

News Release

21 July 2024

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS SECOND-QUARTER 2024 CONSOLIDATED REVENUE OF EGP 24.4 BILLION AND NET INCOME OF EGP 15.6 BILLION, OR EGP 4.59 PER SHARE, UP 96% FROM SECOND-QUARTER 2023

🌐 Second-Quarter 2024 Consolidated Financial Results

- Net income of EGP 15.6 billion, up 96% year-on-year (YoY)
- Revenues of EGP 24.4 billion, up 81% YoY
- Return on average equity (ROAE) of 56.8%
- Return on average assets (ROAA) of 6.14%
- Efficiency ratio of 11.7%
- Net interest margin (NIM)¹ of 9.72%

🌐 First-Half 2024 Consolidated Financial Results

- Net income of EGP 27.5 billion, up 96% YoY
- Revenues of EGP 46.3 billion, up 82% YoY
- ROAE of 52.5%
- ROAA of 5.82%
- Efficiency ratio of 12.5%
- NIM¹ of 9.52%

🌐 Balance Sheet Performance

- Total tier capital recorded EGP 142 billion, or 26.2% of risk-weighted assets.
- CBE local currency liquidity ratio of 36.8%, foreign currency liquidity ratio of 68.3% (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 92% of total liabilities
- Non-performing loans coverage ratio of 314%

🌐 Supporting our Economy

- Funding to businesses and individuals recorded EGP 331 billion, growing by 24% over first-half 2024, or 8% net of the EGP devaluation impact, with a loan market share of 4.68%².
- Deposits recorded EGP 858 billion, growing by 27% over first-half 2024, or 8% net of the EGP devaluation impact, with a deposit market share of 6.47%².
- Loan-to-Deposit Ratio recorded 38.6% by end of first-half 2024.
- In second-quarter 2024, CIB's operations generated EGP 6.69 billion in corporate, payroll, and other taxes.

🌐 Committed to our Community

- CIB Foundation financed “The Pediatric Surgery Hospital – Part of Ain Shams University Integrated Medical City” with the second installment to augment the Surgical Wing in the Hospital with the required equipment.
- CIB Foundation joined forces with “Sonaa El Kheir” in “Hayah Karima Initiative” to fund the third round of medical convoys for providing comprehensive medical services to 176 elementary and middle schools.
- CIB Foundation supported “Children Cancer Hospital 57357” to cover the operating costs for the treatment of 5,000 children.
- CIB Foundation collaborated with “Al Joud Foundation” to subsidize “Al - Naas Hospital” with the second installment to cover 160 pediatric open-heart surgeries and 40 catheterizations.
- CIB Foundation financed “Shifa’ Al-Orman Hospital” with the needed amount to augment the Emergency Department with the latest and most efficient equipment and medication.
- CIB Foundation endowed “Nile of Hope Hospital” with the needed amount to fund 65 pediatric open-heart surgeries and 129 catheterizations, together with the purchase of Heart-Lung Machine.

¹ Based on managerial accounts.

² As of February 2024; latest available CBE data at time of publishing.

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
 - Best Bank for Collections in Africa
 - Best Overall Bank for Cash Management
- **MEED:**
 - Cash Manager of the Year in MENA Region
 - Best Digital Bank in Egypt
- **EMEA:**
 - Best Financial Institution for Syndicated Loans in North Africa
 - Best Securitization House in Africa
 - Best Telecommunications Deal – Etisalat Egypt – Loan Facilities for CAPEX Programs
 - Best Property Deal – Orascom for Real Estate – Syndicated Loan
- **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 second-quarter 2024 consolidated net income of EGP 15.6 billion, or EGP 4.59 per share, up by 96% from second-quarter 2023.

Management Commented: “Building on a strong start to the year, CIB delivered another record set of financial results in the second quarter of 2024, ending the first half of the year with all-time-high top and bottom lines of EGP 46.3 billion and EGP 27.5 billion, growing by 82% and 96%, respectively, over last year. This further reinstates that last quarter’s financial performance primarily represents genuine growth rather than being the result of currency depreciation and inflation.

Despite the fact that the external landscape came partially conducive to the financial results for CIB, as it certainly did across the Banking Sector and as is typical in inflationary environments, Management yet remains keen on continuously operating a health-check engine that portrays and places a scrutinized eye on real and genuine growth. In accordance, it is worth highlighting that as steep as macroeconomic developments have been, with special regard to year-round 900 basis-point policy-rate hikes and the 55% currency depreciation compared to last year, yet genuine growth contributed more than half of the year-on-year top line growth. Moreover, and specifically for international investors, year-on-year bottom line growth for CIB in US Dollar terms recorded 26%.

With the highly-competitive and increasing-interest-rate environment, CIB was able to achieve the aforementioned results guided by Management’s focus on sustaining the Bank’s balance sheet growth momentum while simultaneously controlling cost of deposits. Notably, CIB grew its local currency deposit base by 15% or EGP 65.9 billion, and its foreign currency deposit base by 6% or USD 414 million, over last year, yet at highly-rationalized costs, aided by maintaining a share of Current and Saving Accounts (CASA) of 54% to total deposits. This, coupled with capitalizing on the Bank’s resilient balance sheet structure and proactive treasury management, which together allowed for the efficient allocation of funds in light of interest rate and foreign exchange dynamics, translated into record Net Interest Margin (NIM) of 9.52%, expanding by 222 basis points over last year.

Additionally, lending growth for CIB came robust, with the Bank’s gross loan portfolio showing real growth rate of 12% over last year, and 14% when accounting for Securitization Deals worth EGP 29.1 billion, preserving its market position as the largest Lender-and-Securitizer among Private-Sector Banks. This fed into net fee and commission income growth of 33% over last year, mirroring Management focus on sustainable, rather than transient, stream of non-interest income. Positively, foreign currency liquidity for CIB clearly strengthened over the past quarter, with Foreign Currency CBE Liquidity Ratio coming up

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from 46.3% by end of last quarter to record 68.3% this quarter, in line with the improvement witnessed on the Egyptian Banking Sector level.

Business growth took place without compromising the underlying healthy asset quality and top-notch coverage for expected losses for CIB, as reflected in normalized provision accumulations compared to last quarter, in light of relatively stabilizing economic conditions. As such, Non-Performing Loans (NPLs) represented 4.13% of gross loans, down from 5.07% last year, and loan loss provision balance recorded EGP 42.6 billion, covering 12.8% of the Bank's gross loan Portfolio, and 18.4% of the unsecured portion therein.

Return on Average Equity (ROAE) surpassed 50%, recording 52.5%, which comes while yet remaining well-capitalized, as displayed in a healthy Capital Adequacy Ratio (CAR) of 26.2%, further reiterating the uncompromised focus of the Bank's Management on preserving the interests of both current and future shareholders.

Looking forward, and in light of relatively stabilizing economic conditions, Management remains cautiously optimistic with confidence in the agility of the Egyptian Banking Sector to sail through current economic developments, and in the ability of CIB to safeguard its market-leading financial performance, while maintaining its robust coverage and healthy solvency intact."

SECOND-QUARTER 2024 FINANCIAL HIGHLIGHTS

REVENUES

Second-quarter 2024 standalone revenues were EGP 24.4 billion, up 81% from second-quarter 2023. First-half 2024 standalone revenues were EGP 46.2 billion, up 81% from first-half 2023, on the back of 74% increase in net interest income, coupled with 3x increase in non-interest income.

NET INTEREST INCOME

First-half 2024 standalone net interest income recorded EGP 41.4 billion, increasing by 74% YoY, generated at 9.52% Total NIM¹, which increased by 222 basis points (bp) YoY, with Local Currency NIM¹ recording 12.5%, coming 334bp higher YoY, and Foreign Currency NIM¹ recording 3.85%, coming 6bp higher YoY.

NON-INTEREST INCOME

First-half 2024 standalone non-interest income recorded EGP 4.75 billion, coming 3x higher YoY. Trade service fees recorded EGP 1.65 billion, growing by 40% YoY, with outstanding balance of EGP 266 billion³.

OPERATING EXPENSE

First-half 2024 standalone operating expense recorded EGP 5.57 billion, up 34% YoY. Cost-to-income⁴ reported 12.0%, coming 364bp lower YoY, and remaining comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 331 billion, growing by 24% over first-half 2024, with real growth of 8% net of the EGP devaluation impact, which added EGP 41.1 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, increasing by 14% or EGP 26.4 billion, sufficiently counterbalancing net foreign currency loan repayments of 2% or USD 51 million. CIB's loan market share reached 4.68% as of February 2024.

DEPOSITS

Deposits recorded EGP 858 billion, growing by 27% over first-half 2024, with real growth of 8% net of the EGP devaluation impact, which added EGP 118 billion to the EGP equivalent balance. Growth was driven by local currency deposits, increasing by 11% or EGP 49.3 billion, together with foreign currency deposits adding 5% or USD 325 million. CIB's deposit market share recorded 6.47% as of February 2024.

ASSET QUALITY

Standalone non-performing loans represented 4.08% of the gross loan portfolio, and were covered 314% by the Bank's EGP 42.4 billion loan loss provision balance. First-half 2024 impairment charge for credit losses recorded EGP 2.06 billion compared to EGP 1.21 billion in first-half 2023.

³ Net of Collateral, Gross of Provisions.

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

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 142 billion, or 26.2% of risk-weighted assets as of June 2024. Tier I capital reached EGP 117 billion, or 82% 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 36.8% by end of June 2024, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 68.3%, above the threshold of 25%. NSFR was 212% for local currency and 188% for foreign currency, and LCR was 1140% for local currency and 332% for foreign currency, comfortably above the 100% Basel III requirement.

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 253 billion, 28% higher Year-to-Date (YtD), with real growth of 6% net of the EGP devaluation impact, predominantly on 13% growth in local currency loans.
- End-of-period deposits were EGP 293 billion, 19% higher YtD, while coming in flat when excluding the EGP devaluation impact, with foreign currency deposits increasing by 4%, offset by 2% decrease in local currency deposits.
- Gross outstanding contingent business reached EGP 280 billion, 56% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 10 billion, 17% higher YtD, wholly on 17% growth in local currency loans.
- End-of-period deposits were EGP 78 billion, 29% higher YtD, with real growth of 12% when excluding the EGP devaluation impact, mainly on 16% growth in local currency deposits, coupled with 5% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 4 billion, 14% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 68 billion, 15% higher YtD, with real growth of 14% net of the EGP devaluation impact, wholly on 15% growth in local currency loans.
- End-of-period deposits were EGP 487 billion, 32% higher YtD, with real growth of 13% net of the EGP devaluation impact, driven by growth in local and foreign currency deposits by 18% and 6%, respectively.
- CIB continued to expand its network to reach a total of 194 branches and 15 units across Egypt, supported by a network of 1,394 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 17.14 YtD. 3) Outstanding contingent balances are gross of collateral and provisions.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q24 EGP million	1Q24 EGP million	QoQ Change (2Q24 vs. 1Q24)	2Q23 EGP million	YoY Change (2Q24 vs. 2Q23)	1H24 EGP million	1H23 EGP million	YoY Change (1H24 vs. 1H23)
Net Interest Income	22,737	18,800	21%	13,009	75%	41,537	23,893	74%
Non-Interest Income	1,692	3,024	-44%	483	250%	4,716	1,583	198%
Net Operating Income	24,429	21,824	12%	13,492	81%	46,253	25,476	82%
Non-Interest Expense	(2,870)	(2,929)	-2%	(2,233)	29%	(5,799)	(4,297)	35%
Impairment Charge for Credit Losses	(631)	(1,421)	-56%	(238)	166%	(2,052)	(1,182)	74%
Net Profit before Tax	20,928	17,474	20%	11,022	90%	38,402	19,997	92%
Income Tax	(5,572)	(5,926)	-6%	(3,486)	60%	(11,499)	(5,748)	100%
Deferred Tax	267	377	-29%	502	-47%	644	(143)	NM
Net Profit from Continued Operations	15,622	11,925	31%	8,038	94%	27,547	14,106	95%
Net Profit from Discontinued Operations	0.0	0.0	NM	(50)	NM	0.0	(50)	NM
Net profit	15,622	11,925	31%	7,987	96%	27,547	14,056	96%
Non-Controlling Interest	(0.1)	0.5	NM	(0.4)	NM	0.3	3.5	-90%
Bank's Shareholders	15,623	11,924	31%	7,988	96%	27,547	14,053	96%

Financial Indicators	2Q24	1Q24	QoQ Change (2Q24 vs. 1Q24)	2Q23	YoY Change (2Q24 vs. 2Q23)	1H24	1H23	YoY Change (1H24 vs. 1H23)
Profitability								
ROAE	56.8%	49.9%	14%	49.1%	16%	52.5%	41.3%	27%
ROAA	6.14%	5.26%	17%	4.31%	43%	5.82%	3.92%	48%
Efficiency								
Cost-to-Income	11.7%	13.4%	-13%	15.8%	-26%	12.5%	16.1%	-23%
Liquidity								
Gross Loans-to-Deposits	38.7%	39.7%	-3%	38.4%	1%	38.7%	38.4%	1%
Asset Quality								
NPLs-to-Gross Loans	4.13%	4.35%	-5%	5.07%	-18%	4.13%	5.07%	-18%
Capital Adequacy Ratio	26.2%	25.2%	4%	19.0%	38%	26.2%	19.0%	38%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q24 EGP million	1Q24 EGP million	QoQ Change (2Q24 vs. 1Q24)	2Q23 EGP million	YoY Change (2Q24 vs. 2Q23)	1H24 EGP million	1H23 EGP million	YoY Change (1H24 vs. 1H23)
Net Interest Income	22,680	18,760	21%	12,958	75%	41,440	23,790	74%
Non-Interest Income	1,678	3,070	-45%	529	217%	4,748	1,721	176%
Net Operating Income	24,358	21,830	12%	13,488	81%	46,188	25,511	81%
Non-Interest Expense	(2,728)	(2,840)	-4%	(2,166)	26%	(5,568)	(4,171)	34%
Impairment Charge for Credit Losses	(578)	(1,482)	-61%	(265)	118%	(2,060)	(1,213)	70%
Net Profit before Tax	21,053	17,507	20%	11,056	90%	38,560	20,128	92%
Income Tax	(5,533)	(5,722)	-3%	(3,505)	58%	(11,255)	(5,770)	95%
Deferred Tax	217	162	34%	508	-57%	378	(214)	NM
Net Profit	15,737	11,947	32%	8,059	95%	27,683	14,144	96%

Financial Indicators	2Q24	1Q24	QoQ Change (2Q24 vs. 1Q24)	2Q23	YoY Change (2Q24 vs. 2Q23)	1H24	1H23	YoY Change (1H24 vs. 1H23)
Profitability								
ROAE	57.7%	50.2%	15%	49.1%	18%	53.1%	41.3%	28%
ROAA	6.22%	5.30%	17%	4.36%	43%	5.88%	3.96%	48%
NIM*	9.72%	9.29%	5%	7.47%	30%	9.52%	7.30%	30%
Efficiency								
Cost-to-Income	11.1%	13.0%	-14%	15.3%	-27%	12.0%	15.6%	-23%
Liquidity								
Gross Loans-to-Deposits	38.6%	39.6%	-3%	38.4%	1%	38.6%	38.4%	1%
Asset Quality								
NPLs-to-Gross Loans	4.08%	4.28%	-5%	5.02%	-19%	4.08%	5.02%	-19%
Direct Coverage Ratio	314%	307%	2%	236%	33%	314%	236%	33%

*NIM based on managerial accounts

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BALANCE SHEET

Balance Sheet	Consolidated			Standalone		
	Jun-24	Dec-23	YtD Change	Jun-24	Dec-23	YtD Change
	EGP million	EGP million	(Jun-24 Vs. Dec-23)	EGP million	EGP million	(Jun-24 Vs. Dec-23)
Cash & Due from Central Bank	43,582	71,888	-39%	43,371	71,747	-40%
Due from Banks	306,026	231,085	32%	305,021	230,709	32%
Net Loans & Overdrafts	287,648	235,808	22%	285,472	234,647	22%
Financial Derivatives	1,324	1,105	20%	1,324	1,102	20%
Financial Investment Securities	374,985	271,466	38%	372,713	270,138	38%
Investments in Associates and Subsidiaries	113	116	-3%	872	672	30%
Other Assets	43,491	23,397	86%	43,204	23,512	84%
Total Assets	1,057,168	834,866	27%	1,051,976	832,527	26%
Due to Banks	3,972	12,458	-68%	3,997	12,427	-68%
Customer Deposits	861,720	677,237	27%	857,741	675,310	27%
Other Liabilities	72,098	54,529	32%	72,026	54,490	32%
Total Liabilities	937,789	744,225	26%	933,764	742,227	26%
Shareholders' Equity & Net Profit	119,255	90,481	32%	118,212	90,300	31%
Non-Controlling Interest	123	160	-23%	0	0	NM
Total Liabilities & Shareholders' Equity	1,057,168	834,866	27%	1,051,976	832,527	26%