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## News Release

10 February 2015

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS  
RECORD FULL-YEAR 2014 CONSOLIDATED REVENUE OF EGP 8.00 BILLION AND  
RECORD NET INCOME OF EGP 3.74 BILLION, OR EGP 3.55 PER SHARE, UP 24% FROM 2013  
RECORD FOURTH-QUARTER 2014 CONSOLIDATED REVENUE OF EGP 2.17 BILLION AND  
RECORD NET INCOME OF EGP 1.03 BILLION, OR EGP 1.14 PER SHARE, UP 36% YEAR-ON-YEAR**

**Record Full Year 2014 Consolidated Financial Results:**

- Record net income of EGP 3.74 billion, or EGP 3.55 per share, up 24% YoY
- Record revenues of EGP 8.00 billion, up 19% YoY
- Consolidated return on average equity of 31.3%<sup>1</sup> versus 29.5% in the year-ago period
- Consolidated return on average assets of 2.94% versus 2.93% in the year-ago period
- Efficiency ratio improved to 22.7% from 23.5% in the year-ago period
- Standalone net interest margin of 5.41%<sup>2</sup>, up 5bp YoY

**Record Fourth-Quarter 2014 Consolidated Financial Results:**

- Record net income of EGP 1.03 billion<sup>3</sup>, up 36% year-on-year (YoY)
- Record revenues of EGP 2.17 billion, up 25% YoY

**Robust Balance Sheet:**

- Total tier capital of EGP 14.0 billion<sup>1</sup>, or 16.8% of risk-weighted assets, of which 94% is high quality Tier I capital
- Central bank EGP liquidity ratio of 72.0%, foreign currency at 42.4% (comfortably above the required 20% and 25% respectively)
- High quality of funding, with customer deposits comprising 95% of total liabilities
- Standalone non-performing loans coverage ratio of 138%

**Supporting our Economy**

- Funding to businesses and individuals increased 18% in 2014 to EGP 53.7 billion, with loans market share of 8.52% in October 2014, up from 8.28% in December 2013
- Deposits increased 26% in 2014 to EGP 122 billion, with deposit market share of 7.85% in October 2014, up from 7.37% in December 2013
- In 2014, CIB’s operations generated EGP 2.2 billion in corporate, payroll and other taxes

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<sup>1</sup> After 2014 profit appropriation

<sup>2</sup> Based on managerial accounts

<sup>3</sup> After minority interest

### Committed to our Community

- The CIB Foundation donated EGP 5 million to the “CIB Foundation Fellowship for Science and Technology” to sponsor the studies of 50 advanced science students at Zewail University of Science and Technology.
- The Foundation donated EGP 3 million to the Association of Friends of the National Cancer Institute to sponsor their Paediatric Outpatient Clinics, alongside EGP 1 million to supply 50,000 children with winter pullovers as part of the “Warm Egypt” campaign.
- The Foundation continued to support Friends of Abou El Reesh Children's Hospitals and Yahiya Arafa Children's Charity Foundation with donations of EGP 2 million to each.
- The Foundation sponsored 15 one-day eye exam caravans in several governorates to conduct eye examinations and awareness sessions for 7,500 students and supported, in collaboration with the Rotary Club of Kasr El-Nile, 97 children's eye surgeries through the Children's “Right to Sight” program.

### Awards & Rankings

In 2014, CIB was acknowledged by a number of global institutions for its performance during the year, and was the only Egyptian corporate to make it onto the *Forbes Global 2000* Rankings list.

- *Global Finance*: “Best Emerging Markets Bank in Africa”, “Best Foreign Exchange Provider-Egypt”, “Best Trade Finance”, “Best Sub-custodian Bank”, “Best Corporate/Institutional Internet Bank in Egypt”, “Best Integrated Corporate Bank Site”, “Best Online Cash Management”
- *EMEA Finance*: “Best Local Bank in Egypt”, “Best Foreign Exchange Services in Africa”, “Pan-Africa Award for Corporate Social Responsibility”, and “Best CEO” in Egypt and Africa region
- *Euromoney*: “Best Bank in Egypt Excellence Award” (for the 2nd consecutive year)
- *The Banker*: “Bank of the Year Egypt 2014”
- *Global Trade Review*: “Best Trade Finance Bank”
- *Extel* (in partnership with the MEIR Society): “Best Company for Investor Relations in Egypt”
- *JP Morgan*: “Elite Quality Recognition Award” for money transfer best-in-class STP rates

**CAIRO** – Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented: “CIB closed its third consecutive record year in both top and bottom lines, with consolidated revenues hitting EGP 8.0bn. Consolidated bottom line came in at EGP 3.7 billion, an increase of 24% over last year on strong performance across the board.

“Lending activity continued to recover in the fourth quarter. Our loan portfolio grew over EGP 8 billion, or 18%, throughout 2014, including a record EGP 2 billion in new retail loans. Trade service volumes also grew strongly - over 35% - reflecting the on-going economic recovery and CIB’s ability to grab market share in a growing market while simultaneously protecting margins across our product portfolio.

“Our balance sheet growth was fuelled by over EGP 25 billion in new deposits, our highest growth rate in 8 years. Both retail and corporate deposits performed well during the year.

“Profitability and efficiency indicators improved, with consolidated return on average equity reaching 31.3%, a 4-year high. Alongside this, the Bank maintained its strong asset quality and liquidity indicators.

“CIB has thus continued to strengthen its financial position in 2014, and today stands ready to capture the growth opportunities that should be forthcoming in 2015.”

**FOURTH-QUARTER AND FULL-YEAR 2014 FINANCIAL HIGHLIGHTS**

**REVENUES**

Fourth quarter consolidated revenues were EGP 2.17 billion, up 25% from EGP 1.74 billion achieved in fourth-quarter 2013. Growth was driven by a strong increase in net interest income (39% YoY) on improved lending and higher corridor rates (CBE increased corridor rates in July by 100bp), positively impacting spreads.

Fourth-quarter standalone revenues were EGP 2.10 billion, up 23% from EGP 1.71 billion achieved in fourth-quarter 2013.

Full year consolidated revenues were EGP 8.00 billion, up 19% from EGP 6.7 billion achieved in 2013. On a standalone basis, the Bank achieved EGP 7.72 billion in revenues, 24% over 2013.

**Net Interest Income**

Full-year standalone net interest margin (NIM) was 5.41%<sup>4</sup>, higher 5bp YoY. Stand-alone net interest income came in at EGP 6.28 billion, 24% higher than the year-ago period.

**Non-Interest Income**

Consolidated non-interest income for the year was EGP 1.75 billion (22% of revenues), 6% over last year on a 31% increase in fees and commissions revenue.

Trade service fees<sup>4</sup> in the fourth quarter were EGP 184 million, 34% above the year-ago figure. Full year trade service fees recorded EGP 653 million, 30% over 2013, driven by 35% growth in trade service volumes. Trade service outstanding balances<sup>5</sup> stood at EGP 25.3 billion, up from EGP 16.2 billion in the year ago period.

Profits from the foreign currency desk for the fourth quarter were EGP 40.7 million and EGP 217 million for the year.

**OPERATING EXPENSE**

Full year consolidated operating expense recorded EGP 1.88 billion, up 17% YoY. Consolidated efficiency ratio improved to 22.7% versus 23.5% in 2013. Standalone operating expense stood at EGP 1.71 billion, higher 18% YoY.

**TAX**

CIB's effective tax rate in 2014 was 32.8% compared to 31.9% in 2013, as the corporate tax rate increased to 30% from 25% in 2013. The effective tax rate was higher than the nominal rate mainly due to provision expenses not being fully tax deductible.

In 2014, CIB obtained clearance from the Egyptian tax authorities regarding income and payroll tax claims prior to 2013. This gives CIB shareholders unique transparency and certainty regarding the two largest tax liabilities Egyptian companies face.

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<sup>4</sup> Based on managerial accounts

<sup>5</sup> On net basis

## **CIB Fourth-Quarter 2014 News Release**

### **LOANS**

CIB's total standalone gross loan portfolio was EGP 53.7 billion at the end of fourth-quarter 2014, adding EGP 8.2 billion, or 18% over year-end 2013, and EGP 2.9 billion, or 6%, on a quarterly basis.

CIB maintained the highest loan market share of all private-sector banks, at 8.52% as of October 2014 (latest public figures).

### **DEPOSITS**

Customer deposits were EGP 122 billion, adding EGP 25 billion or 26% over year-end 2013. QoQ deposits grew 5%, adding EGP 6.3 billion over third-quarter 2014. Deposit market share was 7.85% as of October 2014<sup>6</sup>, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 43.6% by end of year 2014, versus 46.9% for the comparable year-ago period.

### **ASSET QUALITY**

CIB maintained its resilient asset quality. After write-offs and recoveries, cumulative non-performing loans represent 4.66% of gross loans, down 19bp from third-quarter 2014. Non-performing loans are covered 138% by the Bank's loan loss provision balance.

### **CAPITAL AND LIQUIDITY**

Total tier capital (after 2014 profit appropriation) was EGP 14.0 billion in December 2014, or 16.8% of risk-weighted assets (EGP 83.7 billion). Tier I capital was EGP 13.1 billion, or 15.7% of risk-weighted assets and 94% 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 UPDATES<sup>7</sup>**

### **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 gross loans were EGP 44.2 billion, 15% above year-end 2013.
- End-of-period deposits were EGP 34.5 billion, 32% above year-end 2013.
- Gross outstanding contingent business reached EGP 26.6 billion<sup>8</sup>, 47% over year-end 2013.

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<sup>6</sup> Latest published data from the CBE

<sup>7</sup> Loans and deposits balances based on managerial accounts

<sup>8</sup> On gross basis; based on managerial accounts



## CIB Fourth-Quarter 2014 News Release

### BUSINESS BANKING

- End-of-period gross loans were EGP 1.26 billion, up 37% over year-end 2013.
- End-of-period deposits were EGP 28.7 billion, an increase of EGP 5.9 billion, or 26%, over year-end 2013.
- Gross outstanding contingent business reached EGP 1.2 billion<sup>8</sup>, 13% over year-end 2013.

### RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 8.2 billion, up 32% over year-end 2013.
- End-of-period deposits were EGP 59.0 billion, an increase of EGP 11.2 billion, or 23%, over year-end 2013.
- CIB continued to expand its network throughout 2014, to reach a total of 135 branches and 26 units throughout Egypt, supported by a network of 588 ATMs and 9,529 points of sale.

### SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 310 for year ended 2014, 2x the year-ago period, and net income of EGP 72 million.
- **Brokerage** maintained its leading position among brokerage companies with a market share of 10.6%, 140bp above third-quarter 2014, with full year revenues 2.6x higher YoY.
- **Asset Management** grew revenue by 25% over the year-ago period, with assets under management<sup>9</sup> up 9% over year-end 2013 (EGP 8.7 billion). EIMA ranked CIAM's BLOM Bank money market fund and Thabat fixed income fund 1<sup>st</sup> in 2014 by return, while Istethmar equity fund was ranked 3<sup>rd</sup> with 32.2% return.
- **Investment banking** sealed the year with 4 successful transactions, growing revenues by 78% YoY, while continuing to build a strong pipeline of transactions for 2015

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<sup>9</sup> Fee-earning Assets under Management

## CIB Fourth-Quarter 2014 News Release

### CONSOLIDATED FINANCIAL HIGHLIGHTS

INCOME STATEMENT	4Q14	3Q14	QoQ Change	4Q13	YoY Change	2014	2013	YoY Change
	EGP million	EGP million	(4Q14 vs. 3Q14)	EGP million	(4Q14 vs. 4Q13)	EGP million	EGP million	(2014 vs. 2013)
Net Interest Income	1,892	1,561	21.2%	1,363	39%	6,255	5,054	24%
Non-Interest Income	281	476	-41.0%	377	-26%	1,746	1,646	6%
<b>Net Operating Income</b>	<b>2,173</b>	<b>2,037</b>	<b>6.7%</b>	<b>1,740</b>	<b>25%</b>	<b>8,001</b>	<b>6,700</b>	<b>19%</b>
Non-Interest Expense	(573)	(469)	22.2%	(475)	21%	(1,876)	(1,608)	17%
Provisions	(122)	(107)	13.9%	(350)	-65%	(589)	(916)	-36%
<b>Net Profit before Tax</b>	<b>1,477</b>	<b>1,460</b>	<b>1.2%</b>	<b>915</b>	<b>61%</b>	<b>5,536</b>	<b>4,176</b>	<b>33%</b>
Income Tax	(482)	(499)	-3.4%	(157)	207%	(1,831)	(1,182)	55%
Deferred Tax	38	11	248.0%	(1)	NM	38	12	214%
<b>Net Profit</b>	<b>1,033</b>	<b>972</b>	<b>6.3%</b>	<b>757</b>	<b>37%</b>	<b>3,743</b>	<b>3,006</b>	<b>25%</b>
Minority Interest	1	0	41.6%	(0)	NM	2	(0)	NM
<b>Net Profit After Minority</b>	<b>1,032</b>	<b>972</b>	<b>6%</b>	<b>757</b>	<b>36%</b>	<b>3,741</b>	<b>3,006</b>	<b>24%</b>

KEY FINANCIAL INDICATORS	4Q14	3Q14	QoQ Change	4Q13	YoY Change	2014	2013	YoY Change
			(4Q14 vs. 3Q14)		(4Q14 vs. 4Q13)			(2014 vs. 2013)
<b>Profitability</b>								
ROAE <sup>10</sup>	30.6%	29.1%	5.4%	27.4%	12%	31.3%	29.5%	6%
ROAA	2.97%	2.94%	0.9%	2.73%	9%	2.94%	2.93%	0%
<b>Efficiency</b>								
Cost-to-Income	24.5%	22.9%	7.4%	26.2%	-6%	22.7%	23.5%	-4%
<b>Liquidity</b>								
Gross Loans-to-Deposits	43.6%	43.5%	0.0%	46.9%	-7%	43.6%	46.9%	-7%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.71%	4.88%	-3.6%	3.97%	19%	4.71%	3.97%	19%
Capital Adequacy Ratio	16.77%	15.49%	8.3%	16.32%	3%	16.77%	16.32%	3%

### STANDALONE FINANCIAL HIGHLIGHTS

INCOME STATEMENT	4Q14	3Q14	QoQ Change	4Q13	YoY Change	2014	2013	YoY Change
	EGP million	EGP million	(4Q14 vs. 3Q14)	EGP million	(4Q14 vs. 4Q13)	EGP million	EGP million	(2014 vs. 2013)
Net Interest Income	1,903	1,567	21.4%	1,365	39%	6,276	5,050	24%
Non-Interest Income	198	416	-52%	349	-43%	1,441	1,156	25%
<b>Net Operating Income</b>	<b>2,100</b>	<b>1,983</b>	<b>5.9%</b>	<b>1,714</b>	<b>23%</b>	<b>7,717</b>	<b>6,206</b>	<b>24%</b>
Non-Interest Expense	(510)	(436)	17.0%	(445)	15%	(1,705)	(1,450)	18%
Provisions	(122)	(107)	13.9%	(350)	-65%	(589)	(916)	-36%
<b>Net Profit before Tax</b>	<b>1,468</b>	<b>1,439</b>	<b>2.0%</b>	<b>920</b>	<b>60%</b>	<b>5,424</b>	<b>3,840</b>	<b>41%</b>
Income Tax	(477)	(494)	-3.4%	(159)	200%	(1,815)	(1,180)	54%
Deferred Tax	38	11	256.5%	(1)	NM	38	(45)	-185%
<b>Net Profit</b>	<b>1,029</b>	<b>956</b>	<b>8%</b>	<b>760</b>	<b>35%</b>	<b>3,648</b>	<b>2,615</b>	<b>39%</b>

KEY FINANCIAL INDICATORS	4Q14	3Q14	QoQ Change	4Q13	YoY Change	2014	2013	YoY Change
			(4Q14 vs. 3Q14)		(4Q14 vs. 4Q13)			(2014 vs. 2013)
<b>Profitability</b>								
ROAE <sup>10</sup>	30.4%	28.5%	6.8%	27.1%	12%	30.3%	24.8%	22%
ROAA	2.96%	2.90%	2.2%	2.74%	8%	2.87%	2.54%	13%
NIM	5.51%	5.26%	4.7%	5.46%	1%	5.41%	5.36%	1%
<b>Efficiency</b>								
Cost-to-Income	22.5%	21.8%	3.3%	24.8%	-9%	21.3%	22.9%	-7%
<b>Liquidity</b>								
Gross Loans-to-Deposits	43.9%	43.8%	0.3%	48.2%	-9%	43.9%	48.2%	-9%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.66%	4.85%	-4.0%	3.96%	18%	4.66%	3.96%	18%
Direct Coverage Ratio	138%	136%	1.3%	143%	-3%	138%	143%	-3%

<sup>10</sup> After 2014 profit appropriation



**BALANCE SHEET**

	Consolidated			Standalone		
	Dec-14	Dec-13	YtD Change	Dec-14	Dec-13	YtD Change
	EGP million	EGP million	(Dec-14 Vs. Dec-13)	EGP million	EGP million	(2014 vs. 2013)
Cash & Due from Central Bank	7,502	4,796	56%	7,502	4,796	56%
Due from Banks	9,522	9,004	6%	9,280	8,894	4%
Treasury Bills & Governmental Notes	30,549	23,665	29%	30,539	23,655	29%
Trading Financial Assets	3,763	2,295	64%	3,728	2,246	66%
Available-for-Sale Investments	27,702	23,378	18%	27,688	23,364	19%
Net Loans & Overdrafts	48,804	41,866	17%	49,398	41,970	18%
Financial Derivatives	52	103	-49%	52	103	-49%
Held-to-Maturity Investments	9,161	4,197	118%	9,161	4,187	119%
Financial Investment in Subsidiaries	182	193	-6%	565	599	-6%
Other Assets	6,577	4,254	55%	5,734	3,938	46%
<b>Total Assets</b>	<b>143,813</b>	<b>113,752</b>	<b>26%</b>	<b>143,647</b>	<b>113,752</b>	<b>26%</b>
Due to Banks	1,131	1,373	-18%	1,131	1,373	-18%
Customer Deposits	121,975	96,846	26%	122,245	96,940	26%
Other Liabilities	5,904	3,526	67%	5,455	3,324	64%
<b>Total Liabilities</b>	<b>129,010</b>	<b>101,745</b>	<b>27%</b>	<b>128,831</b>	<b>101,637</b>	<b>27%</b>
Total Shareholders' Equity	11,013	8,953	23%	11,168	9,500	18%
Net Profit for the Period	3,741	3,006	24%	3,648	2,615	39%
<b>Shareholders' Equity &amp; Net Profit</b>	<b>14,754</b>	<b>11,960</b>	<b>23%</b>	<b>14,816</b>	<b>12,115</b>	<b>22%</b>
Minority Interest	49	47	4%	-	-	
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>143,813</b>	<b>113,752</b>	<b>26%</b>	<b>143,647</b>	<b>113,752</b>	<b>26%</b>