
News Release

10 November 2015

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD THIRD-QUARTER 2015 CONSOLIDATED REVENUE OF EGP 2,613 MILLION AND NET INCOME OF EGP 1,328 MILLION, OR EGP 1.27 PER SHARE, UP 37% FROM THIRD-QUARTER 2014

🌐 Strong Third-Quarter 2015 Consolidated Financial Results:

- Record net income of EGP 1.33 billion¹, up 37% year-on-year (YoY)
- Revenues of EGP 2.61 billion, up 28% YoY

🌐 Record 9M15 Consolidated Financial Results:

- Record net income of EGP 3.58 billion, or EGP 3.39 per share, up 32% YoY
- Record revenue of EGP 7.58 billion, up 30% YoY
- Efficiency ratio improved to 20.5% from 22.8% in the year-ago period
- Standalone net interest margin of 5.58%, up 17bp from year-end 2014

🌐 Robust Balance Sheet:

- Total tier capital of EGP 12.9 billion, or 14.04% of risk-weighted assets, of which 92% is high quality Tier I capital
- CBE local currency liquidity ratio of 70.31%, foreign currency of 40.22% (comfortably above CBE requirements of 20% and 25% respectively)
- High quality of funding, with customer deposits comprising 96% of total liabilities
- Standalone non-performing loans coverage ratio of 155%

🌐 Sector-leading 9M15 Returns

- Consolidated return on average equity of 33.0%² versus 29.5% in the year-ago period
- Consolidated return on average assets of 3.0% versus 2.9% in the year-ago period

🌐 Supporting our Economy

- Funding to businesses and individuals grew 18% year-to-date to reach EGP 62.6 billion by September 2015, with a loan market share of 8.35% in July 2015³.
- Deposits increased 27% year-to-date to EGP 154 billion, with deposit market share of 8.25% in July 2015³, up from 7.84% in December 2014
- In third-quarter 2015, CIB’s operations generated EGP 677 million in corporate, payroll and other taxes

🌐 Committed to our Community

- The CIB Foundation donated EGP 3.82 million to the Magdi Yacoub Heart Foundation to cover the costs associated with 50 children’s open heart surgeries.
- The Foundation’s Board of Trustees approved three major projects, including the support for a specialized paediatric Glaucoma early detection and treatment centre in Aswan, the purchase of a highly specialized paediatric CT scanner for the National Cancer Institute’s Department of Radiology, and the purchase of a paediatric catheter lab for the Ain Shams University Hospital’s Cardiology Unit.

🌐 Awards & Rankings

¹ Net profit after minority interest

² After 2014 profit appropriation

³ Latest published data by CBE

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CIB received the following recognitions:

- Global Finance's "Best Corporate/Institutional Internet Bank", "Best Information Security Initiatives", "Best Consumer Digital Bank" and "Innovators in Foreign Exchange" in Egypt for the year 2015
- EMEA Finance's African Banking Awards "Best FX services in North Africa" and "Best Bank in Egypt" for the year 2015
- Asian Banker's "The Achievement in Enterprise Risk Management of the Year" and "Strongest bank by balance sheet in Egypt" for the year 2015
- The Banker's Africa Banking Awards "Best Commercial Bank Egypt", "Best Corporate Bank North Africa" and "Most Socially Responsible Bank North Africa" for the year 2015

CAIRO - Commercial International Bank (EGX: COMI) today reported third-quarter 2015 consolidated net income of EGP 1.33 billion, or EGP 1.27 per share, an increase of 37% over third-quarter 2014 net income of EGP 972 million, or EGP 0.92 per share.

Management commented: "CIB turned in record consolidated third-quarter top and bottom lines of EGP 2.61 billion and EGP 1.33 billion with quarterly increases of 10% and 16%, respectively. Year-to-date performance has been up over 30% year-on-year in both revenue and income.

"Loan demand continued to recover, with net portfolio growth of EGP 9.5 billion or 17% in the first three quarters. Deposits also grew strongly, adding EGP 32 billion, or 27%, since the beginning of the year. Notably, our strong third-quarter deposit growth was driven by foreign currency deposits, helping to further strengthen our liquidity position. We also saw marked strength in our trade finance business, with volumes recording significant growth.

"The macro environment and market direction remain challenging. We approach the fourth quarter of the year with rising uncertainty about the direction of interest rates and the sustainability of the recent rebound in the tourism market. However, management has taken proactive measures to stress test the entire business for major moves in interest rates (+/- 400 basis points) alongside concurrent exchange rate moves, and has put in place comprehensive contingency measures appropriate to each scenario.

"CIB continued to protect margins and improve efficiency with a sector-leading consolidated return on average equity of 33%, our highest in 5 years. More importantly, this was achieved while keeping in place our prudent provisioning policy that saw large year-on-year increases to pre-emptively cover possible cash flow deterioration amongst exposed clients.

"We are pleased to report that CIB has acquired CitiBank's retail portfolio in Egypt as of 1 November 2015. We would like to take this opportunity to welcome former CitiBank customers and employees to the CIB family. We aim to earn your trust and exceed your expectations over the coming months."

THIRD-QUARTER CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUES

Third-quarter consolidated revenues were EGP 2.61 billion, up 28% from third-quarter 2014. Growth was driven by a 34% increase in net-interest income.

Third-quarter standalone revenues were EGP 2.56 billion, up 29% from third-quarter 2014.

9M15 consolidated revenues were EGP 7.58 billion, up 30% from the EGP 5.83 billion achieved in the year ago period. On a standalone basis, the Bank achieved EGP 7.39 billion in revenues for 9M15, 32% over the year-ago period.



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Net Interest Income

Year-to-date standalone net interest margin (NIM)⁴ was 5.58%, generating stand-alone net interest income of EGP 5.9 billion, 34% higher than the year-ago period.

Management efforts to protect margins were successful in expanding NIM by 26bp year-over-year, but we remain cautious regarding the future direction of NIM, given its dependence on multiple macro variables.

Non-Interest Income

Consolidated non-interest income for 9M15 was EGP 1.72 billion (23% of revenues), 17% over the year-ago period.

Trade service fees⁴ for 9M15 recorded EGP 480 million, 2% over the year-ago period. Trade service net outstanding balances stood at EGP 30.7 billion, up 45% from EGP 21.2 billion in the year-ago period. Dealing room profits were EGP 186 million for 9M15.

OPERATING EXPENSE

Consolidated operating expense for third-quarter 2015 was EGP 500 million, up 7% YoY. The consolidated efficiency ratio was 19.7%.

Consolidated operating expense for 9M15 was EGP 1.53 billion, up 17% YoY from EGP 1.3 billion. Consolidated efficiency ratio improved to 20.5% versus 22.8% in the 9M14. Standalone operating expense for 9M15 was EGP 1.4 billion, 18% higher YoY.

LOANS

CIB's total standalone gross loan portfolio was EGP 63 billion at the end of 9M15, adding EGP 9.4 billion, or 17%, over year-end 2014, and EGP 3.1 billion, or 5%, on a quarterly basis. CIB maintained the highest loan market share of all private-sector banks at 8.35% as of July 2015.

DEPOSITS

Standalone deposits were EGP 154 billion at the end of 9M15, adding EGP 32 billion, or 26%, over year-end 2014, and EGP 11.4 billion, or 8%, on a quarterly basis. Deposit market share was 8.25% as of July 2015, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 40.6% in the third-quarter 2015, versus 41.5% for the comparable year-ago period.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.41% of the gross loan portfolio, covered 155% by the bank's EGP 4.3 billion loan loss provision balance. Loan loss provision expenses for the third-quarter were EGP 472 million.

Year-to-date provision expense reached EGP 1,120 million as CIB continues its conservative and proactive risk management strategy to counter any potential challenges in certain industries. This higher provision expense was driven by increased coverage of "Watch List" clients taken as a prudent measure given current macro uncertainty.

⁴ Based on managerial accounts

CAPITAL AND LIQUIDITY

Total tier capital was EGP 12.9 billion in September 2015, or 14.04% of risk-weighted assets (EGP 91.9 billion). Tier I capital was EGP 11.9 billion, or 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 (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 gross loans were EGP 51.2 billion, 16% over year-end 2014
- End-of-period deposits were EGP 47.0 billion, 36% over year-end 2014
- Gross outstanding contingent business reached EGP 32.1⁶ billion, 20% over year-end 2014

BUSINESS BANKING

- End-of-period gross loans were EGP 1.86 billion, up 48% over year-end 2014
- End-of-period deposits were EGP 36.4 billion, 27% over year-end 2014
- Gross outstanding contingent business reached EGP 1.20 billion⁸, 4% over year-end 2014

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 9.98 billion, up 22% over year-end 2014
- End-of-period deposits were EGP 71.0 billion, 20% over year-end 2014
- CIB continued to expand its network to reach a total of 144 branches and 26 units throughout Egypt, supported by a network of 638 ATMs and 10,250 points of sale

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 245 million in 9M15, and net income of EGP 38 million
- **Brokerage** maintained its top rank with a market share of 13%, with YoY revenue increase of 4%
- **Assets under management** added 13% YoY, EIMA ranked Al Thabet Banque du Caire fixed income 1st by 12-month return, Thabat CIB fixed income fund fund 2nd, while CIAM's BLOM Bank money market fund ranked 3rd
- **Investment Banking** successfully closed two major IPOs this year and is actively working on a strong pipeline of transactions for the fourth-quarter 2015 and first-half 2016

⁵Loan and deposit balances based on managerial accounts

⁶On gross basis; based on managerial accounts

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	3Q15	2Q15	QoQ Change	3Q14	YoY Change	YtD Sep-15	YtD Sep-14	YoY change
	EGP million	EGP million	(3Q15 vs. 2Q15)	EGP million	(3Q15 vs. 3Q14)	EGP million	EGP million	(Sep15 vs. Sep14)
Net Interest Income	2,085	1,925	8%	1,561	34%	5,865	4,363	34%
Non-Interest Income	528	459	15%	476	11%	1,715	1,465	17%
Net Operating Income	2,613	2,384	10%	2,037	28%	7,581	5,828	30%
Non-Interest Expense	(500)	(501)	0%	(469)	7%	(1,528)	(1,302)	17%
Provisions	(472)	(228)	107%	(107)	339%	(1,120)	(467)	140%
Net Profit before Tax	1,641	1,656	-1%	1,460	12%	4,933	4,059	22%
Income Tax	(298)	(591)	-50%	(499)	-40%	(1,437)	(1,349)	7%
Deferred Tax	(15)	82	-118%	11	NM	88	0	NM
Net Profit	1,328	1,147	16%	972	37%	3,584	2,710	32%
Minority Interest	0	(0)	-867%	0	NM	0	1	-68%
Net Profit After Minority	1,328	1,147	16%	972	37%	3,583	2,709	32%
Profitability								
ROAE	34.6%	31.30%	10.7%	29.1%	19.2%	33.0%	29.5%	11.7%
ROAA	3.1%	2.86%	9.4%	2.9%	6.4%	3.0%	2.9%	3.3%
Efficiency								
Cost-to-Income	19.7%	20.8%	-5.7%	23.2%	-15.3%	20.5%	22.8%	-10.2%
Liquidity								
Gross Loans-to-Deposits	40.6%	41.5%	-2.2%	43.5%	-6.8%	40.6%	43.5%	-6.8%
Asset Quality								
NPLs-to-Gross Loans	4.5%	4.54%	-2.0%	4.9%	-8.9%	4.5%	4.9%	-8.9%
Capital Adequacy Ratio	14.0%	15.21%	-7.7%	15.5%	-9.4%	14.0%	15.5%	-9.4%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	3Q15	2Q15	QoQ Change	3Q14	YoY Change	YtD Sep-15	YtD Sep-14	YoY change
	EGP million	EGP million	(3Q15 vs. 2Q15)	EGP million	(3Q15 vs. 3Q14)	EGP million	EGP million	(Sep15 vs. Sep14)
Net Interest Income	2,099	1,939	8.3%	1,567	34.0%	5,907	4,373	35%
Non-Interest Income	460	379	21%	416	10.7%	1,481	1,244	19%
Net Operating Income	2,559	2,318	10.4%	1,983	29%	7,388	5,617	32%
Non-Interest Expense	(460)	(465)	-1.0%	(436)	6%	(1,413)	(1,194)	18%
Provisions	(472)	(228)	107.4%	(107)	339.4%	(1,120)	(467)	140%
Net Profit before Tax	1,627	1,626	0.1%	1,439	13.1%	4,855	3,956	23%
Income Tax	(299)	(588)	-49.1%	(494)	-39.4%	(1,430)	(1,338)	7%
Deferred Tax	(15)	81	-119.0%	11	NM	86	0	NM
Net Profit	1,312	1,119	17%	956	37%	3,511	2,619	34%
Profitability								
ROAE	34.25%	30.50%	12.3%	28.5%	20.4%	32.24%	28.3%	14.0%
ROAA	3.10%	2.79%	10.9%	2.90%	6.9%	2.94%	2.81%	4.7%
NIM ¹	5.55%	5.63%	-1.4%	5.26%	5.4%	5.58%	5.32%	4.9%
Efficiency								
Cost-to-Income	18.5%	19.9%	-7.1%	22.2%	-16.7%	19.4%	21.7%	-10.5%
Liquidity								
Gross Loans-to-Deposits	40.9%	41.9%	-2.5%	43.8%	-6.7%	40.9%	43.8%	-6.7%
Asset Quality								
NPLs-to-Gross Loans	4.41%	4.5%	-1.6%	4.85%	-9.0%	4.4%	4.9%	-9.0%
Direct Coverage Ratio	155%	142%	9.8%	136%	14.0%	155%	136%	14.0%

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BALANCE SHEET

	Consolidated			Standalone		
	Sep-15	Dec-14	YtD Change	Sep-15	Dec-14	YtD Change
	EGP million	EGP million	(Sep-15 Vs. Dec-14)	EGP million	EGP million	(Sep-15 Vs. Dec-14)
Cash & Due from Central Bank	9,231	7,502	23%	9,231	7,502	23%
Due from Banks	15,883	9,522	67%	15,690	9,280	69%
Treasury Bills & Governmental Notes	28,545	30,549	-6.6%	28,542	30,539	-7%
Trading Financial Assets	6,402	3,763	70%	6,354	3,728	70%
Available-for-Sale Investments	43,333	27,702	56%	43,313	27,688	56%
Net Loans & Overdrafts	57,255	48,804	17%	57,757	49,398	17%
Financial Derivatives	78	52	49%	78	52	49%
Held-to-Maturity Investments	9,263	9,161	1%	9,263	9,161	1%
Financial Investment in Subsidiaries	232	182	27%	565	565	0%
Other Assets	6,198	6,577	-6%	5,323	5,734	-7%
Total Assets	176,418	143,813	23%	176,115	143,647	23%
Due to Banks	930	1,131	-18%	930	1,131	-18%
Customer Deposits	154,321	121,975	27%	154,379	122,245	26%
Other Liabilities	5,322	5,904	-10%	5,021	5,455	-8%
Total Liabilities	160,573	129,010	24%	160,330	128,831	24%
Total Shareholders' Equity	12,214	11,013	11%	12,274	11,168	10%
Net Profit for the Period	3,583	3,741	-4%	3,511	3,648	-4%
Shareholders' Equity & Net Profit	15,797	14,754	7%	15,785	14,816	7%
Minority Interest	48	49	-2%		-	
Total Liabilities & Shareholders' Equity	176,418	143,813	23%	176,115	143,647	23%