of 38.01% up from 36.01% in September 2009. CICH consolidated expense increased by 32.65%. It is worth mentioning that September 2010 figures include Good will amortization, when normalized for Good will cost: income would be 36.95%.
- Given that our branch network is already among the largest within the private banking sector, with 155 outlets and an ATM network of 502, only a few select outlets in important strategic locations will be added moving forward.

Summary Consolidated Balance Sheet

<i>EGP Million</i>	Sep. 30, 2010	Dec. 31, 2009	Variance %
Cash and Due From Central Bank	4,533	4,179	8.5
Due from Banks	7,691	7,946	-3.2
Loans and overdrafts for Banks (Net After Provision)	137	201	-31.8
Loans and overdrafts for Customers (Net After Provision)	33,767	27,242	23.9
Treasuries & Investments	22,478	22,010	2.1
Intangibles	693	774	-10.5
Other Assets	1,940	1,893	2.5
Total Assets	71,239	64,245	10.9
Due to Banks	750	458	63.8
Customer Deposits	60,498	54,649	10.7
Other Liabilities	1,979	2,068	-4.3
Total Liabilities	63,227	57,175	10.6
Equity⁴	7,965	7,025	13.4
Minority Interest	47	45	4.4

Credit Quality and Capital Adequacy

- The Bank's NPLs/Loans ratio remained healthy at 2.89% as of September 2010.
- CIB provisions for the period dropped by 79.44% attributed to the implementation of the new IFRS standards, and thus reflecting the quality of the Bank's loan portfolio.
- CIB maintained its strong equity base with a conservative Capital Adequacy Ratio (CAR) of 14.87%, providing a solid cushion for adverse market movements.

⁴ December 31st figure is before dividend distribution

Stand-alone Performance

- On a stand-alone basis, the Bank achieved an NPAT for Q3' 2010 of EGP 1,541 million, an increase of 17.78% as compared to the same period of 2009.
- On the back of a competent management team, staff efficiency and prudent risk management policies, CIB has managed to realize a Return on Average Equity (ROAE) of 28.69% and a Return on Average Assets (ROAA) of 3.04% as of September 2010.
- Cost: income ratio stood at 34.80%, recording a 0.23% decrease over the same period last year, which reflects the continuous focus on strategic cost management in CIB.

Summary Unconsolidated Income Statement

<i>EGP millions</i>	YTD Sep-10	YTD Sep-09	Variance %
Net Interest Income	1,642	1,506	8.99
Non Interest Income	1,106	962	14.98
Net Operating Income	2,747	2,468	11.32
<i>Less:</i>			
Non interest Expense	(878)	(787)	10.84
Provisions	(29)	(140)	-79.26
Net Profit Before Taxes	1,841	1,541	19.45
Income Tax	(300)	(248)	20.96
Deferred Tax	(0)	15	-101.36
Net profit	1,541	1,308	17.78

Summary Unconsolidated Balance Sheet

<i>EGP Million</i>	Sep. 30, 2010	Dec. 31, 2009	Variance %
Cash and Due From Central Bank	4,532	4,179	8.5
Due from Banks	7,572	7,785	-2.7
Loans and overdrafts for Banks (Net After Provision)	137	201	-31.8
Loans and overdrafts for Customers (Net After Provision)	33,767	27,242	24
Treasuries & Investments	23,315	22,936	1.7
Other Assets	1,755	1,720	2.03
Total Assets	71,078	64,063	10.9
Due to Banks	750	458	63.8
Customer Deposits	60,555	54,843	10.4
Other Liabilities	1,752	1,816	-3.5
Total Liabilities	63,057	57,117	10.4
Equity	8,021	6,946	15.5

Key Operating Ratios (Unconsolidated)

	YTD Sep-10	YTD Sep-09
NIM (%)	3.55	3.83
ROAA (%)	3.04	2.98
ROAE (%)	28.69	29.63
Cost/Income (%)	34.80	34.88