

News Release

10 February 2016

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD FULL-YEAR 2015 CONSOLIDATED REVENUE OF EGP 10.2 BILLION AND RECORD NET INCOME OF EGP 4.73 BILLION, OR EGP 3.58 PER SHARE, UP 26% FROM 2014 RECORD FOURTH-QUARTER 2015 CONSOLIDATED REVENUE OF EGP 2.89 BILLION AND NET INCOME OF EGP 1.15 BILLION, OR EGP 0.87 PER SHARE, UP 11% FROM FOURTH-QUARTER 2014

Record Fourth-Quarter 2015 Consolidated Financial Results

- Record net income of EGP 1.15 billion, up 11% year-on-year (YoY)
- Record revenues of EGP 2.89 billion, up 33% YoY

Record Full-Year Consolidated Financial Results

- Record net income of EGP 4.73 billion, or EGP 3.58 per share, up 26% YoY
- Record revenue of EGP 10.2 billion, up 32% YoY
- Consolidated return on average equity¹ of 33.4% versus 31.3% in the year-ago period
- Consolidated return on average assets of 3.0% versus 2.9% in the year-ago period
- Efficiency ratio improved to 20.4% from 22.8% in the year-ago period
- Standalone net interest margin of 5.59%, up 18bp YoY

Robust Balance Sheet

- Total tier capital of EGP 12.2 billion, or 12.7% of risk-weighted assets, of which 92% is high quality Tier I capital
- CBE local currency liquidity ratio of 67.25%, foreign currency of 41.49% (comfortably above CBE requirements of 20% and 25% respectively)
- CIB is comfortably 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 188%

Supporting our Economy

- Funding to businesses and individuals grew 18% during 2015 to reach EGP 63 billion, with a loan market share of 8% as of Oct 2015 (latest data available).
- Deposits increased 27% in 2015 to EGP 155 billion, with deposit market share of 8.4% as of Oct 2015, up from 7.8% in December 2014
- In 2015, CIB’s operations generated EGP 2.53 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation allocated its annual donation to the Friends of Abu El Rish Children's Hospitals Association and provided the second instalment to support the renovation of Al-Nahda community health centre run by the Egyptian Red Crescent Organisation
- CIB Foundation fulfilled its commitment to the Gozour Foundation for Development for the implementation of one-day eye exam caravans across Egypt

Awards & Rankings

- Banker Africa “Most Socially Responsible Bank North Africa” for 2015
- The Banker’s “Bank of the Year Egypt” for 2015
- Asian Banker Risk Management Award for “Achievement in Enterprise Risk Management” for Middle East & Africa.
- JP Morgan’s “Elite Quality Recognition Award” for MT 103 (90%) and MT 202 (98%)

¹ After 2015 profit appropriation

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CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2015 consolidated net income of EGP 1.15 billion, or EGP 0.87 per share, an increase of 11% over fourth-quarter 2014 net income of EGP 1.03 billion, or EGP 1.14 per share.

Management commented: "We are pleased to report that CIB turned in a fourth year of record performance, generating consolidated full-year revenues of EGP 10.2 billion and net income of EGP 4.73 billion, up 32% and 26% from 2014, respectively. Loan demand continued to recover, with gross portfolio growth of EGP 9.4 billion or 18% during the year. Deposits also grew strongly, adding EGP 33 billion, with solid growth in foreign currency deposits.

"We closed the acquisition of Citibank's Egyptian retail portfolio in the fourth quarter, adding EGP 1.1 billion in loans and EGP 1.4 billion in deposits. The addition of Citi's strong credit card business has vaulted CIB to the leading position in this growing product segment. In the same quarter, we continued our programme of rationalising the organisation's business lines, with the sale of our stake in the CIL insurance business to AXA, which generated EGP 286 million in capital gains.

"Key business metrics continued to improve. Net interest margin increased 18 basis points to a record 5.59%, and cost-to-income improved to 20.4%, driving consolidated return on average equity to 33.4%².

"The recent Central Bank directives concerning credit concentration and SME lending are in line with our existing strategy, and will likely be net positive to our business vis à vis our competitors. We already have in place strong SME and digital product teams that have begun the implementation of promising new strategies to capture the high growth potential in smaller businesses and the unbanked population. Our leadership role is visible in the successful recent rollout of our digital trade finance platform, which has driven down costs and improved efficiency for both our clients and our own operations. Similarly, with regards to the newly lowered credit concentration limits, we have been operating for some time now using more stringent internal limits of 10% of capital for single obligors and 15% for related entities, as compared to the new CBE limits of 15% and 20%, respectively. We are thus continuing to operate under credit concentration limits that are substantially below even the CBE's new guidelines, as has been noted recently by Moody's.

"We continue to take a cautious approach to the general operational and economic landscape. We have acted prudently in increasing our provision reserves in the face of deterioration in key business sectors, building up a sector-leading non-performing loan coverage ratio of 188% to protect against any potential developments in the coming period, whether sector-specific or macro-driven. It is important to highlight the unique nature of our provisioning policy, which is both counter-cyclical and covers industry sectors in addition to individual borrowers. A noteworthy indicator of our balance sheet strength is that an impressive 22% of our entire loan portfolio is fully covered by loan loss provisions, unearned interest reserves and capital allocated directly to loans.

"These policies are part of our Enterprise Risk Management framework, which CIB is again unique amongst its local peers in implementing. Another important distinction is that we are the only Egyptian bank to mark our sovereign debt position to an internal model that accounts for potential market illiquidity in the event of a rapid unwinding of the position. This has created reserves of over EGP 2.5 billion on our balance sheet solely related to sovereign debt holdings.

"We take this opportunity to note that international regulations for bank capital are becoming more stringent. The CBE has initiated discussions on the implementation of the Basel II Internal Capital Adequacy Assessment Process (ICAAP), which takes into account a broader range of risk categories and may result in an increase in the regulatory capital requirement. Moreover, Basel III is raising international minimum capital guidelines from 8% to 10.5% (the minimum is already 10% in Egypt), and there are discussions around the potential introduction of risk weights for currently 'risk-free' sovereign portfolios. The outlook for interest and exchange rates will also have an impact on capital needs. We consistently strive to ensure that CIB is adequately capitalised and to avoid any need for external capital

² ROAE after proposed appropriation

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raising. It is worth noting that CIB's capital adequacy ratio at the end of 2015 was well in excess of the 10% regulatory requirement, at 12.7% before profit appropriation and over 16% after.

“We are thus confident that our robust balance sheet positions us uniquely well amongst our local peers to face potential changes in macroeconomic factors and banking regulations, as well as swings in general corporate performance over the coming period.”

FOURTH-QUARTER CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter consolidated revenues were EGP 2.89 billion, up 33% from fourth-quarter 2014. Growth was driven by a 148% increase in Non-Interest Income.

Fourth-quarter standalone revenues were EGP 2.81 billion, up 34% from fourth-quarter 2014.

Full year consolidated revenues were EGP 10.22 billion, up 32% from the EGP 7.74 billion achieved in the year ago period. On a standalone basis, the Bank achieved EGP 10.19 billion in revenues, up 32% YoY.

Net Interest Income

Year-to-date standalone net interest margin (NIM)³ was 5.59%, generating stand-alone net interest income of EGP 8.1 billion, up 29% YoY.

Management efforts to protect margins were successful in expanding NIM by 18bp YoY, but we remain cautious regarding the future direction of NIM, given its dependence on multiple macro variables.

Non-Interest Income

Consolidated non-interest income for 2015 was EGP 2.11 billion (21% of revenues), up 44% YoY.

Trade service fees⁴ for 2015 recorded EGP 643 million, steady YoY. Trade service net outstanding balances stood at EGP 31.0 billion, up 23% YoY from EGP 25.3. Dealing room profits were EGP 267 million.

OPERATING EXPENSE

Consolidated operating expense for fourth-quarter 2015 was EGP 711 million, up 24% YoY.

Consolidated operating expense for the full year was EGP 2.06 billion, up 21% YoY from EGP 1.7 billion. Consolidated efficiency ratio improved to 20.4% versus 22.8% in 2014. Standalone operating expense for 2015 was EGP 2.06 billion, 21% higher YoY.

LOANS

CIB's total standalone gross loan portfolio was EGP 63 billion, adding EGP 9.2 billion, or 17% YoY. CIB maintained the highest loan market share of all private-sector banks at 8.1% as of October 2015.

DEPOSITS

Standalone deposits were EGP 155 billion, adding EGP 33 billion, or 27% YoY, and EGP 991 million, or 1%, on a quarterly basis. Deposit market share was 8.4% as of October 2015, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 40.3% in the fourth-quarter 2015, versus 43.6% for the comparable year-ago period.

³ Based on managerial accounts

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ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 3.98% of the gross loan portfolio, covered 188% by the bank's EGP 4.7 billion loan loss provision balance. Loan loss provision expenses for the fourth-quarter were EGP 562 million.

Year-to-date loan loss provision expenses reached EGP 1.7 billion 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 12.2 billion in December 2015, or 12.72% of risk-weighted assets before appropriation of the year's profits. Tier I capital was EGP 11.2 billion, or 92% of total tier capital.

CIB maintained its conservative liquidity position in both local and foreign currencies, remaining comfortably above CBE requirements and Basel III guidelines. With an NSFR of 281% in local currency and 105% in foreign currency, and an LCR of 403% in local currency and 419% in foreign currency, CIB comfortably exceeds the 100% minimum requirements under Basel III.

KEY METRICS AND BUSINESS UPDATES⁴

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

INSTITUTIONAL BANKING

- End-of-period gross loans were EGP 49.4 billion, up 12% YoY
- End-of-period deposits were EGP 47.6 billion, up 38% YoY
- Gross outstanding contingent business reached EGP 32.3⁵ billion, up 21.5% YoY

BUSINESS BANKING

- End-of-period gross loans were EGP 1.93 billion, up 53% YoY
- End-of-period deposits were EGP 35.7 billion, up 24% YoY
- Gross outstanding contingent business reached EGP 1.40 billion⁵, up 22.1% YoY

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 11.6 billion, up 42% YoY
- End-of-period deposits were EGP 72.1 billion, up 22% YoY
- CIB continued to expand its network to reach a total of 159 branches and 28 units throughout Egypt, supported by a network of 662 ATMs

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- CI Capital recorded 2015 revenues of EGP 330 million and net income of EGP 61 million
- Brokerage kept its top rank with a market share of 12.1% for CIBC and EGP 199mn in revenue
- Assets under management added 12% YoY; EIMA ranked CIB Ossoul fund and Banque du Caire Al Thabet first by 12-month return; BLOM fund and CIB Thabat fund ranked second
- Investment Banking successfully closed eight major transactions in 2015

⁴Loan and deposit balances based on managerial accounts

⁵On gross basis; based on managerial accounts



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CONSOLIDATED FINANCIAL HIGHLIGHTS

| Income Statement | 4Q15 | 3Q15 | QoQ | 4Q14 | YoY | YtD Dec-15 | YtD Dec-14 | YoY change |
|---|--------------|--------------|------------------------------|----------------|------------------------------|----------------|--------------|------------------|
| | EGP million | EGP million | Change (4Q15 vs. 3Q15) | EGP million | Change (4Q15 vs. 4Q14) | EGP million | EGP million | (Dec15 vs.Dec14) |
| Net Interest Income | 2,198 | 2,085 | 5% | 1,892 | 16% | 8,115 | 6,276 | 29% |
| Non-Interest Income | 696 | 528 | 32% | 281 | 148% | 2,107 | 1,465 | 44% |
| Net Operating Income | 2,894 | 2,613 | 11% | 2,173 | 33% | 10,222 | 7,741 | 32% |
| Non-Interest Expense | (711) | (500) | 42% | (573) | 24% | (2,057) | (1,705) | 21% |
| Loan loss provision | (562) | (472) | 19% | (122) | 360% | (1,682) | (589) | 186% |
| Net Profit before Tax | 1,620 | 1,641 | -1% | 1,477 | 10% | 6,482 | 5,447 | 19% |
| Income Tax | (526) | (298) | 76% | (482) | 9% | (1,950) | (1,815) | 7% |
| Deferred Tax | 52 | (15) | NM | 38 | NM | 136 | 38 | NM |
| Net profit from continued operations | 1,146 | 1,328 | -14% | 1,033 | 11% | 4,669 | 3,671 | 27% |
| CI Capital Profit (Net of Tax) ¹ | - | - | NM | - | NM | 61 | 72 | -15% |
| Net profit | 1,146 | 1,328 | -14% | 1,033 | 11% | 4,730 | 3,743 | 26% |
| Minority Interest | 0.3 | 0 | 94% | 1 | NM | 1 | 2 | -62% |
| Net Profit After Minority | 1,146 | 1,328 | -14% | 1,032 | 11% | 4,729.0 | 3,741 | 26% |
| Profitability | | | | | | | | |
| ROAE | 29.7% | 34.6% | -14.4% | 30.6% | -3.2% | 33.4% | 31.3% | 6.8% |
| ROAA | 2.59% | 3.13% | -17.3% | 2.97% | -12.8% | 2.95% | 2.94% | 0.5% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 24.8% | 19.7% | 26.0% | 28.5% | -13.2% | 20.4% | 22.8% | -10.7% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 40.3% | 40.6% | -0.6% | 43.6% | -7.5% | 40.3% | 43.6% | -7.5% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 4.00% | 4.45% | -10.0% | 4.71% | -15.0% | 4.00% | 4.71% | -15.0% |
| Capital Adequacy Ratio | 12.7% | 14.0% | -9.3% | 14.1% | -9.3% | 12.7% | 14.1% | -9.3% |

STANDALONE FINANCIAL HIGHLIGHTS

| Income Statement | 4Q15 | 3Q15 | QoQ | 4Q14 | YoY | YtD Dec-15 | YtD Dec-14 | YoY change |
|------------------------------|--------------|--------------|------------------------------|----------------|------------------------------|---------------|--------------|------------------|
| | EGP million | EGP million | Change (4Q15 vs. 3Q15) | EGP million | Change (4Q15 vs. 4Q14) | EGP million | EGP million | (Dec15 vs.Dec14) |
| Net Interest Income | 2,208 | 2,099 | 5.2% | 1,903 | 16.0% | 8,115 | 6,276 | 29% |
| Non-Interest Income | 598 | 460 | 30% | 198 | 202.7% | 2,079 | 1,441 | 44% |
| Net Operating Income | 2,806 | 2,559 | 9.7% | 2,100 | 34% | 10,194 | 7,717 | 32% |
| Non-Interest Expense | (645) | (460) | 40.1% | (510) | 26% | (2,057) | (1,705) | 21% |
| Loan loss provision | (562) | (472) | 19.1% | (122) | 359.8% | (1,682) | (589) | 186% |
| Net Profit before Tax | 1,599 | 1,627 | -1.7% | 1,468 | 8.9% | 6,454 | 5,424 | 19% |
| Income Tax | (520) | (299) | 73.5% | (477) | 8.9% | (1,950) | (1,815) | 7% |
| Deferred Tax | 50 | (15) | NM | 38 | NM | 136 | 38 | NM |
| Net Profit | 1,130 | 1,312 | -14% | 1,029 | 10% | 4,641 | 3,648 | 27% |
| Profitability | | | | | | | | |
| ROAE | 29.3% | 34.3% | -14.5% | 30.4% | -3.6% | 32.8% | 30.3% | 8.3% |
| ROAA | 2.55% | 3.10% | -17.5% | 2.96% | -14% | 2.90% | 2.87% | 1.3% |
| NIM ² | 5.55% | 5.55% | 0.11% | 5.26% | 5.5% | 5.59% | 5.41% | 3.3% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 23.2% | 18.5% | 25.3% | 26.4% | -12.1% | 20.5% | 22.9% | -10.7% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 40.5% | 40.9% | -0.86% | 43.9% | -7.8% | 40.5% | 43.9% | -7.8% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 3.98% | 4.41% | -9.8% | 4.66% | -14.5% | 3.98% | 4.66% | -14.5% |
| Direct Coverage Ratio | 188% | 155% | 21.1% | 138% | 36.3% | 188% | 138% | 36.3% |

1 Classification not available for quarters

2 Based on managerial accounts



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BALANCE SHEET

| | Consolidated | | | Standalone | | |
|---|----------------|----------------|---------------------|----------------|----------------|---------------------|
| | Dec-15 | Dec-14 | YtD Change | Dec-15 | Dec-14 | YtD Change |
| | EGP million | EGP million | (Dec-15 Vs. Dec-14) | EGP million | EGP million | (Dec-15 Vs. Dec-14) |
| Cash & Due from Central Bank | 9,849 | 7,502 | 31% | 9,849 | 7,502 | 31% |
| Due from Banks | 21,002 | 9,522 | 121% | 21,002 | 9,280 | 126% |
| Treasury Bills & Governmental Notes | 22,130 | 30,549 | -27.6% | 22,130 | 30,539 | -28% |
| Trading Financial Assets | 5,848 | 3,763 | 55% | 5,848 | 3,728 | 57% |
| Available-for-Sale Investments | 46,289 | 27,702 | 67% | 46,289 | 27,688 | 67% |
| Financial assets held for sale | 1,066 | - | NM | 503 | - | NM |
| Net Loans & Overdrafts | 56,836 | 48,804 | 16% | 57,211 | 49,398 | 16% |
| Financial Derivatives | 81 | 52 | 55% | 81 | 52 | 55% |
| Held-to-Maturity Investments | 9,261 | 9,161 | 1% | 9,261 | 9,161 | 1% |
| Financial Investment in Subsidiaries | 160 | 182 | -12% | 13 | 565 | -98% |
| Other Assets | 6,977 | 6,577 | 6% | 7,005 | 5,734 | 22% |
| Total Assets | 179,500 | 143,813 | 25% | 179,193 | 143,647 | 25% |
| Due to Banks | 1,601 | 1,131 | 41% | 1,601 | 1,131 | 41% |
| Customer Deposits | 155,234 | 121,975 | 27% | 155,370 | 122,245 | 27% |
| Other Liabilities | 6,082 | 5,904 | 3% | 5,711 | 5,455 | 5% |
| Total Liabilities | 162,918 | 129,010 | 26% | 162,681 | 128,831 | 26% |
| Total Shareholders' Equity | 11,806 | 11,013 | 7% | 11,871 | 11,168 | 6% |
| Net Profit for the Period | 4,729 | 3,741 | 26% | 4,641 | 3,648 | 27% |
| Shareholders' Equity & Net Profit | 16,535 | 14,754 | 12% | 16,512 | 14,816 | 11% |
| Minority Interest | 47 | 49 | -4% | - | - | - |
| Total Liabilities & Shareholders' Equity | 179,500 | 143,813 | 25% | 179,193 | 143,647 | 25% |