

News Release

12 May 2024

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FIRST-QUARTER 2024 CONSOLIDATED REVENUE OF EGP 21.8 BILLION AND NET INCOME OF EGP 11.9 BILLION, OR EGP 3.50 PER SHARE, UP 97% FROM FIRST-QUARTER 2023

🗘 First-Quarter 2024 Consolidated Financial Results

- Net income of EGP 11.9 billion, up 97% year-on-year (YoY)
- Revenues of EGP 21.8 billion, up 82% YoY
- Return on average equity (ROAE) of 49.9%
- Return on average assets (ROAA) of 5.26%
- Efficiency ratio of 13.4%
- Net interest margin (NIM)¹ of 9.29%

🗘 Balance Sheet Performance

- Total tier capital recorded EGP 122 billion, or 25.2% of risk-weighted assets.
- CBE local currency liquidity ratio of 37.7%, foreign currency liquidity ratio of 46.3% (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 302%

🗘 Supporting our Economy

- Funding to businesses and individuals recorded EGP 314 billion, growing by 18% over first-quarter 2024, or 3% net of the EGP devaluation impact, with a loan market share of 4.87%².
- Deposits recorded EGP 792 billion, growing by 17% over first-quarter 2024, or 1% net of the EGP devaluation impact, with a deposit market share of 6.64%².
- Loan-to-Deposit Ratio recorded 39.6% by end of first-quarter 2024.
- In first-quarter 2024, CIB's operations generated EGP 6.31 billion in corporate, payroll, and other taxes.

🗘 Committed to our Community

- CIB Foundation financed “Children Cancer Hospital 57357” with the needed funds to cover the operating costs.
- CIB Foundation funded “Magdi Yacoub Heart Foundation” to cover the cost of 100 open-heart surgeries and 100 catheterizations.
- CIB Foundation supported “Raie Masr Foundation” to cover the operating costs for 900 Convoys.
- CIB Foundation funded “Ain Shams University Children’s Hospital” and “Great Ormond Street Hospital” to cover their joint medical education program.
- CIB Foundation financed “Ibrahim A. Badran Foundation” with the second out of four installments to cover the operating costs of medical convoys under “Our Kids Our Future” initiative.
- CIB Foundation funded “Al-Hassan Foundation” with the first installment to cover the costs of the “Differently-Abled Inclusion” initiative.

🗘 Awards & Rankings

- **Global Finance:**
 - Best FX Bank in Egypt
 - Best Bank for Sustainable Finance in Emerging Markets for Africa
 - Best Bank for Sustainable Finance in Egypt
 - Best Private Bank in Egypt
 - Best Bank in Egypt
- **MEED:**
 - Cash Manager of the Year in MENA Region
 - Best Digital Bank in Egypt

¹ Based on managerial accounts.

² As of December 2023; latest available CBE data at time of publishing.

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- **EMEA:**
 - Best Financial Institution Syndicated Loan in North Africa
- **Euromoney:**
 - Market Leader for Corporate Social Responsibility (CSR) in Egypt
 - Market Leader for SME Banking in Egypt
 - Market Leader for ESG
 - Market Leader for Highly Regarded Investment Banking
 - Market Leader for Corporate Banking
 - Market Leader for Digital Solutions

CAIRO - Commercial International Bank (EGX: COMI) today reported its first-quarter 2024 consolidated net income of EGP 11.9 billion, or EGP 3.50 per share, up by 97% from last year.

Management Commented: “The first quarter of 2024 was marked with several measures adopted to gradually restore stability in the Egyptian Economy. Targeting single-digit inflation and re-attracting foreign investments, the CBE resumed its tightening monetary policy through raising the Corridor Rate in two consecutive hikes by a total of 800 basis points, in efforts to expedite disinflation and bring the real interest rate into positive territory. This came while allowing for the USD/EGP Rate to move freely, in order to unify the foreign exchange rate across. Also, the credit card limits posed earlier on foreign currency transactions were lifted. Such measures translated in securing several foreign currency funding and FDI deals, which, besides an upgrade by Credit Rating Agencies for Egypt Outlook to “Positive” from “Stable” and “Negative”, signal a gradual restoration of confidence in the Egyptian Economy.

Reaping the benefits of its flexible balance sheet structure and proactive treasury management, CIB navigated smoothly through such economic developments, delivering another record set of financial results, while maintaining top-notch solvency and liquidity levels. Top and Bottom Line grew by 82% and 97%, respectively, from last year, echoing genuine growth even upon neutralizing the one-off foreign exchange income generated and its corresponding tax impact. This came as Management continued to focus on securing the sustainable stream of revenue growth, healthily growing the Bank’s balance sheet, while simultaneously expanding margins. CIB grew its local currency deposit base by 26% or EGP 97 billion, and its foreign currency deposit base by 5% or USD 304 million, over last year, while maintaining a share of Current and Saving Accounts (CASA) of 55% to Total Deposits, in a strategic Management direction to confine the increase in Cost of Funds amidst the increasing-interest-rate and highly-competitive environment, which came conducive to increasing margins by 220 basis points over last year. Meanwhile, lending growth for CIB remained robust, growing at a real growth rate of 10%, and 11% after accounting for Securitization Deals worth EGP 30 billion, preserving its market position as the largest Lender-and-Securitizer among Private-Sector Banks, combined with an uplift in trade finance activity, feeding into net fee and commission income growth of 29% over last year.

Said core business growth materialized while maintaining robust asset quality and intact solvency, with Non-Performing Loans (NPLs) representing 4.28% of Gross Loans, down from 5.20% last year, and Loan Loss Provision Balance of EGP 41 billion, covering 13% of the Bank’s Gross Loan Portfolio, and 19% of the unsecured portion therein. Capital Adequacy Ratio (CAR) recorded a healthy 25.2%, despite the impact of macroeconomic developments, as strong financial performance fed into faster growth in the Bank’s Capital Base, hence, safeguarding the Bank’s CAR against unsettling macroeconomic dynamics. This comfortable capital position was reached while reporting an impressive Return on Average Equity (ROAE) of 49.9%, further reiterating Management’s dedication to preserving the interests of both current and future shareholders.

Moving forward, the Management remains confident in the resilience of the Egyptian Banking sector to navigate any potential economic developments, and in the ability of CIB to uphold its market-leading financial performance, while remaining committed to cater to market liquidity needs and maintain its robust coverage for expected and unexpected losses.”

FIRST-QUARTER 2024 FINANCIAL HIGHLIGHTS

REVENUES

First-quarter 2024 standalone revenues were EGP 21.8 billion, up 82% from first-quarter 2023, backed by 73% increase in net interest income, alongside 3x higher non-interest income.

NET INTEREST INCOME

First-quarter 2024 standalone net interest income recorded EGP 18.8 billion, increasing by 73% YoY, generated at 9.29% Total NIM¹, which increased by 220 basis points (bp) YoY, with Local Currency NIM¹ recording 11.5%, coming 233bp higher YoY, and Foreign Currency NIM¹ recording 4.22%, coming 70bp higher YoY.

NON-INTEREST INCOME

First-quarter 2024 standalone non-interest income recorded EGP 3.07 billion, coming 3x higher YoY. Trade service fees recorded EGP 660 million, growing by 21% YoY, with outstanding balance of EGP 251 billion³.

OPERATING EXPENSE

First-quarter 2024 standalone operating expense recorded EGP 2.84 billion, up 42% YoY. Cost-to-income⁴ reported 13.0%, coming 306bp lower YoY, and remaining comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 314 billion, growing by 18% over first-quarter 2024, with real growth of 3% net of the EGP devaluation impact, which added EGP 39.2 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, increasing by 5% or EGP 8.83 billion, while foreign currency loans came in almost flat, modestly adding USD 1.35 million. CIB's loan market share reached 4.87% as of December 2023.

DEPOSITS

Deposits recorded EGP 792 billion, growing by 17% over first-quarter 2024, with real growth of 1% net of the EGP devaluation impact, which added EGP 112 billion to the EGP equivalent balance. Growth was driven wholly by local currency deposits, increasing by 1% or EGP 5.59 billion, sufficiently covering foreign currency deposit outflows of USD 9.22 million. CIB's deposit market share recorded 6.64% as of December 2023.

ASSET QUALITY

Standalone non-performing loans represented 4.28% of the gross loan portfolio, and were covered 307% by the Bank's EGP 41.3 billion loan loss provision balance. First-quarter 2024 impairment charge for credit losses recorded EGP 1.48 billion compared to EGP 948 million in first-quarter 2023.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 122 billion, or 25.2% of risk-weighted assets as of March 2024. Tier I capital reached EGP 98.1 billion, or 80% 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 37.7% by end of March 2024, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 46.3%, above the threshold of 25%. NSFR was 202% for local currency and 229% for foreign currency, and LCR was 1820% for local currency and 179% 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 other 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 241 billion, 21% higher Year-to-Date (YtD), with real growth of 2% net of the EGP devaluation impact, predominantly on 3% growth in local currency loans.
- End-of-period deposits were EGP 281 billion, 14% higher YtD, while 3% lower when excluding the EGP devaluation impact, mainly on 5% decrease in local currency deposits.
- Gross outstanding contingent business reached EGP 258 billion, 43% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 9 billion, 6% higher YtD, wholly on 6% growth in local currency loans.
- End-of-period deposits were EGP 69 billion, 15% higher YtD, while coming in almost flat when excluding the EGP devaluation impact, with 1% growth in local currency deposits, offsetting net outflows in foreign currency deposits by 1%.
- Gross outstanding contingent business reached EGP 4 billion, 6% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 64 billion, higher by 9% YtD, with real growth of 8% net of the EGP devaluation impact, wholly on 8% higher local currency loans.
- End-of-period deposits were EGP 442 billion, 20% higher YtD, with real growth of 3% net of the EGP devaluation impact, driven by 5% growth in local currency deposits.
- CIB continued to expand its network to reach a total of 194 branches and 15 units across Egypt, supported by a network of 1,384 ATMs.

⁵ 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 16.32 YtD. 3) Outstanding contingent balances are gross of collateral and provisions.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q24	4Q23	QoQ Change	1Q23	YoY Change
	EGP million	EGP million	(1Q24 vs. 4Q23)	EGP million	(1Q24 vs. 1Q23)
Net Interest Income	18,800	15,199	24%	10,884	73%
Non-Interest Income	3,024	1,476	105%	1,100	175%
Net Operating Income	21,824	16,675	31%	11,984	82%
Non-Interest Expense	(2,929)	(3,574)	-18%	(2,064)	42%
Impairment Charge for Credit Losses	(1,421)	(3,053)	-53%	(945)	50%
Net Profit before Tax	17,474	10,047	74%	8,975	95%
Income Tax	(5,926)	(3,560)	66%	(2,262)	162%
Deferred Tax	377	765	-51%	(645)	NM
Net Profit from Continued Operations	11,925	7,252	64%	6,068	97%
Net Profit from Discontinued Operations	0	7.6	NM	1	NM
Net Profit	11,925	7,260	64%	6,069	96%
Non-Controlling Interest	0.5	31	-99%	4	-88%
Bank's Shareholders	11,924	7,229	65%	6,065	97%

Financial Indicators	1Q24	4Q23	QoQ Change	1Q23	YoY Change
			(1Q24 vs. 4Q23)		(1Q24 vs. 1Q23)
Profitability					
ROAE	49.9%	34.5%	45%	37.5%	33%
ROAA	5.26%	3.51%	50%	3.67%	43%
Efficiency					
Cost-to-Income	13.4%	20.8%	-36%	16.6%	-19%
Liquidity					
Gross Loans-to-Deposits	39.7%	39.5%	0.7%	42.5%	-7%
Asset Quality					
NPLs-to-Gross Loans	4.35%	3.59%	21%	5.26%	-17%
Capital Adequacy Ratio	25.2%	26.2%	-4%	19.3%	30%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q24	4Q23	QoQ Change	1Q23	YoY Change
	EGP million	EGP million	(1Q24 vs. 4Q23)	EGP million	(1Q24 vs. 1Q23)
Net Interest Income	18,760	15,160	24%	10,832	73%
Non-Interest Income	3,070	1,184	159%	1,192	158%
Net Operating Income	21,830	16,344	34%	12,024	82%
Non-Interest Expense	(2,840)	(3,462)	-18%	(2,005)	42%
Impairment Charge for Credit Losses	(1,482)	(3,038)	-51%	(948)	56%
Net Profit before Tax	17,507	9,844	78%	9,071	93%
Income Tax	(5,722)	(3,535)	62%	(2,265)	153%
Deferred Tax	162	728	-78%	(722)	NM
Net Profit	11,947	7,036	70%	6,084	96%

Financial Indicators	1Q24	4Q23	QoQ Change	1Q23	YoY Change
			(1Q24 vs. 4Q23)		(1Q24 vs. 1Q23)
Profitability					
ROAE	50.2%	33.6%	50%	37.5%	34%
ROAA	5.30%	3.43%	54%	3.69%	43%
NIM*	9.29%	8.05%	15%	7.09%	31%
Efficiency					
Cost-to-Income	13.0%	20.6%	-37%	16.1%	-19%
Liquidity					
Gross Loans-to-Deposits	39.6%	39.4%	0.6%	42.5%	-7%
Asset Quality					
NPLs-to-Gross Loans	4.28%	3.54%	21%	5.20%	-18%
Direct Coverage Ratio	307%	309%	-1%	233%	32%

*NIM based on managerial accounts

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BALANCE SHEET

Balance Sheet	Consolidated			Standalone		
	Mar-24	Dec-23	YtD Change	Mar-24	Dec-23	YtD Change
	EGP million	EGP million	(Mar-24 Vs. Dec-23)	EGP million	EGP million	(Mar-24 Vs. Dec-23)
Cash & Due from Central Bank	36,731	71,888	-49%	36,543	71,747	-49%
Due from Banks	292,721	231,085	27%	291,980	230,709	27%
Net Loans & Overdrafts	271,637	235,808	15%	269,623	234,647	15%
Financial Derivatives	1,677	1,105	52%	1,677	1,102	52%
Financial Investment Securities	344,326	271,466	27%	342,147	270,138	27%
Investments in Associates and Subsidiaries	121	116	4%	672	672	0%
Other Assets	29,935	23,397	28%	29,718	23,512	26%
Total Assets	977,148	834,866	17%	972,359	832,527	17%
Due to Banks	5,529	12,458	-56%	5,572	12,427	-55%
Customer Deposits	796,081	677,237	18%	792,409	675,310	17%
Other Liabilities	74,546	54,529	37%	74,475	54,490	37%
Total Liabilities	876,156	744,225	18%	872,456	742,227	18%
Shareholders' Equity & Net Profit	100,831	90,481	11%	99,903	90,300	11%
Non-Controlling Interest	160	160	0%	0	0	NM
Total Liabilities & Shareholders' Equity	977,148	834,866	17%	972,359	832,527	17%