

News Release

11 November 2021

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS THIRD-QUARTER 2021 CONSOLIDATED REVENUE OF EGP 7.14 BILLION AND NET INCOME OF EGP 3.81 BILLION, OR EGP 1.71 PER SHARE, UP 62% FROM THIRD-QUARTER 2020

🌐 Third-Quarter 2021 Consolidated Financial Results

- Net income of EGP 3.81 billion, up 62% year-on-year (YoY)
- Revenues of EGP 7.14 billion, up 7% YoY
- Return on average equity of 23.7%
- Return on average assets of 3.17%
- Efficiency ratio of 21.4%
- Net interest margin (NIM)¹ of 5.70%

🌐 Nine-Month 2021 Consolidated Financial Results

- Net income of EGP 9.88 billion, up 34% YoY
- Revenues of EGP 19.7 billion, up 2% YoY
- Return on average equity of 21.0%
- Return on average assets of 2.86%
- Efficiency ratio of 22.2%
- Net interest margin (NIM)¹ of 5.67%

🌐 Resilient Balance Sheet

- Total tier capital recorded EGP 71.0 billion, or 32.1% of risk-weighted assets
- CBE local currency liquidity ratio of 63.8%, foreign currency liquidity ratio of 69.3% (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 95% of total liabilities
- Non-performing loans coverage ratio of 206%

🌐 Supporting our Economy

- Funding to businesses and individuals grew by 15% over nine-month 2021 to record EGP 157 billion, with a loan market share of 5.13%².
- Deposits grew by 19% over nine-month 2021 to record EGP 403 billion, with a deposit market share of 6.63%².
- Loan-to-Deposit Ratio recorded 39.0% by end of nine-month 2021.
- In third-quarter 2021, CIB's operations generated EGP 1.78 billion in corporate, payroll, and other taxes.

🌐 Committed to our Community

- CIB Foundation subsidized “Children Cancer Hospital 57357” to establish digital pathology lab.
- CIB Foundation funded “Cairo University Hospitals” with the final installment for purchasing 128-Slices-CT Scanner.
- CIB Foundation financed “The Egyptian Naval Forces New Children’s Hospital in Alexandria” with the final installment to purchase the medical equipment and furniture needed for the Hospital outfitting.
- CIB Foundation supported “Ibrahim A. Badran Foundation” with the medical convoys that provide examinations for children.
- CIB Foundation sponsored “Raie Masr Foundation” with the final installment to outfit and operate 2 mobile clinics.

¹ Based on managerial accounts.

² As of August 2021; latest available CBE data at time of print.

Awards & Rankings

- Global Finance: Best Consumer Digital Bank 2021
- Global Finance: Best Institutional Bank 2021
- Global Finance: Best Treasury and Cash Management Providers in Egypt
- Global Finance: Best Trade Finance Provider in Egypt
- Global Finance: Best Bank in Egypt
- Global Finance: Financial Leadership in Sustaining Communities in the Middle East
- The Digital Banker: Best Financial Chain Initiative in Egypt
- The Digital Banker: Best Supplier Financing Initiative
- The Digital Banker: Best Bank for Cash Management
- The Digital Banker: Best Bank for Payment Services
- The Digital Banker: Best Transaction Banking
- African Banker: Sustainable Bank of the Year
- Euromoney: Best Bank in Egypt
- The Banker: Best Digital Bank in Africa
- Asiamoney: Best Domestic Bank in Egypt
- MEED: Best CSR Initiative in Asia and Middle East
- EMEA Finance: Most Innovative Bank in Pan-Africa

CAIRO - Commercial International Bank (EGX: COMI) today reported third-quarter 2021 consolidated net income of EGP 3.81 billion, or EGP 1.71 per share, up 62% from third-quarter 2020.

Management Commented: “CIB hit a new record in the third quarter of 2021, with remarkable bottom line growth compared to last year. This exceptional performance is driven by both balance sheet fundamentals and resilient solvency, alongside continued progression during the interim.

Balance sheet growth sustained its momentum, especially in local currency, with local currency deposits growing by 7% over the quarter and 28% over the year, mainly concentrated on CASA gathering, in accordance with the Management’s strategic focus on growing funds at controlled costs. This, alongside maintaining the Bank’s flexible balance sheet structure that is necessary to accommodate for interest rate volatilities, led to liquidity management optimization.

Likewise, loan growth continued its upward momentum, with local currency loans striking record growth of 26% compared to last year, hence boosting top line, backed by increase in core fees and commissions. As a matter of fact, record loan growth was achieved without posing pressure on the Bank’s credit risk requirements, thanks to CIB’s prudent risk management and healthy coverage, during 2020 and earlier, which paved the way for a significant slow-down in provision accumulations, in light of the gradual macroeconomic restoration. It remains noteworthy that this robust loan growth, coupled with moderated provisions, maintained CIB’s prime market position in terms of coverage for both expected and unexpected losses.

As we near the end of 2021, Management remains positive about CIB’s capability to sustain its leading market position, drawing largely on its unique coverage and its adaptable balance sheet structure, which would allow for stable navigation through unforeseen market dynamics.”

THIRD-QUARTER 2021 FINANCIAL HIGHLIGHTS

REVENUES

Third-quarter 2021 standalone revenues were EGP 7.12 billion, up 6% from third-quarter 2020. Nine-month 2021 standalone revenues were EGP 19.7 billion, up 2% from nine-month 2020, wholly driven by non-interest income coming 3x higher YoY, partially pulled down by 4% decrease in net interest income.

NET INTEREST INCOME

Nine-month 2021 standalone net interest income recorded EGP 18.1 billion, decreasing by 4% YoY, with Total NIM decreasing by 120 basis points (bp), due mainly to the maturities of exceptionally-high-yielding bonds previously purchased. Normalizing for the above-market-interest-rate-differential of the aforementioned bonds in nine-month 2020, net interest income grew by 12% YoY, generated at 5.67% Total NIM¹, down by 25bp YoY, with Local Currency NIM¹ recording 7.35%, down 48bp, and Foreign Currency NIM¹ recording 0.96%, down 39bp YoY.

NON-INTEREST INCOME

Nine-month 2021 non-interest income recorded EGP 1.60 billion, coming 3x higher YoY. Upon adding back contingent provision charged, which is normally deducted from Non-Interest Income as part of Other Operating Expenses, recording EGP 211 million for nine-month 2021 and EGP 1.02 billion for nine-month 2020, standalone non-interest income grew by 19% YoY. Trade service fees were EGP 586 million, growing by 14% YoY, with outstanding balance of EGP 92.3 billion³.

OPERATING EXPENSE

Nine-month 2021 standalone operating expense was EGP 4.38 billion, up 5% YoY. Cost-to-income⁴ reported 22.0%, 145bp higher YoY, while remaining comfortably below the desirable level of 30%. Normalized for the aforementioned 2020 bond yield-highs, cost-to-income came 158bp lower YoY.

LOANS

Gross loan portfolio recorded EGP 157 billion, growing by 15% or EGP 20.7 billion Year-to-Date (YtD). Growth was driven wholly by local currency loans, which grew by 24% or EGP 21.6 billion, sufficiently offsetting foreign currency net loan repayments of USD 52.9 million or 2%. CIB's loan market share reached 5.13% as of August 2021.

DEPOSITS

Deposits recorded EGP 403 billion, growing by 19% or EGP 63.0 billion YtD. Growth was driven mainly by local currency deposits, growing by 23% or EGP 57.0 billion, besides foreign currency deposits, adding 7% or USD 387 million. CIB's deposit market share recorded 6.63% as of August 2021, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 5.43% of the gross loan portfolio, covered 206% by the Bank's EGP 17.6 billion loan loss provision balance. Nine-month 2021 loan loss provision expense recorded EGP 1.33 billion, 66% lower YoY.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 71.0 billion, or 32.1% of risk-weighted assets as of September 2021. Tier I capital reached EGP 64.1 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. CBE local currency liquidity ratio remained well above the regulator's 20% requirement, recording 63.8% as of September 2021, while CBE foreign currency liquidity ratio reached 69.3%, above the threshold of 25%. NSFR was 230% for local currency and 165% for foreign currency, and LCR was 1039% for local currency and 296% for foreign currency, comfortably above the 100% Basel III requirement.

³ Net of Collateral, Gross of Provisions.

⁴ Cost-to-income is calculated using revenues after adding/deducting back contingent provision charged/released.

KEY METRICS AND BUSINESS UPDATES⁵

- #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 116.6 billion, 17% higher YtD, solely on 32% growth in local currency loans.
- End-of-period deposits were EGP 146.2 billion, 31% higher YtD, on 36% growth in local currency deposits and 16% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 95.6 billion, 11% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 2.5 billion, 48% higher YtD, solely in local currency.
- End-of-period deposits were EGP 38.8 billion, 31% higher YtD, mostly on local currency deposit growth of 34%, besides foreign currency deposit growth of 20%.
- Gross outstanding contingent business reached EGP 2.5 billion, 35% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 38.0 billion, 8% higher YtD, wholly on 10% growth in local currency loans.
- End-of-period deposits were EGP 218.1 billion, 10% higher YtD, driven by local currency deposit growth of 13%.
- CIB continued to expand its network to reach a total of 187 branches and 28 units across Egypt, supported by a network of 1,284 ATMs.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	3Q21 EGP million	2Q21 EGP million	QoQ Change (3Q21 vs.2Q21)	3Q20 EGP million	YoY Change (3Q21 vs. 3Q20)	9M21 EGP million	9M20 EGP million	YoY Change (9M21 vs. 9M20)
Net Interest Income	6,458	6,019	7%	6,363	1%	18,155	18,840	-4%
Non-Interest Income	682	341	100%	290	135%	1,587	463	243%
Net Operating Income	7,140	6,360	12%	6,653	7%	19,741	19,303	2%
Non-Interest Expense	(1,492)	(1,471)	1%	(1,352)	10%	(4,438)	(4,201)	6%
Loan Loss Provision	(303)	(318)	-5%	(1,603)	-81%	(1,324)	(3,863)	-66%
Net Profit before Tax	5,344	4,571	17%	3,697	45%	13,979	11,239	24%
Income Tax	(1,525)	(1,382)	10%	(1,306)	17%	(4,116)	(3,959)	4%
Deferred Tax	(7)	25	NM	(44)	-84%	12	63	-81%
Net profit	3,812	3,215	19%	2,346	62%	9,875	7,344	34%
Minority Interest	(0.2)	(2.1)	-90%	(2)	-90%	(2)	(2)	-8%
Net Profit After Minority	3,812	3,217	19%	2,349	62%	9,877	7,346	34%

Financial Indicators	3Q21	2Q21	QoQ Change (3Q21 vs.2Q21)	3Q20	YoY Change (3Q21 vs. 3Q20)	9M21	9M20	YoY Change (9M21 vs. 9M20)
Profitability								
ROAE	23.7%	21.0%	13%	17.6%	34%	21.0%	18.5%	14%
ROAA	3.17%	2.81%	13%	2.31%	37%	2.86%	2.44%	17%
Efficiency								
Cost-to-Income	21.4%	22.3%	-4%	20.5%	4%	22.2%	20.7%	8%
Liquidity								
Gross Loans-to-Deposits	39.1%	38.8%	1%	40.6%	-4%	39.1%	40.6%	-4%
Asset Quality								
NPLs-to-Gross Loans	5.42%	5.69%	-5%	3.96%	37%	5.42%	3.96%	37%
Capital Adequacy Ratio	32.1%	32.0%	0%	31.03%	3%	32.1%	31.0%	3%

⁵ Loan, deposit, and outstanding contingent balances are based on managerial accounts.

Outstanding contingent balances are gross of collateral and provisions.

Growth in foreign currency balances is in real terms, excluding the effect of EGP appreciation by EGP 0.02 over nine-month 2021.

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STANDALONE FINANCIAL HIGHLIGHTS

	3Q21	2Q21	QoQ Change	3Q20	YoY Change	9M21	9M20	YoY Change
Income Statement	EGP million	EGP million	(3Q21 vs. 2Q21)	EGP million	(3Q21 vs. 3Q20)	EGP million	EGP million	(9M21 vs. 9M20)
Net Interest Income	6,433	5,997	7%	6,356	1%	18,106	18,833	-4%
Non-Interest Income	687	323	112%	330	108%	1,601	504	217%
Net Operating Income	7,119	6,320	13%	6,686	6%	19,706	19,337	2%
Non-Interest Expense	(1,464)	(1,446)	1%	(1,339)	9%	(4,382)	(4,184)	5%
Loan loss provision	(307)	(317)	-3%	(1,603)	-81%	(1,326)	(3,862)	-66%
Net Profit before Tax	5,349	4,557	17%	3,745	43%	13,998	11,291	24%
Income Tax	(1,525)	(1,381)	10%	(1,306)	17%	(4,115)	(3,959)	4%
Deferred Tax	(7)	25	NM	(44)	-84%	12	63	-81%
Net Profit	3,817	3,201	19%	2,394	59%	9,895	7,396	34%

	3Q21	2Q21	QoQ Change	3Q20	YoY Change	9M21	9M20	YoY Change
Financial Indicators			(3Q21 vs. 2Q21)		(3Q21 vs. 3Q20)			(9M21 vs. 9M20)
Profitability								
ROAE	23.7%	21.0%	13%	18.0%	32%	21.0%	18.6%	13%
ROAA	3.19%	2.80%	14%	2.36%	35%	2.88%	2.47%	17%
NIM*	5.70%	5.62%	1%	6.71%	-15%	5.67%	6.87%	-18%
Efficiency								
Cost-to-Income	21.0%	22.0%	-5%	20.2%	4%	22.0%	20.6%	7%
Liquidity								
Gross Loans-to-Deposits	39.0%	38.7%	1%	40.5%	-4%	39.0%	40.5%	-4%
Asset Quality								
NPLs-to-Gross Loans	5.43%	5.71%	-5%	3.97%	37%	5.43%	3.97%	37%
Direct Coverage Ratio	206%	204%	1%	289%	-29%	206%	289%	-29%

*NIM based on managerial accounts

BALANCE SHEET	Consolidated			Standalone		
	Sep-21	Dec-20	YtD Change	Sep-21	Dec-20	YtD Change
	EGP million	EGP million	(Sep-21 Vs. Dec-20)	EGP million	EGP million	(Sep-21 Vs. Dec-20)
Cash & Due from Central Bank	33,326	33,769	-1%	33,208	33,573	-1%
Due from Banks	72,235	87,426	-17%	71,954	86,997	-17%
Net Loans & Overdrafts	139,923	120,347	16%	139,110	119,632	16%
Financial Derivatives	267	249	7%	267	249	7%
Financial Investment Securities	233,228	173,764	34%	232,360	173,027	34%
Investments in Associates and Subsidiaries	332	140	137%	1,023	874	17%
Other Assets	13,722	12,148	13%	13,421	11,793	14%
Total Assets	493,032	427,842	15%	491,343	426,145	15%
Due to Banks	1,546	8,818	-82%	1,543	8,816	-82%
Customer Deposits	404,203	341,169	18%	403,086	340,087	19%
Other Liabilities	20,822	17,896	16%	20,763	17,838	16%
Total Liabilities	426,571	367,883	16%	425,391	366,740	16%
Shareholders' Equity & Net Profit	66,006	59,476	11%	65,952	59,405	11%
Minority Interest	456	483	-6%	0	0	NM
Total Liabilities & Shareholders' Equity	493,032	427,842	15%	491,343	426,145	15%