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**News Release**

4 May 2020

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS  
FIRST-QUARTER 2020 CONSOLIDATED REVENUE OF EGP 6.42 BILLION AND NET INCOME OF EGP 2.40  
BILLION, OR EGP 1.44 PER SHARE, DOWN 9% FROM FIRST-QUARTER 2019****🌐 First-Quarter 2020 Consolidated Financial Results**

- Net income of EGP 2.40 billion, lower 9% year-on-year (YoY)
- Revenues of EGP 6.42 billion, up 15% YoY<sup>1</sup>
- Return on average equity of 19.6%
- Return on average assets of 2.50%
- Efficiency ratio of 22.3%
- Net interest margin<sup>2</sup> of 6.94%

**🌐 Competent Balance Sheet**

- Total tier capital recorded EGP 49.9 billion, or 26.35% of risk-weighted assets
- CBE local currency liquidity ratio of 77.6%, foreign currency of 54.5% (comfortably above CBE requirements of 20% and 25%, respectively)
- CIB remains well above the 100% requirement in the Basel III NSFR and LCR ratios
- High quality of funding, with customer deposits comprising 92% of total liabilities
- Non-performing loans coverage ratio of 247%

**🌐 Supporting our Economy**

- Funding to businesses and individuals recorded EGP 129 billion in first-quarter 2020, with a loan market share of 6.89%<sup>3</sup>
- Deposits recorded EGP 310 billion in first-quarter 2020, translating into a deposit market share of 7.22%<sup>3</sup>
- In first-quarter 2020, CIB’s operations generated EGP 1.63 billion in corporate, payroll and other taxes

**🌐 Committed to our Community**

- In line with the Bank’s commitment to supporting the economy in times of distress, CIB is donating EGP 126 million in support to the Egyptian Government in its battle against the COVID-19 Pandemic.
- CIB Foundation collaborated with Al-Joud Foundation to establish 15 cardiac paediatric intensive care units at Al Naas Hospital for Children’s Heart, in addition to covering 40 paediatric open-heart surgeries.
- CIB Foundation, along with Gozour Foundation for Development, paid the second instalment for the funding of 100 eye-sight-testing groups targeting 80,000 students in underprivileged urban areas in Egypt.
- CIB Foundation funded in full the six-colour flow cytometry device that assists in the accurate diagnosis of leukaemia and lymph-node-cancer at Sporting Students’ Hospital.

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<sup>1</sup> Real growth of 25% excluding contingent provision charged/released, normally deducted from/added to Net Operating Income as part of Other Operating (Expense) Income.

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

<sup>3</sup> As of January 2020; latest available CBE data at time of print.

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- CIB Foundation donated the annual operating costs for Children Cancer Hospital 57357 Cairo and Tanta branches.
- CIB Foundation assisted in equipping the Neonatal ICU and the Paediatric ICU at Benha University Hospital with 40 incubators, 10 ICU beds and the necessary equipment needed.

### Awards & Rankings

- Global Finance: Best Treasury & Cash Management Providers in Egypt and Best Foreign Exchange Provider in Egypt.

CAIRO - Commercial International Bank (EGX: COMI) today reported first-quarter 2020 consolidated net income of EGP 2.40 billion, or EGP 1.44 per share, down 9% from first-quarter 2019.

Management commented: “Embracing a crisis regarded by experts as the worst in world history in decades, first quarter of 2020 ended on a note of numerous dynamics in the Egyptian, just as in the global, economy. Notwithstanding the unforeseen global adversity, CIB upheld firm and robust top line growth that came amidst the growing threat of COVID-19, and as Management took all measures to protect the Bank’s employees, customers, community, country and all other stakeholders while ensuring business continuity. Moreover, the increase in the Bank’s expenses compared to last year was largely backed by the donations disbursed for combating COVID-19, integral of the Bank’s role in supporting the Community given especially the current difficult times.

In fact, investments made earlier in terms of communication technology helped CIB navigate this crisis so far. The Digital Transformation and Big Data, which the Bank inaugurated ahead of market several years back, appeared, and would even further appear over the coming period, to reap its fruits in this hard time backed by better understanding of customer aspirations and more informed pricing decisions, while procreating considerable expense saving and risk modeling. The Bank’s Management has placed extensive focus over the past months on developing its digital-channel network for customers while exerting utmost efforts to undertake a large-scale “Working-from-Home” initiative, going apace with Management top priority of retaining effective business continuity without compromising on the welfare of its staff or customers. Impressively enough, CIB has pulled through the situation after taking gradual precautionary measures since the onset of the pandemic, while neither markedly hurting the Bank’s financial performance nor interrupting the regular flow of work and effectively responding to client needs. Capitalizing on the experience, Management is genuinely considering turning this setback into an opportunity for doing business more efficiently, embedding this initiative in the Bank’s cultural DNA, further adding to its record of being at the forefront of change.

Amidst the ambiguity overshadowing the global macroeconomic arena, CIB opted to revise models and assumptions of provisions. Over the years, the Bank has been consistently resorting to the upper permissible provision band, inclusive of its prudent risk management. Here and now, Management pursued, and will continue to pursue its prudent provisioning strategy, accelerating provision accumulation in first quarter of 2020 in order to ensure the Bank’s continued solid financial position remains intact amidst current uncertainties. This has been effectuated on the basis of macroeconomic variations reflected in models pertaining to particular industries rather than on customer-account basis. The models’ assumptions have been thoroughly discussed and particular industries have been accounted for based on expected cash flow.

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For the remainder of the year, the outlook remains ambiguous with no concrete indications as to when the global economy will start picking-up. The Bank's Management is undoubtedly challenged as the impact of global conditions and the accompanying regulatory measures are yet to be felt over the coming quarters. Management, however, remains committed to keep tabs on the quality of the Bank's credit exposure, with the possible decision to release provisions in the event of improving conditions, while unhesitatingly accruing more provisions if needed, all-dependent on economy- and industry-level variations. We remain confident, though, in preserving CIB's leading position, largely capitalizing on the Bank's a-priori-strong coverage and resolute balance sheet fundamentals."

### **FIRST-QUARTER 2020 FINANCIAL HIGHLIGHTS**

#### **REVENUES**

First-quarter 2020 standalone revenues were EGP 6.41 billion, up 15% from first-quarter 2019, driven by NII growth. Upon adding/deducting back contingent provision charged/released, which is normally deducted from/added to Net Operating Income as part of Other Operating (Expenses) Income, first-quarter 2020 standalone revenues grew by 25% YoY.

#### **NET INTEREST INCOME**

First-quarter 2020 standalone NIM<sup>2</sup> was 6.94%, generating net interest income of EGP 6.20 billion, up 25% YoY.

#### **NON-INTEREST INCOME**

First-quarter 2020 standalone non-interest income was EGP 217 million, representing 3% of revenues. Adding back contingent provision charged amounting to EGP 414 million for first-quarter 2020, standalone non-interest income represented 9% of revenues. Trade service fees were EGP 164 million, with net outstanding balance of EGP 68.2 billion.

#### **OPERATING EXPENSE**

First-quarter 2020 standalone operating expense was EGP 1.52 billion, up 15% YoY. Cost-to-income reported 22.3%, 186bp lower YoY<sup>4</sup>, and comfortably below the desirable level of 30%.

#### **LOANS**

Gross loan portfolio recorded EGP 129 billion, down by EGP 2.65 billion or 2% year-to-date (YtD), driven mainly by net foreign currency loan repayments of USD 158 million, down by 5%, and EGP appreciation by EGP 0.30 over the quarter which brought the foreign currency equivalent balance down by a further EGP 970 million, partially smoothed down by modest local currency loan growth of 1% or EGP 860 million. CIB's loan market share reached 6.89% as of January 2020.

#### **DEPOSITS**

Deposits recorded EGP 310 billion, adding EGP 5.51 billion or 2% YtD. Growth was driven wholly by local currency deposits, which grew by 4% adding EGP 8.48 billion, while foreign currency deposits had net outflows of USD 86.1 million, down by 2%, and the EGP appreciation brought the foreign currency equivalent balance down by a further EGP 1.59 billion. CIB's deposit market share recorded 7.22% as of January 2020, maintaining the highest deposit market share among all private-sector banks.

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<sup>4</sup> Cost-to-income is, as has normally been, calculated using revenues after adding/deducting back contingent provision charged/released.

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### ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4% of the gross loan portfolio, covered 247% by the Bank's EGP 12.8 billion loan loss provision balance. Loan Loss provision expense recorded EGP 1.24 billion for first-quarter 2020, 138% higher YoY.

### CAPITAL AND LIQUIDITY

Total tier capital was EGP 49.9 billion, or 26.35% of risk-weighted assets as of March 2020. Tier I capital was EGP 44.8 billion, or 90% of total tier capital.

CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines in both local currency and foreign currency. Local-currency CBE liquidity ratio remained well above the regulator's 20% requirement, recording 77.6% as of March 2020, while foreign-currency CBE liquidity ratio reached 54.5%, above the threshold of 25%. NSFR was 232% for local currency and 151% for foreign currency, and LCR was 664% for local currency and 325% for foreign currency, comfortably above the 100% Basel III requirement.

### KEY METRICS AND BUSINESS UPDATES<sup>5</sup>

- #1 private-sector bank in Egypt in terms of revenues, net income, deposits, and total assets

#### INSTITUTIONAL BANKING

- End-of-period gross loans were EGP 101 billion, 4% lower YtD.
- End-of-period deposits were EGP 101 billion, 3% higher YtD.
- Gross outstanding contingent business reached EGP 73.3 billion, 2% lower YtD.

#### BUSINESS BANKING

- End-of-period gross loans were EGP 1 billion, 6% higher YtD.
- End-of-period deposits were EGP 24 billion, 3% higher YtD.
- Gross outstanding contingent business reached EGP 1.34 billion, 3% higher YtD.

#### RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 27 billion, 5% higher YtD.
- End-of-period deposits were EGP 185 billion, 1% higher YtD.
- CIB continued to expand its network to reach a total of 179 branches and 28 units across Egypt, supported by a network of 1,039 ATMs.

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<sup>5</sup> Loan, deposit, and outstanding contingent balances based on managerial accounts.

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### CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q20	4Q19	QoQ Change	1Q19	YoY change
	EGP million	EGP million	(1Q20 vs. 4Q19)	EGP million	(1Q20 vs. 1Q19)
Net Interest Income	6,195	6,130	1%	4,939	25%
Non-Interest Income	225	19	NM	660	-66%
<b>Net Operating Income</b>	<b>6,421</b>	<b>6,149</b>	<b>4%</b>	<b>5,600</b>	<b>15%</b>
Non-Interest Expense	(1,525)	(1,160)	31%	(1,322)	15%
Loan Loss Provision	(1,240)	(228)	444%	(521)	138%
<b>Net Profit before Tax</b>	<b>3,656</b>	<b>4,761</b>	<b>-23%</b>	<b>3,757</b>	<b>-3%</b>
Income Tax	(1,332)	(1,356)	-2%	(1,090)	22%
Deferred Tax	75	(142)	NM	(25)	NM
<b>Net profit</b>	<b>2,399</b>	<b>3,263</b>	<b>-27%</b>	<b>2,642</b>	<b>-9%</b>
Minority Interest	0	0	NM	0	NM
<b>Net Profit After Minority</b>	<b>2,399</b>	<b>3,263</b>	<b>-27%</b>	<b>2,642</b>	<b>-9%</b>

Financial Indicators	1Q20	4Q19	QoQ Change	1Q19	YoY change
			(1Q20 vs. 4Q19)		(1Q20 vs. 1Q19)
<b>Profitability</b>					
ROAE	19.6%	26.2%	-25%	29.0%	-33%
ROAA	2.50%	3.43%	-27%	3.04%	-18%
<b>Efficiency</b>					
Cost-to-Income	22.3%	17.8%	25%	24.2%	-8%
<b>Liquidity</b>					
Gross Loans-to-Deposits	41.7%	43.3%	-4%	42.6%	-2%
<b>Asset Quality</b>					
NPLs-to-Gross Loans	4.00%	3.99%	0%	4.99%	-20%
Capital Adequacy Ratio	26.3%	26.1%	1%	21.5%	23%

### STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q20	4Q19	QoQ Change	1Q19	YoY change
	EGP million	EGP million	(1Q20 vs. 4Q19)	EGP million	(1Q20 vs. 1Q19)
Net Interest Income	6,195	6,130	1%	4,939	25%
Non-Interest Income	217	18	NM	661	-67%
<b>Net Operating Income</b>	<b>6,412</b>	<b>6,147</b>	<b>4%</b>	<b>5,599</b>	<b>15%</b>
Non-Interest Expense	(1,524)	(1,159)	31%	(1,321)	15%
Loan loss provision	(1,240)	(228)	444%	(521)	138%
<b>Net Profit before Tax</b>	<b>3,648</b>	<b>4,760</b>	<b>-23%</b>	<b>3,758</b>	<b>-3%</b>
Income Tax	(1,332)	(1,356)	-2%	(1,090)	22%
Deferred Tax	75	(142)	NM	(25)	NM
<b>Net Profit</b>	<b>2,391</b>	<b>3,262</b>	<b>-27%</b>	<b>2,642</b>	<b>-9.5%</b>

Financial Indicators	1Q20	4Q19	QoQ Change	1Q19	YoY change
			(1Q20 vs. 4Q19)		(1Q20 vs. 1Q19)
<b>Profitability</b>					
ROAE	19.5%	26.3%	-26%	29.1%	-33%
ROAA	2.49%	3.43%	-27%	3.05%	-18%
NIM*	6.94%	7.00%	-1%	6.26%	11%
<b>Efficiency</b>					
Cost-to-Income	22.3%	17.8%	25%	24.2%	-8%
<b>Liquidity</b>					
Gross Loans-to-Deposits	41.7%	43.3%	-4%	42.6%	-2%
<b>Asset Quality</b>					
NPLs-to-Gross Loans	4.00%	3.99%	0%	4.99%	-20%
Direct Coverage Ratio	247%	225%	10%	199%	24%

\*NIM based on managerial accounts

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BALANCE SHEET	Consolidated			Standalone		
	Mar-20	Dec-19	YtD Change	Mar-20	Dec-19	YtD Change
	EGP million	EGP million	(Mar-20 Vs. Dec-19)	EGP million	EGP million	(Mar-20 Vs. Dec-19)
Cash & Due from Central Bank	27,169	28,274	-4%	27,169	28,274	-4%
Due from Banks	26,608	28,353	-6%	26,608	28,353	-6%
Net Loans & Overdrafts	116,360	119,946	-3%	116,360	119,946	-3%
Financial Derivatives	377	216	74%	377	216	74%
Financial Investments Securities	199,325	197,542	1%	199,316	197,542	1%
Financial Investment in Subsidiaries	102	108	-6%	49	64	-23%
Other Assets	11,665	12,303	-5%	11,663	12,301	-5%
<b>Total Assets</b>	<b>381,607</b>	<b>386,742</b>	<b>-1%</b>	<b>381,544</b>	<b>386,697</b>	<b>-1%</b>
Due to Banks	10,438	11,811	-12%	10,438	11,811	-12%
Customer Deposits	309,972	304,448	2%	309,997	304,484	2%
Other Liabilities	15,057	18,603	-19%	15,056	18,603	-19%
<b>Total Liabilities</b>	<b>335,467</b>	<b>334,862</b>	<b>0%</b>	<b>335,491</b>	<b>334,897</b>	<b>0%</b>
<b>Shareholders' Equity &amp; Net Profit</b>	<b>46,140</b>	<b>51,880</b>	<b>-11%</b>	<b>46,052</b>	<b>51,800</b>	<b>-11%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>381,607</b>	<b>386,742</b>	<b>-1%</b>	<b>381,544</b>	<b>386,697</b>	<b>-1%</b>