

News Release

15 May 2014

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS STRONG FIRST-QUARTER 2014 CONSOLIDATED REVENUE OF EGP 1,756 MILLION AND NET INCOME OF EGP 805 MILLION, UP 22% FROM FIRST-QUARTER 2013

Strong First-Quarter 2014 Consolidated Financial Results:

- Net income of EGP 805 million¹ up 22% year-on-year (YoY)
- Revenues of EGP 1.8 billion, up 16% YoY
- Record quarterly standalone net interest margin of 5.50%², up 25 basis points YoY
- Efficiency (cost-to-income) ratio of 23.4%, an improvement of 6% QoQ and 4% YoY

Robust Balance Sheet:

- Total tier capital EGP of 11.8 billion (after profit appropriation), or 16.45% of risk-weighted assets, of which 93% is high quality Tier I capital
- Total assets of EGP 120 billion, up 18% YoY
- High quality of funding, with customer deposits comprising 95% of total liabilities
- Standalone non-performing loans were 4.56% of the gross loan portfolio
- Loan loss provision balance of EGP 3.1 billion covered non-performing loans 1.4x

Sector-leading Quarterly Returns:

- Consolidated return on average equity of 28.5%³ versus 26.4% in the year-ago period
- Consolidated return on average assets of 2.75% versus 2.69% in the year-ago period

Supporting our Economy

- Funding to businesses and individuals reached EGP 46.4 billion by March 2014
- Deposits increased 6.1% in the first quarter to EGP 102.7 billion, with deposit market share of 7.5% in February 2014, up from 7.37% in December 2013
- In first-quarter 2014, CIB’s operations generated EGP 460 million in corporate, payroll and other taxes

Committed to our Community

- In the first quarter, the CIB Foundation donated over EGP 5 million to children’s hospitals and charity foundations.
- The Foundation’s Board of Trustees approved two new projects: a EGP 6 million donation for the renovation of pediatric units in Aswan University Hospital and a project, in collaboration with the Egyptian Liver Care Society, to treat 600 children through the Society's C-Free Child program.

Awards & Rankings

- CIB was acknowledged by *Global Finance magazine* as “**Best Foreign Exchange Provider-Egypt**”, and “**Best Trade Finance**”, for its outstanding performance in first-quarter 2014
- In addition, it was recognized by *Global Trade Review* as “**Best Trade Finance Bank**”
- CIB was the only Egyptian firm ranked in *Forbes’ “Global 2000” public companies* (based on sales, assets, profitability and market value).

¹ Net profit after minority interest

² Based on managerial accounts

³ After full year 2013 profit appropriation

CAIRO – Commercial International Bank (EGX: COMI) today reported first-quarter 2014 consolidated net income of EGP 805 million, or EGP 0.76 per share, an increase of 22% over first-quarter 2013 net income of EGP 658 million, or EGP 0.66 per share.

Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented: “CIB has made a solid start to the year, generating nearly EGP 1.8 billion in revenue, 16% over first-quarter 2013. Consumer banking in particular has gained considerable momentum this quarter, delivering stellar results in both assets and liabilities. We were also pleased at the strong financial performance of CI Capital and the top ranks achieved by the asset management, brokerage and investment banking businesses.

“CIB reported strong profitability and efficiency indicators for the first quarter. Return on average equity reached 28.5%, up 215 basis points over the year-ago period, aided by asset growth, higher net interest margins and better efficiency.”

“The Bank’s balance sheet and liquidity position remain at the highest levels achieved in decades, and we stand ready to put them to work in the service of the Egyptian economy once demand for investment and funding returns.”

FIRST-QUARTER 2014 CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUES

First quarter consolidated revenues were EGP 1.8 billion, up 16% from the EGP 1.51 billion achieved in first-quarter 2013; with all revenue streams recording robust and sound growth.

First-quarter standalone revenues were EGP 1.7 billion, up 15% from the EGP 1.5 billion achieved in first-quarter 2013.

Net Interest Income

First-quarter standalone net interest margin (NIM) was 5.50%, up 17 basis points from full year 2013 and up 25 basis points from 5.25% in first-quarter 2013, as stand-alone net interest income generated EGP 1.4 billion, 21% higher than the year-ago period. CIB managed to maintain NIM levels, despite the decreasing interest rate environment.

Non-Interest Income

Consolidated non-interest income for the first quarter was EGP 387 million, 3% over the year ago period.

Trade service fees⁴ in the first quarter were EGP 146 million, 1.4x the year ago figure. Trade service gross outstanding balances were EGP 18 billion, up 23% YoY and 12% QoQ. Dealing room profits for the first quarter were EGP 52 million.

⁴ Based on managerial accounts

OPERATING EXPENSE

Consolidated operating expense for first-quarter 2014 was EGP 422 million, up 11% YoY. The consolidated efficiency ratio decreased to 23.4% versus 24.4% in first-quarter 2013, as expenses grew well below the top-line growth rate.

LOANS

CIB's total consolidated gross loan portfolio was EGP 46.4 billion at the end of March 2014, adding EGP 937 million, or 2% QoQ.

CIB maintained the highest loan market share of all private-sector banks, at 8.22% as of February 2014 (latest public figures).

DEPOSITS

Customer deposits were EGP 102.7 billion, up EGP 16.6 billion, or 19%, over first-quarter 2013 and 6% QoQ. Deposit market share was 7.5% as of February 2014, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 45.2% by the end of March 2014, versus 52.7% for the comparable year-ago period.

ASSET QUALITY

CIB showed a resilient asset quality. Standalone non-performing loans represented 4.56% of the gross loan portfolio, covered 144% by the loan loss provision balance.

Loan loss provision expenses were EGP 185 million, 18% lower YoY.

CAPITAL AND LIQUIDITY

Total tier capital (after appropriation) was EGP 11.8 billion in March 2014, or 16.45% of risk-weighted assets (EGP 71.8 billion). Tier I capital was EGP 11 billion, or 15.3% of risk-weighted assets and 93% 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 (the latter on a pro forma basis).

KEY METRICS AND BUSINESS UPDATES⁵

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 38.5 billion.
- End-of-period deposits were EGP 25.4 billion.
- Gross outstanding contingent business reached EGP 18.1 billion.

CONSUMER BANKING

- End-of-period loans were EGP 8.1 billion, up 12% over year-end 2013.
- End-of-period deposits retained were EGP 77.5 billion, a record increase of EGP 7.0 billion or 10% QoQ.
- CIB continued to expand its network in first quarter 2014, opening 3 new branches to reach a total of 128 branches and 27 units throughout Egypt, supported by a network of 560 ATMs and 8,693 points of sale.

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 60 million in first-quarter 2014, 1.7x the year ago period
- **Brokerage** tripled its first-quarter 2013 revenues and nearly doubled fourth-quarter 2013, driven by a strong increase in average daily trading volume to almost EGP 923 million. CI Capital maintained its leading position among brokerage companies and added 12 basis points to its market share QoQ, reaching 7.9%.
- **Asset Management** achieved 19% QoQ revenue growth, with assets under management increasing by 2% QoQ (EGP 8.1 billion), back to 2013 highs.
- **Investment banking** was awarded “**Best Investment Bank**” by *Global Finance* magazine.

⁵ Loans and deposits balances based on managerial accounts

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q14	4Q13	QoQ Change	1Q13	YoY Change
	EGP million	EGP million	(1Q14 vs. 4Q13)	EGP million	(1Q14 vs. 1Q13)
Net Interest Income	1,369	1,363	0.5%	1,138	20.4%
Non-Interest Income	387	348	11.3%	377	2.7%
Net Operating Income	1,756	1,710	2.7%	1,514	16.0%
Non-Interest Expense	(422)	(445)	-5.4%	(379)	11.4%
Provisions	(185)	(350)	-47.2%	(226)	-18.4%
Net Profit before Tax	1,150	915	25.6%	909	26.4%
Income Tax	(326)	(157)	107.5%	(260)	25.3%
Deferred Tax	(18)	(1)	NM	9	NM
Net Profit	806	757	6.4%	658	22.5%
Minority Interest	0	(0)	-201.2%	0	176.9%
Net Profit After Minority	805	757	6.3%	658	22.5%

Consolidated Key Financial Indicators

Financial Indicators	1Q14	4Q13	QoQ Change	1Q13	YoY Change
			(1Q14 vs. 4Q13)		(1Q14 vs. 1Q13)
Profitability					
ROAE ⁶	28.5%	27.4%	4.1%	26.4%	8.1%
ROAA	2.77%	2.73%	1.3%	2.69%	2.8%
Efficiency					
Cost-to-Income	23.4%	24.9%	-6.2%	24.4%	-4.2%
Liquidity					
Gross Loans-to-Deposits	45.2%	46.9%	-3.8%	52.7%	-14.4%
Asset Quality					
NPLs-to-Gross Loans	4.58%	3.97%	15.4%	4.00%	14.4%
Capital Adequacy Ratio	16.5%	16.3%	0.8%	15.2%	8.5%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q14	4Q13	QoQ Change	1Q13	YoY Change
	EGP million	EGP million	(1Q14 vs. 4Q13)	EGP million	(1Q14 vs. 1Q13)
Net Interest Income	1,372	1,365	0.5%	1,135	20.9%
Non-Interest Income	328	320	2.4%	341	-4.1%
Net Operating Income	1,699	1,685	0.9%	1,477	15.1%
Non-Interest Expense	(392)	(415)	-5.5%	(345)	13.9%
Provisions	(185)	(350)	-47.2%	(226)	-18.4%
Net Profit before Tax	1,122	920	22.0%	906	23.9%
Income Tax	(326)	(159)	104.9%	(259)	25.8%
Deferred Tax	(18)	(1)	NM	8	NM
Net Profit	779	760	2.4%	655	18.9%

Standalone Key Financial Indicators

Financial Indicators	1Q14	4Q13	QoQ Change	1Q13	YoY Change
			(1Q14 vs. 4Q13)		(1Q14 vs. 1Q13)
Profitability					
ROAE	27.2%	27.1%	0.4%	25.0%	9.0%
ROAA	2.69%	2.74%	-2.0%	2.69%	-0.1%
NIM ⁷	5.50%	5.46%	0.8%	5.25%	4.8%
Efficiency					
Cost-to-Income	22.5%	23.6%	-4.6%	22.8%	-1.4%
Liquidity					
Gross Loans-to-Deposits	45.3%	47.0%	-3.6%	53.1%	-14.6%
Asset Quality					
NPLs-to-Gross Loans	4.56%	3.96%	15.1%	3.97%	14.7%
Direct Coverage Ratio	144%	159%	-9.5%	123%	16.6%

⁶ After full year 2013 profit appropriation

⁷ Based on managerial accounts

BALANCE SHEET

Balance Sheet Highlights	Consolidated			Standalone		
	Mar-14	Dec-13	YtD Change	Mar-14	Dec-13	YtD Change
	EGP million	EGP million	(Mar-14 Vs. Dec-13)	EGP million	EGP million	(Mar-14 Vs. Dec-13)
Cash & Due from Central Bank	4,730	3,552	33.2%	4,694	3,543	32.5%
Due from Banks	10,334	9,004	14.8%	9,701	8,894	9.1%
Treasury Bills & Governmental Notes	22,776	23,665	-3.8%	22,769	23,655	-3.7%
Trading Financial Assets	3,381	2,286	47.8%	3,416	2,246	52.1%
Available-for-Sale Investments	27,067	23,378	15.8%	27,053	23,364	15.8%
Net Loans & Overdrafts	42,513	41,866	1.5%	42,727	41,970	1.8%
Financial Derivatives	94	103	-9.1%	94	103	-9.1%
Held-to-Maturity Investments	4,185	4,197	-0.3%	4,185	4,187	0.0%
Financial Investment in Subsidiaries	205	193	6.5%	605	599	1.0%
Other Assets	4,906	4,254	15.3%	4,022	3,938	2.1%
Total Assets	120,189	112,499	6.8%	119,266	112,499	6.0%
Due to Banks	876	1,373	-36.2%	876	1,373	-36.2%
Customer Deposits	102,721	96,846	6.1%	102,851	96,940	6.1%
Other Liabilities	4,663	3,526	32.3%	3,529	3,324	6.2%
Total Liabilities	108,260	101,745	6.4%	107,256	101,637	5.5%
Total Shareholders' Equity ⁸	11,076	10,706	3.4%	11,231	10,862	3.4%
Net Profit for the Period	805	-	0.0%	779	-	NM
Shareholders' Equity & Net Profit	11,881	10,706	11.0%	12,010	10,862	10.6%
Minority Interest	48	47	0.9%	-	-	NM
Total Liabilities & Shareholders' Equity	120,189	112,499	6.8%	119,266	112,499	6.0%

⁸ After full year 2013 profit appropriation