

News Release

11 February 2014

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FOURTH-QUARTER 2013 CONSOLIDATED REVENUE OF EGP 1.74 BILLION AND NET INCOME OF EGP 757 MILLION, UP 29% FROM FOURTH-QUARTER 2012

RECORD FULL-YEAR 2013 CONSOLIDATED REVENUE OF EGP 6.98 BILLION AND NET INCOME OF EGP 3.01 BILLION, OR EGP 2.67 PER SHARE, UP 35% FROM 2012

🌐 Strong Fourth-Quarter 2013 Consolidated Financial Results:

- Net income of EGP 757 million, up 29% year-on-year (YoY)
- Revenues of EGP 1.74 billion, up 15% YoY
- Efficiency (cost-to-income) ratio of 26.2%, an improvement of 21% YoY

🌐 Record full-year 2013 Consolidated Financial Results:

- Record net income of EGP 3.01 billion, or EGP 2.67 per share, up 35% YoY
- Record revenue of EGP 6.98 billion, up 31% YoY
- Record standalone net interest margin¹ of 5.36%
- Efficiency ratio improved to 26.5% from 30.6% in 2012, on higher staff productivity

🌐 Robust Balance Sheet:

- Total tier capital² of EGP 9.50 billion (before appropriation), or 13.55% of risk-weighted assets, of which 12.46% is Tier I capital.
- Balance sheet growth of 21% YoY
- High quality of funding, with customer deposits comprising 95% of total liabilities
- Standalone non-performing loans were 3.96% of the gross loan portfolio
- Loan loss provision balance of EGP 2.86 billion covered non-performing loans 1.6x

🌐 Sector-Leading Full-Year Returns:

- Consolidated return on average equity³ of 26.5% versus 22.9% in the year-ago period
- Consolidated return on average assets of 2.90% versus 2.48% in the year-ago period

🌐 Supporting our Economy

- Funding to businesses and individuals reached EGP 45.3 billion by the end of 2013
- Deposits increased 23% in 2013 to EGP 96.8 billion, with deposit market share of 7.6%⁴, up from 7.2% in December 2012
- In 2013, CIB's operations generated EGP 1.52 billion in corporate, payroll and other taxes

¹ Based on managerial accounts

² CBE regulations announced in December 2012 stipulate that banks report capital adequacy according to a Basel II framework

³ Equity includes profit of the year

⁴ As of October 2013 (latest published figures)

 **Committed to our Community**

- In the fourth quarter, the CIB Foundation donated over EGP 14 million to sponsor the entire second pediatric floor at the Magdi Yacoub Heart Foundation's Aswan Heart Center.
- The CIB Foundation participated once again in the annual One Million Blankets National Campaign, and contributed to the annual operating cost of the intensive care unit at the Abou El Reesh El Mounira Children's Hospital and four units at the Ain Shams Demerdash Hospital.
- CIB donated EGP 52 million to the Federation of Egyptian Banks' initiative to help develop underprivileged areas throughout Egypt, under the supervision of the Ministry of Urban Development.

 **Awards & Rankings**

- CIB has continued to receive global recognition and international awards for its outstanding performance. Awards were received from *Global Finance*, *The Banker*, *Euromoney*, *Global Investor* and *EMEA Finance*.

CAIRO – Commercial International Bank (EGX: COMI) today reported full-year 2013 consolidated net income of EGP 3.01 billion, or EGP 2.67 per share, an increase of 35% over 2012 net income of EGP 2.23 billion, or EGP 2.34 per share.

Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented: "CIB closed another consecutive record year in 2013, generating consolidated net income of over EGP 3 billion on revenues of EGP 6.98 billion, up 31% over 2012.

"We are proud that Egyptian savers turned to CIB in these uncertain times, trusting us with over EGP 18 billion in additional deposits during the year. We, in turn, demonstrated our commitment to the market through the addition of 17 new branches to our network, more than any of our peers.

"Despite a declining rate environment, full-year performance indicators remained impressive, achieving record margin and efficiency ratios. This was greatly aided by the strong growth in our non-interest income to just under EGP 2 billion, driven by our trade services and foreign exchange businesses.

"The Bank took this opportunity to strengthen its capital base while boosting distribution to shareholders by 20%. Today, CIB is ideally placed to take advantage of any opportunities that arise as market stability returns in the coming year."

FOURTH-QUARTER AND FULL-YEAR 2013 FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter consolidated revenues were EGP 1.74 billion, 15% over the EGP 1.51 billion recorded in the last quarter of 2012.

Fourth-quarter standalone revenues were EGP 1.71 billion, 22% over third-quarter 2013 and up 25% from the EGP 1.37 billion achieved in fourth-quarter 2012.

Full-year consolidated revenues were EGP 6.98 billion, up 31% from the EGP 5.34 billion achieved last year. Standalone revenues were EGP 6.48 billion, up 27% from EGP 5.11 billion in 2012.

Net Interest Income

Fourth-quarter standalone net interest income generated EGP 1.37 billion, 27% higher than the year-ago period, leading to net interest margin (NIM) of 5.46%, up 51 basis points from fourth-quarter 2012.

Full-year standalone net interest income was EGP 5.05 billion, 29% higher than the year-ago period. 2013 NIM was 5.36%, 62 basis points higher than the year-ago period despite a falling interest rate environment (following a sharp decline in sovereign yields and three consecutive 50 basis point cuts by the CBE).

Non-Interest Income

Non-interest income generated a substantial portion of the Bank's growth in 2013. Consolidated non-interest income for the fourth quarter was EGP 377 million. Non-interest income for the full year was EGP 1.92 billion, up 34% over the year-ago period. Key growth drivers were record years for trade services, dealing room profits and increased debt capital market activity.

OPERATING EXPENSE

Consolidated operating expense for fourth-quarter 2013 was EGP 475 million, 2% more than the third quarter, and 6% less YoY. The consolidated efficiency ratio decreased to 26.2% versus 33.2% in fourth-quarter 2012.

Full-year operating expense was EGP 1.88 billion, up 14% YoY and well below the top-line growth rate, leading to an improvement in 2013's efficiency ratio to 26.5%, versus 30.6% in 2012.

LOANS

CIB's total consolidated gross loan portfolio was EGP 45.3 billion at the end of 2013, adding EGP 949 million, or 2%, over year-end 2012.

CIB maintained the highest loan market share of all private-sector banks, at 8.27% as of October 2013 (latest published figures).

DEPOSITS

CIB had a record year in deposit gathering: client deposits were EGP 96.8 billion, up EGP 18.1 billion (23%) over year-end 2012 and up 3% on a quarterly basis. Deposit market share was 7.63% (as of October 2013), up 40 basis points since December 2012 and maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 46.8% at the end of 2013, versus 56.3% for the comparable year-ago period.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 3.96% of the gross loan portfolio.

Loan loss provision expenses were EGP 350 million in the fourth quarter, bringing full-year 2013 loan loss provision expense to EGP 916 million. The direct coverage ratio increased to 159% from 143% in third-quarter 2013 and 120% at year-end 2012, based on a total loan loss provision balance of EGP 2.86 billion.

CAPITAL AND LIQUIDITY

Total tier capital (before appropriation) was EGP 9.50 billion⁵ in December 2013, or 13.55% of risk weighted assets (EGP 70.1 billion). Tier I capital was EGP 8.73 billion, or 12.46% of risk-weighted assets and 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 (on a pro forma basis).

⁵ 2013 profits are excluded from the capital base as per regulations. Total tier capital would be EGP 11.4 billion subject to the approval of the appropriation proposal

KEY METRICS AND BUSINESS UPDATES⁶

INSTITUTIONAL BANKING

- #1 private-sector bank in Egypt in terms of revenues, net income, deposits, loans, total assets, book value and market capitalization
- End-of-period loans retained were EGP 38.3 billion, up 2% from year-end 2012
- End-of-period deposits were EGP 26.3 billion, up 34% from year-end 2012
- Gross outstanding contingent business reached EGP 16.2 billion, up 9% YoY

CONSUMER BANKING

- End-of-period loans retained were EGP 7.2 billion, 8% over year-end 2012
- End-of-period deposits were EGP 70.7 billion, 19% over year-end 2012
- CIB was one of the few banks to expand its network in 2013, opening 17 branches to reach a total of 125 branches and 27 units throughout Egypt, supported by a network of 555 ATMs and 8,683 points of sale

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 141 million in 2013, up 16% YoY.
- **Brokerage** maintained its leading position among brokerage companies during the fourth quarter and ranked second throughout 2013.
- **Asset Management** ended the year with 10.5% market share and maintained its top three performance ranking among Egyptian asset managers for the fourth year in a row.
- **Investment banking** achieved a record year after closing a number of landmark transactions in the local market.

⁶ Loan and deposit balances based on managerial accounts

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Income Statement							
	4Q13 EGP million	3Q13 EGP million	QoQ Change (4Q13 vs. 3Q13)	4Q12 EGP million	YoY Change (4Q13 vs. 4Q12)	FY-13 EGP million	FY-12 EGP million	YoY Change (FY13 vs. FY12)
Net Interest Income	1,363	1,281	6.4%	1,082	25.9%	5,054	3,914	29.1%
Non-Interest Income	377	520	-27.5%	432	-12.6%	1,923	1,430	34.4%
Net Operating Income	1,740	1,801	-3.4%	1,514	14.9%	6,976	5,344	30.6%
Non-Interest Expense	(475)	(464)	2.4%	(506)	-6.2%	(1,884)	(1,653)	14.0%
Provisions	(350)	(75)	365.3%	(203)	71.9%	(916)	(610)	50.1%
Net Profit before Tax	915	1,262	-27.5%	804	13.8%	4,176	3,081	35.6%
Income Tax	(157)	(351)	-55.2%	(233)	-32.5%	(1,182)	(887)	33.2%
Deferred Tax	(1)	9	NM	16	NM	12	33	-63.6%
Net Profit	757	920	-17.8%	587	28.9%	3,006	2,227	35.0%
Minority Interest	(0)	0	NM	(0)	NM	(0)	1	NM
Net Profit After Minority	757	920	-17.7%	588	28.9%	3,006	2,226	35.1%

	Key Financial Indicators							
	4Q13	3Q13	QoQ Change (4Q13 vs. 3Q13)	4Q12	YoY Change (4Q13 vs. 4Q12)	FY-13	FY-12	YoY Change (FY13 vs. FY12)
Profitability								
ROAE	26.7%	33.2%	-19.7%	24.1%	10.5%	26.5%	22.9%	15.8%
ROAA	2.92%	3.62%	-19.5%	2.62%	11.4%	2.90%	2.48%	16.8%
Efficiency								
Cost-to-Income	26.2%	26.0%	0.7%	33.2%	-21.3%	26.5%	30.6%	-13.4%
Liquidity								
Gross Loans-to-Deposits	46.8%	47.9%	-2.4%	56.3%	-17.0%	46.8%	56.3%	-17.0%
Asset Quality								
NPLs-to-Gross Loans	3.98%	4.01%	-0.6%	3.63%	9.7%	3.98%	3.63%	9.7%
Capital Adequacy Ratio ⁷	13.6%	14.8%	-8.7%	15.7%	-13.7%	13.6%	15.7%	-13.7%

STANDALONE FINANCIAL HIGHLIGHTS

	Income Statement							
	4Q13 EGP million	3Q13 EGP million	QoQ Change (4Q13 vs. 3Q13)	4Q12 EGP million	YoY Change (4Q13 vs. 4Q12)	FY-13 EGP million	FY-12 EGP million	YoY Change (FY13 vs. FY12)
Net Interest Income	1,365	1,279	6.7%	1,079	26.5%	5,050	3,901	29.5%
Non-Interest Income	349	129	170.1%	289	21.0%	1,433	1,207	18.7%
Net Operating Income	1,714	1,408	21.7%	1,368	25.3%	6,482	5,108	26.9%
Non-Interest Expense	(445)	(404)	10.1%	(402)	10.5%	(1,727)	(1,445)	19.5%
Provisions	(350)	(75)	365.3%	(203)	71.9%	(916)	(610)	50.1%
Net Profit before Tax	920	929	-1.0%	762	20.7%	3,840	3,053	25.8%
Income Tax	(159)	(350)	-54.5%	(235)	-32.2%	(1,180)	(884)	33.4%
Deferred Tax	(1)	(49)	-97.8%	16	NM	(45)	34	NM
Net Profit	760	531	43.2%	544	39.7%	2,615	2,203	18.7%

	Key Financial Indicators							
	4Q13	3Q13	QoQ Change (4Q13 vs. 3Q13)	4Q12	YoY Change (4Q13 vs. 4Q12)	FY-13	FY-12	YoY Change (FY13 vs. FY12)
Profitability								
ROAE	26.0%	18.6%	39.7%	21.5%	20.7%	22.3%	21.8%	2.5%
ROAA	2.92%	2.09%	40.1%	2.42%	20.8%	2.51%	2.45%	2.7%
NIM ⁸	5.46%	5.25%	4.0%	4.96%	10.2%	5.36%	4.74%	13.1%
Efficiency								
Cost-to-Income	24.8%	29.0%	-14.4%	29.2%	-14.9%	26.1%	28.0%	-6.7%
Liquidity								
Gross Loans-to-Deposits	47.0%	57.5%	-18.3%	56.3%	-16.5%	47.0%	56.3%	-16.5%
Asset Quality								
NPLs-to-Gross Loans	3.96%	3.98%	-0.6%	3.63%	9.1%	3.96%	3.63%	9.1%
Direct Coverage Ratio	158.8%	142.7%	11.3%	119.9%	32.5%	158.8%	119.9%	32.5%

⁷ Before appropriation of 2013 profits.

⁸ Based on Managerial accounts



BALANCE SHEET

Balance Sheet Highlights	Consolidated			Standalone		
	Dec-13	Dec-12	YtD Change	Dec-13	Dec-12	YtD Change
	EGP million	EGP million		EGP million	EGP million	
Cash & Due from Central Bank	4,805	5,394	-10.9%	4,796	5,394	-11.1%
Due from Banks	9,004	8,048	11.9%	8,894	7,958	11.8%
Treasury Bills & Governmental Notes	23,665	8,018	195.2%	23,655	7,978	196.5%
Trading Financial Assets	2,286	1,515	50.9%	2,246	1,472	52.6%
Available-for-Sale Investments	23,378	21,177	10.4%	23,364	21,162	10.4%
Net Loans & Overdrafts	41,720	41,877	-0.4%	41,970	41,877	0.2%
Financial Derivatives	103	137	-25.0%	103	137	-25.0%
Held-to-Maturity Investments	4,197	4,216	-0.4%	4,187	4,206	-0.4%
Financial Investment in Subsidiaries	193	165	16.7%	599	938	-36.1%
Other Assets	4,254	3,409	24.8%	3,938	3,283	19.9%
Total Assets	113,607	93,957	20.9%	113,752	94,405	20.5%
Due to Banks	1,373	1,715	-19.9%	1,373	1,715	-19.9%
Customer Deposits	96,846	78,729	23.0%	96,940	78,835	23.0%
Other Liabilities	3,380	2,701	25.2%	3,324	2,545	30.6%
Total Liabilities	101,600	83,144	22.2%	101,637	83,094	22.3%
Total Shareholders' Equity	8,953	8,538	4.9%	9,500	9,108	4.3%
Net Profit for the Period	3,006	2,226	35.1%	2,615	2,203	18.7%
Shareholders' Equity & Net Profit	11,960	10,765	11.1%	12,115	11,311	7.1%
Minority Interest	47	48	-0.2%	-	-	
Total Liabilities & Shareholders' Equity	113,607	93,957	20.9%	113,752	94,405	20.5%