

News Release

22 July 2014

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD SECOND-QUARTER 2014 CONSOLIDATED REVENUE OF EGP 2,035 MILLION AND NET INCOME OF EGP 932 MILLION, OR EGP 0.86 PER SHARE, UP 39% FROM SECOND-QUARTER 2013

Record Second-Quarter 2014 Consolidated Financial Results:

- Net income of EGP 932 million¹, up 39% year-on-year (YoY)
- Revenues of EGP 2.04 billion, up 18% YoY

Record First-Half 2014 Consolidated Financial Results:

- Record net income of EGP 1.74 billion, or EGP 1.62 per share, up 31% YoY
- Record revenue of EGP 3.79 billion, up 17% YoY
- Efficiency ratio improved to 21.4% from 22.8% in first-half 2013
- Standalone net interest margin of 5.39%² versus 5.35% in first-half 2013

Robust Balance Sheet:

- Total tier capital of EGP 11.9 billion, or 15.74% of risk-weighted assets, of which 93% is high quality Tier I capital
- Total assets of EGP 128 billion, up 21% YoY
- High quality of funding, with customer deposits comprising 96% of total liabilities
- Standalone non-performing loans were 4.63% of the gross loan portfolio, 1.4x covered by a loan loss provision balance of EGP 3.3 billion

Sector-leading First-Half 2014 Returns:

- Consolidated return on average equity of 29.4% versus 26.0% in first-half 2013
- Consolidated return on average assets of 2.89% versus 2.66% in first-half 2013

Supporting our Economy

- Funding to businesses and individuals reached EGP 49.2 billion by June 2014
- Deposits increased 8% in the second quarter to EGP 111 billion, with deposit market share of 7.65% in April 2014, up from 7.37% in December 2013
- In second-quarter 2014, CIB's operations generated EGP 1.06 billion in corporate, payroll and other taxes

Committed to our Community

- In the second quarter, the CIB Foundation donated over EGP 4.3 million to children's hospitals and charity foundations, with EGP 3.5 million going to the Magdi Yacoub Heart Foundation to cover 50 children's open heart surgeries
- Six blood donation campaigns were held in partnership with the Takatof Foundation in offices around Cairo and Alexandria, collecting 247 bags of blood
- The CIB Foundation inaugurated the Maxillo-Facial Center at the Cairo University Faculty of Oral and Dental Medicine in June 2014. The Center will work to treat children with birth defects and other facial problems

¹ Net profit after minority interest

² Based on managerial accounts

Awards & Rankings

- Euromoney's "Best Bank in Egypt" Excellence Award for 2014 (second consecutive year)
- Global Finance's "Best Sub-custodian Bank" for 2014
- EMEA Finance's "Best Foreign Exchange Services" in Africa for 2014

CAIRO – Commercial International Bank (EGX: COMI) today reported second-quarter 2014 consolidated net income of EGP 932 million, or EGP 0.86 per share, an increase of 39% over second-quarter 2013 net income of EGP 671 million, or EGP 0.65 per share.

Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented: "CIB achieved record top and bottom lines this quarter, generating the fourth consecutive quarter of growth in these key metrics. Quarterly revenue of over EGP 2 billion showed year-on-year growth of 18%, with Egyptian corporates starting to show signs of a turnaround and consumer banking continuing its strong performance in both asset and liability products.

"Corporate lending picked up towards the end of the quarter, with EGP 2.1bn in new corporate loans issued across a variety of sectors. Consumer lending also hit record levels of EGP 8.9bn³, 24% over year-end 2013. Meanwhile, deposits grew a record EGP 8.3 billion, with a third of this amount coming in foreign currency. CIB's financial indicators remain at or near record levels: the Bank has maintained its margins while sustaining strong risk, liquidity and efficiency metrics.

"We have continued investing in CIB's future, expanding our branch network and alternative channels. Another key milestone has been the recent migration of the Bank to a more stable and advanced core banking system that will allow us to better serve our clients. CIB today stands more ready than ever to utilise its robust balance sheet to fund Egypt's expected economic recovery over the coming period."

SECOND-QUARTER 2014 CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUES

Second quarter consolidated revenues were EGP 2.03 billion, up 17.6% from the EGP 1.73 billion achieved in second-quarter 2013. All revenue streams recorded solid growth, with non-interest income showing particularly strong gains.

Second-quarter standalone revenues were EGP 1.94 billion, up 14.3% from the EGP 1.70 billion achieved in second-quarter 2013.

First-half consolidated revenues were EGP 3.79 billion, up 17% from the EGP 3.24 billion achieved in the first half 2013. On a standalone basis, the Bank achieved EGP 3.63 billion in revenues for the first half, 15% over the year-ago period.

Net Interest Income

Year-to-date standalone net interest margin (NIM) was 5.39%⁴, generating stand-alone net interest income of EGP 2.8 billion, 17% higher than the year-ago period.

Non-Interest Income

Consolidated non-interest income for the second quarter was EGP 602 million, 31% over the year-ago period and 56% over the first-quarter 2014 on higher net trading and dividend income.

³ Based on managerial accounts

⁴ Based on managerial accounts

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Consolidated non-interest income for the first half was EGP 989 million (26% of first-half revenue), 19% over the year-ago period.

Trade service fees⁵ in the second quarter were EGP 146 million, 7% above the year-ago figure. Trade service fees for first-half 2014 recorded EGP 292 million, 23% over the year-ago period. Trade service gross outstanding balances were EGP 22.1 billion, up 40% YoY and 22% QoQ. Growth came mainly in letters of guarantee related to national infrastructure projects.

Dealing room profits for the second quarter were EGP 52 million and EGP 105 million for first-half 2014.

OPERATING EXPENSE

Consolidated operating expense for second-quarter 2014 was EGP 411 million, up 9% YoY. The consolidated efficiency ratio improved to 19.7% from 21.3% in second-quarter 2013, as expenses grew well below the top-line.

Consolidated operating expense for first-half 2014 recorded EGP 833 million, up 10% YoY from EGP 755 million. Consolidated efficiency ratio improved to 21.4% versus 22.8% in the first half 2013. Standalone operating expense was EGP 758 million, higher 10% YoY.

LOANS

CIB's total consolidated gross loan portfolio was EGP 49.2 billion at the end of first-half 2014, adding EGP 3.7 billion, or 8% over year-end 2013, and EGP 2.8 billion, or 6%, on a quarterly basis.

CIB maintained the highest loan market share of all private-sector banks, at 8.26% as of April 2014 (latest public figures).

DEPOSITS

Customer deposits were EGP 110.9 billion, up 15% over year-end 2013, adding EGP 8.2 billion, or 8%, QoQ and 22% over second-quarter 2013. Deposit market share was 7.65% as of April 2014, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 44.4% by the first half of 2014, versus 49.8% for the comparable year-ago period.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.63% of the gross loan portfolio, covered 142% by the bank's EGP 3.25 billion loan loss provision balance.

Loan loss provision expenses for first half 2014 were EGP 359 million, 27% lower YoY.

CAPITAL AND LIQUIDITY

Total tier capital (after appropriation) was EGP 11.9 billion in June 2014, or 15.74% of risk-weighted assets (EGP 75.8 billion). Tier I capital was EGP 11 billion, or 14.6% 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).

⁵ Based on managerial accounts

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 gross loans were EGP 40.6 billion, 6% above year-end 2013.
- End-of-period deposits were EGP 27.8 billion, 6% above year-end 2013.
- Gross outstanding contingent business reached EGP 22.1 billion, 37% over year-end 2013.

CONSUMER BANKING

- End-of-period gross loans were EGP 8.9 billion, up 24% over year-end 2013.
- End-of-period deposits were EGP 83.4 billion, an increase of EGP 12.7 billion, or 18%, over year-end 2013.
- CIB continued to expand its network in first-half 2014, opening 4 new branches to reach a total of 129 branches and 27 units throughout Egypt, supported by a network of 560 ATMs and 9,200 points of sale.

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 146 million in first-half 2014, 3x the year-ago period, and record net income of EGP 59 million.
- **Brokerage** continued its uptrend and tripled its first-half 2013 revenues, driven by a strong increase in average daily trading volumes. CI Capital maintained its leading position among brokerage companies with a market share of 7.5%.
- **Asset Management** achieved 3% revenue growth over the year-ago period, with assets under management increasing by 9% over year-end 2013 to EGP 8.6 billion. “Istethmar” and “Aman” equity funds maintained their first and second performance rank in the equity funds market.
- **Investment banking** earned record fees in first-half 2014 upon closing four major deals in second-quarter 2014.

⁶ Loans and deposits balances based on managerial accounts

CONSOLIDATED FINANCIAL HIGHLIGHTS

| | Consolidated P&L Statement | | | | | | | |
|----------------------------------|----------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|---------------------|-------------------------------|
| | 2Q14 EGP million | 1Q14 EGP million | QoQ Change (2Q14 vs. 1Q14) | 2Q13 EGP million | YoY Change (2Q14 vs. 2Q13) | 1H14 EGP million | 1H13 EGP million | YoY Change (1H14 vs. 1H13) |
| Net Interest Income | 1,433 | 1,369 | 4.7% | 1,272 | 12.6% | 2,802 | 2,410 | 16.3% |
| Non-Interest Income | 602 | 387 | 55.5% | 458 | 31.4% | 989 | 835 | 18.5% |
| Net Operating Income | 2,035 | 1,756 | 15.9% | 1,730 | 17.6% | 3,791 | 3,244 | 16.8% |
| Non-Interest Expense | (411) | (422) | -2.4% | (376) | 9.4% | (833) | (755) | 10.4% |
| Provisions | (175) | (185) | -5.4% | (264) | -34.0% | (359) | (491) | -26.8% |
| Net Profit before Tax | 1,449 | 1,150 | 26.0% | 1,090 | 33.0% | 2,599 | 1,999 | 30.0% |
| Income Tax | (524) | (326) | 60.7% | (414) | 26.6% | (850) | (674) | 26.1% |
| Deferred Tax | 8 | (18) | -141.0% | (4) | -273.6% | (11) | 4 | -358.2% |
| Net Profit | 932 | 806 | 15.7% | 671 | 38.9% | 1,738 | 1,329 | 30.8% |
| Minority Interest | 0 | 0 | -35.8% | 0 | 127.4% | 1 | 0 | 155.7% |
| Net Profit After Minority | 932 | 805 | 15.8% | 671 | 38.9% | 1,737 | 1,329 | 30.7% |

| | Consolidated Key Financial Indicators | | | | | | | |
|-------------------------|---------------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|---------------------|-------------------------------|
| | 2Q14 EGP million | 1Q14 EGP million | QoQ Change (2Q14 vs. 1Q14) | 2Q13 EGP million | YoY Change (2Q14 vs. 2Q13) | 1H14 EGP million | 1H13 EGP million | YoY Change (1H14 vs. 1H13) |
| Profitability | | | | | | | | |
| ROAE | 30.0% | 28.5% | 5.2% | 25.6% | 17.3% | 29.4% | 26.0% | 13.0% |
| ROAA | 3.00% | 2.77% | 8.4% | 2.59% | 15.7% | 2.89% | 2.66% | 8.4% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 19.7% | 23.4% | -15.8% | 21.3% | -7.5% | 21.4% | 22.8% | -6.0% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 44.4% | 45.2% | -1.7% | 49.8% | -10.9% | 44.4% | 49.8% | -10.9% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 4.66% | 4.58% | 1.8% | 3.97% | 17.4% | 4.66% | 3.97% | 17.4% |
| Capital Adequacy Ratio | 15.74% | 16.41% | -4.1% | 14.03% | 12.2% | 15.74% | 14.0% | 12.2% |

STANDALONE FINANCIAL HIGHLIGHTS

| | Standalone P&L Statement | | | | | | | |
|------------------------------|--------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|---------------------|-------------------------------|
| | 2Q14 EGP million | 1Q14 EGP million | QoQ Change (2Q14 vs. 1Q14) | 2Q13 EGP million | YoY Change (2Q14 vs. 2Q13) | 1H14 EGP million | 1H13 EGP million | YoY Change (1H14 vs. 1H13) |
| Net Interest Income | 1,434 | 1,372 | 4.5% | 1,271 | 12.9% | 2,806 | 2,406 | 16.6% |
| Non-Interest Income | 501 | 328 | 52.8% | 421 | 18.8% | 828 | 763 | 8.6% |
| Net Operating Income | 1,935 | 1,699 | 13.8% | 1,692 | 14.3% | 3,634 | 3,169 | 14.7% |
| Non-Interest Expense | (365) | (392) | -6.9% | (343) | 6.7% | (758) | (687) | 10.3% |
| Provisions | (175) | (185) | -5.4% | (264) | -34.0% | (359) | (491) | -26.8% |
| Net Profit before Tax | 1,395 | 1,122 | 24.3% | 1,085 | 28.5% | 2,517 | 1,991 | 26.4% |
| Income Tax | (518) | (326) | 59.1% | (412) | 25.6% | (844) | (671) | 25.7% |
| Deferred Tax | 8 | (18) | -143.3% | (4) | -299.1% | (10) | 4 | NM |
| Net Profit | 884 | 779 | 13.6% | 669 | 32.2% | 1,663 | 1,324 | 25.6% |

| | Standalone Key Financial Indicators | | | | | | | |
|-------------------------|-------------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|---------------------|-------------------------------|
| | 2Q14 EGP million | 1Q14 EGP million | QoQ Change (2Q14 vs. 1Q14) | 2Q13 EGP million | YoY Change (2Q14 vs. 2Q13) | 1H14 EGP million | 1H13 EGP million | YoY Change (1H14 vs. 1H13) |
| Profitability | | | | | | | | |
| ROAE | 28.2% | 27.2% | 3.7% | 24.4% | 15.9% | 27.8% | 26.0% | 6.9% |
| ROAA | 2.86% | 2.69% | 6.4% | 2.58% | 11.0% | 2.77% | 2.64% | 4.7% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 18.4% | 22.5% | -18.3% | 19.8% | -7.3% | 20.3% | 21.2% | -4.3% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 44.6% | 45.3% | -1.6% | 50.0% | -10.9% | 44.6% | 50.0% | -10.9% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 4.63% | 4.56% | 1.5% | 3.95% | 17.3% | 4.63% | 3.95% | 17.3% |
| Direct Coverage Ratio | 142% | 144% | -1.2% | 140% | 1.3% | 142% | 140% | 1.3% |

BALANCE SHEET

| Balance Sheet Highlights | Consolidated | | | Standalone | | |
|---|----------------|----------------|---------------------|----------------|----------------|---------------------|
| | Jun-14 | Dec-13 | YtD Change | Jun-14 | Dec-13 | YtD Change |
| | EGP million | EGP million | (Jun-14 Vs. Dec-13) | EGP million | EGP million | (Jun-14 Vs. Dec-13) |
| Cash & Due from Central Bank | 6,173 | 3,552 | 73.8% | 6,136 | 3,543 | 73.2% |
| Due from Banks | 11,630 | 9,004 | 29.2% | 11,398 | 8,894 | 28.2% |
| Treasury Bills & Governmental Notes | 20,668 | 23,665 | -12.7% | 20,661 | 23,655 | -12.7% |
| Trading Financial Assets | 3,232 | 2,286 | 41.3% | 3,262 | 2,246 | 45.2% |
| Available-for-Sale Investments | 27,196 | 23,378 | 16.3% | 27,184 | 23,364 | 16.4% |
| Net Loans & Overdrafts | 45,062 | 41,866 | 7.6% | 45,403 | 41,970 | 8.2% |
| Financial Derivatives | 73 | 103 | -28.8% | 73 | 103 | -28.8% |
| Held-to-Maturity Investments | 8,989 | 4,197 | 114.2% | 8,989 | 4,187 | 114.7% |
| Financial Investment in Subsidiaries | 216 | 193 | 12.2% | 606 | 599 | 1.2% |
| Other Assets | 5,001 | 4,254 | 17.5% | 4,332 | 3,938 | 10.0% |
| Total Assets | 128,240 | 112,499 | 14.0% | 128,044 | 112,499 | 13.8% |
| Due to Banks | 683 | 1,373 | -50.2% | 683 | 1,373 | -50.2% |
| Customer Deposits | 110,900 | 96,846 | 14.5% | 111,165 | 96,940 | 14.7% |
| Other Liabilities | 3,643 | 3,526 | 3.3% | 3,149 | 3,324 | -5.3% |
| Total Liabilities | 115,227 | 101,745 | 13.3% | 114,997 | 101,637 | 13.1% |
| Total Shareholders' Equity ⁷ | 11,228 | 10,706 | 4.9% | 11,383 | 10,862 | 4.8% |
| Net Profit for the Period | 1,737 | | 0.0% | 1,663 | | 0.0% |
| Shareholders' Equity & Net Profit | 12,965 | 10,706 | 21.1% | 13,046 | 10,862 | 20.1% |
| Minority Interest | 48 | 47 | 1.5% | - | - | |
| Total Liabilities & Shareholders' Equity | 128,240 | 112,499 | 14.0% | 128,044 | 112,499 | 13.8% |

⁷ After full year 2013 profit appropriation