

Commercial International Bank

IR presentation

First Half 2013



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Agenda

- ⌘ Macro-Environment
- ⌘ About **CIB**
- ⌘ **CIB** Financial Highlights
- ⌘ Consumer Banking Snapshot
- ⌘ **CIB** Strategy
- ⌘ Summary and Conclusion



Macro-Environment

Egypt Fact Sheet

Favorable Demographics

-Population: 87.1mn* -Median age: 24 -Growth: 3.1% over 2010
 -Private consumption/GDP: 71.7% -Public consumption/GDP: 11.9%
 -Labor force/population: 27.9%* -Unemployment rate: 12%*

Attractive Growth Opportunities

-Nominal GDP: EGP 381,246bn² -Historical GDP growth: 5.31% (2005/2011CAGR)¹
 -GDP Per Capita (PPP): \$2,958¹

Underleveraged²

-Total bank lending facilities/GDP: **29.25 %** -Loans/Deposits: **46.83 %** (April 2013)
 -Corporate loans/GDP: **22.50 %** -Household debt/GDP: **6.75 %**

Diversified as % of Total Domestic Production

-Agricultural: 9.98% -Gross Exports: 1.14%** * -Transportation: 4.59%
 -Industrial: 27.78% -Government: 9.51% -Tourism: 3.29%
 -Mining: 11.76% -Remittances: 2.70%*** -Suez Canal: 1.37%
 -Financial services 2.1% -Trade: 8.96% -Construction: 7.59%
 -FDIs: 0.7 %***

Manageable Debt

-Net International reserve: \$15bn (Sep.2012) -Current A/C balance: \$-1535.7***
 -LT external debt: \$31.5bn*** -ST external debt: \$2.9bn***
 80% of debt is in local currency, held by public sector

Robust banking sector reforms

- Banking reform program, **Phase I (2005-2008)** successfully completed
- **Phase II (2009- 2012)**: currently being implemented, aiming at improving the regulatory environment, adopting Basel II and increased focus on corporate governance
- Stringent regulations limit concentrated risk exposure and proprietary investment

1. IMF WEO Estimates for 2012, April 2012

2. Figures as of April/June 2012

* Preliminary number

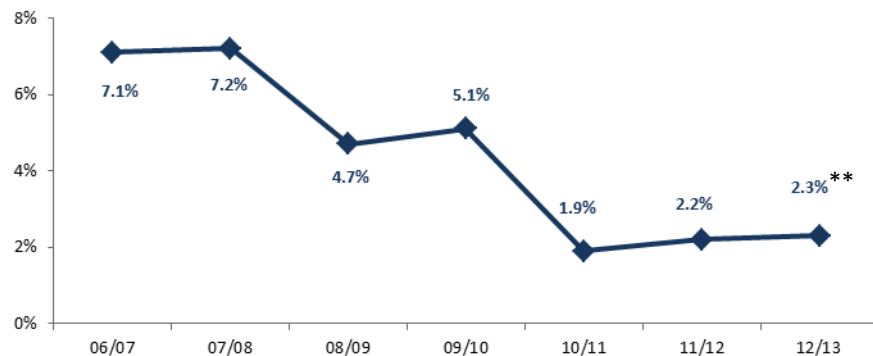
*** Figures as of Q4 2011/2012

As of July/March 2011/2012

Source: Central Bank of Egypt (CBE)

Macroeconomics Snapshot

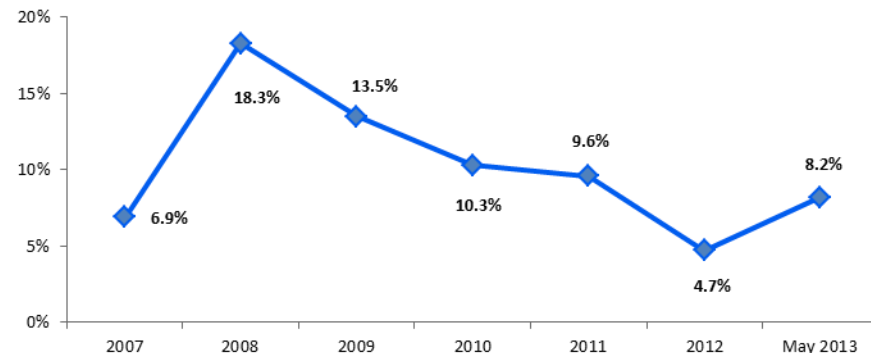
GDP Growth*



*GDP at Factor Cost (Constant Prices 2011/2012)

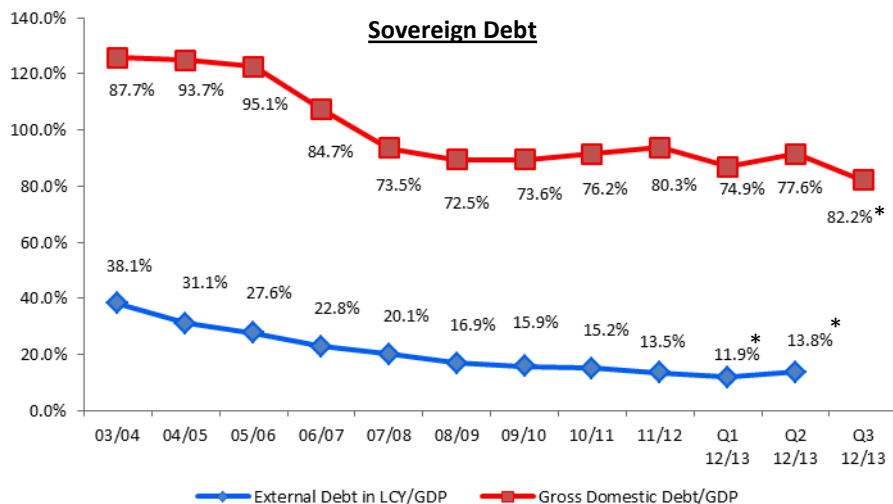
**1H 2013 GDP growth annualized

Inflation (%)



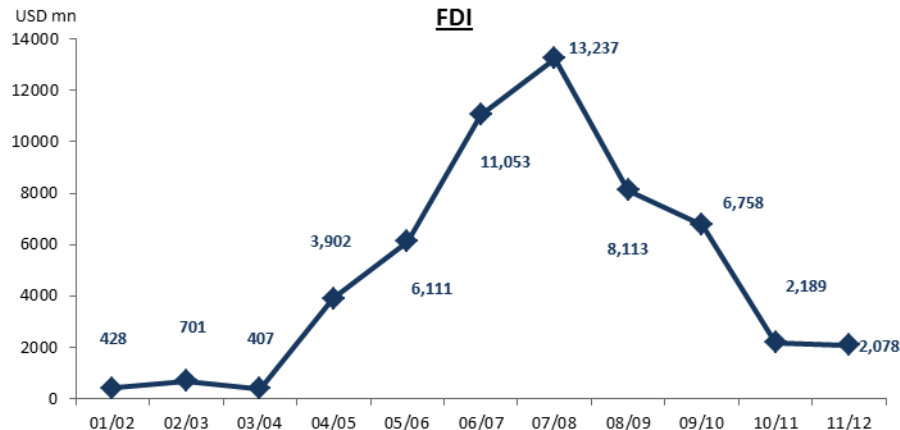
* Figures based on December to December except 2013 based on May 2012 to May 2013

Sovereign Debt



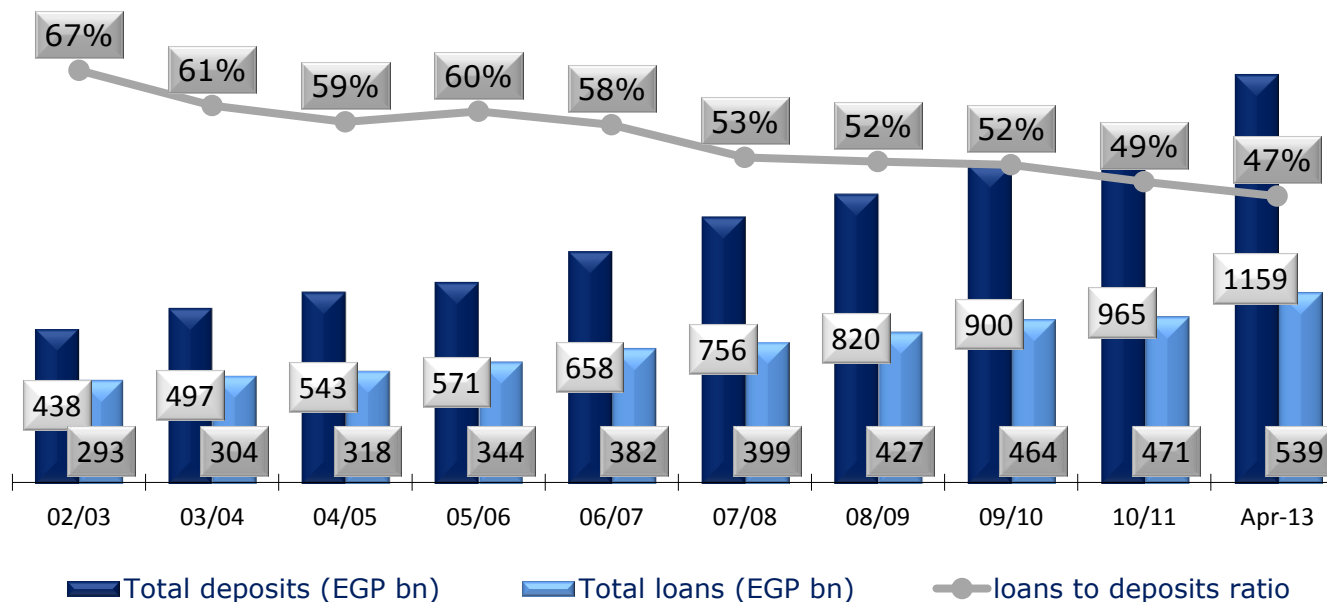
*Provisional Figures

FDI



*Provisional FDI figure for 1H-2013 USD 301 Millions

Egyptian Banking Sector Snapshot

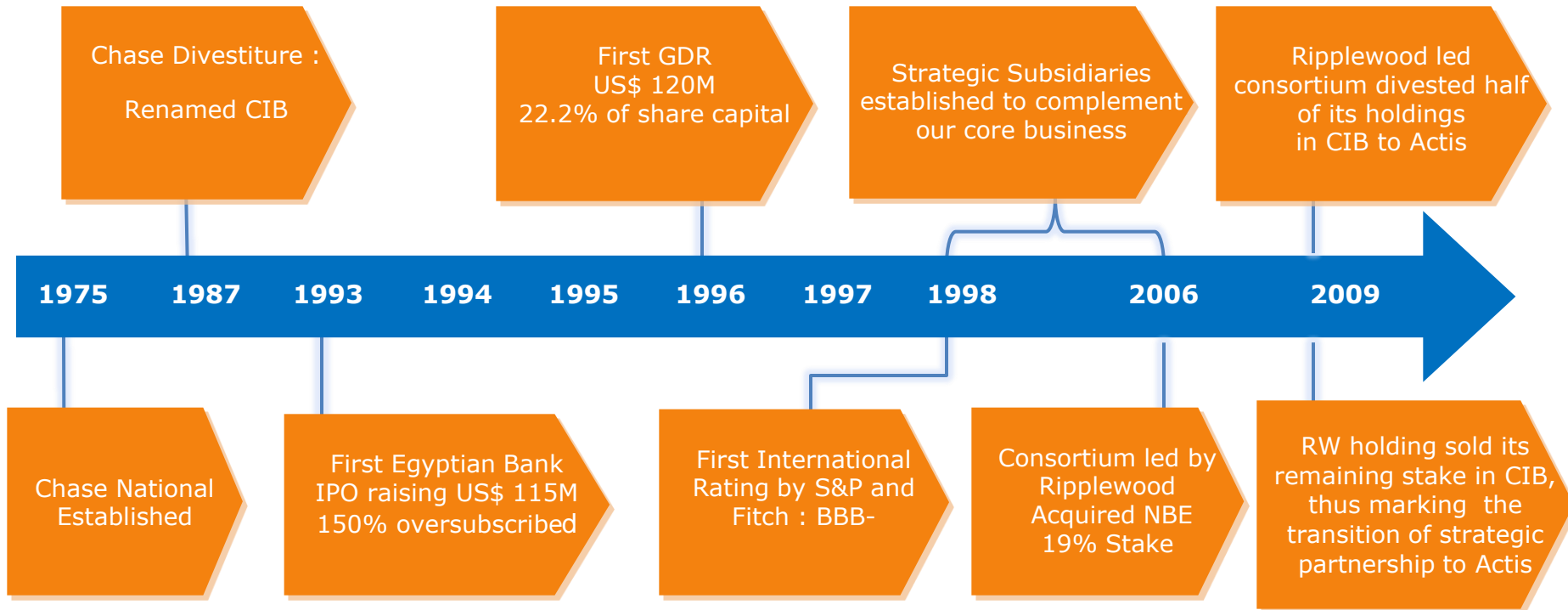


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	09/12
# of banking licenses	62	61	59	43	41	40	39	39	40

Source: CBE

About CIB

Strategic Milestones



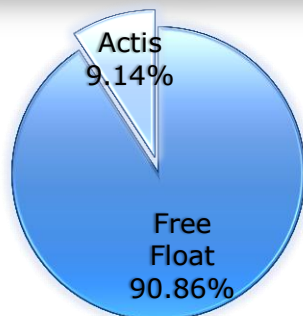
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General Information

- 🌐 **CIB's** Stock is listed in the **Egyptian Stock Exchange**, **London Stock Exchange** and traded in **New York Stock Exchange**

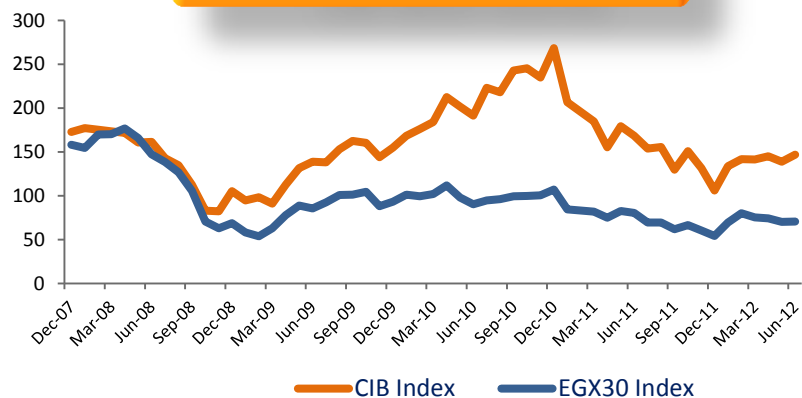
Shareholding Structure



Share Information

Shares outstanding	600,162,379
Par value	EGP 10.00
GDR Ratio	1:1
Last 52 weeks Hi	39.6
Last 52 weeks Lo	26.7

CIB Stock Activity



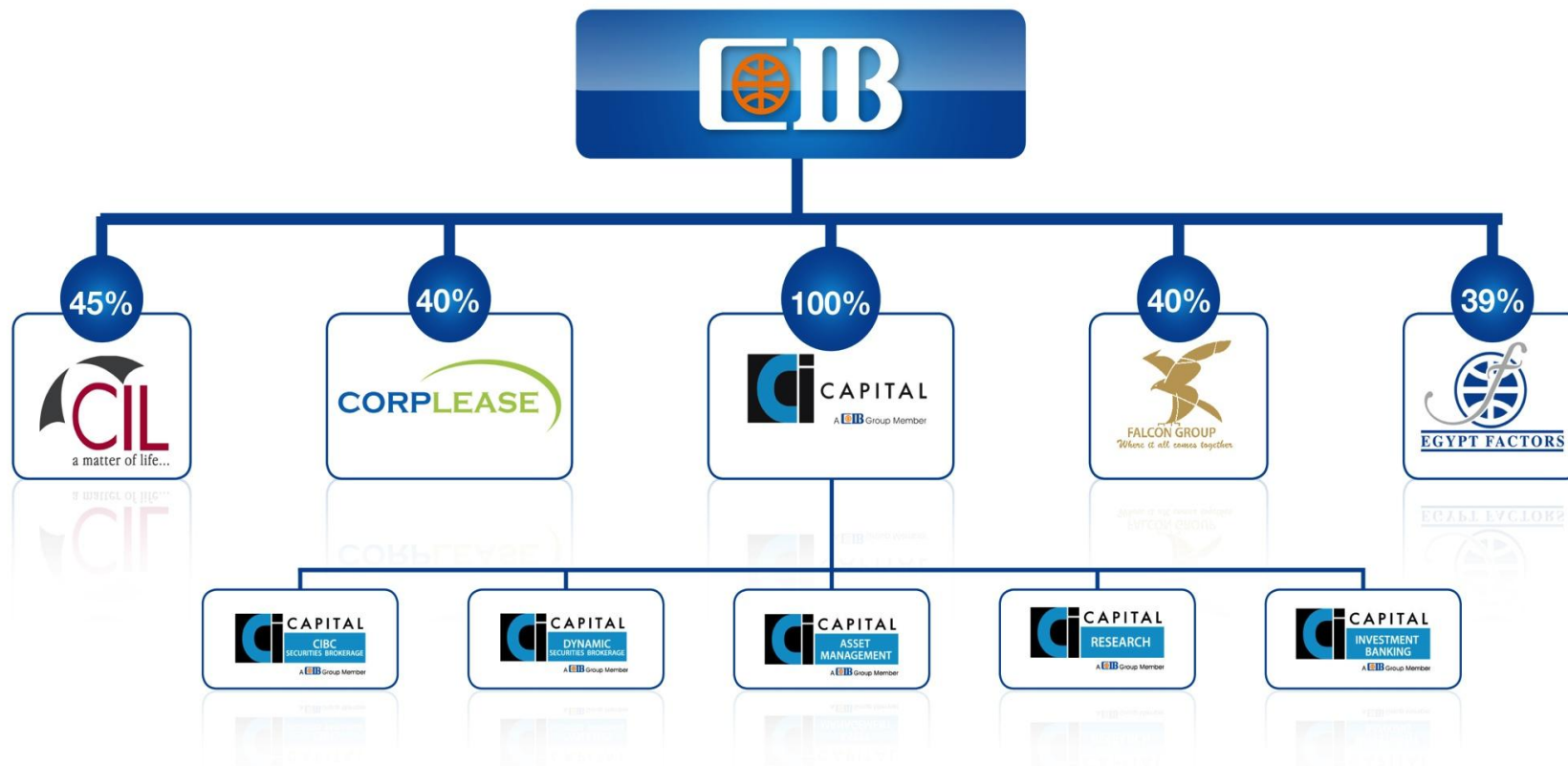
Source: Bloomberg

CIB Stock Info.

	2010	2011	2013*
Market Cap.-EGP	27,972mn	11,097mn	17,926.90 Mn
Daily Liquidity	57.06mn	26.85mn	16.07mn
Avg. Daily Volume	1.51mn	0.953mn	0.484mn
Avg. Daily Price-EGP	38.02	28.18	33.21

* As of 30/06/2013

CI Group Structure



CIB's Distribution Network

Branch Distribution:

Cairo:	85
Alex:	26
Delta:	6
Upper Egypt & Red Sea:	20
Sinai & Canal:	24
Total Outlets:	161

Alternate Channel Distribution:

ATMs: 520
POS: 8,585
On-line Banking: 1,050k hits per month
Call Center: 166.7k hits per month through
Our 24 hours 7 days a week dedicated
Customer Service short number 1966



CIB's Business Segments

Business Segments	Institutional Banking	Consumer Banking	CI Capital
Description	<ul style="list-style-type: none"> Market leader in Egypt The prime contributor to profitability 	<ul style="list-style-type: none"> The take-off for a world class consumer banking franchise 	<ul style="list-style-type: none"> Full-fledged Investment Banking arm
Focus on	<ul style="list-style-type: none"> Multinationals and Egypt's largest corporations, Mid-caps, Institutions and Banks 	<ul style="list-style-type: none"> Retail customers and SMEs 	<ul style="list-style-type: none"> Research Securities Brokerage Asset Management Investment Banking
Customers	<ul style="list-style-type: none"> Over 500 	<ul style="list-style-type: none"> 493,915 	
Contribution to	Loans		15.8%
	Deposits		73.1%

Corporate Governance

Commitment to Corporate Governance

- 🌐 Corporate governance is an issue that rates high on our list of priorities
- 🌐 CIB's commitment to maintaining the highest standards of corporate governance is supported by several mandates, including:
 1. Segregation of role of Executive Management and Board of Directors
 2. Internal policies and manuals covering all business aspects
 3. Highly skilled Investor Relations Team
 4. Board sub-committees:
 - Audit Committee
 - Corporate Governance and Compensation Committee
 - Risk Committee
 - Management Committee
 - High Lending and Investment Committee

Importance of Corporate Governance

It has been demonstrated over and over that effective corporate governance in banks

not only

- 🌐 **enhances investor confidence in the Bank**

and

- 🌐 **provides it with a competitive advantage to attract domestic and foreign capital**

but also

- 🌐 **helps in withstanding economic downturns**

CIB's Board of Directors

Hisham Ezz Al-Arab

Chairman &
Managing Director

Jawaid Mirza

Managing Director

Essam El Wakil

Chairman
of CI Capital

Mahmoud Fahmy

Former Chairman
of Egyptian Capital
Markets Authority

Paul Fletcher

Senior Partner
of Actis

William Mikhail

Econometrics
Professor at the
American University in
Cairo (AUC)

Nadia Makram Ebeid

Executive Director of the
Center for Environment
and Development for the
Arab Region and Europe
(CEDARE)

Medhat Hassanein

Egypt's former
Minister of Finance

Sherif Kamel

Dean of School
of Business
Administration (AUC)

Yasser Hashem

Managing Partner of
Zaki Hashem &
Partners, Attorneys at
Law,

Commitment to **Corporate Governance**

- 🌐 CIB was the first Egyptian corporation to establish an Audit Committee in 1998
- 🌐 The Board and its committees are governed by well-defined charters
- 🌐 CIB's Board of Directors sets the Bank's overall strategy and ensures that controls are in place to deliver maximum value to all stakeholders;
- 🌐 CIB's Board consists of nine members, seven of which are Non-Executive members with a range of industry expertise
- 🌐 CIB's Board met seven times over the course of 2011
- 🌐 When a board seat becomes vacant, the Governance Committee is responsible for nominating a new member

We take pride in our strong corporate governance structures which include

- 🌐 **Experienced team of professional executive directors and senior management**
- 🌐 **Competent board committees**
- 🌐 **Distinguished group of non-Executive directors**

CIB's highly qualified Board of Directors is supported by internal and external auditors, as well as other internal control functions

- Risk
- Compliance

Awards and Recognition



Best Bank in Egypt
for the last 17 years

Best Foreign Exchange Bank in Egypt - 2013
for the last 10 years

BEST SUB-CUSTODIAN Bank in Egypt
for the 4th consecutive year

Best Trade Finance Bank in Egypt - 2013
for the last 7 years

Best Provider of Money Market Fund
2008



Deal of the Year - 2013
Deal of the Year - 2011



Best Bank in Egypt - 2013
for the 16th year



Best local Bank in Egypt - 2012
for the 5th consecutive year

Best Asset Manager - 2012

Best Securitization Deal in EMEA - 2011

Best Structured Finance Deal in Africa - 2010

Best PPP Deal in Africa - 2010

Best Bank in Egypt - 2009



Asset Manager of the Year - 2012



Foreign Exchange Provider of the Year - 2012



GTR Best Trade Finance Bank in Egypt - 2012
for the 4th consecutive year



2012 Quality Recognition Award
2012 Elite Quality Recognition Award



Bank of the Year - 2011 Egypt



Project Finance Award - 2011



Project Finance Deals of the Year - 2010



Best Bank in North Africa - 2006



Gas Deal of the Year - 2005

CIB Financial Highlights

Performance Snapshot: June 2013

Total Assets

EGP 105,582 mn

Year End 2012 : EGP **94,014** mn;
+ 12.3 %

Net Loans

EGP 42,314 mn

Year End 2012 : EGP41,877 mn;
+1 %

Customer Deposits

EGP 91,187 mn

Year End 2012 :EGP78,729 mn;
+ 15.8 %

Shareholders' Equity

EGP 10,747 mn

Year End 2012 EGP **10,822** mn;
-0.7 %

Revenues

EGP 3.44 billion

1H'2012 :EGP 2.38 billion ;
+45%

NPAT

EGP 1,329 mn

1H'2012: EGP **1,028** mn;
+ 29.2 %

NPLs/Gross Loans

3.95 %

1H'2012 : 2.77 %;
+ **42.3 %**

CAR

14 %

Based on Basel II according to
CBE's new regulations

ROAE

24.6 %

1H'2012 : 23.3 %;
+5.6%

ROAA

2.66 %

1H'2012 : 2.35 %;
+ 13.4 %

Cost/Income

27.0 %

1H'2012 : 31.9 %;
- 15.5 %

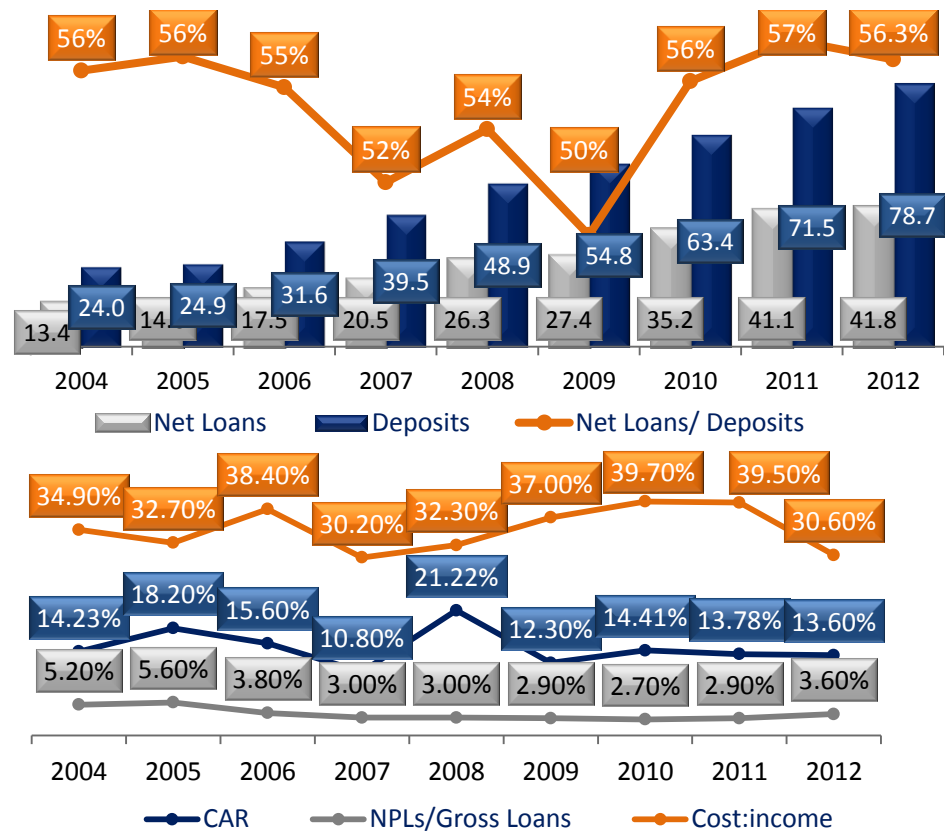
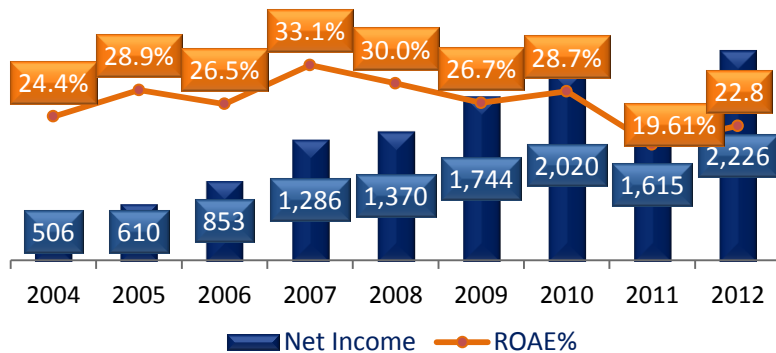
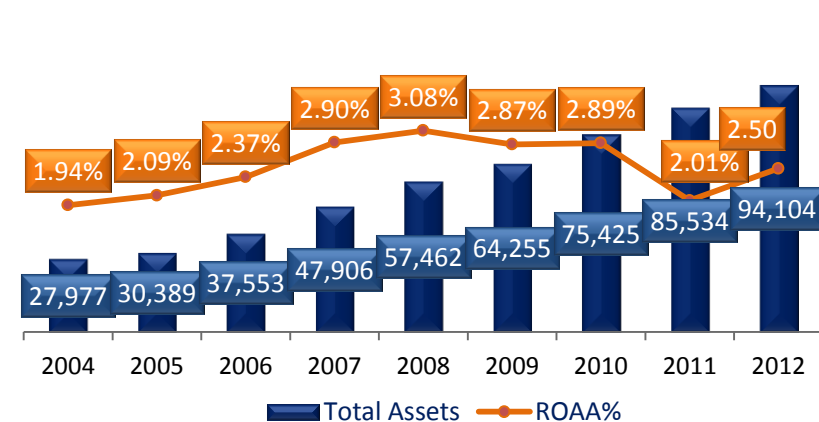
Net Interest Margin*

5.35%

81 basis points higher
than first-half 2012

•Figures are on a consolidated basis except for NIM and NPLs/Gross loan ratios which are on a standalone basis

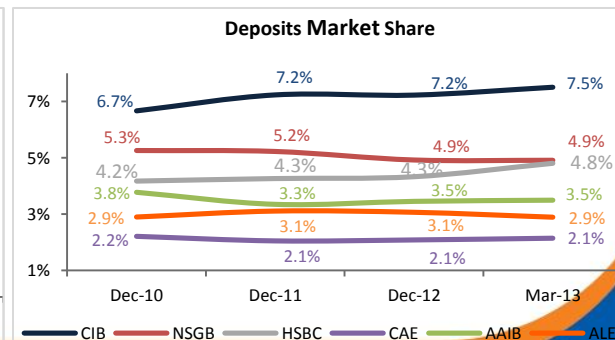
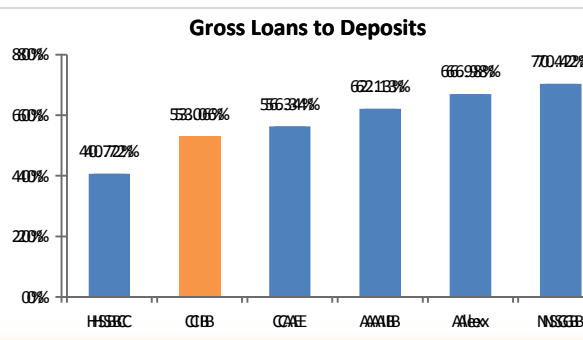
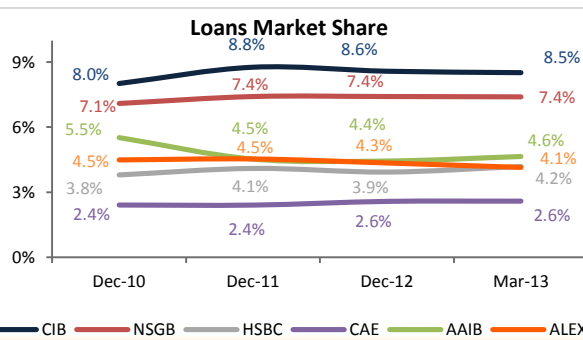
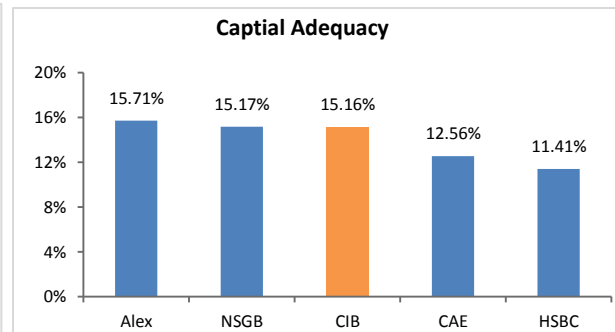
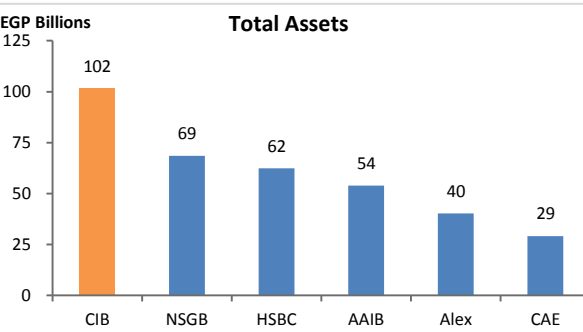
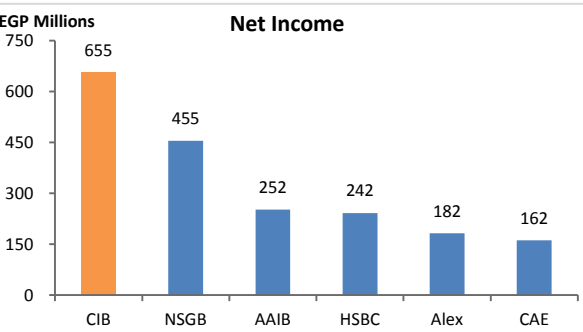
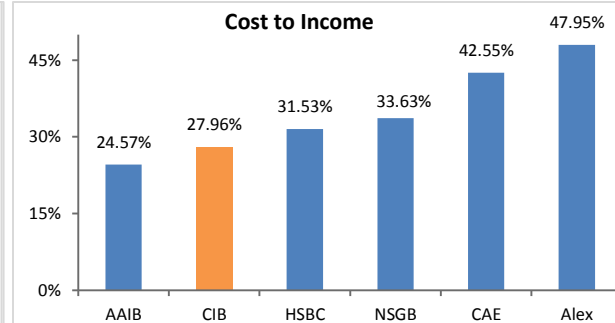
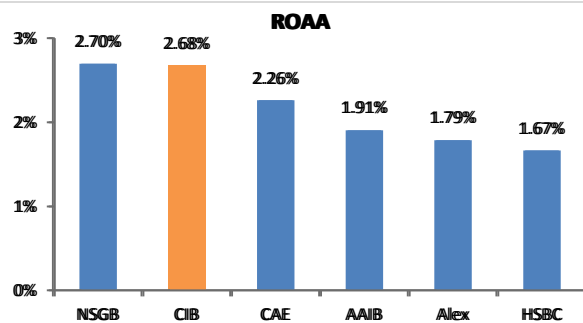
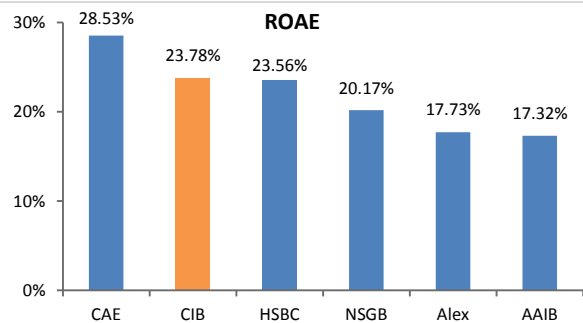
Historical Performance



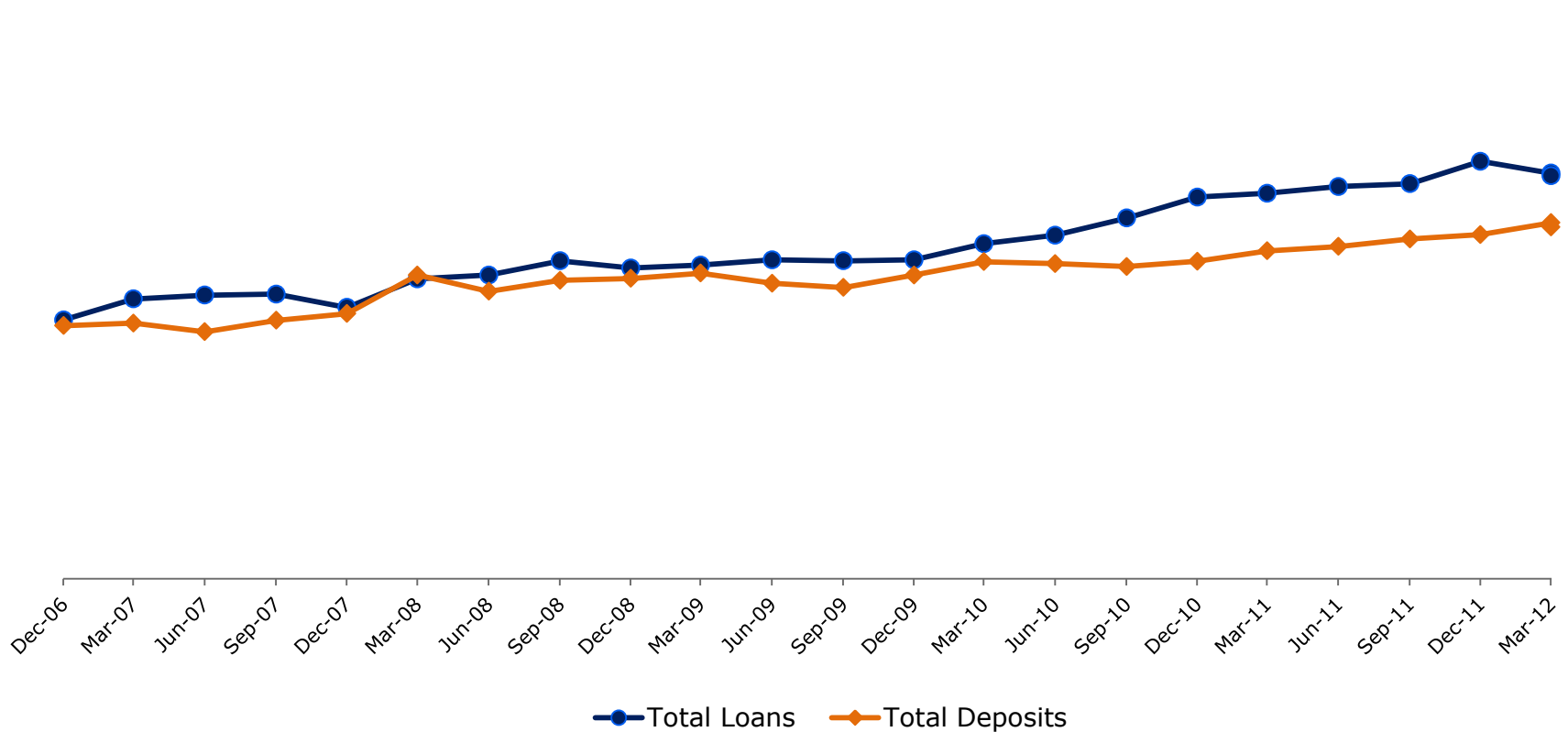
Branches & Outlets	92	100	119	131	152	155	153	154	155
Headcount	2,109	2,301	2,477	3,508	4,014	4,426	4,750	4,845	5,181
Years	2004	2005	2006	2007	2008	2009	2010	2011	2012

• Starting 2009, CIB used IFRS

Peer Analysis – Q1 2013



CIB Market Shares Trends



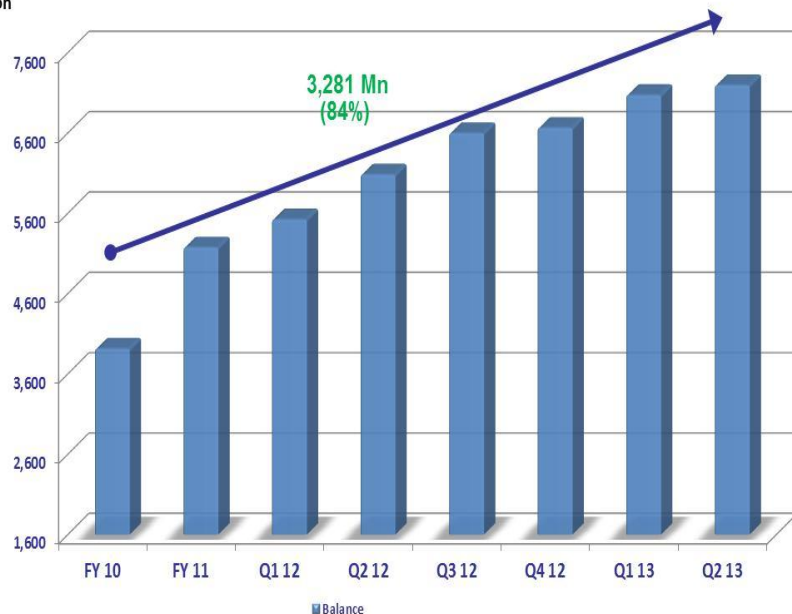
- CIB maintained the highest loan market share of all private-sector banks, reaching 8.42 % as of April 2013
- Deposit market share was 7.7 % as of April 2013, maintaining CIB's leading position amongst all private-sector banks
- N.B: CIB's loans market share from performing loans is significantly higher
- All figures are on a standalone basis

Consumer Banking Snapshot

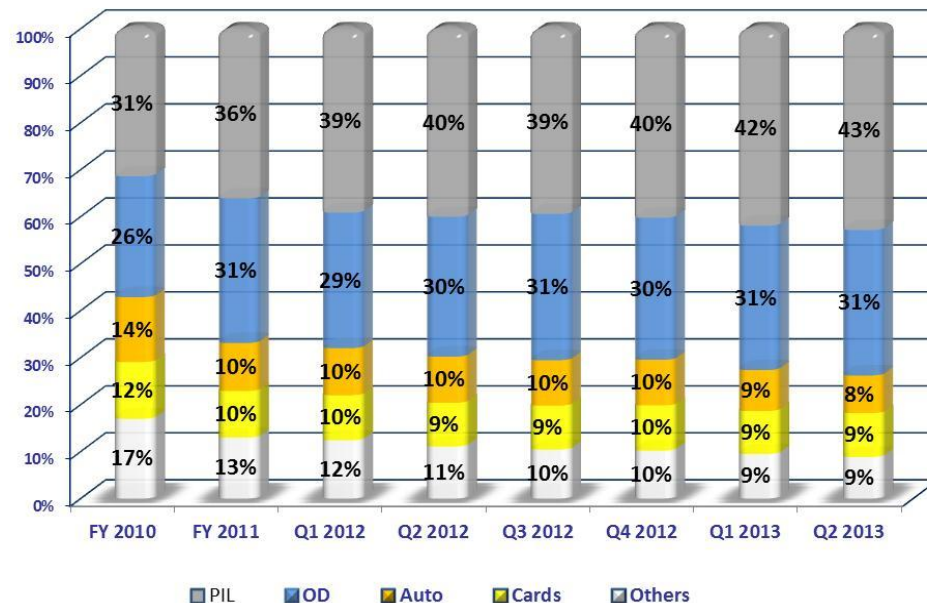
Consumer Banking Assets Portfolio Growth

Assets

In Million



Assets Mix



In Million

	FY 10	FY 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Balance	3,915	5,175	5,525	6,083	6,599	6,664	7,073	7,195

CIB Strategy

CIB's Future Growth Opportunities

Here is where we stand today ...

- ⊗ **Quality portfolio**
- ⊗ **Product-centric**
- ⊗ **Developed initiatives to instill client focused culture**
 - Wealth Management, Business Banking, Mid-Cap Banking, Global Customer Relations (GCR)
- ⊗ **Longstanding client relationships**
- ⊗ **Optimization of alternative channel strategy**
 - Internet banking
 - Mobile banking
- Further develop Global Transactional Services solutions (GTS)**
 - CIB offers the groundbreaking one-of-a-kind Trade online
- ⊗ **Customer service is continuously added to in order to constantly ensure customer satisfaction**

But this is where we will be tomorrow

- ⊗ **Product penetration and increase share of wallet without risking quality**
- ⊗ **Customer-centric solutions**
 - Offering +Segment
- ⊗ **Focus on Mid-Cap, business banking relationships and further enhance ALM**
- ⊗ **Shift to "Relationship Management" model**
- ⊗ **Become the top e-banking provider in the country**
 - Further develop Cash Management to become as competitive as Trade online
- ⊗ **Deliver superior customer service**
- ⊗ **Start the mortgage lending market**
- ⊗ **Continue offering innovative financial solutions to our clients**

Summary and Conclusion

Why CIB?

CIB is the leading financial institution in Egypt, has been a key player in the market for more than 30 years

Strongest brand equity in the Egyptian corporate banking sector

With prudent credit policies, the Bank is well-equipped to manage future risks

CIB's management is strongly committed to shareholder value maximization

CIB is well positioned to gain market share and accelerate growth

The only one stop shop solutions provider in Egypt

Profitability

- Market leader
- NPAT EGP 1.33 bn
- Total revenues 3.44 bn

Liquidity

- High liquidity
- LDR 49.8%

Strategy

- Clear strategy
- Corporate leadership
- Retail break out

Asset Quality

- NPL/Gross loans 3.95%
- Coverage Ratio 140%

KPIs

- ROA 2.66%
- ROE 24.6%
- Cost: income 27.0%

Largest in ...

- Total Assets 105.5bn
- Market Cap 33.21bn in private banks

Conclusion

- Egypt has been a hot spot for investments, given its favorable demographics (1/3 of the population is under 15 years), its diversified economy and implementation of economic reforms that enhanced accessibility
- With the revolution of 25th January 2011, we at CIB feel that the future of this country is positive
- We believe one of the main milestones achieved by this revolution is the boost in transparency and accountability
- This will significantly reduce the cost of doing business in Egypt and will ultimately lead to healthy competition without favoritism
- In fact, moving to a more open political system will support further institutionalization and policy formulation, leading to higher consumer and business confidence
- The Egyptian banking sector possesses high structural profitability and remains intact
- CIB's performance during these historical times is impressive
- CIB demonstrated its leadership of the sector during these past turbulent times
- CIB has positioned itself to benefit from the upcoming stability and the prosperity Egypt will witness in the years to come
- CIB is the strongest bank in Egypt with tremendous upside potential:
 - ⊗ Strong, sustainable core institutional business
 - ⊗ Incremental institutional initiatives
 - ⊗ Significant retail opportunity

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Thank you

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