

14 May 2023



1Q 2023 Financial Results

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FIRST-QUARTER 2023 CONSOLIDATED REVENUE OF EGP 12.0 BILLION AND NET INCOME OF EGP 6.06 BILLION, OR EGP 1.81 PER SHARE, UP 43% FROM FIRST-QUARTER 2022

News Release

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COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FIRST-QUARTER 2023 CONSOLIDATED REVENUE OF EGP 12.0 BILLION AND NET INCOME OF EGP 6.06 BILLION, OR EGP 1.81 PER SHARE, UP 43% FROM FIRST-QUARTER 2022

🌐 First-Quarter 2023 Consolidated Financial Results

- Net income of EGP 6.06 billion, up 43% Year-on-Year (YoY)
- Revenues of EGP 12.0 billion, up 54% YoY
- Return on average equity (ROAE) of 37.5%
- Return on average assets (ROAA) of 3.67%
- Efficiency ratio of 16.6%
- Net interest margin (NIM)¹ of 7.09%

🌐 Balance Sheet Performance

- Total tier capital recorded EGP 75.5 billion, or 19.3% of risk-weighted assets.
- CBE local currency liquidity ratio of 43.1%, foreign currency liquidity ratio of 69.9% (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 231%

🌐 Supporting our Economy

- Funding to businesses and individuals recorded EGP 244 billion, growing by 10% over first-quarter 2023, or 2% net of the EGP devaluation impact, with a loan market share of 5.41%².
- Deposits recorded EGP 574 billion, growing by 8% over first-quarter 2023, or 1% net of the EGP devaluation impact, with a deposit market share of 6.18%².
- Loan-to-Deposit Ratio recorded 42.5% by end of first-quarter 2023.
- In first-quarter 2023, CIB’s operations generated EGP 2.87 billion in corporate, payroll, and other taxes.

🌐 Committed to our Community

- CIB Foundation supported “Ain Shams University Children’s Hospital” with the first installment to establish a Pediatric Surgical Suite.
- CIB Foundation founded the first Rehabilitation Center for Children with Cerebral Palsy and Muscular Dystrophy.
- CIB Foundation joined forces with “Sona El-Kheir” to cover the operating costs of medical convoys under L’Misr Initiative.
- CIB Foundation financed “57357 Children Cancer Hospital” with the needed amount to cover their annual operating costs.
- CIB Foundation paid a 50%-down-payment to “Medal Egypt” company against LGs to purchase pediatric medical equipment for “Ahl Masr Hospital”.

🌐 Awards & Rankings

- Global Finance:
 - Best Private Bank
 - Best Supply Chain Finance Bank in Africa 2023
- MEED:
 - Best Bank in Trade Finance

¹ Based on managerial accounts.

² As of December 2022; latest available CBE data at time of publishing.

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CAIRO - Commercial International Bank (EGX: COMI) today reported first-quarter 2023 consolidated net income of EGP 6.06 billion, or EGP 1.81 per share, up by 43% from last year.

Management commented: “Despite the ambiguity witnessed on a global, regional and local scale, CIB’s performance is nothing short of exemplary. The Bank’s first-quarter results, delivering top and bottom line growth of 54% and 43%, compared to last year, respectively, set the stage for what promised to be a very strong 2023.

The Management continued to direct focus on sustaining the Bank’s balance sheet fundamentals and growth momentum, while simultaneously growing spreads and margins and not compromising on solvency. Specifically, CIB continued its deposit gathering momentum, growing its local currency deposit base by 20% or EGP 62 billion over last year, while maintaining a share of Current and Saving Accounts (CASA) of 55% to Total Deposits, which helped confine the increase in Cost of Funds amidst the increasing-interest-rate and highly-competitive environment. Together with Treasury Management placing due focus on maintaining a balance sheet structure that strikes the balance between liquidity and profitability, CIB managed to grow its NIM by 143 basis points compared to last year.

Further committed to its role in growing funding to businesses and individuals, CIB grew its local currency loan portfolio by 32% or EGP 40 billion over last year, and by 40% or EGP 54 billion upon considering the Securitization Portfolio, notwithstanding the tightening monetary policy environment. As a result, CIB marked the largest Lender-and-Securitizer among Private-Sector Banks by end of first-quarter 2023, while managing to meet the required minimum stipulated by CBE for funding to Small-and-Medium-Sized-Enterprises (SMEs). This growth in loans, coupled with a rebound in Trade Finance activities, reflected clearly in profitability, fueling-up top line growth through the sustainable stream of non-interest income, while not needing to accrue any special provisions. That mentioned, Loan Loss Provision Expense recorded EGP 0.9 billion for first-quarter 2023, bringing the Loan Loss Provision Balance to EGP 29.6 billion, which covers 12.1% of the Bank’s Gross Loan Portfolio, sustaining the highest coverage in the Egyptian Banking Sector. This came while recording a Capital Adequacy Ratio (CAR) of 19.3% by end of first-quarter 2023, comfortably above the minimum regulatory threshold.

All those factors collectively fed positively into the Bank’s Return on Average Equity (ROAE), which recorded 37.5%, further reiterating Management focus on preserving the interests of both, current and future shareholders.

Building on our confidence in the financial sector’s ability to navigate the uncertainty ahead, Management holds an optimistic outlook on future economic prospects, with greater confidence in the Bank’s ability to uphold its market-leading performance, on both profitability and solvency fronts, supported by its flexible balance sheet structure and prudent risk management, which would cement the Bank’s position against unforeseen market dynamics.”

FIRST-QUARTER 2023 FINANCIAL HIGHLIGHTS

REVENUES

First-quarter 2023 standalone revenues were EGP 12.0 billion, up 58% from first-quarter 2022, backed by 64% increase in net interest income, alongside increase in non-interest income by 16%.

NET INTEREST INCOME

First-quarter 2023 standalone net interest income recorded EGP 10.8 billion, increasing by 64% YoY, generated at 7.09% Total NIM¹, which increased by 143 basis points (bp) YoY, with Local Currency NIM¹ recording 9.16%, coming 202bp higher YoY, and Foreign Currency NIM¹ recording 3.52%, coming 223bp higher YoY.

NON-INTEREST INCOME

First-quarter 2023 standalone non-interest income recorded EGP 1.19 billion, coming 16% higher YoY. Trade service fees were EGP 545 million, growing by 2.3x YoY, with outstanding balance of EGP 164 billion³.

OPERATING EXPENSE

First-quarter 2023 standalone operating expense was EGP 2.00 billion, up 30% YoY. Cost-to-income recorded 16.1%, coming 237bp lower YoY⁴ and comfortably below the desirable level of 30%.

³ Net of Collateral, Gross of Provisions.

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

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LOANS

Gross loan portfolio recorded EGP 244 billion, growing by 10% over first-quarter 2023, with real growth of 2% 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 6% or EGP 9.08 billion, sufficiently counterbalancing net foreign currency loan repayments of 4% or USD 109 million. CIB's loan market share reached 5.41%² as of December 2022.

DEPOSITS

Deposits recorded EGP 574 billion, growing by 8% over first-quarter 2023, with real growth of 1% net of the EGP devaluation impact, which added EGP 40.0 billion to the EGP equivalent balance. Growth was driven by local currency deposits, growing by 1% or EGP 2.75 billion, coupled with foreign currency deposits adding 1% or USD 39 million. CIB's deposit market share recorded 6.18%² as of December 2022, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

Standalone non-performing loans represented 5.20% of the gross loan portfolio, and were covered 233% by the Bank's EGP 29.6 billion loan loss provision balance. First-quarter 2023 loan loss provision expense recorded EGP 948 million compared to loan loss provision reversal of EGP 41 million in first-quarter 2022.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 75.5 billion, or 19.3% of risk-weighted assets as of March 2023. Tier I capital reached EGP 61.7 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 43.1% by end of March 2023, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 69.9%, above the threshold of 25%. NSFR was 212% for local currency and 200% for foreign currency, and LCR was 1503% for local currency and 275% 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 184 billion, 14% higher Year-to-Date (YtD), with real growth of 3% net of the EGP devaluation impact, mainly on 9% growth in local currency loans.
- End-of-period deposits were EGP 209 billion, 7% higher YtD, solely on the EGP devaluation impact, while local and foreign currency deposits came in flat YtD.
- Gross outstanding contingent business reached EGP 170 billion, 22% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 7.5 billion, 10% higher YtD, wholly on 10% growth in local currency loans.
- End-of-period deposits were EGP 76 billion, 12% higher YtD, with real growth of 6% net of the EGP devaluation impact, mainly on growth in both local and foreign currency deposits by 6% each.
- Gross outstanding contingent business reached EGP 3.7 billion, 1% lower YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 52.3 billion, coming in flat YtD.
- End-of-period deposits were EGP 289 billion, 8% higher YtD, while remaining almost flat net of the EGP devaluation impact, with 1% growth in foreign currency deposits, and flat local currency deposits.
- CIB continued to expand its network to reach a total of 190 branches and 20 units across Egypt, supported by a network of 1,299 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 6.2 YtD. 3) Outstanding contingent balances are gross of collateral and provisions.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q23	4Q22	QoQ Change	1Q22	YoY Change
	EGP million	EGP million	(1Q23 vs. 4Q22)	EGP million	(1Q23 vs. 1Q22)
Net Interest Income	10,884	9,187	18%	6,717	62%
Non-Interest Income	1,100	588	87%	1,057	4%
Net Operating Income	11,984	9,776	23%	7,774	54%
Non-Interest Expense	(2,064)	(2,230)	-7%	(1,671)	24%
Loan Loss Provision	(945)	(1,287)	-27%	39	NM
Net Profit before Tax	8,975	6,259	43%	6,142	46%
Income Tax	(2,262)	(1,459)	55%	(1,373)	65%
Deferred Tax	(645)	(827)	-22%	(510)	27%
Net profit from continued operations	6,068	3,973	53%	4,260	42%
Net profit from discontinued operations	1	0	NM	0	NM
Net profit	6,069	3,973	53%	4,260	42%
Minority Interest	4	23	-83%	15	-75%
Net Profit After Minority	6,065	3,951	54%	4,244	43%

Financial Indicators	1Q23	4Q22	QoQ Change	1Q22	YoY Change
			(1Q23 vs. 4Q22)		(1Q23 vs. 1Q22)
Profitability					
ROAE	37.5%	23.9%	57%	25.3%	48%
ROAA	3.67%	2.57%	43%	3.32%	11%
Efficiency					
Cost-to-Income	16.6%	22.1%	-25%	19.6%	-15%
Liquidity					
Gross Loans-to-Deposits	42.5%	41.9%	1%	41.6%	2%
Asset Quality					
NPLs-to-Gross Loans	5.26%	4.86%	8%	4.89%	8%
Capital Adequacy Ratio	19.3%	22.7%	-15%	30.6%	-37%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q23	4Q22	QoQ Change	1Q22	YoY Change
	EGP million	EGP million	(1Q23 vs. 4Q22)	EGP million	(1Q23 vs. 1Q22)
Net Interest Income	10,832	9,125	19%	6,603	64%
Non-Interest Income	1,192	551	116%	1,027	16%
Net Operating Income	12,024	9,677	24%	7,629	58%
Non-Interest Expense	(2,005)	(2,152)	-7%	(1,545)	30%
Loan loss provision	(948)	(1,249)	-24%	41	NM
Net Profit before Tax	9,071	6,275	45%	6,124	48%
Income Tax	(2,265)	(1,358)	67%	(1,375)	65%
Deferred Tax	(722)	(992)	-27%	(510)	42%
Net Profit	6,084	3,924	55%	4,240	44%

Financial Indicators	1Q23	4Q22	QoQ Change	1Q22	YoY Change
			(1Q23 vs. 4Q22)		(1Q23 vs. 1Q22)
Profitability					
ROAE	37.5%	23.7%	58%	25.3%	48%
ROAA	3.69%	2.56%	44%	3.33%	11%
NIM*	7.09%	6.49%	9%	5.66%	25%
Efficiency					
Cost-to-Income	16.1%	21.5%	-25%	18.4%	-13%
Liquidity					
Gross Loans-to-Deposits	42.5%	41.8%	2%	41.5%	2%
Asset Quality					
NPLs-to-Gross Loans	5.20%	4.81%	8%	4.90%	6%
Direct Coverage Ratio	233%	229%	2%	218%	7%

*NIM based on managerial accounts

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BALANCE SHEET

Balance Sheet	Consolidated			Standalone		
	Mar-23	Dec-22	YtD Change	Mar-23	Dec-22	YtD Change
	EGP million	EGP million	(Mar-23 Vs. Dec-22)	EGP million	EGP million	(Mar-23 Vs. Dec-22)
Cash & Due from Central Bank	52,463	47,493	10%	52,320	47,385	10%
Due from Banks	170,682	133,857	28%	169,608	133,766	27%
Net Loans & Overdrafts	213,663	196,578	9%	212,643	195,599	9%
Financial Derivatives	2,089	1,940	8%	2,087	1,940	8%
Financial Investment Securities	229,653	238,545	-4%	228,218	237,095	-4%
Investments in Associates and Subsidiaries	157	186	-16%	2,116	1,074	97%
Other Assets	17,580	17,233	2%	17,204	16,784	3%
Total Assets	686,287	635,832	8%	684,196	633,643	8%
Due to Banks	8,287	3,497	137%	8,287	3,476	138%
Customer Deposits	576,829	531,617	9%	574,114	530,125	8%
Other Liabilities	39,501	32,381	22%	39,671	32,322	23%
Total Liabilities	624,616	567,494	10%	622,072	565,922	10%
Shareholders' Equity & Net Profit	61,548	67,758	-9%	62,124	67,721	-8%
Minority Interest	123	580	-79%	0	0	NM
Total Liabilities & Shareholders' Equity	686,287	635,832	8%	684,196	633,643	8%