

News Release

9 November 2016

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS THIRD QUARTER 2016 CONSOLIDATED REVENUE OF EGP 2.87 BILLION AND RECORD NET INCOME OF EGP 1.70 BILLION, OR EGP 1.31 PER SHARE, UP 28% FROM THIRD QUARTER 2015

Record Third-Quarter 2016 Consolidated Financial Results

- Record net income of EGP 1.70 billion, up 28% year-on-year (YoY)
- Revenues of EGP 2.87 billion, up 11% YoY
- Return on average equity of 37.4%
- Return on average assets of 3.38%
- Efficiency ratio of 19.8%
- Standalone net interest margin of 5.75%

Record 9M16 Consolidated Financial Results

- Record net income of EGP 4.46 billion, up 24% YoY
- Revenues of EGP 8.20 billion, up 10% YoY
- Return on average equity of 33.3%
- Return on average assets of 3.07%
- Efficiency ratio of 21.6%
- Standalone net interest margin of 5.68%

Robust Balance Sheet

- Total tier capital of EGP 14.95 billion, or 13.90% of risk-weighted assets, of which 92% is high quality Tier I capital
- CBE local currency liquidity ratio of 58.0%, foreign currency of 47.0% (comfortably above CBE requirements of 20% and 25% respectively)
- CIB is well above the 100% requirement in the Basel III NSFR and LCR ratios
- High quality of funding, with customer deposits comprising 95% of total liabilities
- Standalone non-performing loans coverage ratio of 158%

Supporting our Economy

- Funding to businesses and individuals grew by 7% during 9M16 to reach EGP 61.2 billion, with a loan market share of 7.13% as of July 2016¹
- Deposits grew by 15% in 9M16 to EGP 178.2 billion, translating into a deposit market share of 8.07% as of July 2016
- In third quarter of 2016, CIB’s operations generated EGP 610.4 million in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation started with Gozour Foundation the implementation of 264 eye exam Caravans, providing free eye exams and care for primary school students in Upper Egypt governorates
- CIB Foundation provided several donations throughout this quarter for “Magdi Yacoub Heart Foundation’s Aswan Heart Center”, the renovation and outfitting of “the Pediatric

¹ Latest available CBE data at time of print

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Critical Care Unit at the Sohag University Hospital” and “the Pediatric Catheter Lab at the Ain Shams University Hospital”

- CIB Foundation started through the Magdi Yacoub Heart Foundation to fund fifty (50) children’s open heart surgeries
- CIB Foundation organized entertainment, edutainment, and sports events, in association with the Egyptian Red Crescent, and other foundations for children with special needs, including MOVE Foundation, the Advance Society for Autism, Right to Live Association and Logain Foundation

Awards & Rankings

- EMEA Finance: “Best Cash Management Services in North Africa in 2016”
- EMEA Finance: “Best FX Services in North Africa in 2016”
- EMEA Finance: “Best Bank in Egypt in 2016”
- Global Finance: “Best Private Bank in Egypt in 2017”

CAIRO - Commercial International Bank (EGX: COMI) today reported third-quarter 2016 consolidated net income of EGP 1.7 billion, or EGP 1.31 per share, an increase of 28% over third-quarter 2015 net income of EGP 1.3 billion, or EGP 1.27 per share.

Management commented: “CIB maintained its record performance in the third-quarter, signaling a strong closure of the year despite the ambiguous macroeconomic environment, turning in record consolidated year-to-date top and bottom lines of EGP 8.20 billion and EGP 4.46 billion, up 10% and 24% from last year, respectively.

“Going back in time to the end of 2015, CIB Management has correctly foreseen the possible forthcoming macroeconomic and regulatory circumstances. Since then, CIB has been taking a cautious stance regarding its capital adequacy and foreign currency position towards the long-awaited increases in interest rates and exchange rates, both of which significantly materialized last week. By 2015 year-end, CIB underwent a cut in dividends in anticipation of a devaluation and interest rate hike along with higher regulatory capital requirements, such as the ICAAP and the Capital Conservation Buffer. Moving into second-quarter of 2016, and as the ambiguity of macroeconomic conditions continued, CIB took the lead in the decision to reclassify EGP 15bn of the available-for-sale sovereign bond portfolio as held-to-maturity, as a precautionary measure to minimize the impact of interest rate movements on the Bank’s capital adequacy levels. CIB’s Management also continued its focus on lowering the Bank’s balance sheet duration, in order to maintain a proper balance sheet structure that would help boost the return to shareholders in light of an increasing interest rate environment, while maintaining its liquidity ratios comfortably above regulatory requirements. More impressively, and despite currently prevailing shortages in hard currency, CIB managed to exceed the minimum required liquidity ratios by Basel III in foreign currency, as Management has always been keeping an eye on international best practices together with CBE regulatory requirements.”

THIRD-QUARTER FINANCIAL HIGHLIGHTS

REVENUES

Third-quarter standalone revenues were EGP 2.87 billion, up 12% from third-quarter 2015. Growth was driven by a 21% increase in net interest income.

Net Interest Income

Year-to-date standalone net interest margin (NIM)² was 5.68%, generating standalone net interest income of EGP 7.07 billion, up 20% YoY.

Non-Interest Income

Standalone non-interest income for third quarter of 2016 was EGP 335 million (12% of revenues).

Trade service fees for the quarter recorded EGP 115 million. Trade service net outstanding balances stood at EGP 38 billion, up 25% YoY. Dealing room profits were EGP 101 million in the third quarter.

OPERATING EXPENSE

Standalone operating expense for 9M16 was EGP 1.8 billion, up 27% YoY. Consequently, 9M16 cost-to-income reported 21.4% compared to 19.4% last year, comfortably below the desirable level of 30%.

LOANS

CIB's total standalone gross loan portfolio was EGP 68.2 billion, adding EGP 5.3 billion, or 8% YtD. CIB's loan market share reached 7.13% as of July 2016.

DEPOSITS

Standalone deposits were EGP 178.1 billion, adding EGP 23 billion, or 15% YtD. CIB's deposit market share was 8.07% as of July 2016, maintaining the highest deposit market share of all private sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 5.26% of the gross loan portfolio, covered 158% by the bank's EGP 5.7 billion loan loss provision balance. Loan loss provision expenses were EGP 74 million in the third quarter as CIB continued its conservative and proactive risk management strategy to counter potential challenges in certain industries.

CAPITAL AND LIQUIDITY

Total tier capital was EGP 14.95 billion in September 2016, or 13.90% of risk-weighted assets. Tier I capital was EGP 13.8 billion, or 92% of total tier capital.

CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines, which have been recently enforced by the CBE, in both local currency and foreign currency. LCY CBE liquidity ratio remained well above the regulator's 20% requirement, recording 58.0% as of Sep-16, FCY CBE liquidity ratio reached 47.0%, above the threshold of 25%. NSFR was 216% for local currency and 122% for foreign currency, and LCR was 1343% for local currency and 444% for foreign currency.

² Based on managerial accounts

KEY METRICS AND BUSINESS UPDATES³

- #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 52.5 billion, up 5% YtD
- End-of-period deposits were EGP 46.2 billion, down 5% YtD
- Gross outstanding contingent business reached EGP 39.6⁴ billion, up 23% YtD

BUSINESS BANKING

- End-of-period gross loans were EGP 1.8 billion, below 7% YtD
- End-of-period deposits were EGP 42.3 billion, up 19% YtD
- Gross outstanding contingent business reached EGP 1.5⁴ billion, up 2% YtD

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 13.9 billion, up 28% YtD
- End-of-period deposits were EGP 89.6 billion, up 26% YtD
- CIB continued to expand its network to reach a total of 163 branches and 24 units throughout Egypt, supported by a network of 719 ATMs

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- CI Capital⁵ recorded 9M16 revenues of EGP 654 million and net income of EGP 82 million
- Brokerage⁶ reached a market share of 9.0% and EGP 146 million in revenue
- EIMA ranked CIB Amman Fund second by 9M16 return; Blom Bank money market and Al Thabet Funds ranked third
- Investment Banking successfully closed four transactions in 9M16

³ Loan and deposit balances based on managerial accounts

⁴ On gross basis; based on managerial accounts

⁵ CI capital revenues and net profit after minority interest

⁶ Brokerage includes CIBC and Dynamic

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	3Q16	2Q16	QoQ Change	3Q15	YoY Change	YtD Sep-16	YtD Sep-15	YoY change
	EGP million	EGP million	(2Q16 vs. 1Q16)	EGP million	(2Q16 vs. 2Q15)	EGP million	EGP million	(1H16vs.1H15)
Net Interest Income	2,532	2,266	12%	2,099	21%	7,066	5,907	20%
Non-Interest Income	336	527	-36%	476	-29%	1,135	1,527	-26%
Net Operating Income	2,868	2,793	3%	2,575	11%	8,200	7,434	10%
Non-Interest Expense	(589)	(646)	-9%	(456)	29%	(1,794)	(1,409)	27%
Loan loss provision	(74)	(216)	-66%	(472)	-84%	(578)	(1,120)	-48%
Net Profit before Tax	2,205	1,930	14%	1,646	34%	5,829	4,905	19%
Income Tax	(496)	(475)	4%	(299)	66%	(1,453)	(1,430)	2%
Deferred Tax	(5)	(54)	-91%	(15)	-68%	(0)	86	NM
Net profit from continued operations	1,704	1,402	22%	1,332	28%	4,376	3,561	23%
CI Capital Profit (Net of Tax)	7	63	-88%	(4)	NM	96	23	319%
Net profit	1,711	1,464	17%	1,328	29%	4,472	3,584	25%
Minority Interest	9	0	NM	0	NM	14	0	NM
Net Profit After Minority	1,703	1,464	16%	1,328	28%	4,458	3,583	24%

Financial Indicators	3Q16	2Q16	QoQ Change	3Q15	YoY Change	YtD Sep-16	YtD Sep-15	YoY change
			(2Q16 vs. 1Q16)		(2Q16 vs. 2Q15)			(1H16vs.1H15)
Profitability								
ROAE	37.4%	36.9%	1.4%	34.6%	7.9%	33.3%	31.3%	6.3%
ROAA	3.38%	3.02%	12.2%	3.1%	8.2%	3.07%	2.98%	3.0%
Efficiency								
Cost-to-Income	19.8%	22.9%	-13.6%	18.2%	8.9%	21.6%	19.2%	12.1%
Liquidity								
Gross Loans-to-Deposits	38.1%	39.6%	-3.9%	40.6%	-6.2%	38.1%	40.6%	-6.2%
Asset Quality								
NPLs-to-Gross Loans	5.29%	4.95%	7.0%	4.45%	18.9%	5.29%	4.45%	18.9%
Capital Adequacy Ratio	13.9%	14.0%	-1.0%	14.0%	-1.0%	13.9%	14.0%	-1.0%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	3Q16	2Q16	QoQ Change	3Q15	YoY Change	YtD Sep-16	YtD Sep-15	YoY change
	EGP million	EGP million	(2Q16 vs. 1Q16)	EGP million	(2Q16 vs. 2Q15)	EGP million	EGP million	(1H16vs.1H15)
Net Interest Income	2,532	2,266	11.8%	2,099	20.6%	7,066	5,907	20%
Non-Interest Income	335	526	-36%	460	-27.3%	1,191	1,481	-20%
Net Operating Income	2,867	2,792	2.7%	2,559	12%	8,257	7,388	12%
Non-Interest Expense	(589)	(646)	-8.8%	(460)	28%	(1,794)	(1,413)	27%
Loan loss provision	(74)	(216)	-65.9%	(472)	-84.4%	(578)	(1,120)	-48%
Net Profit before Tax	2,204	1,929	14.2%	1,627	35.4%	5,886	4,855	21%
Income Tax	(496)	(475)	4.4%	(299)	65.5%	(1,453)	(1,430)	2%
Deferred Tax	(5)	(54)	NM	(15)	NM	(0)	86	NM
Net Profit	1,703	1,401	21.6%	1,312	29.8%	4,433	3,511	26%

Financial Indicators	3Q16	2Q16	QoQ Change	3Q15	YoY Change	YtD Sep-16	YtD Sep-15	YoY change
			(2Q16 vs. 1Q16)		(2Q16 vs. 2Q15)			(1H16vs.1H15)
Profitability								
ROAE	37.5%	35.3%	6.2%	34.3%	9.6%	33.1%	30.6%	8.3%
ROAA	3.44%	2.92%	17.6%	3.10%	10.9%	3.09%	2.93%	5.5%
NIM	5.75%	5.51%	4.3%	5.55%	3.7%	5.68%	5.58%	1.8%
Efficiency								
Cost-to-Income	19.8%	23.0%	-13.6%	18.5%	7.3%	21.4%	19.4%	10.3%
Liquidity								
Gross Loans-to-Deposits	38.3%	40.0%	-4.3%	40.9%	-6.3%	38.3%	40.9%	-6.3%
Asset Quality								
NPLs-to-Gross Loans	5.26%	4.89%	7.5%	4.41%	19.1%	5.26%	4.41%	19.1%
Direct Coverage Ratio	158%	169%	-6.4%	155%	1.8%	158%	155%	1.8%

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BALANCE SHEET

	Consolidated			Standalone		
	Sep-16	Dec-15	YtD Change	Sep-16	Dec-15	YtD Change
	EGP million	EGP million	(Sep-16 Vs. Dec-15)	EGP million	EGP million	(Sep-16 Vs. Dec-15)
Cash & Due from Central Bank	12,435	9,849	26%	12,435	9,849	26%
Due from Banks	41,178	21,002	96%	41,178	21,002	96%
Treasury Bills & Governmental Notes	21,613	22,130	-2.3%	21,613	22,130	-2%
Trading Financial Assets	3,662	5,848	-37%	3,662	5,848	-37%
Available-for-Sale Investments	29,880	46,289	-35%	29,880	46,289	-35%
Financial assets held for sale	4,633	1,066	334%	428	503	-15%
Net Loans & Overdrafts	60,785	56,836	7%	61,235	57,211	7%
Financial Derivatives	66	81	-18%	66	81	-18%
Held-to-Maturity Investments	26,312	9,261	184%	26,312	9,261	184%
Financial Investment in Subsidiaries	35	160	-78%	11	13	-12%
Other Assets	6,540	6,977	-6%	6,569	7,006	-6%
Total Assets	207,139	179,500	15%	203,388	179,193	14%
Due to Banks	478	1,601	-70%	478	1,601	-70%
Customer Deposits	178,069	155,234	15%	178,170	155,370	15%
Other Liabilities	9,248	6,082	52%	5,592	5,711	-2%
Total Liabilities	187,794	162,918	15%	184,240	162,681	13%
Total Shareholders' Equity	14,754	11,806	25%	14,716	11,871	24%
Net Profit for the Period	4,458	4,729	-6%	4,433	4,641	-4%
Shareholders' Equity & Net Profit	19,212	16,535	16%	19,148	16,512	16%
Minority Interest	133	47	180%			
Total Liabilities & Shareholders' Equity	207,139	179,500	15%	203,388	179,193	14%