

## News Release

12 February 2023

# COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FULL-YEAR 2022 CONSOLIDATED REVENUE OF EGP 32.9 BILLION AND NET INCOME OF EGP 16.1 BILLION, OR EGP 4.83 PER SHARE, UP 21% FROM FULL-YEAR 2021 FOURTH-QUARTER 2022 CONSOLIDATED REVENUE OF EGP 9.78 BILLION AND NET INCOME OF EGP 3.95 BILLION, UP 17% FROM FOURTH-QUARTER 2021

## 🌐 Fourth-Quarter 2022 Consolidated Financial Results

- Net income of EGP 3.95 billion, up 17% year-on-year (YoY)
- Revenues of EGP 9.78 billion, up 41% YoY
- Return on average equity (ROAE) of 23.9%
- Return on average assets (ROAA) of 2.57%
- Efficiency ratio of 22.1%
- Net interest margin (NIM)<sup>1</sup> of 6.49%

## 🌐 Full-Year 2022 Consolidated Financial Results

- Net income of EGP 16.1 billion, up 21% YoY
- Revenues of EGP 32.9 billion, up 23% YoY
- ROAE<sup>2</sup> of 25.1%
- ROAA<sup>2</sup> of 2.86%
- Efficiency ratio of 21.2%
- NIM<sup>1</sup> of 6.10%

## 🌐 Strong Balance Sheet

- Total tier capital recorded EGP 75.0 billion, or 22.7% of risk-weighted assets.
- CBE local currency liquidity ratio of 48.0%, foreign currency liquidity ratio of 68.1% (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 94% of total liabilities
- Non-performing loans coverage ratio of 227%

## 🌐 Supporting our Economy

- Funding to businesses and individuals recorded EGP 222 billion, growing by 36% over full-year 2022, or 16% net of the EGP devaluation impact, with a loan market share of 5.41%<sup>3</sup>.
- Deposits recorded EGP 530 billion, growing by 31% over full-year 2022, or 15% net of the EGP devaluation impact, with a deposit market share of 6.10%<sup>3</sup>.
- Loan-to-Deposit Ratio recorded 41.8% by end of 2022.
- In full-year 2022, CIB's operations generated EGP 8.03 billion in corporate, payroll, and other taxes.

## 🌐 Committed to our Community

- CIB Foundation joined forces with “Raie Masr Foundation” to purchase and outfit 3 mobile clinics and operate 900 medical convoys.
- CIB Foundation paid a 50%-down-payment to “Life Care” and “EGMED” companies against LGs to purchase pediatric medical equipment for “Ahl Masr Hospital”.
- CIB Foundation supported “Ain Shams University Children’s Hospital” with the first installment to send doctors and nurses to “Great Ormond Street Hospital” in England for a 5-year training program.
- CIB Foundation subsidized “Egyptian Clothing Bank” with the second installment to manufacture 50,000 training suits and shoe pairs.
- CIB Foundation financed “Banha University Hospital” with the third installment to cover the operating costs pertaining to Pediatric ICU and Neonatal ICU.

<sup>1</sup>Based on managerial accounts.

<sup>2</sup>After 2022 profit appropriation.

<sup>3</sup>As of September 2022; latest available CBE data at time of publishing. Sep-22 Deposit Market Share excludes EGP 20 billion pertaining to an inward transfer, which took place on September 29th, 2022 and was withdrawn on October 2nd, 2022.

### Awards & Rankings

- Global Finance:
  - World's Best Trade Finance Providers in Egypt for 2022
  - World's Best Foreign Exchange Providers 2022
- The Digital Banker:
  - Best Wholesale/Transaction Bank for Digital Customer Experience
- Euromoney:
  - Best Bank for Digital Solutions in Egypt
  - Best Bank in Egypt
  - Best Bank for SME Banking in Egypt
  - Middle East's Best Bank for SMEs
- EMEA Finance:
  - Best Green Bond in Africa
  - Best Structured Finance Deal in Africa
  - Best Local Currency Loan
  - Best Cash Management Services in North Africa
  - Best Payment Services in North Africa
  - Best Trade Finance Services in North Africa
  - Best Local Bank
- MENA:
  - Sustainable Bank of the Year

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2022 consolidated net income of EGP 3.95 billion, up 17% from fourth-quarter 2021. Full-Year 2022 consolidated net income recorded EGP 16.1 billion, or EGP 4.83 per share, up by 21% from last year.

Management commented: “Ending a year packed with extraordinary global and local challenges, CIB achieved another milestone in 2022, delivering record financial performance, while maintaining pioneer solvency. This came as Management wittingly capitalized on the Bank’s solid grounding and agile Balance Sheet structure, which came in largely accommodating for the unforeseen dynamics on most fronts.

On the funding side, and notwithstanding the fierce competition especially in the local currency deposit market, CIB managed to sustain its balance sheet growth momentum, growing its local currency deposit base by an impressive 18%, and its foreign currency deposit base by a genuine 8%, over the year, to maintain its highest market share among Private-Sector Banks. This came at highly-rationalized costs, which, coupled with the Bank’s flexible Balance Sheet structure and proactive Treasury Management, reflected into expanded margins, despite the highly-competitive and highly-uncertain environment.

On the lending side, CIB continued its role in extending funding to Businesses and Individuals, delivering remarkable growth this year in local currency loans, which grew by a notable 35% or EGP 40 billion, and by an even further-impressive 43% or EGP 53 billion, upon accounting for Securitization Deals. This, coupled with a strong restoration in Trade Finance Business, generated a significant rebound in Core Fees and Commissions, hence further fueling-up top line growth through the sustainable stream of non-interest income. The latter came in particularly realizable as CIB has been sufficiently-armed to cater for customer needs and to accommodate the outstanding backlog of Trade Finance requests, thanks to the Bank’s adept Foreign Currency Liquidity Management in light of the prevailing market volatility.

Furthermore, this robust loan growth came to pass while preserving the Bank’s top-notch solvency, maintaining the Highest-in-Market Coverage for both Expected and Unexpected Losses. This was reflected in a Loan Loss Provision Balance of EGP 24.4 billion, covering 11% of the Bank’s Gross Loan Portfolio, and with the Bank’s Capital Adequacy Ratio (CAR) resting at 22.7%, with a comfortable capital buffer above minimum regulatory requirements, which shielded against unfavorable macroeconomic dynamics, as well as accommodated for genuine core business growth. In addition, and despite having the highest capital buffer in Market, the return to CIB shareholders remained, as well, amongst the highest in the Banking Sector, with Return on Average Equity (ROAE) recording 25.1%, after accounting for 2022 Proposed Profit Appropriation, up by 321 basis points from last year.

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On another note, and further attesting its sound fundamentals in face of uncertainties, CIB anchored its regional presence, kicking-off 2023 with the acquisition of the remaining 49% stake in the Kenya-based Mayfair-CIB Bank, to become a fully-owned subsidiary of CIB. Back in April 2020, CIB marked the first Egyptian Bank to establish a presence in Kenya, viewing a well-regulated market with potential opportunities for economic prosperity, through owning a 51% stake in Mayfair Bank, which turned in its first-time profit in 2021 since being licensed in 2017. Now, the acquisition of the remaining stake further reaffirms the mutual confidence, with the aspiration of Mayfair-CIB playing the role of the African Digital Hub for CIB, extending the Bank's leading role in Digital Transformation to new regions and verticals.

Overall, Management is content about CIB's solid performance for the year. And, although the road ahead remains uncertain, Management yet holds a cautiously-optimistic view about future economic prospects, with great confidence in the Bank's ability to efficiently navigate through unforeseen market dynamics, drawing on its resolute balance sheet fundamentals and firm coverage."

### FOURTH-QUARTER 2022 FINANCIAL HIGHLIGHTS

#### REVENUES

Fourth-quarter 2022 standalone revenues were EGP 9.68 billion, up 37% from fourth-quarter 2021. Full-Year 2022 standalone revenues were EGP 32.8 billion, up 22% from full-year 2021, backed by 24% increase in net interest income, alongside increase in non-interest income by 3%.

#### NET INTEREST INCOME

Full-Year 2022 standalone net interest income recorded EGP 30.8 billion, increasing by 24% YoY, generated at 6.10% Total NIM<sup>1</sup>, which increased by 43 basis points (bp) YoY, with Local Currency NIM<sup>1</sup> recording 7.56%, coming 31bp higher YoY, and Foreign Currency NIM<sup>1</sup> recording 2.34%, coming 128bp higher YoY.

#### NON-INTEREST INCOME

Full-Year 2022 standalone non-interest income recorded EGP 1.92 billion, coming 3% higher YoY. Upon adding back other provision charged, which is normally deducted from Non-Interest Income as part of Other Operating Expenses, recording EGP 1.86 billion for full-year 2022 and EGP 411 million for full-year 2021, standalone non-interest income grew by 66% YoY. Trade service fees were EGP 1.16 billion, growing by 46% YoY, with outstanding balance of EGP 135 billion<sup>4</sup>.

#### OPERATING EXPENSE

Full-Year 2022 standalone operating expense was EGP 7.18 billion, up 18% YoY. Cost-to-income recorded 20.7%, coming 170bp lower YoY<sup>5</sup> and comfortably below the desirable level of 30%.

#### LOANS

Gross loan portfolio recorded EGP 222 billion, growing by 36% YoY, with real growth of 16% net of the EGP devaluation impact, which added EGP 28.1 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, increasing by 35% or EGP 40.1 billion, sufficiently counterbalancing net foreign currency loan repayments of 13% or USD 401 million. CIB's loan market share reached 5.41% as of September 2022.

#### DEPOSITS

Deposits recorded EGP 530 billion, growing by 31% YoY, with real growth of 15% net of the EGP devaluation impact, which added EGP 54.2 billion to the EGP equivalent balance. Growth was driven by local currency deposits, growing by 18% or EGP 57.3 billion, coupled with foreign currency deposits adding 8% or USD 507 million. CIB's deposit market share recorded 6.10%<sup>3</sup> as of September 2022, maintaining the highest deposit market share among all private-sector banks.

#### ASSET QUALITY

CIB maintained its sturdy asset quality. Standalone non-performing loans represented 4.81% of the gross loan portfolio, covered 229% by the Bank's EGP 24.4 billion loan loss provision balance. Full-Year 2022 loan loss provision expense recorded EGP 1.51 billion compared to EGP 1.68 billion in full-year 2021.

<sup>4</sup>Net of Collateral, Gross of Provisions.

<sup>5</sup>Cost-to-income is calculated using revenues after adding/deducting back other provision charged/released.

## CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 75.0 billion, or 22.7% of risk-weighted assets as of December 2022. Tier I capital reached EGP 63.4 billion, or 85% 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 liquidity ratios remained well above the regulator's requirements, with local currency liquidity ratio recording 48.0% as of December 2022, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 68.1%, above the threshold of 25%. NSFR was 239% for local currency and 208% for foreign currency, and LCR was 1291% for local currency and 297% for foreign currency, comfortably above the 100% Basel III requirement.

## KEY METRICS AND BUSINESS UPDATES<sup>6</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 162 billion, 35% higher YoY, wholly backed by 33% growth in local currency loans.
- End-of-period deposits were EGP 195 billion, 41% higher YoY, mostly driven by 32% growth in local currency deposits, besides 6% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 140 billion, 47% higher YoY.

## BUSINESS BANKING

- End-of-period gross loans were EGP 7 billion, 2x higher YoY, solely on more than doubled local currency loans.
- End-of-period deposits were EGP 68 billion, 63% higher YoY, driven by 49% growth in local currency deposits along with 47% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 3.7 billion, 37% higher YoY.

## RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 53 billion, 30% higher YoY, wholly on 31% growth in local currency loans.
- End-of-period deposits were EGP 267 billion, 18% higher YoY, mainly driven by 5% growth in foreign currency deposits and 4% growth in local currency deposits.
- CIB continued to expand its network to reach a total of 190 branches and 21 units across Egypt, supported by a network of 1,307 ATMs.

## CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q22 EGP million	3Q22 EGP million	QoQ Change (4Q22 vs. 3Q22)	4Q21 EGP million	YoY Change (4Q22 vs. 4Q21)	FY22 EGP million	FY21 EGP million	YoY Change (FY22 vs. FY21)
Net Interest Income	9,187	8,089	14%	6,811	35%	31,005	24,966	24%
Non-Interest Income	588	363	62%	119	397%	1,893	1,730	9%
<b>Net Operating Income</b>	<b>9,776</b>	<b>8,452</b>	<b>16%</b>	<b>6,930</b>	<b>41%</b>	<b>32,898</b>	<b>26,696</b>	<b>23%</b>
Non-Interest Expense	(2,230)	(1,872)	19%	(1,744)	28%	(7,372)	(6,183)	19%
Loan Loss Provision	(1,287)	(224)	474%	(356)	261%	(1,585)	(1,680)	-6%
<b>Net Profit before Tax</b>	<b>6,259</b>	<b>6,357</b>	<b>-2%</b>	<b>4,829</b>	<b>30%</b>	<b>23,941</b>	<b>18,833</b>	<b>27%</b>
Income Tax	(1,459)	(1,872)	-22%	(1,564)	-7%	(6,345)	(5,680)	12%
Deferred Tax	(827)	(67)	NM	102	NM	(1,424)	114	NM
<b>Net profit</b>	<b>3,973</b>	<b>4,419</b>	<b>-10%</b>	<b>3,367</b>	<b>18%</b>	<b>16,172</b>	<b>13,268</b>	<b>22%</b>
Minority Interest	23	10	125%	(3)	NM	58	(4)	NM
<b>Net Profit After Minority</b>	<b>3,951</b>	<b>4,408</b>	<b>-10%</b>	<b>3,370</b>	<b>17%</b>	<b>16,114</b>	<b>13,272</b>	<b>21%</b>

Financial Indicators	4Q22	3Q22	QoQ Change (4Q22 vs. 3Q22)	4Q21	YoY Change (4Q22 vs. 4Q21)	FY22	FY21	YoY Change (FY22 vs. FY21)
<b>Profitability</b>								
ROAE*	23.9%	27.1%	-12%	20.0%	20%	25.1%	21.7%	16%
ROAA*	2.57%	3.16%	-19%	2.72%	-5%	2.86%	2.88%	-1%
<b>Efficiency</b>								
Cost-to-Income	22.1%	21.4%	3%	24.5%	-10%	21.2%	22.8%	-7%
<b>Liquidity</b>								
Gross Loans-to-Deposits	41.9%	40.3%	4%	40.3%	4%	41.9%	40.3%	4%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.86%	4.61%	5%	5.12%	-5%	4.86%	5.12%	-5%
Capital Adequacy Ratio	22.7%	26.7%	-15%	29.9%	-24%	22.7%	29.9%	-24%

\*Full-year ROAE and ROAA after profit appropriation

<sup>6</sup> 1) Loan, deposit, and outstanding contingent balances are based on managerial accounts. 2) Growth in foreign currency balances is in real terms, excluding the effect of EGP devaluation by EGP 9.03 over full-year 2022. 3) Outstanding contingent balances are gross of collateral and provisions.

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### STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q22	3Q22	QoQ Change	4Q21	YoY Change	FY22	FY21	YoY Change
	EGP million	EGP million	(4Q22 vs. 3Q22)	EGP million	(4Q22 vs. 4Q21)	EGP million	EGP million	(FY22 vs. FY21)
Net Interest Income	9,125	8,015	14%	6,782	35%	30,836	24,888	24%
Non-Interest Income	551	397	39%	266	107%	1,916	1,867	3%
<b>Net Operating Income</b>	<b>9,677</b>	<b>8,412</b>	<b>15%</b>	<b>7,048</b>	<b>37%</b>	<b>32,752</b>	<b>26,755</b>	<b>22%</b>
Non-Interest Expense	(2,152)	(1,791)	20%	(1,714)	26%	(7,177)	(6,096)	18%
Loan loss provision	(1,249)	(248)	403%	(352)	255%	(1,512)	(1,677)	-10%
<b>Net Profit before Tax</b>	<b>6,275</b>	<b>6,372</b>	<b>-2%</b>	<b>4,983</b>	<b>26%</b>	<b>24,062</b>	<b>18,981</b>	<b>27%</b>
Income Tax	(1,358)	(1,874)	-28%	(1,563)	-13%	(6,342)	(5,679)	12%
Deferred Tax	(992)	(67)	NM	106	NM	(1,590)	118	NM
<b>Net Profit</b>	<b>3,924</b>	<b>4,432</b>	<b>-11%</b>	<b>3,526</b>	<b>11%</b>	<b>16,130</b>	<b>13,420</b>	<b>20%</b>

Financial Indicators	4Q22	3Q22	QoQ Change	4Q21	YoY Change	FY22	FY21	YoY Change
			(4Q22 vs. 3Q22)		(4Q22 vs. 4Q21)			(FY22 vs. FY21)
<b>Profitability</b>								
ROAE*	23.7%	27.3%	-13%	20.9%	14%	25.1%	21.9%	15%
ROAA*	2.56%	3.19%	-20%	2.85%	-10%	2.87%	2.93%	-2%
NIM**	6.49%	6.24%	4%	5.68%	14%	6.10%	5.67%	8%
<b>Efficiency</b>								
Cost-to-Income	21.5%	20.6%	4%	23.6%	-9%	20.7%	22.4%	-8%
<b>Liquidity</b>								
Gross Loans-to-Deposits	41.8%	40.2%	4%	40.2%	4%	41.8%	40.2%	4%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.81%	4.59%	5%	5.13%	-6%	4.81%	5.13%	-6%
Direct Coverage Ratio	229%	216%	6%	213%	7%	229%	213%	7%

\*Full-year ROAE and ROAA after profit appropriation

\*\*NIM based on managerial accounts

### BALANCE SHEET

Balance Sheet	Consolidated			Standalone		
	Dec-22	Dec-21	YoY Change	Dec-22	Dec-21	YoY Change
	EGP million	EGP million	(Dec-22 Vs. Dec-21)	EGP million	EGP million	(Dec-22 Vs. Dec-21)
Cash & Due from Central Bank	47,493	43,492	9%	47,385	43,385	9%
Due from Banks	133,857	80,142	67%	133,766	79,991	67%
Net Loans & Overdrafts	196,578	145,887	35%	195,599	145,078	35%
Financial Derivatives	1,940	225	761%	1,940	225	761%
Financial Investment Securities	238,545	213,987	11%	237,095	212,951	11%
Investments in Associates and Subsidiaries	186	205	-9%	1,074	1,014	6%
Other Assets	17,233	14,296	21%	16,784	14,006	20%
<b>Total Assets</b>	<b>635,832</b>	<b>498,236</b>	<b>28%</b>	<b>633,643</b>	<b>496,651</b>	<b>28%</b>
Due to Banks	3,497	866	304%	3,476	863	303%
Customer Deposits	531,617	407,242	31%	530,125	406,101	31%
Other Liabilities	32,381	20,826	55%	32,322	20,759	56%
<b>Total Liabilities</b>	<b>567,494</b>	<b>428,933</b>	<b>32%</b>	<b>565,922</b>	<b>427,723</b>	<b>32%</b>
<b>Shareholders' Equity &amp; Net Profit</b>	<b>67,758</b>	<b>68,848</b>	<b>-2%</b>	<b>67,721</b>	<b>68,928</b>	<b>-2%</b>
Minority Interest	580	455	28%	0	0	NM
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>635,832</b>	<b>498,236</b>	<b>28%</b>	<b>633,643</b>	<b>496,651</b>	<b>28%</b>