

# Investor Relations Presentation

Q4' 2015



A BANK TO TRUST

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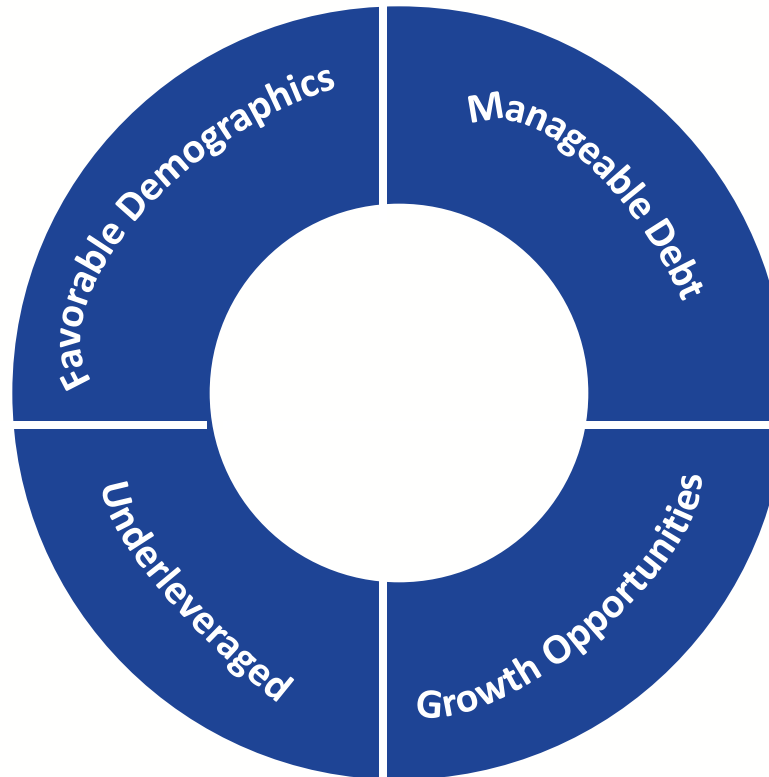
-  Macro-Environment
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# Macro-Environment

# Egypt Fact Sheet

- Population: 90.4mn<sup>1</sup>
- Median age: 25<sup>2</sup>
- Private consumption/GDP: 85.74%\*\*
- Public consumption/GDP: 10.47%\*\*
- Labor force/population: 32.20%\*
- Unemployment rate: 12.90%<sup>1\*</sup>

- Total bank lending facilities/GDP: 32.20%\*\*\*\*
- Loans/Deposits: 41.78%
- Corporate loans/GDP: 24.59%\*\*\*\*
- Household debt/GDP: 7.61%\*\*\*\*



- Current A/C balance: \$-3,980mn\*\*\*
- Net International reserve: \$16.4bn (December 2015)
- LT external debt: \$43.4bn\*\*\*
- ST external debt: \$2.8n\*\*\*
- c.80% of debt is in local currency, held by public sector
- Nominal GDP: EGP 697,315.3mn\*\*
- Historical GDP growth: 4.36%<sup>3</sup> (2005/2014CAGR)
- GDP/Capita: \$11,262<sup>3</sup> (2015)

<sup>1</sup> CAPMAS, as of 10/11/2015

<sup>1\*</sup> CAPMAS, as of Q4'2014/2015

<sup>2</sup> CIA, World Fact Book

<sup>3</sup> IMF, WEO Database, October 2015

\* Preliminary figure

\*\* Figures as of July/September 2015/2016

\*\*\* Figure as of Q1'2015/2016

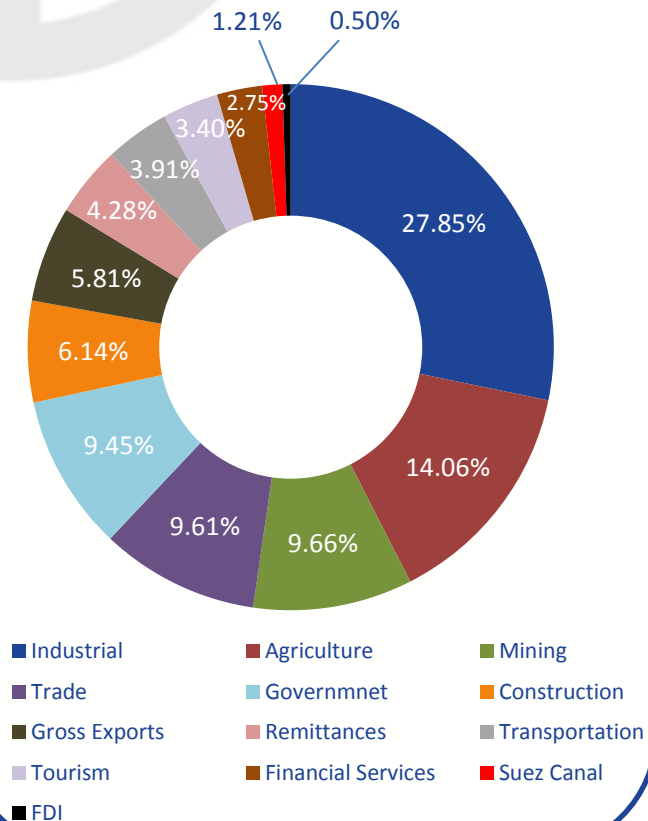
\*\*\*\* GDP at market price

Loans and Deposits data as of October 2015

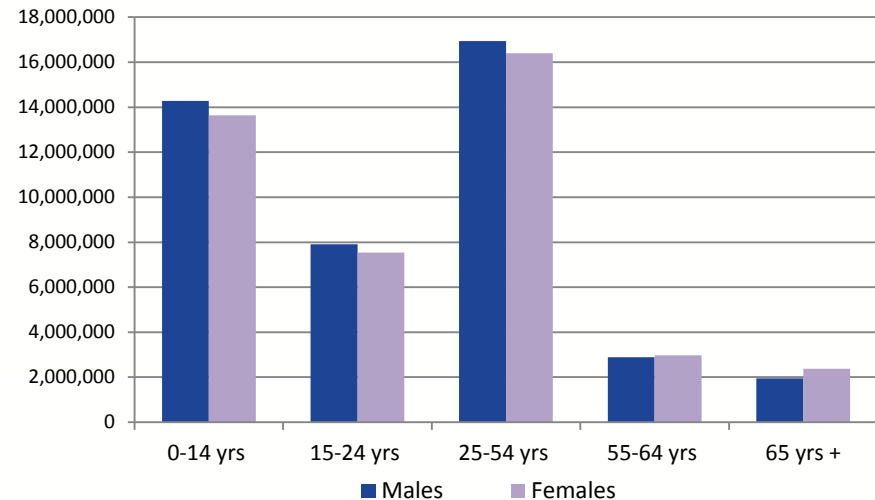
Source: CBE

# Egypt Fact Sheet (Cont'd)

## Diversified as % of GDP<sup>1</sup>



## Favorable Demographics<sup>2</sup>



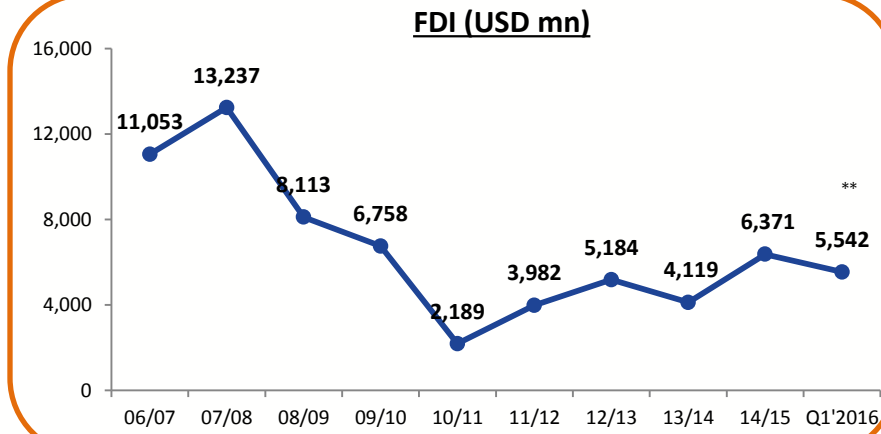
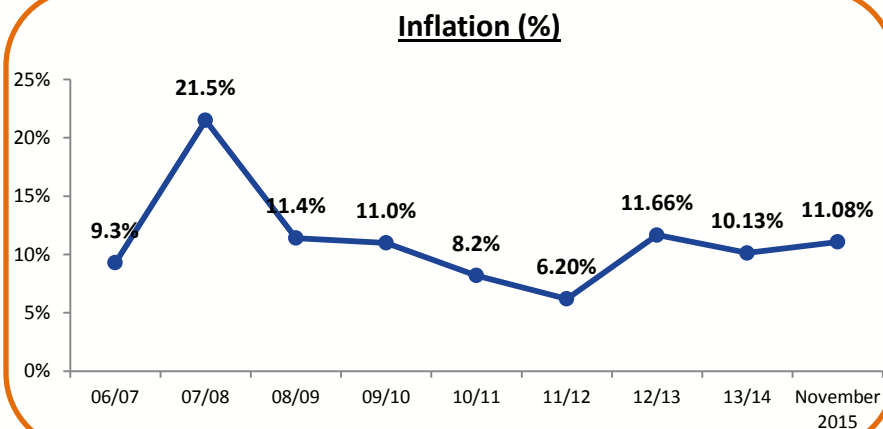
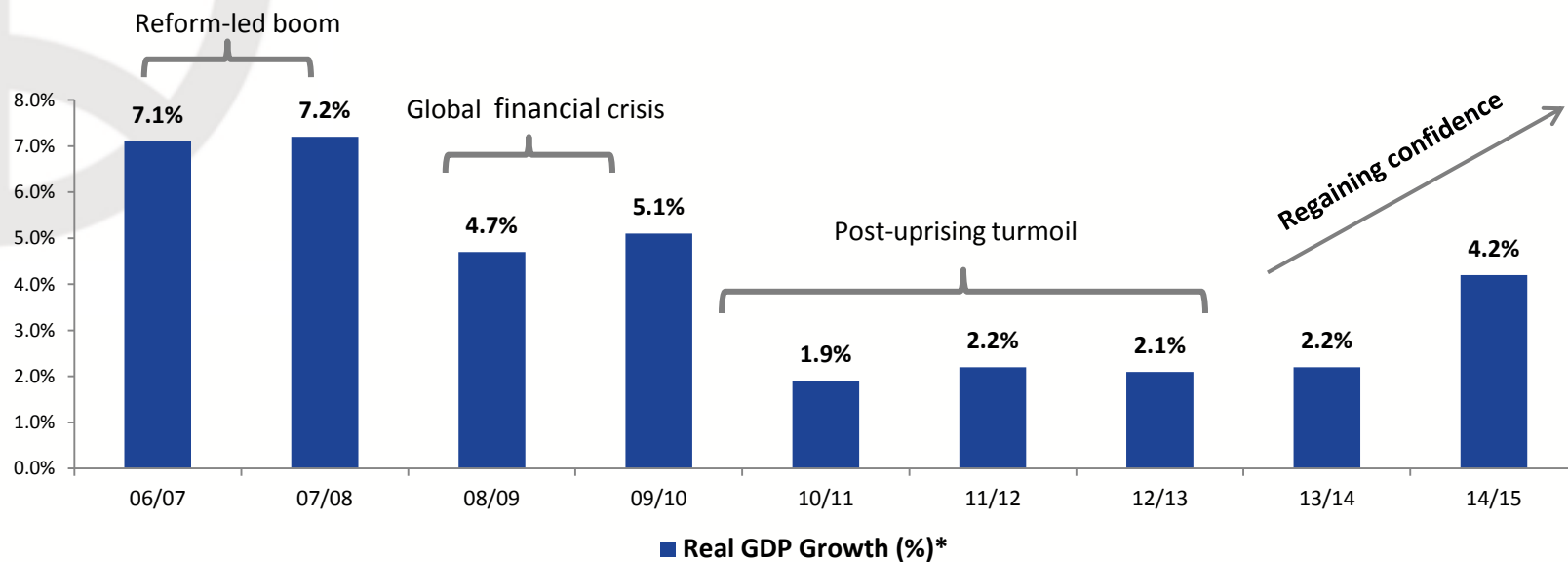
0-14 years	31.9%
15-24 years	17.6%
25-54 years	38.5%
55-64 years	6.9%
Over 65 years	5.2%

- Egypt is the most populous country in the ME, the 3<sup>rd</sup> most populous in Africa
- The production age totals to about half of the total population
- Over 85% of the population is below 55 years

<sup>1</sup> CBE, Figures as of July/September 2014/2015 (latest available)

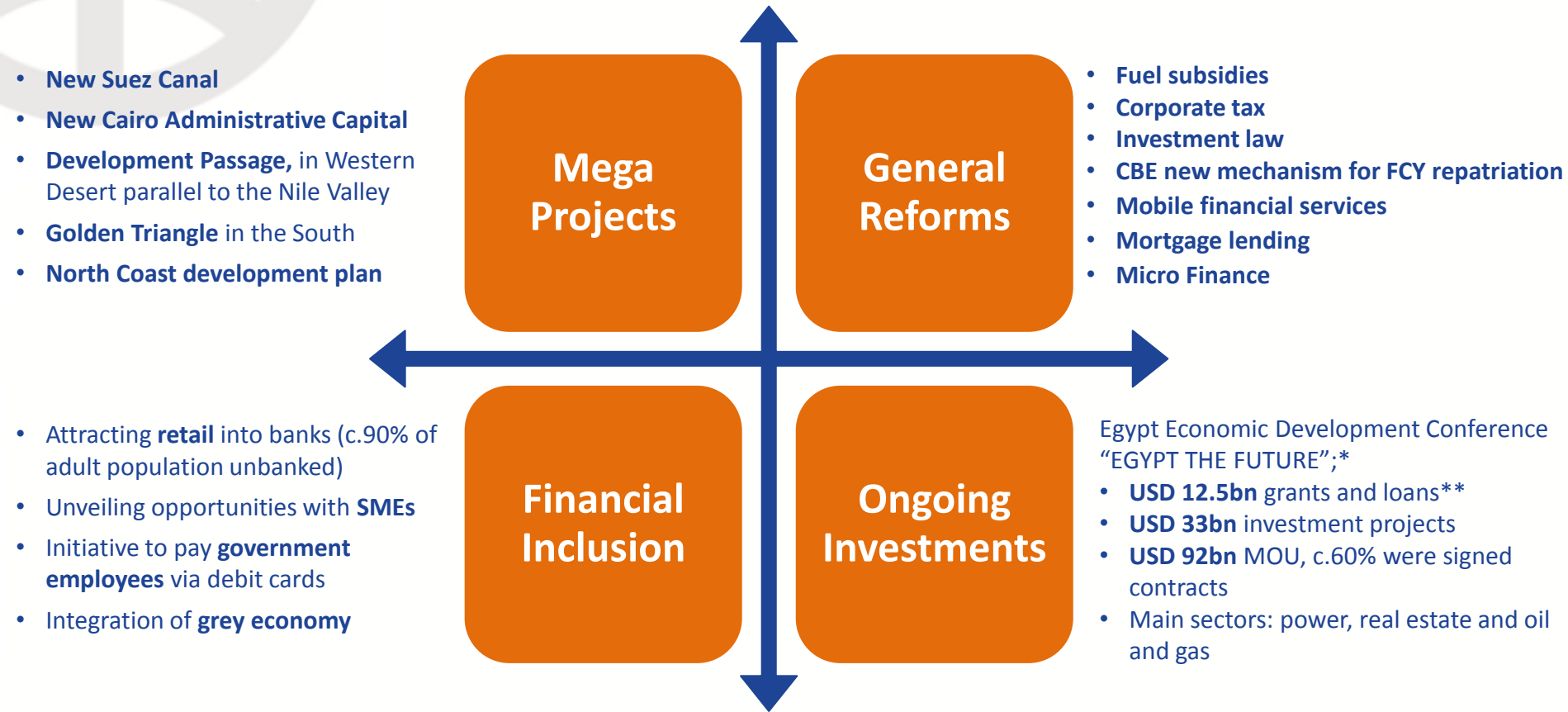
<sup>2</sup> CIA, World Fact Book

# Macroeconomics Snapshot



\*\* Provisional

# Prospects for Egyptian Economy

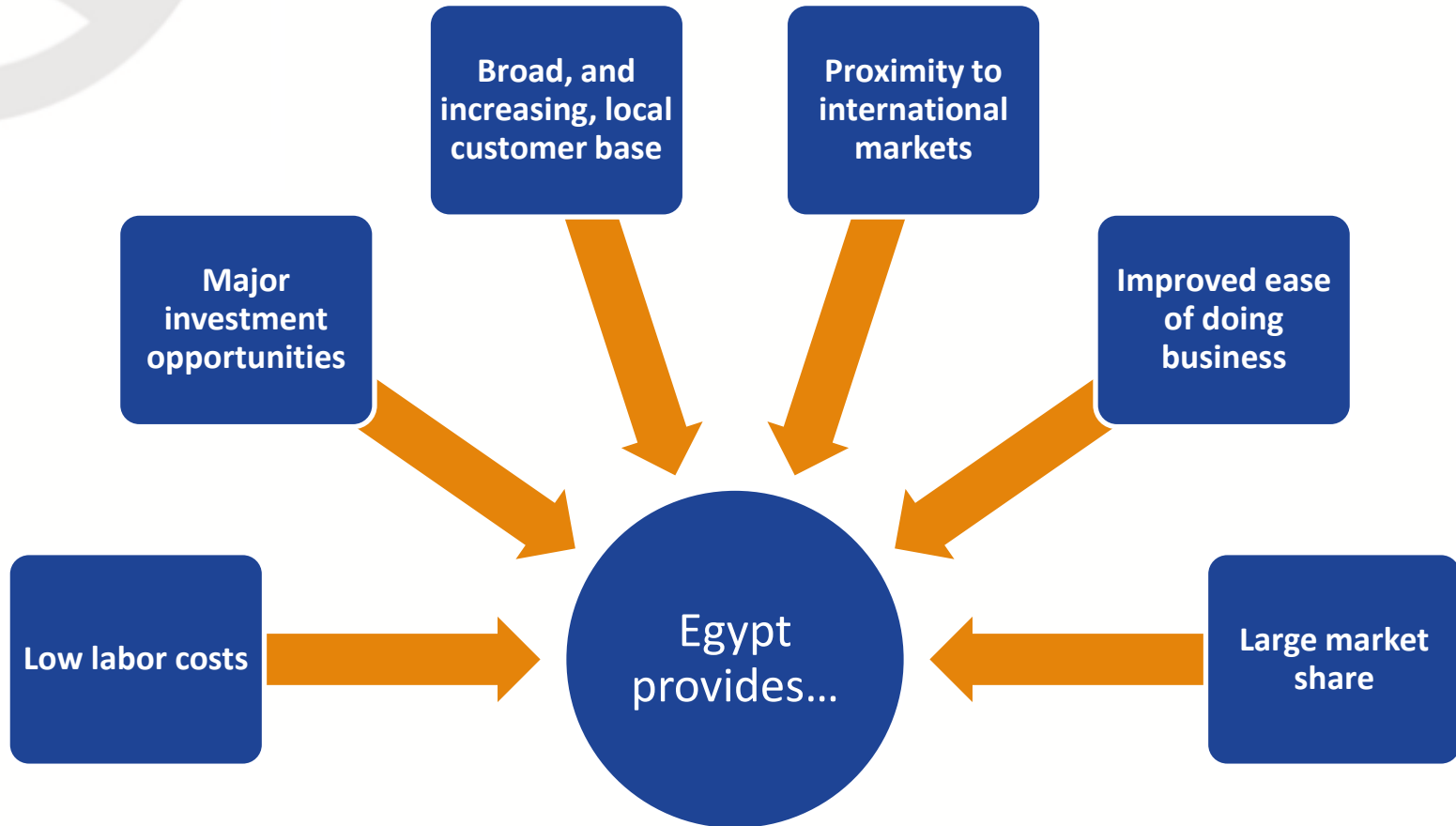


\* Source of figures: State Information Service, Press reports, Bank of America Merrill Lynch Global Research

\*\* Gulf countries; Saudi Arabia, UAE and Kuwait USD 4bn each, Oman USD 500mn



## Egypt... Safe haven for investments



# Challenges Facing Egypt

## Slow improvement in standards of living<sup>1</sup>

- UNDP Human Development Index: Score of 0.682, ranking 110/187 in 2013

## Low quality health care services<sup>2</sup>

- 5.1 % of GDP spent on health care services in 2013

## Lack of educational reforms<sup>1</sup>

- 3.8% of GDP spent on education in 2012

## Ease of doing business index<sup>3</sup>

- Ranked 112/189

## Budget deficit<sup>2</sup>

- 11.5% of GDP in FY2014/15

## Competitiveness index<sup>4</sup>

- Ranked 119/144

<sup>1</sup> UNDP, Human Development Reports 2014

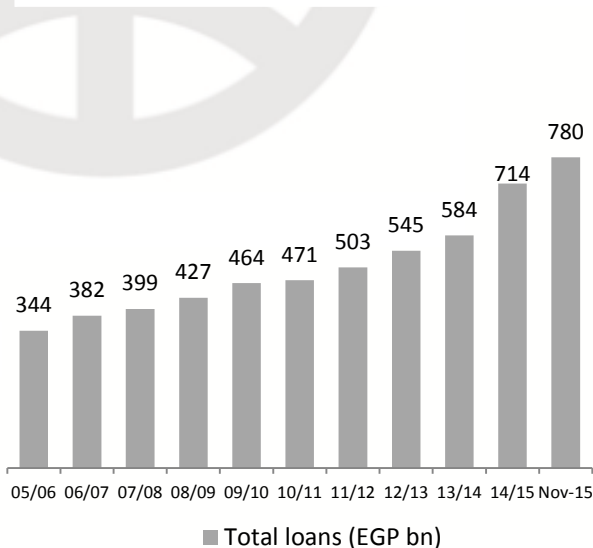
<sup>2</sup> World Bank Database

<sup>3</sup> Central Bank of Egypt

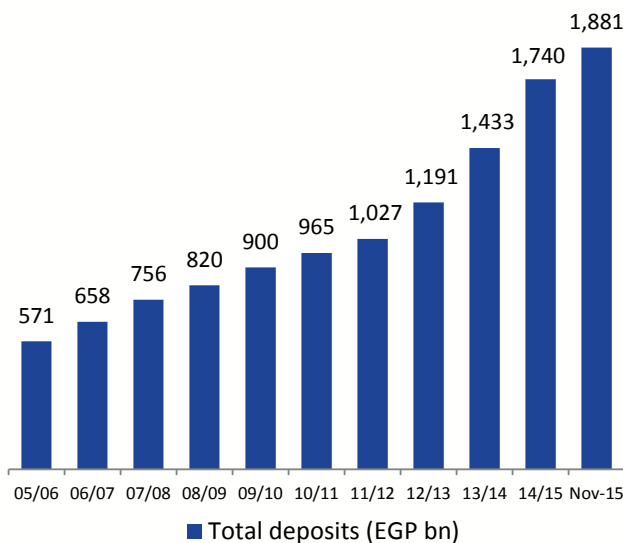
<sup>4</sup> World Economic Forum's Competitiveness Index 2014-2015

# Egyptian Banking Sector Snapshot

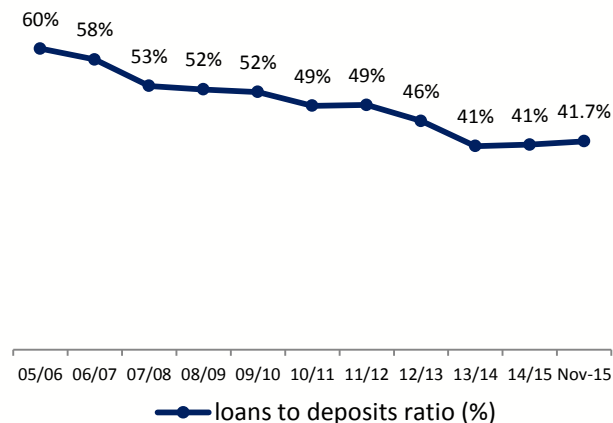
## Total Loans



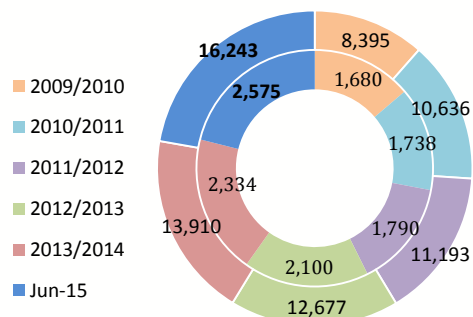
## Total Deposits



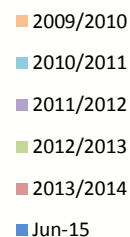
## Loans to Deposits ratio



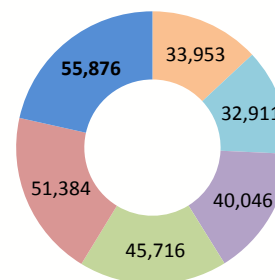
## (inner) Total # of credit cards (000)



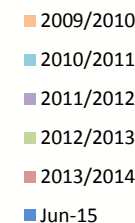
## Total # of branches



## Total # of POS



## Total # of ATMs



## (outer) Total # of debit cards (000)

\* Currently, there's a total of 40 banks in Egypt after adding the Arab International Bank (AIB) to the Register of Banks to fall under the supervision of the CBE

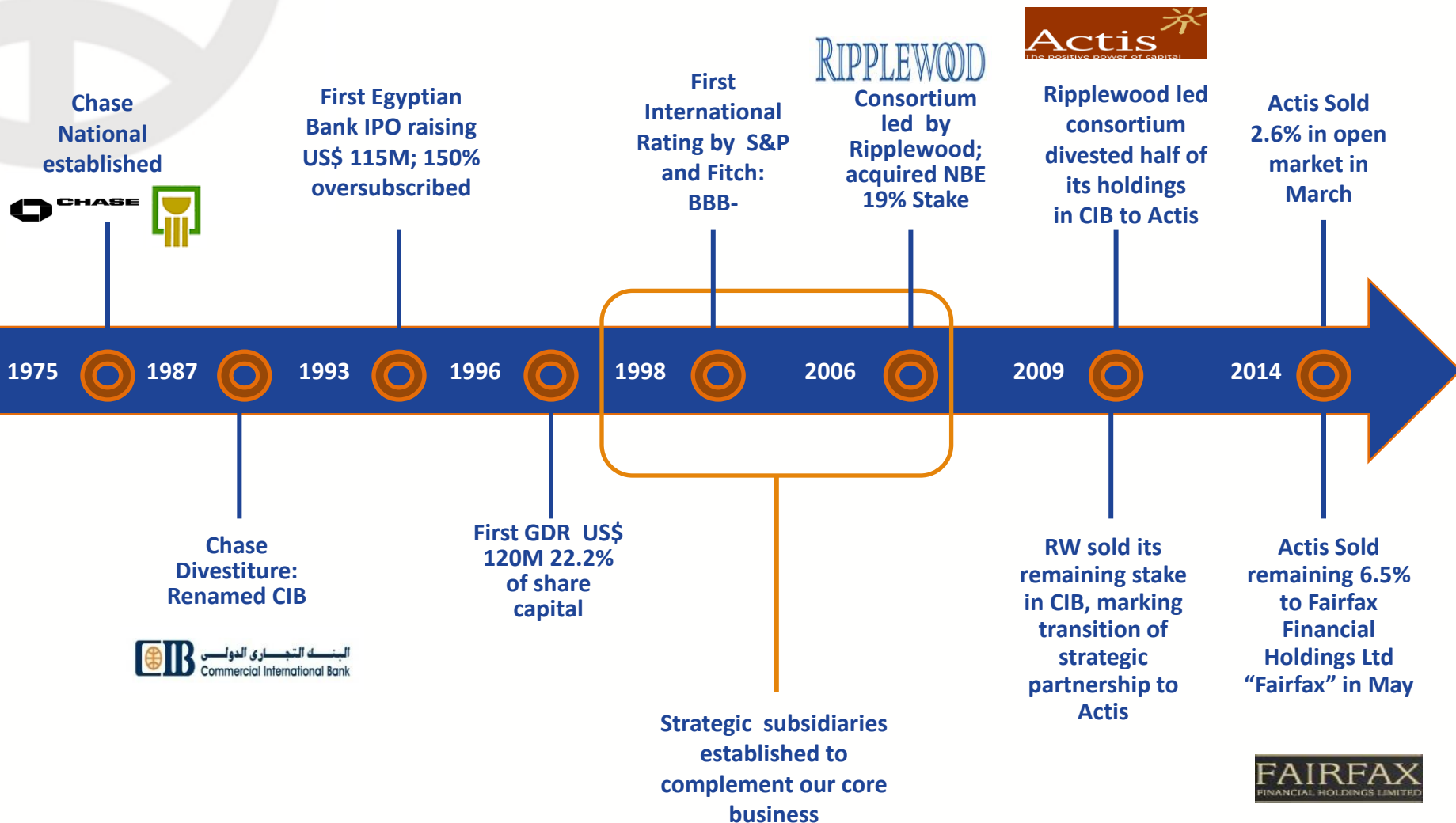
Source: CBE

Latest available figures

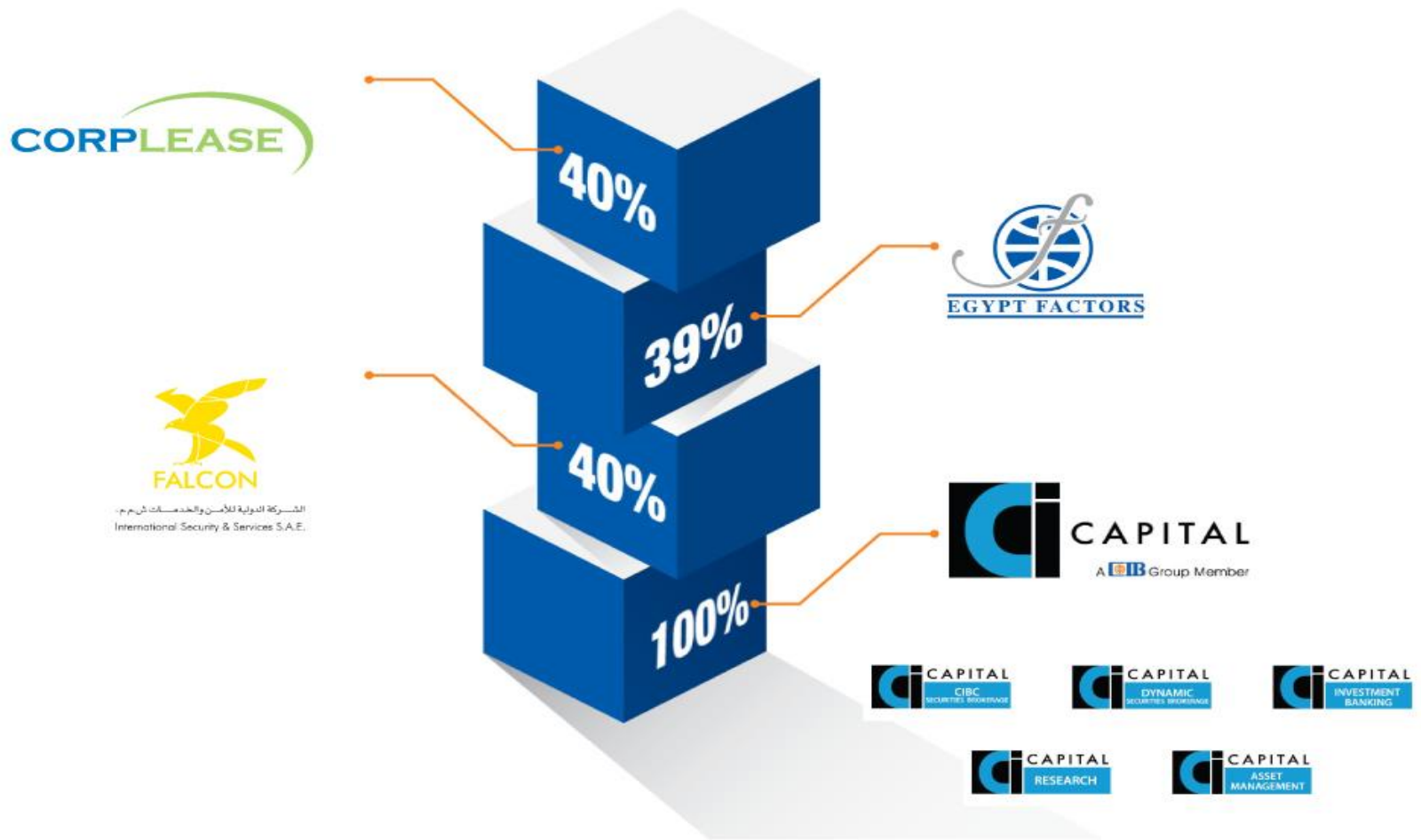
# About **CIB**



# 40 years of Sustainable Growth... and counting



# CI Group Structure



- CIB sold its stake in Corplease to CI Capital in December 2015
- CIB finalized the sale transaction of its stake in CIL to AXA in November 2015

# Business Segments

## Institutional Banking

- Market leader
- Prime contributor to profitability

- Large Corporates including MNCs, Institutions and Banks as well as Transactional Banking Services

10,983\*

78.5%

30.6%

## Consumer Banking

- The take-off for a world class consumer banking franchise

- Retail customers (with special focus on Wealth and Plus segments and SMEs)

699,212

21.5%

69.4%

## CI Capital

- Full-fledged Investment Bank wholly owned by CIB

- Equities Research
- Securities Brokerage
- Asset Management
- Investment Banking

Description

Focus on

Customers

Loans

Contribution to\*\*

Deposits

\* Internal reclassification within the LOB

\*\* Based on Managerial Accounting



# Distribution Network

Total Outlets **187**

Cairo **110**

Alex. **25**

Sina & Canal **23**

Upper Egypt  
& Red Sea **18**

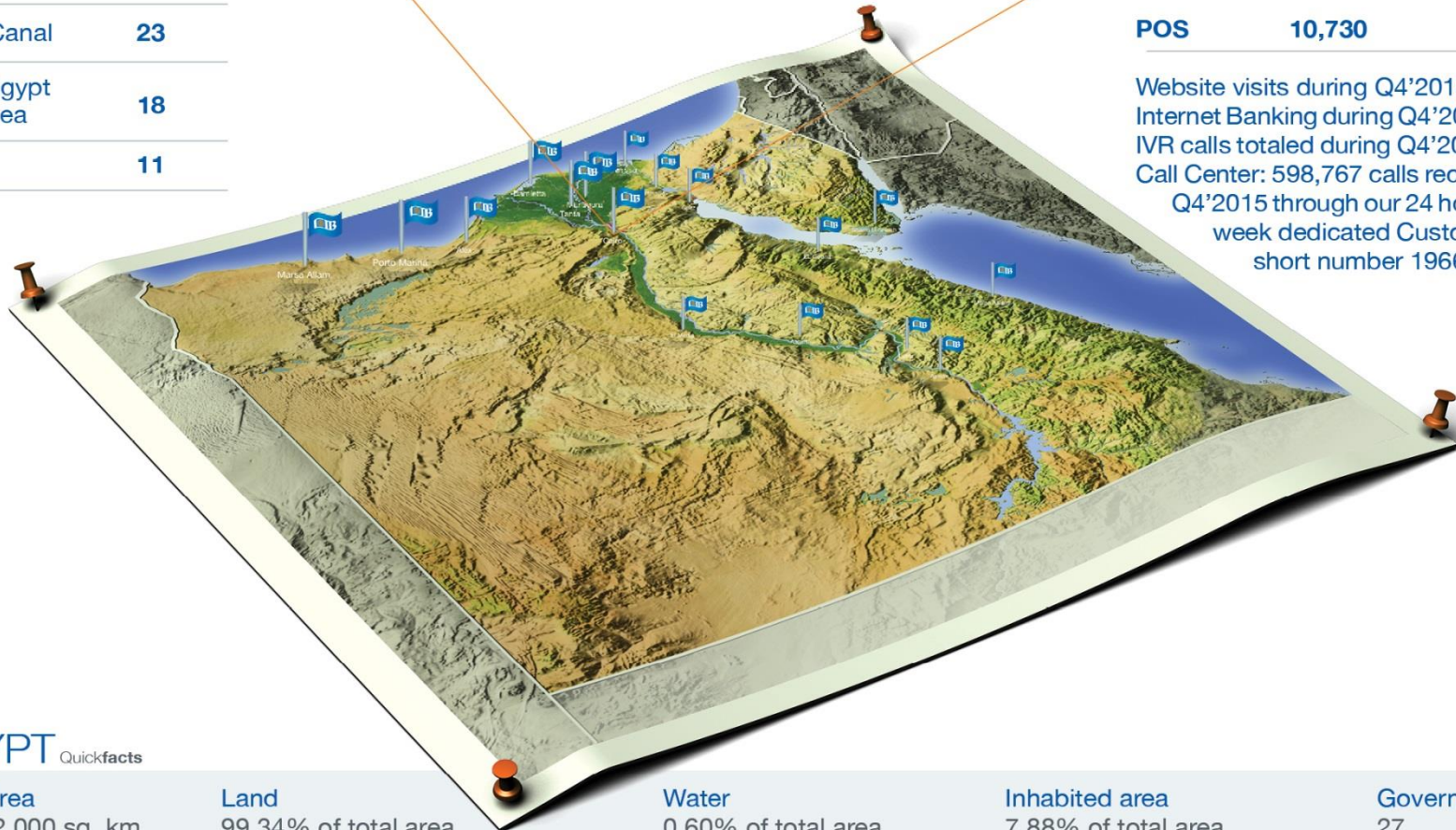
Delta **11**

## Alternative Distribution Channels:

ATMs **662**

POS **10,730**

Website visits during Q4'2015: 2,146,239  
Internet Banking during Q4'2015: 173,342  
IVR calls totaled during Q4'2015: 184,674  
Call Center: 598,767 calls received during Q4'2015 through our 24 hours 7 days a week dedicated Customer Service short number 19666.



## EGYPT Quickfacts

Total Area  
c.1,002,000 sq. km

Land  
99.34% of total area

Water  
0.60% of total area

Inhabited area  
7.88% of total area

Governorates  
27



# Share Information

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

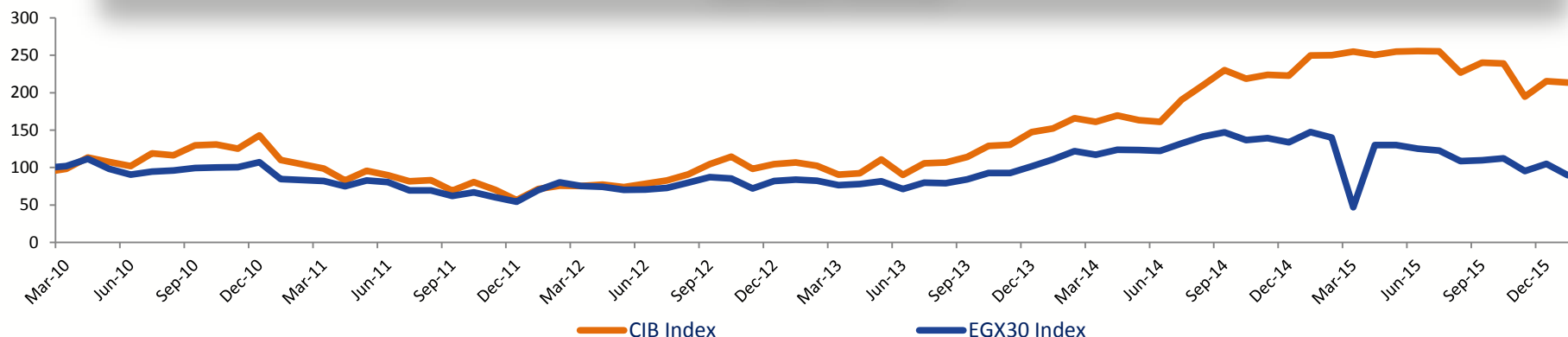
## Share Information\*

Shares outstanding	1,147,060,297
Par value	EGP 10.00
GDR Ratio	1:1
Last 52 weeks Hi	EGP 47.36
Last 52 weeks Lo	EGP 28.90

## CIB Stock Info.\*

EGP	2012	2013	2014	2015	YTD 2016
Market Cap.	20,646mn	29,329mn	44,673mn	43,691mn	37,990mn
Avg. Daily Liquidity	29.78mn	21.83mn	91.02mn	67.59mn	72.19mn
Av. Daily Volume	1.58mn	0.90mn	2.20mn	1.59mn	2.15mn
Avg. Daily Price	18.85	24.26	41.30	42.30	33.61

## CIB Stock Activity\*

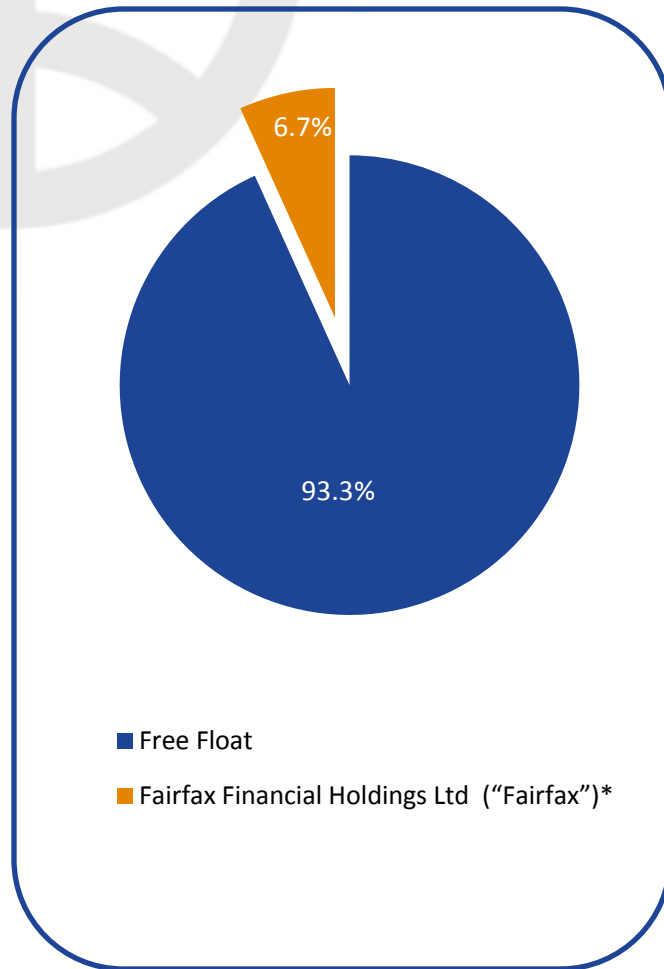


\* Normalized after stock dividend as of 10/12/2015

As of 10/2/2016

Source: Bloomberg

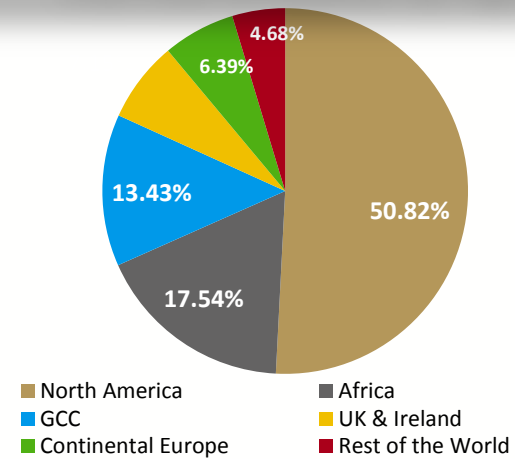
# Shareholding Structure



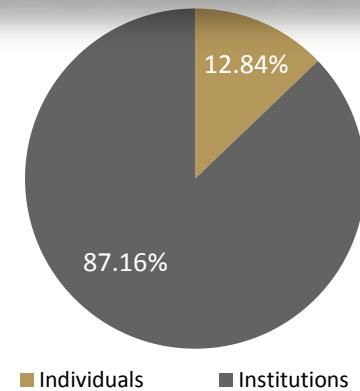
\* Several wholly owned subsidiaries of Fairfax Financial Holdings Ltd ("Fairfax")

%s represents ordinary shares

## Free Float Breakdown by region

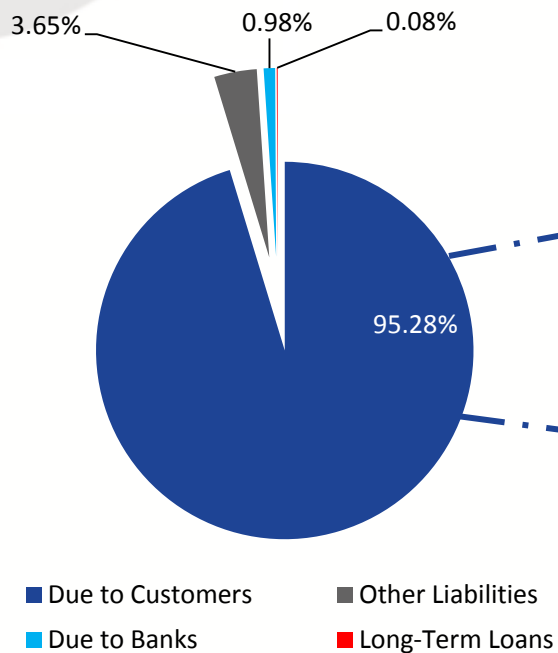


## Free Float Breakdown by category

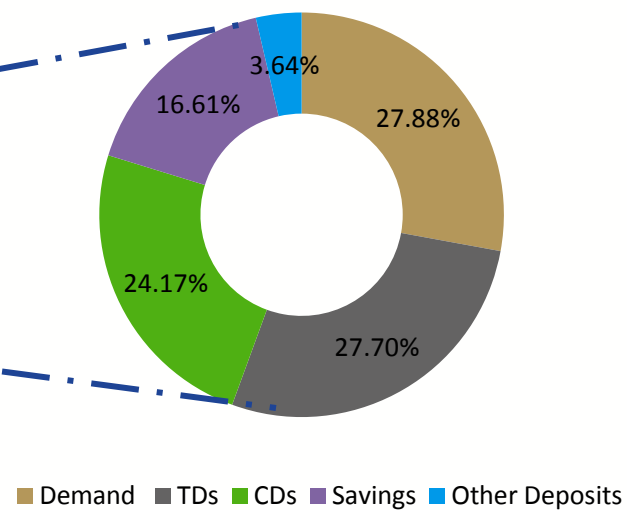


# Funding Overview

## Funding Structure



## Customers Deposits Mix

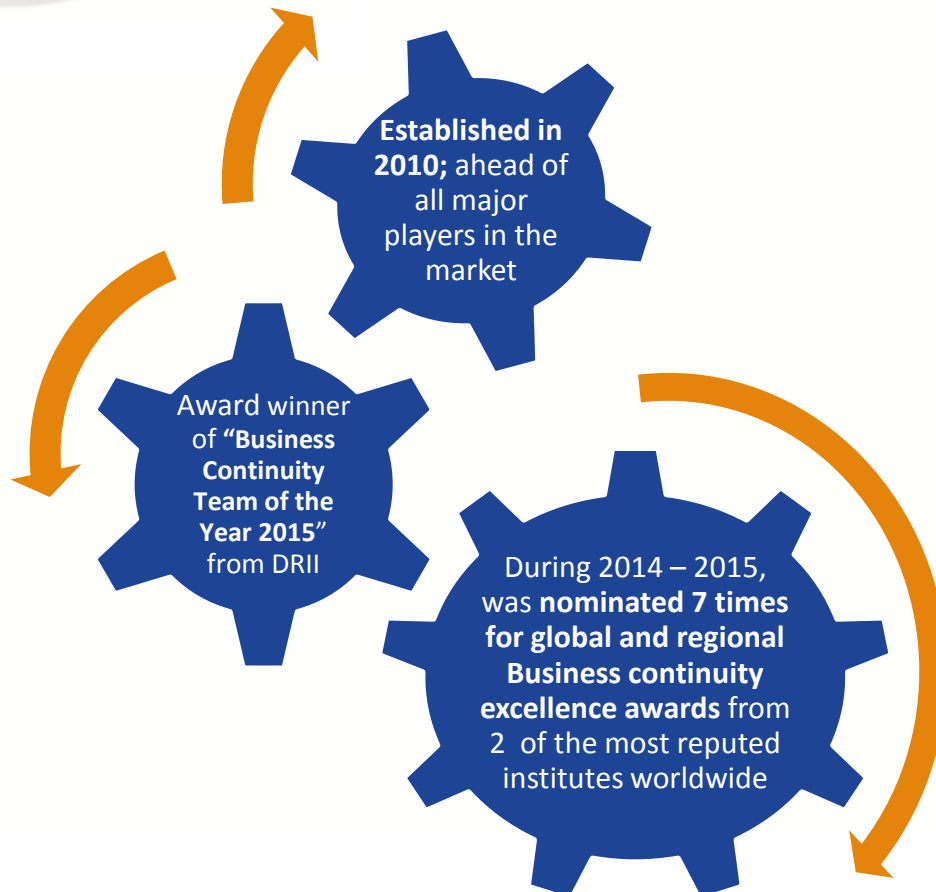


CIB's funding structure has no wholesale funds

# Business Continuity Management

- Leader in implementing international standards and best practices
- Set a unique model within the Egyptian financial sector in Business Continuity field
- Committed to providing uninterrupted services and support to our valuable customers

## Overview



## Initiatives

Progressive Disaster Recovery Planning

Continuous Alternate Sites enhancement.

Moving towards ISO22301 certification

Critical suppliers Management

Automation and Performance Metrics management

The background of the slide features a photograph of the Great Sphinx and the pyramids of Giza in Egypt. The Sphinx is in the foreground, and the pyramids are visible in the background under a blue sky with some clouds. The image is partially obscured by a blue horizontal band at the top and a larger blue rectangle at the bottom.

# Corporate Governance

# Corporate Governance

## Commitment to Corporate Governance

- An issue that rates high on our list of priorities
- CIB was the first Egyptian corporation to establish an Audit Committee in 1998
- CIB's commitment to maintaining the highest standards of corporate governance is supported by several mandates, including:
  - Segregation of role of Executive Management and Board of Directors
  - Internal policies and manuals covering all business aspects
  - Highly skilled Investor Relations Team

When a board seat becomes vacant, the Governance Committee is responsible for nominating a new member

## 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**

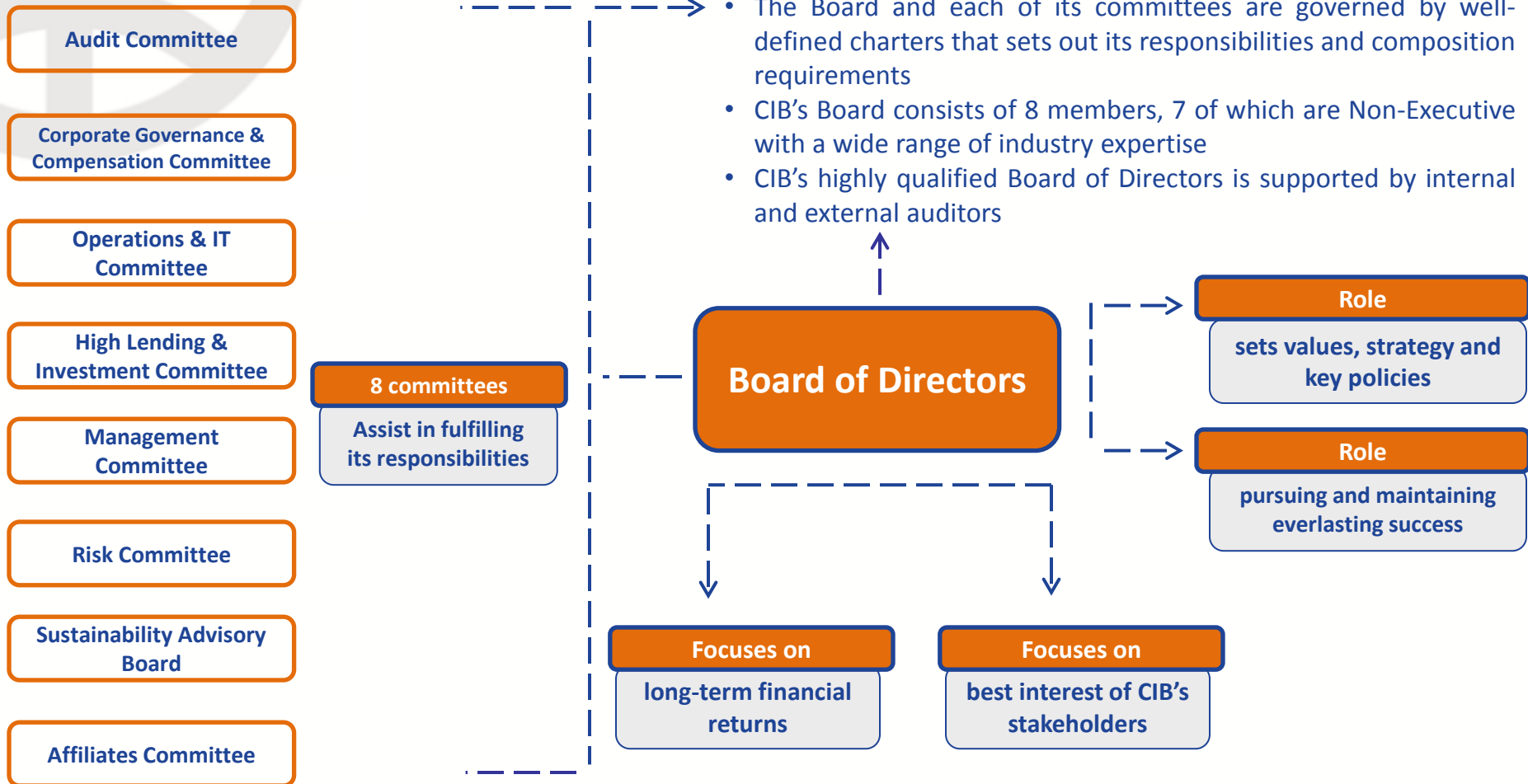
*but also*

- **Helps in withstanding economic downturns**

We take pride in our strong corporate governance structures which include:

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

# Board of Directors



# Board Members

## **Hisham Ezz Al-Arab**

Chairman &  
Managing Director

## **Jawaid Mirza**

Non Executive  
Board Member

## **Nadia Makram Ebeid**

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

## **Yasser Hashem**

Managing Partner of Zaki Hashem  
& Partners, Attorneys at Law

## **Mark Richards**

Head of financial  
services of Actis

## **Medhat Hassanein**

Egypt's former  
Minister of Finance

## **Sherif Kamel**

Dean of School of Business  
Administration (AUC)

## **Bijan Khorsowshahi**

President & CEO  
Fairfax International



*BOD composition as of 21/10/2014*



# CIB Financial **Highlights**



# Performance Snapshot: 31 December 2015

## Total Assets

**EGP 179,500mn**

Year-End 2014: EGP 143,813mn;

 **25% YTD**

## Net Loans

**EGP 56,836mn**

Year-End 2014: EGP 48,804mn;

 **16% YTD**

## Customer Deposits

**EGP 155,234mn**

Year-End 2014: EGP 121,975mn;

 **27% YTD**

## Shareholders' Equity

**EGP 16,535mn**

Year-End 2014: EGP 14,754mn;

 **12% YTD**

## Revenues

**EGP 10,222mn**

YTD Dec. 2014: EGP 7,741mn;

 **32% YoY**

## NPAT

**EGP 4,729mn**

YTD Dec. 2014: EGP 3,741mn;

 **26% YoY**

## NPLs/Gross Loans\*

**3.98%**

YTD Dec. 2014 : 4.66%;

 **14.5% YoY**

## CAR

**12.7%**

YTD Dec. 2014: 14.1%;

 **9.3% YoY**

## ROAE\*\*

**33.4%**

YTD Dec. 2014: 31.3%;

 **6.8% YoY**

## ROAA\*\*

**2.95%**

YTD Dec. 2014: 2.94%;

 **0.5% YoY**

## Cost/Income

**20.4%**

YTD Dec. 2014: 22.8%;

 **10.7% YoY**

## Net Interest Margin\*

**5.59%**

YTD Dec. 2014: 5.41%

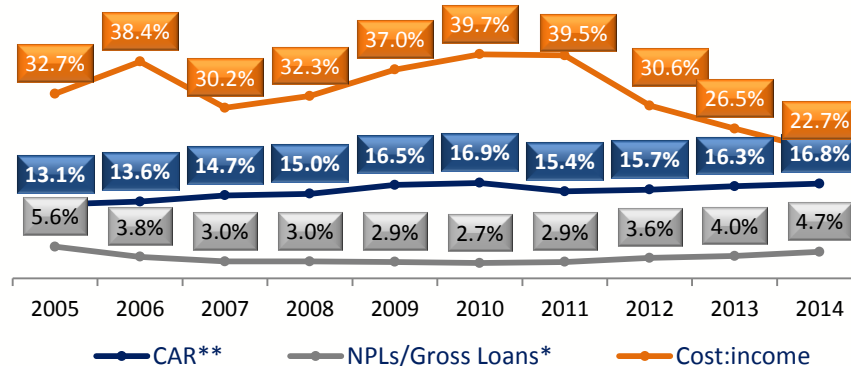
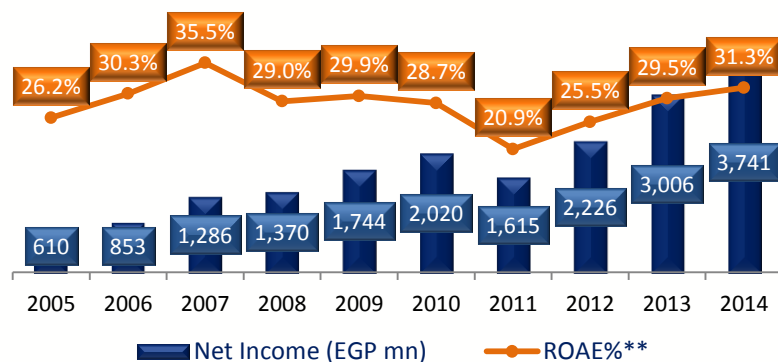
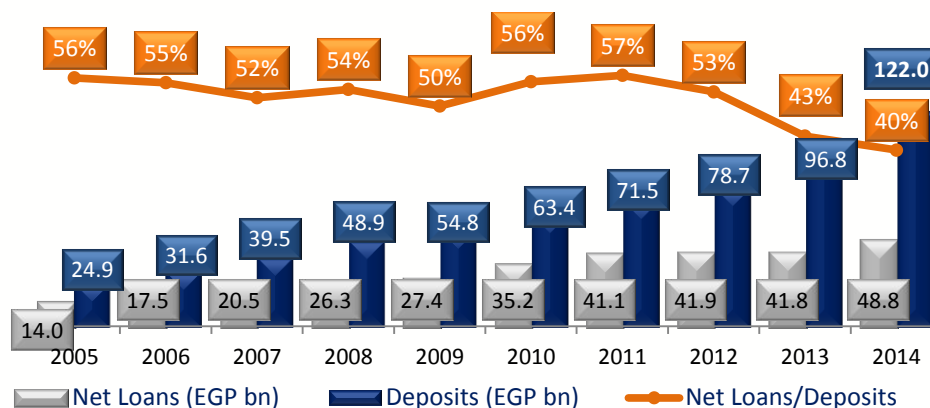
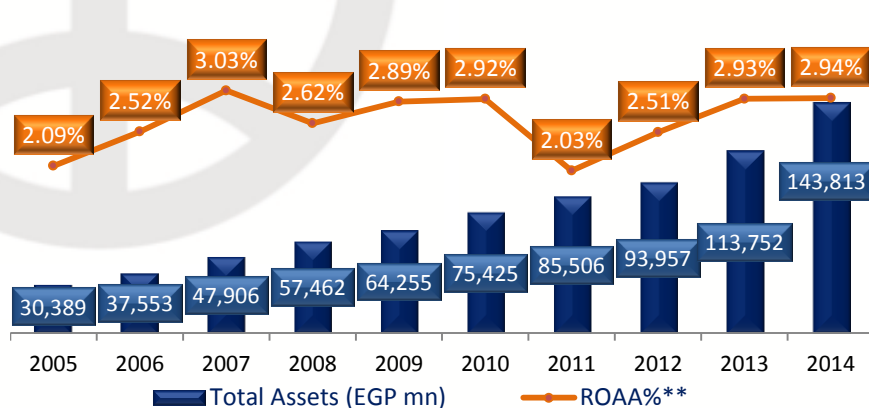
 **3.3% YoY**

\* Ratios on a standalone basis

\*\* Ratio after appropriation

*This slide shows CIB's full year 2015 performance, figures on a consolidated basis unless otherwise stated*

# Performance Summary: last 10 years



Branches & Outlets	100	119	131	152	155	153	154	156	152	160
Headcount	2,301	2,477	3,508	4,014	4,426	4,750	4,845	5,181	5,490	5,697
Years	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

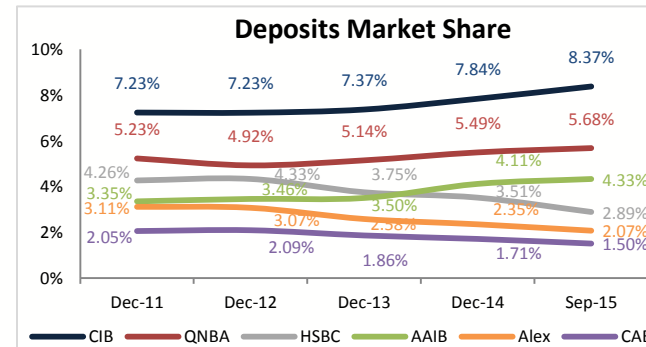
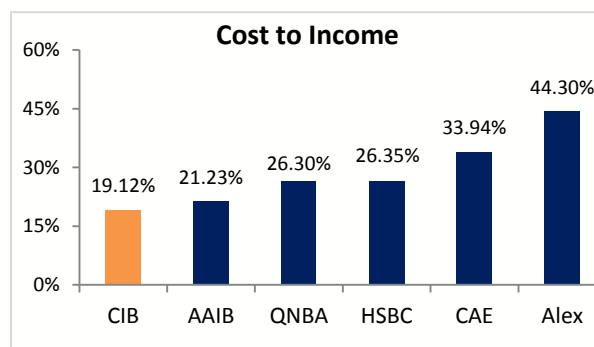
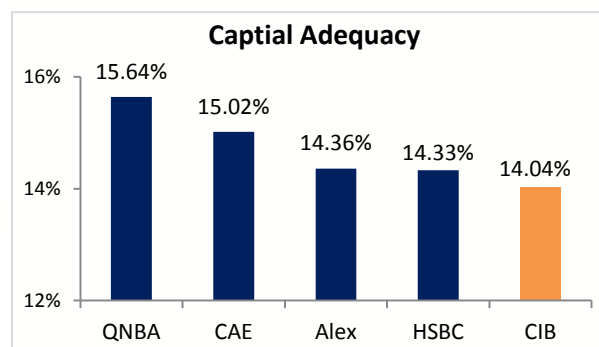
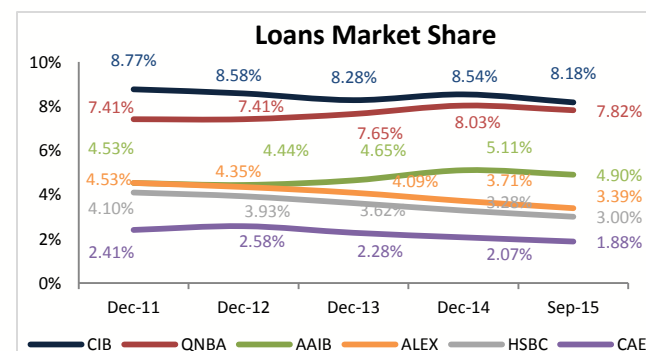
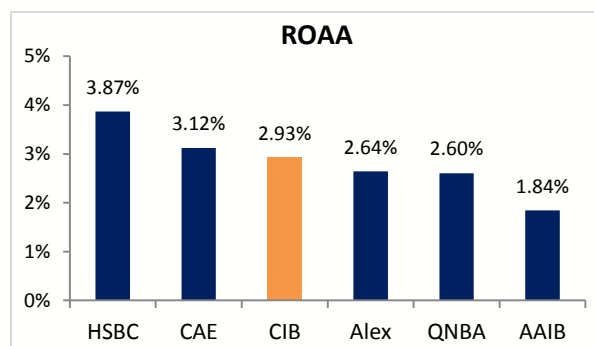
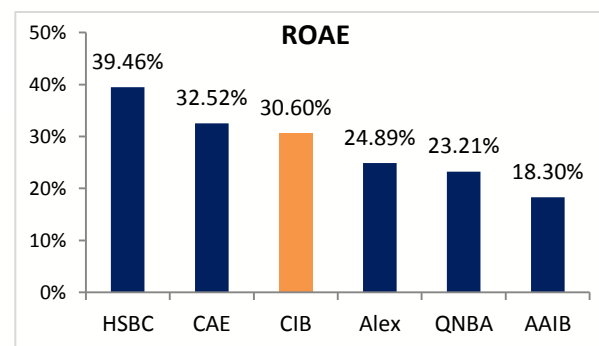
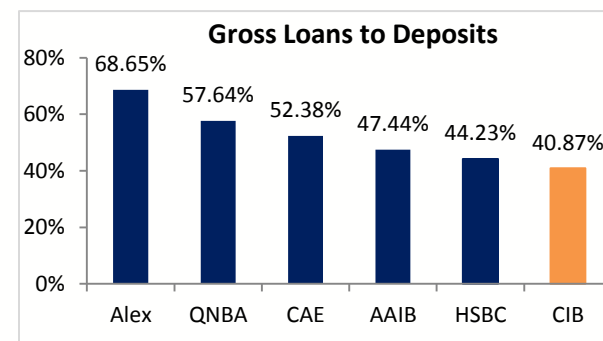
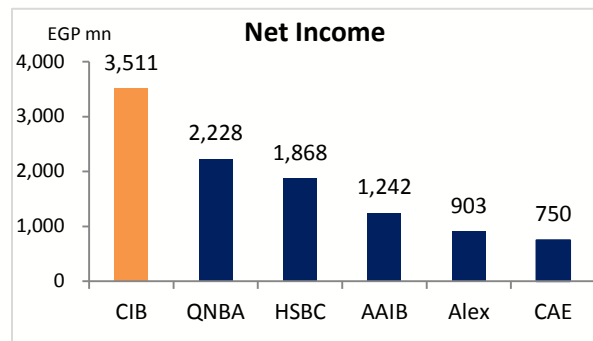
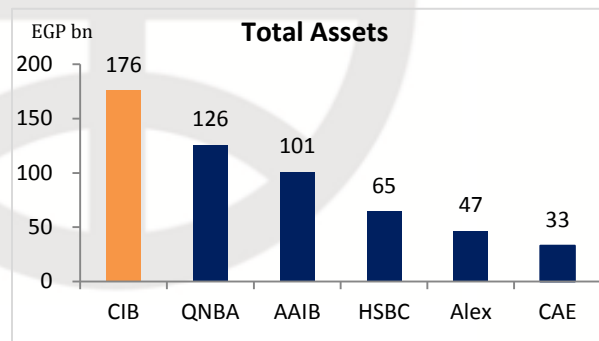
• Starting 2009, CIB used IFRS

\* Figure on a standalone basis

\*\* Ratio after appropriation

Figures are on a consolidated basis unless otherwise stated

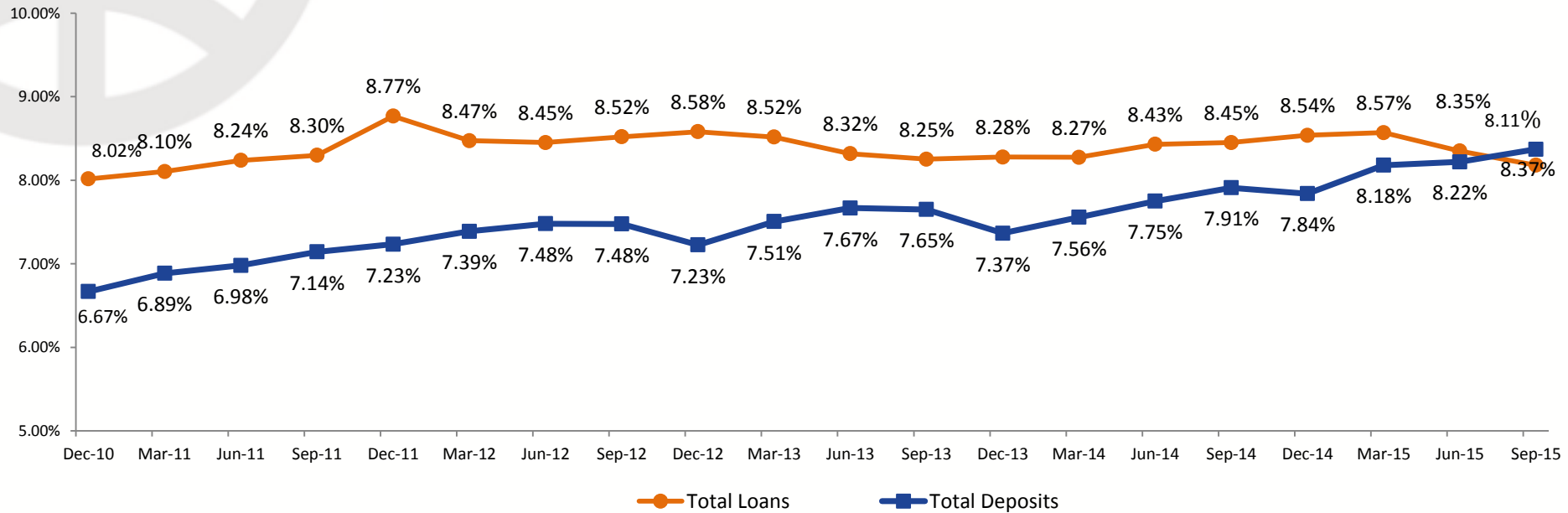
# Peer Analysis – Q3'2015



Figures as of September 2015

\* Figures after profit appropriation, based on proposed appropriation disclosed in peers' financial statements

# Market Share Trend

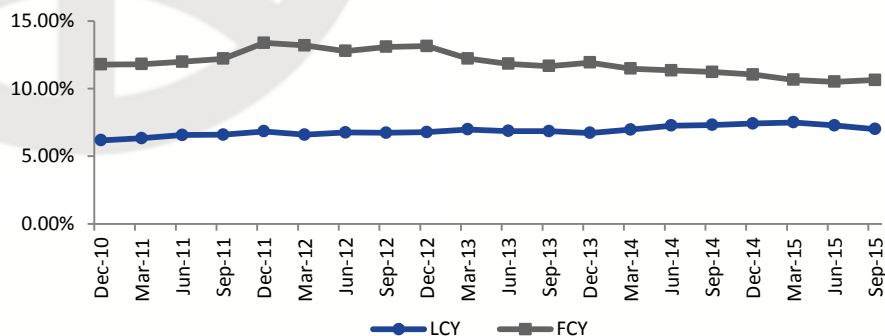


Loans		Deposits	
October 2015	8.05%	October 2015	8.40%

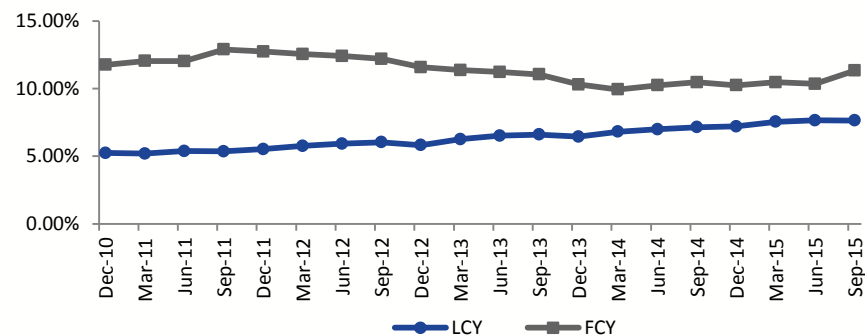
Latest available published ratios

# Market Share Breakdown

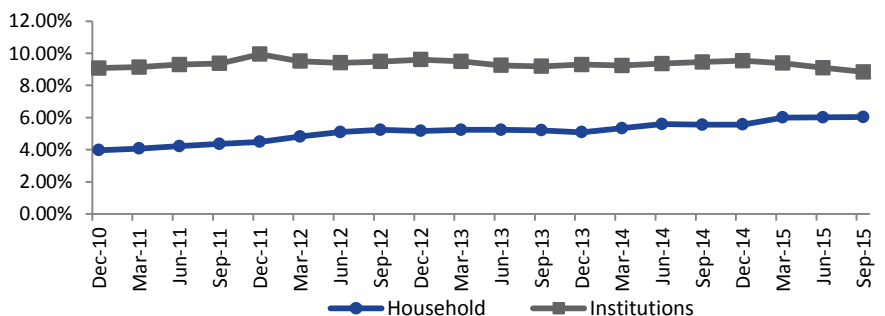
## Loans



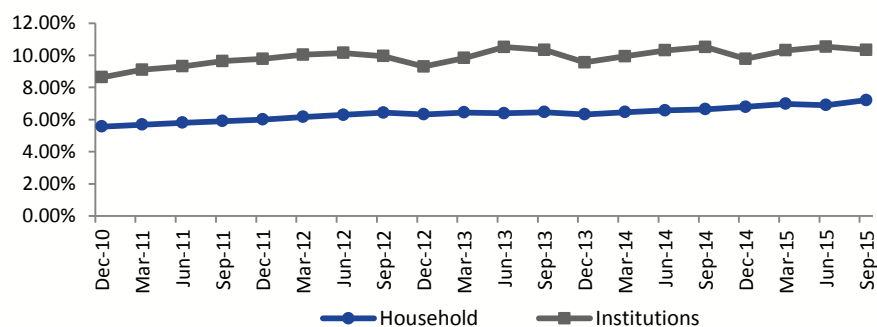
## Deposits



## Loans



## Deposits



Loans*				Deposits*			
LCY		FCY		LCY		FCY	
6.78%		10.62%		7.64%		11.40%	
Household		Intuitions		Household		Institutions	
5.93%		8.71%		7.29%		10.24%	

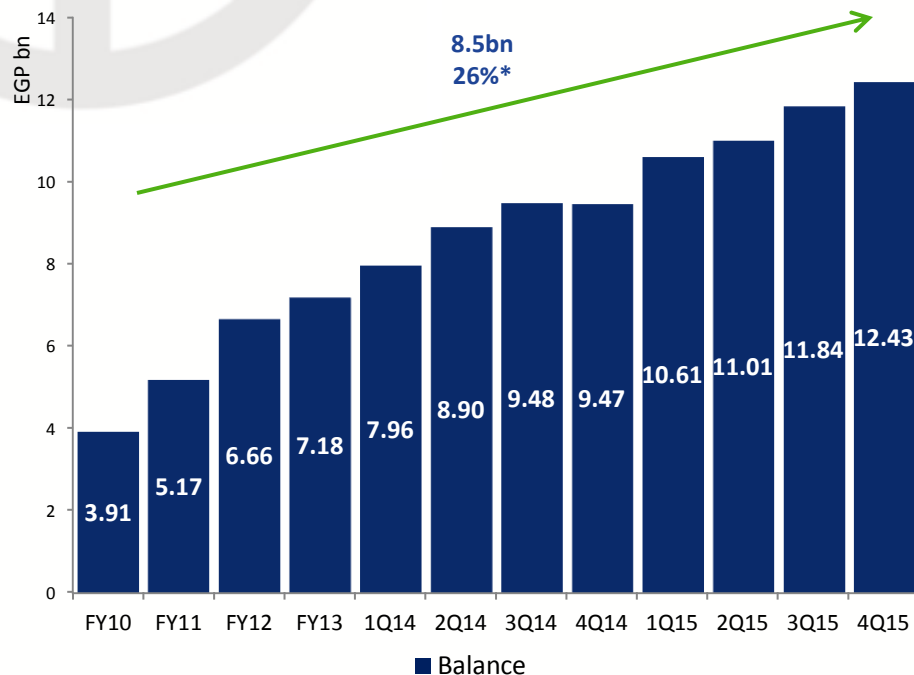
\* As of October 2015

# Consumer Banking Snapshot

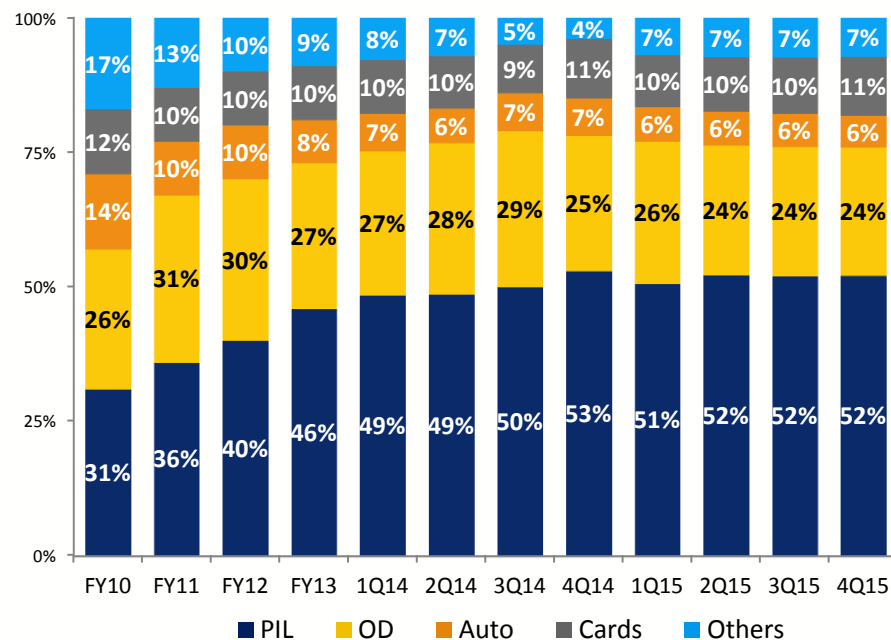


# Assets Portfolio Growth

## Assets



## Assets Mix



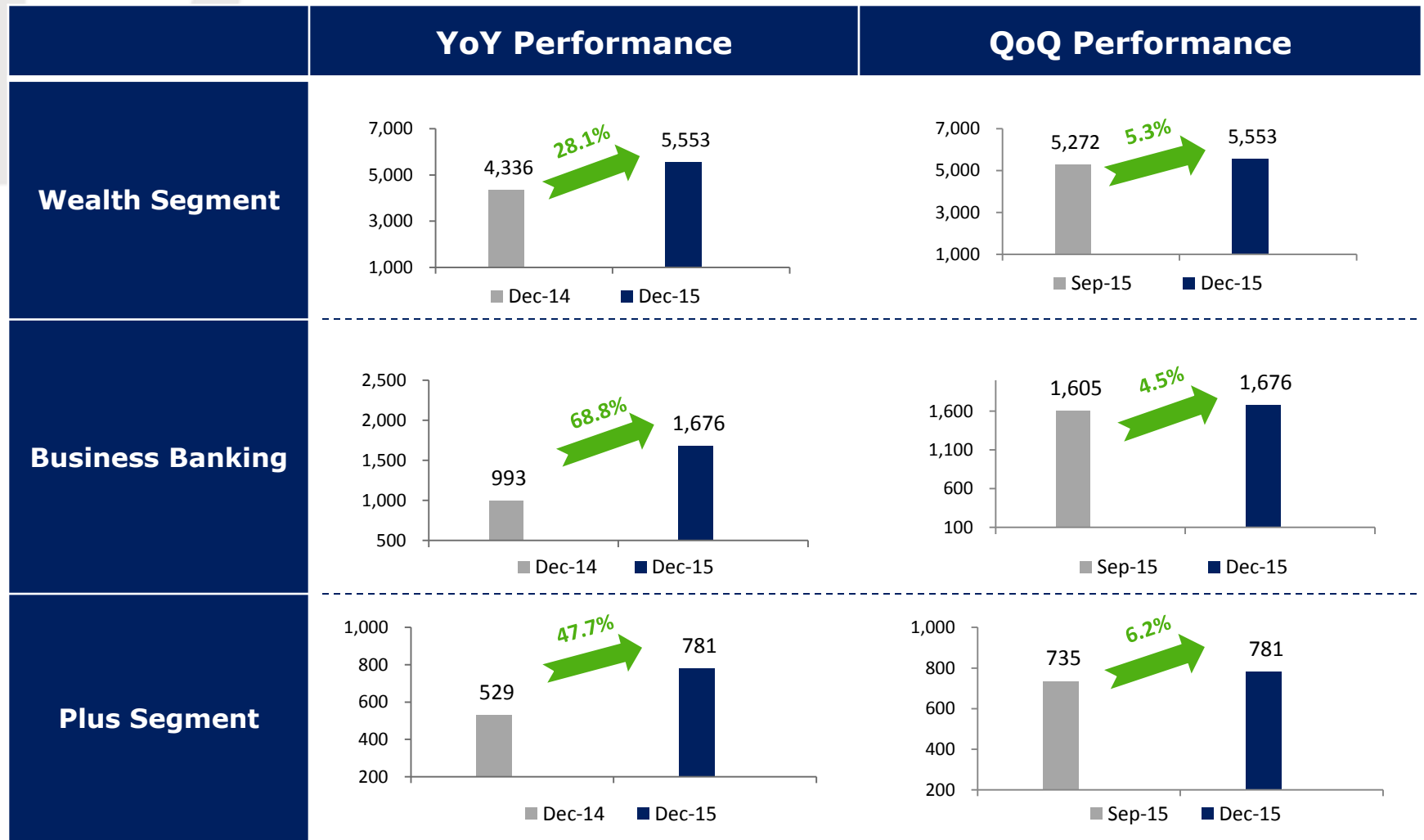
In Millions

	FY 2010	FY 2011	FY 2012	FY 2013	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Balance	3,915	5,175	6,664	7,182	7,962	8,904	9,480	9,470	10,613	11,006	11,837	12,426

\* CAGR over 5 years



# Assets By Segment

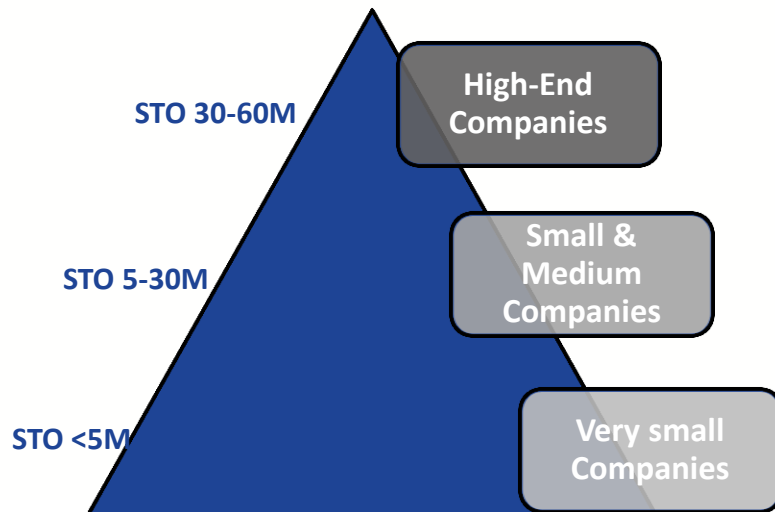


# Business Banking profile

- Falls under CIB's Consumer Banking umbrella
- Manages financial needs of small and medium size retail companies with annual sales turnover below EGP 60mn



## Customer Segmentation



## Business Approach

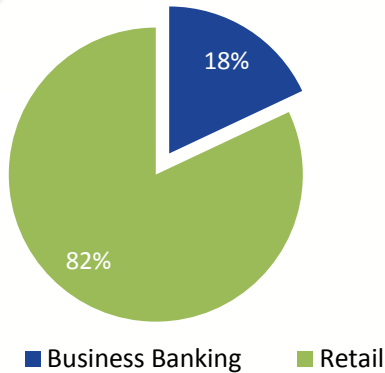
High-End	<ul style="list-style-type: none"> <li>• Tailor made products</li> <li>• Strategic relationship management</li> <li>• Senior Relationship Manager (RM)</li> </ul>
SMEs	<ul style="list-style-type: none"> <li>• Mass customization approach</li> <li>• Pre-approved industry based packages</li> <li>• Relationship Manager</li> </ul>
Micro	<ul style="list-style-type: none"> <li>• Assembly line approach</li> <li>• Alternative channels &amp; e-solutions</li> <li>• Self-served</li> </ul>

# Business Banking Performance

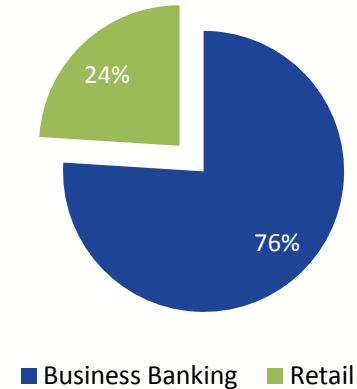


Business Banking model has proved its success when compared to the Retail Banking approach in terms of overall performance

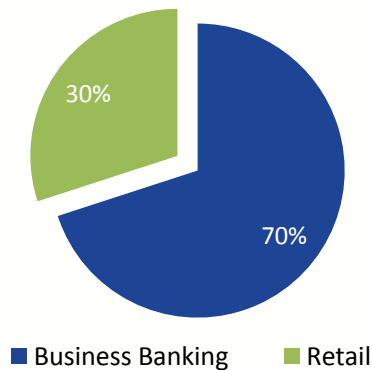
**Number of Customers**



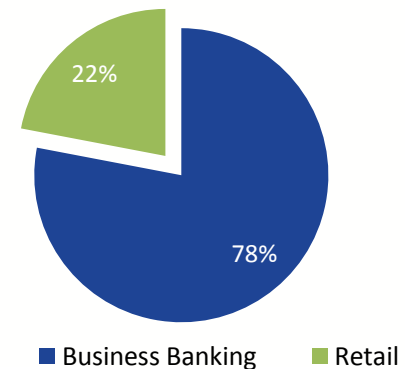
**Total Deposits**



**Revenue**



**Gross Contribution**



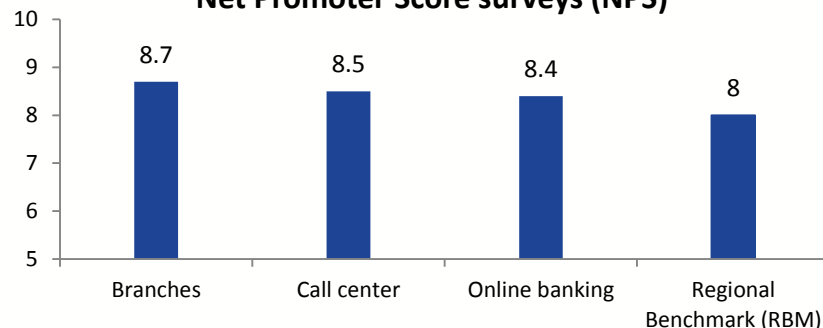
# Customer Experience

- Committed to continue meeting our customers' expectations, maintaining customer satisfaction levels and dealing proactively with the challenges faced and focus on enhancing our employees' capabilities in dealing with these challenges
- Measuring customers' satisfaction levels compared to the regional benchmarks

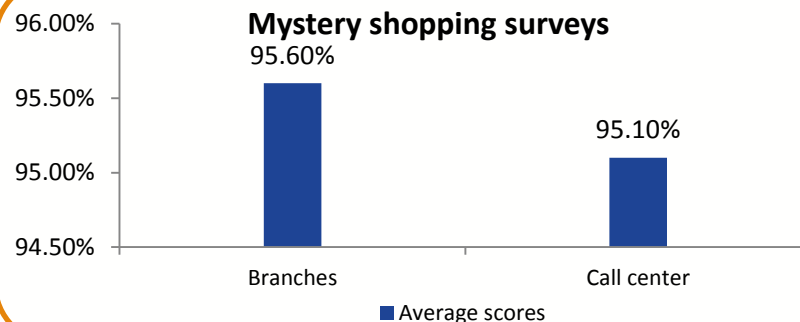
- During Q4'2015, customer satisfaction survey has been conducted for 1,477 Wealth Segment customers, measuring the overall level of satisfaction and their experience with CIB's different distribution channels

- The reported scores exceed the regional benchmark

**Net Promoter Score surveys (NPS)**



**Mystery shopping surveys**



*Net Promoter Score (NPS) Surveys conducted by CIB research team*

*Mystery shopping surveys for customer contact points conducted by an external agency*

*All scores were recorded during Q4'2015*

A horizontal banner image featuring a close-up of a large, weathered stone statue of an ancient Egyptian pharaoh. The statue's face is the central focus, with its eyes closed and a serene expression. The background is a bright blue sky filled with white, fluffy clouds. The text 'CIB Strategy' is overlaid on the left side of the banner in a bold, blue, sans-serif font.

# CIB Strategy



# Vision realization

## Where do we stand?

## Way forward

### Financial Performance Drivers

Quality loan growth, with focus on increasing product penetration and SoW

Aggressive deposit growth, specially from households

Transactional banking services

- Positioned as trade finance hub for Egypt
- Focus on SMEs & underpenetrated retail banking segment
- Capture the pent-up CAPEX and investments inflow

### Customer Centricity

Adopting a customer relationship model

Started offering bundled financial solutions

Undertaking several service quality initiatives to improve customer satisfaction

- Further granular segmentation
- Deepen understanding of customer behavior through data analytics
- Client life cycle management and development of need-based bundled value propositions

### Operational Efficiency

Centralization of Operations

Increasing the automation of processes

Core system stabilization

- Focus on operational efficiency and productivity gains
- Digitize banking experience and work towards straight through processing

### Organizational Development

Performance driven culture

Focus on learning and development

Adoption of corporate governance best practices and solid CSR strategy

- Establishing a social and environmental management system
- Become Egypt's number 1 "Green Bank"
- Development in human capital and alignment to accommodate with the digital transformation

# e-Channels and Digital Banking Domain

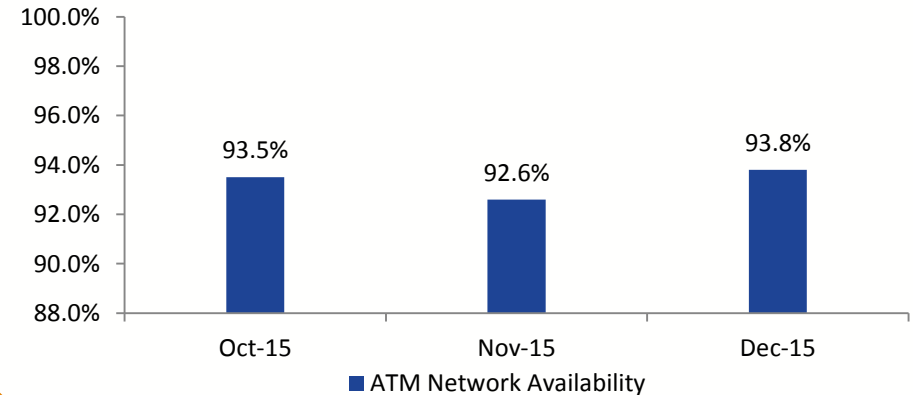
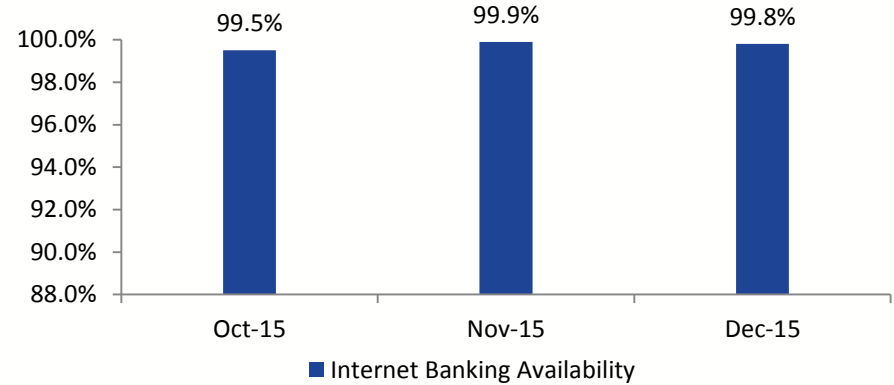
## Initiatives



\* Launched during Q3'2015

\*\* Will be launched d during Q1'2016

## Performance



# Summary and Conclusion



# Awards and Recognition



## 2015

- Best Commercial Bank Egypt by Banker Africa Banking Awards
- Best Corporate Bank North Africa by Banker Africa Banking Awards
- Most Socially Responsible Bank North Africa by Banker Africa Banking Awards
- Bank of the Year Egypt - By The Banker
- Elite Quality Recognition Award by JP Morgan - MT 103 (90%)
- Elite Quality Recognition Award by JP Morgan - MT 202 (98%)
- Best Business Continuity Team by DRI International
- Best Trade Finance Provider in Egypt by Global Finance
- Best Foreign Exchange Providers in Egypt by Global Finance
- Best Bank in Egypt 2015 - By Global Finance
- Best Subcustodian Bank 2015 - By Global Finance
- Trade Finance Deal of the Year - African Banker Awards
- Best Bank in Egypt - Excellence Award by Euromoney
- Best Corporate/Institutional Internet Bank in Egypt - Global Finance
- Best Information Security Initiatives - By Global Finance
- Best Consumer Digital Bank In Egypt - By Global Finance
- Best FX services in North Africa - By EMEA Finance
- Innovators in Foreign Exchange - By Global Finance
- Best bank in Egypt - By EMEA Finance African Banking Awards
- The Achievement in Enterprise Risk Management of the Year - By Asian Banker
- Strongest bank by balance sheet in Egypt for 2015 - By Asian Banker

More awards available: [www.cibeg.com/English/AboutCIB/Pages/Awards.aspx](http://www.cibeg.com/English/AboutCIB/Pages/Awards.aspx)

*\*As of September 1, 2015*



# Why Egypt?

## Political Situation

- Building new political structure to fulfill the dreams of all Egyptians
- General improved optimism about the political future in Egypt
- Moving to a more open political system

## Economic Environment

- Among the most diverse in the MENA region
- Started transformation to a stable and modern economy
- A pro-business Government
- Initiation of mega-projects; New Suez Canal
- The resilience of Egyptian Economy is capable of overcoming challenges as it did in 2008 financial crisis
- Banking sector possesses high structural profitability and remains intact

## Robust banking reform program

- Phase I (2005-2008): successfully completed
- Phase II (2009- 2011): improving the regulatory environment, adopting Basel II and increased focus on corporate governance and limit concentrated risk exposure and proprietary investment
- Phase III (2011-2012): Finalized the fine tuning of the regulations
- Phase IV (Ongoing): Parallel run of existing regulations on capital adequacy and Basel II and finalizing the data warehousing framework

# Why CIB?

Along with its subsidiaries and Affiliates

Assets grew 18.72% from 2009 till 2015 year-end

Highly reputable among all banks in Egypt

Highly skilled group leading the Bank

Acted as a cushion during unstable times

**The only “one-stop shop”**

**Continuous Growth**

**Strongest brand equity in market**

**Experienced management team**

**Conservative provisioning policies**



**Profitability**

- Market leader
- NPAT EGP 1.1bn
- Total revenues EGP 2.9bn

**Asset Quality**

- NPL/Gross loans 3.98%\*
- Direct Coverage Ratio 188%\*

**Liquidity**

- High liquidity
- Gross LDR 40.3%

**KPIs**

- ROAA 2.59%\*\*
- ROAE 29.7%\*\*
- Cost/income 24.8%

**Prudent credit policies**

- Reflected in no deterioration in asset quality

**Largest in...**

- Total Assets EGP 179.5 bn
- Market Cap EGP 43.7bn in private banks\*\*\*

\* Ratio on a standalone basis

\*\* Ratio after appropriation

\*\*\*Market cap as of 31/12/2015

*This slide shows CIB's Q4'2015 performance, figures on a consolidated basis unless otherwise stated*



## Thank you

For more information, please visit

[www.cibeg.com](http://www.cibeg.com)

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To read about the projects that the CIB Foundation has helped support and ways in which you can donate, please visit

[www.cibfoundationegypt.org](http://www.cibfoundationegypt.org)