

News Release

11 February 2024

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FULL-YEAR 2023 CONSOLIDATED REVENUE OF EGP 56.0 BILLION AND NET INCOME OF EGP 29.6 BILLION, OR EGP 8.59 PER SHARE, UP 84% FROM FULL-YEAR 2022 FOURTH-QUARTER 2023 CONSOLIDATED REVENUE OF EGP 16.7 BILLION AND NET INCOME OF EGP 7.23 BILLION, UP 83% FROM FOURTH-QUARTER 2022

🌐 Fourth-Quarter 2023 Consolidated Financial Results

- Net income of EGP 7.23 billion, up 83% year-on-year (YoY)
- Revenues of EGP 16.7 billion, up 71% YoY
- Return on average equity (ROAE) of 34.5%
- Return on average assets (ROAA) of 3.51%
- Efficiency ratio of 20.8%
- Net interest margin (NIM)¹ of 8.05%

🌐 Full-Year 2023 Consolidated Financial Results

- Net income of EGP 29.6 billion, up 84% YoY
- Revenues of EGP 56.0 billion, up 70% YoY
- ROAE² of 39.7%
- ROAA² of 4.06%
- Efficiency ratio of 17.1%
- NIM¹ of 7.55%

🌐 Balance Sheet Performance

- Total tier capital recorded EGP 100 billion, or 26.2% of risk-weighted assets.
- CBE local currency liquidity ratio of 30.2%, foreign currency liquidity ratio of 45.3% (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 91% of total liabilities
- Non-performing loans coverage ratio of 305%

🌐 Supporting our Economy

- Funding to businesses and individuals recorded EGP 266 billion, growing by 20% over full-year 2023, or 12% net of the EGP devaluation impact, with a loan market share of 4.97%³.
- Deposits recorded EGP 675 billion, growing by 27% over full-year 2023, or 18% net of the EGP devaluation impact, with a deposit market share of 6.81%³.
- Loan-to-Deposit Ratio recorded 39.4% by end of 2023.
- In full-year 2023, CIB’s operations generated EGP 15.3 billion in corporate, payroll, and other taxes.

🌐 Committed to our Community

- CIB Foundation funded “Magdi Yacoub Heart Foundation” with the second installment for establishing Catheterization Laboratory, “The New Global Heart Centre in Cairo”, in addition to the first installment for 100 pediatric open-heart surgeries and 100 catheterizations.
- CIB Foundation subsidized “Aswan University Hospital” with the needed amount to outfit the Pediatric Neurosurgery Department with the required equipment.
- CIB Foundation endowed “Egyptian Clothing Bank” with the second installment to manufacture 120,000 training suits.
- CIB Foundation financed “Yahiya Arafa Children’s Charity Foundation” to cover their annual operating costs of 2023.
- CIB Foundation funded “Shifa’ Al-Omran Hospital” with the first installment to augment their Emergency Department with medication and equipment.

¹ Based on standalone managerial accounts.

² After 2023 profit appropriation.

³ As of Aug-23; latest published CBE Monthly Statistical Bulletin at time of publishing.

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- CIB Foundation joined forces with “The Awad Charity Foundation” to establish a Rehabilitation Center for children with special needs in “Beni Suef University”.

Awards & Rankings

- Global Finance:
 - Best Private Bank
 - Best Supply Chain Finance Bank in Africa 2023
 - Best Trade Finance Provider in Egypt
 - Best Bank for Cash Management in Egypt
 - Transaction Banking Award
 - Best Bank in Egypt 2023
 - World’s Best Sub-Custodian Bank Award 2023
 - Best SME Bank Award 2024
 - World’s Best Foreign Exchange Awards 2024 – Country Awards
- EMEA Finance:
 - Best Mergers & Acquisitions Deal in MENA
 - Best Securitization House in Africa
 - Best Securitization Deal in Africa
 - Best Payment Services in North Africa
 - Best Cash Management Services in North Africa
 - Best Trade Finance Services in North Africa
 - Best Payment Services in Africa
 - Best Digital Bank – Pan Africa
 - Best Local Bank in Egypt
- MEED:
 - Best Bank in Trade Finance
- Euromoney:
 - Best Bank in Egypt
 - Best Bank for SMEs in Egypt
 - Best Bank for ESG in Egypt
 - Best Service for Cash Management
- African Banker
 - Lifetime Achievement Award
- The Banker
 - Bank of the Year in Egypt

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2023 consolidated net income of EGP 7.23 billion, up by 83% from fourth-quarter 2022. Full-Year 2023 consolidated net income recorded EGP 29.6 billion, or EGP 8.59 per share, up by 84% from last year.

Management commented: “Despite adverse market conditions caused by the simultaneous and sequential global and local events, CIB has demonstrated the strength and sustainability of its business model by achieving yet another record year of financial performance, while maintaining industry-leading solvency levels in the market.

Echoing an ambiguous macroeconomic outlook as certain challenges persisted since 2022, Management upheld its prudent and proactive risk management practices, accumulating EGP 3.5 billion of provisions in fourth-quarter 2023, accounting for any unexpected deterioration in asset quality, while safeguarding the Bank against any unsettling conditions. With that, CIB maintained its Coverage for Expected Losses in the Sector, with Loan Loss Provision Balance of EGP 29.2 billion, covering 11% of the Bank’s Gross Loan Portfolio, and 16% of the unsecured portion.

Liquidity management also remained a priority for CIB. The Bank is committed to maintain sufficient liquidity levels, catering for potential market needs. As such, liquidity ratios remained comfortable, in both local and foreign currency, with ample room above both, the minimum regulatory requirements and Basel III requirements.

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Capitalizing on CIB's flexible balance sheet structure, the Bank delivered strong profitability growth, with Full-Year 2023 Bottom Line recording EGP 29.6 billion, growing by 84% from last year, and with exceptional Top Line growth of 70%. Management continued to focus on the sustainable revenue stream, growing funds at a healthy pace, with an 18% real growth in deposits. This growth is sustained by the Bank's commitment to controlling its cost of funds, where CIB has successfully maintained its healthy share of Current and Saving Accounts (CASA) of 55% to Total Deposits. The year also saw robust lending activity, coupled with strong fee income growth, growing at a real growth rate of 11%, and 15% after accounting for Securitization Deals, to preserve its market position as the largest Lender-and-Securitizer among Private-Sector Banks.

This strong financial performance fed into a stronger Capital Base with Capital Adequacy Ratio (CAR) rebounding to 26.2%, after accounting for 2023 Proposed Profit Appropriation, despite the turbulent times. This came as Management continued to focus on growing the Bank's core business, while generating returns that would result in rapid growth in the Bank's Capital Base and preserve the CAR against adverse economic fluctuations.

Moreover, on the capital front, and in an effort to ensure a sustainable, comfortable Capital Base that is less vulnerable to external factors, this quarter, CIB managed to secure USD 150 million subordinated Tier II loan from The European Bank for Reconstruction and Development (EBRD), with 10-year maturity, following another Loan secured from the International Finance Corporation (IFC) in the second quarter of 2023. It is worthy to mention that the aforementioned capital position increased, while delivering a Return on Average Equity (ROAE) recording 39.7% - one of the highest in the Sector -, up by 15 percentage points from last year after accounting for 2023 Proposed Profit Appropriation.

Overall, despite the challenges faced throughout the year, which are expected to remain, Management remains optimistic about CIB's growth and profitability, with great confidence in the Bank's ability to efficiently navigate through challenging market conditions, capitalizing on its solid balance sheet fundamentals and well-founded solvency."

FOURTH-QUARTER 2023 FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2023 standalone revenues were EGP 16.3 billion, up 69% from fourth-quarter 2022. Full-Year 2023 standalone revenues were EGP 54.6 billion, up 67% from full-year 2022, on the back of 71% increase in net interest income, while non-interest income had a marginal decrease by 4%.

NET INTEREST INCOME

Full-Year 2023 standalone net interest income recorded EGP 52.7 billion, increasing by 71% YoY, generated at 7.55% Total NIM¹, which increased by 145 basis points (bp) YoY, with Local Currency NIM¹ recording 9.37%, coming 181bp higher YoY, and Foreign Currency NIM¹ recording 3.87%, coming 153bp higher YoY.

NON-INTEREST INCOME

Full-Year 2023 standalone non-interest income recorded EGP 1.83 billion, with Trade Service fees recording EGP 2.28 billion, growing by 96% YoY, with outstanding balance of EGP 174 billion⁴.

OPERATING EXPENSE

Full-Year 2023 standalone operating expense was EGP 9.77 billion, up 36% YoY. Cost-to-income⁵ reported 17.0%, coming 373bp lower YoY, and remaining comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 266 billion, growing by 20% over full-year 2023, with real growth of 12% net of the EGP devaluation impact, which added EGP 16.7 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, increasing by 24% or EGP 37.2 billion, sufficiently counterbalancing net foreign currency loan repayments of 11% or USD 310 million. CIB's loan market share reached 4.97% as of August 2023.

⁴Net of Collateral, Gross of Provisions.

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

DEPOSITS

Deposits recorded EGP 675 billion, growing by 27% over full-year 2023, with real growth of 18% net of the EGP devaluation impact, which added EGP 40.0 billion to the EGP equivalent balance. Growth was driven by local currency deposits, increasing by 26% or EGP 94.3 billion, together with foreign currency deposits adding 5% or USD 352 million. CIB's deposit market share recorded 6.81% as of August 2023.

ASSET QUALITY

Standalone non-performing loans represented 3.54% of the gross loan portfolio, and were covered 309% by the Bank's EGP 29.1 billion loan loss provision balance. Full-year 2023 impairment charge for credit losses recorded EGP 4.29 billion, compared to EGP 1.51 billion in full-year 2022.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 100 billion, or 26.2% of risk-weighted assets as of December 2023. Tier I capital reached EGP 83.8 billion, or 84% of total tier capital. CIB maintained its comfortable liquidity and funding 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 30.2% by end of December 2023, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 45.3%, above the threshold of 25%. NSFR was 264% for local currency and 229% for foreign currency, and LCR was 2250% for local currency and 175% for foreign currency, comfortably above the 100% Basel III requirement.

KEY METRICS AND BUSINESS UPDATES⁶

- #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 198 billion, 22% higher YoY, with real growth of 11% net of the EGP devaluation impact, predominantly on 30% growth in local currency loans.
- End-of-period deposits were EGP 247 billion, 26% higher YoY, with real growth of 18% net of the EGP devaluation impact, mostly driven by 20% growth in local currency deposits, besides 13% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 180 billion, 28% higher YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 9 billion, 26% higher YoY, wholly on 26% growth in local currency loans.
- End-of-period deposits were EGP 60 billion, 11% lower YoY, with 17% decrease in local currency deposits and 15% decrease in foreign currency deposits⁷.
- Gross outstanding contingent business reached EGP 3.70 billion, coming flat YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 59 billion, higher by 13% YoY, wholly on 13% increase in local currency loans.
- End-of-period deposits were EGP 368 billion, 38% higher YoY, with real growth of 28% net of the EGP devaluation impact, driven by 42% growth in local currency deposits and 4% growth in foreign currency deposits.
- CIB continued to expand its network to reach a total of 193 branches and 15 units across Egypt, supported by a network of 1,339 ATMs.

⁶1) 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 6.15 YoY. 3) Outstanding contingent balances are gross of collateral and provisions.

⁷ The decrease in balances is due to reclassification of some clients, with an Outstanding Balance of EGP 30 billion as of December 2023, from "Business Banking" to "Institutional Banking".

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q23	3Q23	QoQ Change	4Q22	YoY Change	FY23	FY22	YoY Change
	EGP million	EGP million	(4Q23 vs. 3Q23)	EGP million	(4Q23 vs. 4Q22)	EGP million	EGP million	(FY23 vs. FY22)
Net Interest Income	15,199	13,838	10%	9,187	65%	52,930	31,005	71%
Non-Interest Income	1,476	11	NM	588	151%	3,070	1,893	62%
Net Operating Income	16,675	13,849	20%	9,776	71%	55,999	32,898	70%
Non-Interest Expense	(3,574)	(2,205)	62%	(2,230)	60%	(10,076)	(7,372)	37%
Impairment Charge for Credit Losses	(3,053)	(34)	NM	(1,287)	137%	(4,270)	(1,585)	169%
Net Profit before Tax	10,047	11,610	-13%	6,259	61%	41,653	23,941	74%
Income Tax	(3,560)	(3,792)	-6%	(1,459)	144%	(13,100)	(6,345)	106%
Deferred Tax	765	535	43%	(827)	NM	1,158	(1,424)	NM
Net Profit from Continued Operations	7,252	8,353	-13%	3,973	83%	29,711	16,172	84%
Net Profit from Discontinued Operations	7.6	(0.1)	NM	0	NM	(42)	0	NM
Net profit	7,260	8,353	-13%	3,973	83%	29,669	16,172	83%
Non-Controlling Interest	31	(0.1)	NM	23	37%	34	58	-41%
Bank's Shareholders	7,229	8,353	-13%	3,951	83%	29,635	16,114	84%

Financial Indicators	4Q23	3Q23	QoQ Change	4Q22	YoY Change	FY23	FY22	YoY Change
			(4Q23 vs. 3Q23)		(4Q23 vs. 4Q22)			(FY23 vs. FY22)
Profitability								
ROAE*	34.5%	45.8%	-25%	23.9%	44%	39.7%	25.1%	58%
ROAA*	3.51%	4.16%	-15%	2.57%	37%	4.06%	2.86%	42%
Efficiency								
Cost-to-Income	20.8%	14.6%	42%	22.1%	-6%	17.1%	21.2%	-19%
Liquidity								
Gross Loans-to-Deposits	39.5%	38.2%	3.1%	41.9%	-6%	39.5%	41.9%	-6%
Asset Quality								
NPLs-to-Gross Loans	3.59%	5.08%	-29%	4.86%	-26%	3.59%	4.86%	-26%
Capital Adequacy Ratio	26.2%	21.4%	22%	22.7%	16%	26.2%	22.7%	16%

*Full-Year ROAE and ROAA after profit appropriation

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q23	3Q23	QoQ Change	4Q22	YoY Change	FY23	FY22	YoY Change
	EGP million	EGP million	(4Q23 vs. 3Q23)	EGP million	(4Q23 vs. 4Q22)	EGP million	EGP million	(FY23 vs. FY22)
Net Interest Income	15,160	13,797	10%	9,125	66%	52,747	30,836	71%
Non-Interest Income	1,184	(1,074)	NM	551	115%	1,831	1,916	-4%
Net Operating Income	16,344	12,723	28%	9,677	69%	54,578	32,752	67%
Non-Interest Expense	(3,462)	(2,133)	62%	(2,152)	61%	(9,766)	(7,177)	36%
Impairment Charge for Credit Losses	(3,038)	(36)	NM	(1,249)	143%	(4,287)	(1,512)	184%
Net Profit before Tax	9,844	10,554	-7%	6,275	57%	40,525	24,062	68%
Income Tax	(3,535)	(3,771)	-6%	(1,358)	160%	(13,076)	(6,342)	106%
Deferred Tax	728	805	-10%	(992)	NM	1,319	(1,590)	NM
Net Profit	7,036	7,589	-7%	3,924	79%	28,768	16,130	78%

Financial Indicators	4Q23	3Q23	QoQ Change	4Q22	YoY Change	FY23	FY22	YoY Change
			(4Q23 vs. 3Q23)		(4Q23 vs. 4Q22)			(FY23 vs. FY22)
Profitability								
ROAE*	33.6%	41.5%	-19%	23.7%	41%	38.6%	25.1%	54%
ROAA*	3.43%	3.79%	-9%	2.56%	34%	3.95%	2.87%	37%
NIM**	8.05%	7.46%	8%	6.49%	24%	7.55%	6.10%	24%
Efficiency								
Cost-to-Income	20.6%	15.3%	35%	21.5%	-4%	17.0%	20.7%	-18%
Liquidity								
Gross Loans-to-Deposits	39.4%	38.2%	3.0%	41.8%	-6%	39.4%	41.8%	-6%
Asset Quality								
NPLs-to-Gross Loans	3.54%	5.04%	-30%	4.81%	-26%	3.54%	4.81%	-26%
Direct Coverage Ratio	309%	233%	33%	229%	35%	309%	229%	35%

*Full-Year ROAE and ROAA after profit appropriation

**NIM based on managerial accounts

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BALANCE SHEET

Balance Sheet	Consolidated			Standalone		
	Dec-23	Dec-22	YoY Change	Dec-23	Dec-22	YoY Change
	EGP million	EGP million	(Dec-23 Vs. Dec-22)	EGP million	EGP million	(Dec-23 Vs. Dec-22)
Cash & Due from Central Bank	71,888	47,493	51%	71,747	47,385	51%
Due from Banks	231,085	133,857	73%	230,709	133,766	72%
Net Loans & Overdrafts	235,808	196,578	20%	234,647	195,599	20%
Financial Derivatives	1,105	1,940	-43%	1,102	1,940	-43%
Financial Investment Securities	271,466	238,545	14%	270,138	237,095	14%
Investments in Associates and Subsidiaries	116	186	-38%	672	1,074	-37%
Other Assets	23,397	17,233	36%	23,512	16,784	40%
Total Assets	834,866	635,832	31%	832,527	633,643	31%
Due to Banks	12,458	3,497	256%	12,427	3,476	258%
Customer Deposits	677,237	531,617	27%	675,310	530,125	27%
Other Liabilities	54,529	32,381	68%	54,490	32,322	69%
Total Liabilities	744,225	567,494	31%	742,227	565,922	31%
Shareholders' Equity & Net Profit	90,481	67,758	34%	90,300	67,721	33%
Non-Controlling Interest	160	580	-72%	0	0	NM
Total Liabilities & Shareholders' Equity	834,866	635,832	31%	832,527	633,643	31%