

CIB Well Positioned to Grab Future Opportunities

CAIRO, November 15th, 2011 – Commercial International Bank (CIB), the leading financial institution in Egypt, today released its third quarter financial results.

Business Highlights as of 30 September 2011 – Consolidated Performance

- During the first nine months of 2011, total consolidated revenues recorded EGP 2,842 million in comparison to EGP 2,810 million in September 2010, thus recording 1% growth YoY mainly due to growth in NII of 18.78% to EGP 1,952 million.
- CIB was able to grow its gross loans at the end of Q3'2011 by 8.25% over year end 2010 while the bank saw a significant rise by 10.11% on the deposits side.
- CIB's loan market share recorded 8.32%, as of August, an increase of 3.87% since the beginning of the year up from 8.01%. The deposits side witnessed substantial growth of 6.57% up from 6.70% in January to record a healthy level of 7.14% as of August.
- CIB's loans to deposits ratio still records 56.94%, reflecting the high levels of liquidity successfully upheld by the bank's management.
- CIB total assets grew by 8.12% compared to December 2010.
- On a standalone basis, Net Interest Margin YTD remained healthy at 3.6% reflecting management's efficiency in managing the Bank's liquidity. It's worthy to note that NIM has been increasing QoQ as it recorded 3.7% in Q3'2011 over 3.5% in Q2'2011.
- CIB enjoys the lowest NPLs/Gross Loans among its peer group standing at 2.93% as of September 2011.
- Coverage ratio as of September 2011 recorded 141.8% in comparison to 141.18% in September 2010, while compared to 148.24% in December 2010.
- CAR* in September 2011 has reached 15.35% compared to 14.87% in September 2010.
- ROAE and ROAA recorded 16.60% and 1.81% respectively.
- Provision Expense increased from EGP 28 million in 2010 to EGP 312 million and consequently income before provisions (normalized for one off items) recorded EGP 1,312 million in September 2011 compared to EGP 1,293 million as of September 2010, a growth of 2.2%
- Q3'2011 revenues decreased versus Q2'2011 by 5%. Over the last 3 years Q3 was down by 7%, 3% and 13% respectively.
- CIB achieved EGP 1,065 million of Net Profit After Tax (NPAT) in September 2011 with decline of almost 25% YOY down from 1,416 in September 2010. After normalizing the one off items in both years, consolidated NPAT would record EGP 1,010 million as of September 2011 as compared to 1,265 million in September 2010 which will bring down the decline to 20% Yo Y.

* Does not include net profits for 2011.

Key Operating Ratios - Consolidated

	YTD Sep-11	YTD Sep-10
NIM	3.6%	3.5%
ROAA	1.81%	2.79%
ROAE	16.60%	25.19%
Cost/Income	40.39%	38.87%

Summary Consolidated Income Statement

EGP Million	YTD Sep-11	YTD Sep-10	Variance %
Net Interest Income	1,952	1,644	18.78%
Non Interest Income	889	1,167	-23.76%
Operating Income	2,842	2,810	1.12%
<i>Less:</i>			
Non Interest Expense	(1,133)	(1,057)	7.27%
Provisions	(312)	(29)	987.81%
Net Profit before Tax	1,396	1,725	-19.06%
Taxes	(331)	(308)	7.65%
Net Profit After Taxes	1,065	1,416	-24.79%
Minority Interest	0	1	
Net Profit After Taxes	1,065	1,416	-24.79%

Revenues

- During the first nine months of 2011, total consolidated revenues recorded EGP 2,842 million, broken down into a healthy rise of 18.78% in net interest income and a drop of 24% in non interest income on YoY basis related to the economic slowdown due to the revolution.
- Core banking fees witnessed a growth of approximately 1% to reach EGP 614 million while other income from dividends and investment revaluations declined by 47% to EGP 310 million.
- It's worth mentioning that when accounting to the recasted financials, CIB's top line would achieve 7% growth rather than the actual 1% reported. While its bottom line drop would only account for 20%.

Expenses

- Total expenses increased by 7% YoY driving cost/income ratio to increase to 40.39% YTD up from 38.87% in September 2010, however, this shows a significant drop from the 45.6% cost/income ratio witnessed in Q1'2011. Such drop is a testament to management's ability to manage expenses.

- The increase in total expenses is mainly attributable to the increase in staff salaries due to increase in headcount and unified allowance resulting in an increase of almost 19% YoY.

Summary Consolidated Balance Sheet

<i>EGP Million</i>	Sep.30, 2011	Dec.31, 2010	Variance %
Cash and Due From Central Bank	4,585	5,675	-19.20%
Due from Banks	11,678	7,055	65.53%
Gross Loans	39,745	36,717	8.25%
Provisions and Unearned items	(1,784)	(1,542)	15.76%
Net Loans	37,961	35,175	7.92%
Treasuries & Investments	24,634	24,556	0.3%
Intangible Assets & Goodwill	457	537	-15.02%
Other Assets	2,236	2,427	-7.89%
Total Assets	81,550	75,425	8.12%
Due to Banks	1,515	1,322	14.58%
Customer Deposits	69,771	63,364	10.11%
Other Liabilities	1,682	2,120	-20.65%
Total Liabilities	72,968	66,806	9.22%
Equity	8,535	8,572	-0.43%
Minority Interest	47	47	0.02%

Credit Quality and Capital Adequacy

- Well known for its conservative credit culture, management saw fit to increase provisions to EGP 312 million YTD September 2011 in light of the current levels of uncertainty. This is up from EGP 29 million YTD September 2010.
- Despite the current circumstances in the economy, CIB continues to maintain its resilient asset quality, with its NPLs/Gross loans relatively unchanged at 2.9%
- CIB continues to keep hold of its strong equity base with a conservative CAR of 15.35%, providing a safe haven from any unfavorable movements within the market.

Stand-alone Performance

- CIB delivered NPAT of EGP 1,187 million YTD September 2011, down 23% YoY.
- Total revenues are up by 131 % YoY recording EGP 2,783 million as of September 2011 over EGP 2,747 million in September 2010. It's worth mentioning that Q3'2011 standalone grew by 7% over Q3'2010, while it reported only 5% decline when compared to Q2'2011.
- Total assets recorded EGP 81,626 million YTD.
- CIB was able to grow its balance sheet by 8.7% YTD over December 2010.
- CIB managed to realize ROAE of 19.2% and ROAA of 2% as of September 2011.
- Cost: income ratio stood at 38% up from 36% in September 2010 mainly due to the increase in staff salaries of 22% on the back of staff decisions taken.

Summary Unconsolidated Income Statement

<i>EGP Million</i>	YTD Sep-11	YTD Sep-10	Variance %
Net Interest Income	1,945	1,642	18.50%
Non Interest Income	838	1,106	-24.21%
Net Operating Income	2,783	2,747	1.31%
Non Interest Expense	(969)	(878)	10.40%
Provisions	(312)	(29)	987.81%
Net Profit before Tax	1,502	1,841	-18.4%
Income Tax	(320)	(300)	6.84%
Deferred Tax	5	0	-
Net Profit	1,187	1,541	-22.99%

Summary Unconsolidated Balance Sheet

<i>EGP Million</i>	Sep.30, 2011	Dec.31, 2010	Variance %
Cash and Due From Central Bank	4,585	5,675	-19.20%
Due from Banks	11,595	6,770	71.28%
Gross Loans	39,745	36,717	8.25%
Provisions and Unearned Items	(1,785)	(1,542)	15.76%
Net Loans	37,961	35,175	7.92%
Treasuries & Investments	25,364	25,273	0.36%
Other Assets	2,120	2,200	-3.6%
Total Assets	81,626	75,093	8.70%
Due to Banks	1,515	1,322	14.58%
Customer Deposits	69,870	63,480	10.07%
Other Liabilities	1,538	1,677	-8.29%
Total Liabilities	72,923	66,479	9.69%
Equity	8,704	8,614	1.04%

Key Operating Ratios - Unconsolidated

	YTD Sep-11	YTD Sep-10
NIM (%)	3.6	3.5
ROAA (%)	2	2.7
ROAE (%)	19.2	28.7
Cost/Income (%)	38	36

