



News Release

14 August 2012

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS SECOND-QUARTER 2012 CONSOLIDATED NET INCOME OF EGP 523 MILLION, OR EGP 0.79 PER SHARE, UP 18% FROM EGP 443 MILLION IN SECOND-QUARTER 2011

🌐 Strong second-quarter 2012 financial results:

- Consolidated net income of EGP 523 million, or EGP 0.79 per share, up 3.6% quarter-on-quarter (QoQ) and 18% year-on-year (YoY)
- Consolidated revenues of EGP 1.23 billion, up 6.8% QoQ and 23% YoY

🌐 First-half 2012 financial highlights:

- Consolidated net income of EGP 1.03 billion, or EGP 1.78 per share (up 37% YoY), on revenues of EGP 2.38 billion (up 24% YoY)
- Consolidated net income before tax of EGP 1.45 billion, up 52% YoY
- Standalone net interest margin of 4.5%¹, up 25% YoY
- Consolidated efficiency ratio (cost-to-income) improved to 31.9% from 40.0% in first-half 2011

🌐 Robust balance sheet:

- Total tier capital of EGP 8.7 billion (15.3% of risk-weighted assets) versus 8.5 billion at year-end 2011, of which 92% is high quality Tier I capital
- Total risk-weighted assets of EGP 56.8 billion, up 2.7% from year-end 2011
- High quality of funding, with stable time deposits and certificates of deposit comprising 63% of total deposits
- Non-performing loans were 2.77% of the gross loan portfolio versus 2.90% for first-quarter 2012 and 2.81% for year-end 2011
- Loan loss provisions balance increased to EGP 1.6 billion, up 9.9% compared to year-end 2011, and covering non-performing loans by a comfortable 134.8% (versus 120.6% at year-end 2011)

🌐 Superior first-half returns:

- Consolidated return on average equity of 24.7% versus 18.8% in first-half 2011
- Consolidated return on average assets of 2.3% versus 2.0% in first-half 2011

🌐 Committed to our community:

- The CIB Foundation Fellowship for Science and Technology signed a EGP 5 million protocol of cooperation with Zewail City of Science and Technology to sponsor 50 Egyptian undergraduate students at Zewail University
- The CIB Foundation signed an EGP 1 million protocol of cooperation with Rotary Kasr El-Neil to sponsor 1,000 children's eye surgeries through Rotary's "Children's Right to Sight" programme

¹ Based on managerial accounts

CIB Second-Quarter 2012 News Release

CAIRO – Commercial International Bank (EGX: COMI) today reported second-quarter 2012 consolidated net income of EGP 523 million, or EGP 0.79 per share, compared with net income of EGP 443 million, or EGP 0.69 per share, in second-quarter 2011. On a standalone basis, the bank reported net income of EGP 535 million.

Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented on the quarter: “CIB has continued to deliver solid performance in the second quarter of 2012. Consolidated revenues came in at EGP 2.38 billion in the first half, up 24% year-over-year and 23% higher than 2010. Second-quarter revenues were EGP 1.23 billion, an increase of 23% year-over-year.

“Alongside healthy top-line growth, strict control over expenses resulted in improving efficiency ratios and margins. Our consolidated efficiency ratio showed a marked improvement to 31.9% from the 40.0% achieved in the comparable year-ago period. Even with the higher cost of risk resulting from Egypt’s prolonged economic recovery, CIB is well on course to achieving outstanding full-year results.”

FIRST-HALF FINANCIAL HIGHLIGHTS

REVENUES

Second-quarter consolidated revenues were EGP 1.23 billion, up 23% from EGP 997 million in second-quarter 2011 and 6.8% higher than first-quarter 2012. First-half revenue was EGP 2.38 billion, up 24% from EGP 1.92 billion in the year-ago period.

On a standalone basis, the bank achieved EGP 1.20 billion in revenues for the second quarter, up 23% over the year-ago period and 7.2% over first-quarter 2012. First-half revenues were EGP 2.32 billion, 25% over first-half 2011.

Net Interest Income

Management continued with their new asset-liability strategy that began at the start of the year, resulting in an enhancement of net interest margin by 91 basis points to 4.5% for first-half 2012, an increase of 25% over first-half 2011’s figure of 3.6%. This generated standalone net interest income of EGP 1.79 billion for the first-half, outperforming the year-ago period by 43% (versus EGP 1.26 billion).

Consolidated NII recorded EGP 1.80 billion, up 43% compared to EGP 1.26 billion in the comparable period last year.

Non-Interest Income

First-half non-interest income was EGP 576 million, decreasing 12% from first-half 2011. CIB incurred losses on financial investments of EGP 23 million compared to income of EGP 37 million in first-half 2011, and dividend income decreased 62% to EGP 22 million from EGP 57 million in the comparable year-ago period.

Trade finance experienced strong YoY growth of 20%, recording fees of EGP 118 million in first-half 2012. Bancassurance revenues also surged to EGP 21 million compared to EGP 6 million in the year-ago period.

On a standalone basis, first-half non-interest income decreased by 12% to EGP 530 million compared to EGP 605 million in first-half 2011. Second-quarter non-interest income was EGP 274 million compared to EGP 347 million in second-quarter 2011, but increased 7% from the EGP 256 million achieved in first-quarter 2012.



NON-INTEREST EXPENSE

Consolidated non-interest expense in first-half 2012 was EGP 771 million, up 0.5% from EGP 767 million in the comparable year-ago period. Second-quarter non-interest expense was EGP 383 million compared to EGP 357 million in second-quarter 2011 (up 7.3%), but declined 1.4% from first-quarter 2012. Consolidated administrative expense grew by 6.1% in the first half to register EGP 756 million compared to 713 million in first-half 2011.

Overall revenues grew more quickly than expenses, leading to an improved first-half consolidated efficiency ratio of 31.9% versus 40.0% in first-half 2011. On a standalone basis, CIB's non-interest expense increased by 7.1%, and the standalone efficiency ratio improved to 29.7% from 35.2% in the year-ago period.

LOANS

Total gross loans were EGP 42.83 billion at the end of the second quarter, up 9.6% over second-quarter 2011 and down 0.25% from year-end 2011. On a QoQ basis, gross and net loans increased 2.0% and 1.8% respectively from first-quarter 2012.

CIB maintained the highest loan market share of all private-sector banks at 8.54% as of April 2012 (according to the latest data from the Central Bank of Egypt at time of print).

DEPOSITS

Customer deposits were EGP 76.77 billion, up 14.1% YoY and 7.4% over year-end 2011. On a QoQ basis, deposits increased 3.4% from first-quarter 2012.

Deposit market share grew to 7.4% as of April 2012, maintaining CIB's leading position amongst all private-sector banks.

The loan-to-deposit ratio was 55.8% in second-quarter 2012 versus 60.0% at year-end 2011.

ASSET QUALITY

Management's conservative risk management approach resulted in the coverage of non-performing loans by provisions reaching 134.8%, versus 121.2% in first-quarter 2012 and 120.6% at year-end 2011. The loan loss provisions reserve was EGP 1.6 billion, while other provisions were EGP 284 million.

Non-performing loans were 2.77% of gross loans, down from 2.90% in first-quarter 2012 and 2.81% at year-end 2011.

CAPITAL

Total tier capital increased to EGP 8.7 billion in June 2012, or 15.3% of risk-weighted assets versus 15.4% at year-end 2011. High quality Tier I capital grew to EGP 8.0 billion, or 14.1% of risk-weighted assets vs. EGP 7.8 billion, or 14.2%, at year-end 2011. Risk weighted assets increased by 2.7% to EGP 56.8 billion from EGP 55.4 billion at year-end 2011.

Note on Taxes

In June 2011, the Government of Egypt raised corporate taxes from 20% to 25% for all income over EGP 10 million. The first-half tax burden includes EGP 80 million related to taxes on full-year 2011 income from treasury bills and bonds. Management conservatively accrued this amount in response to the Tax Authority's circular distributed in March 2012. Normalising for this amount, consolidated net income would be EGP 1.11 billion, up 48% over first-half 2011.

INSTITUTIONAL BANKING

Key Metrics and Business Updates²

- #1 private-sector bank in Egypt in terms of revenues, net income, deposits, loans, total assets, book value and market capitalization.
- End-of-period loans retained were EGP 36.7 billion, down 2.7% from year-end 2011 and up 0.8% over first-quarter 2012.
- End-of-period deposits were EGP 21.6 billion, down 1.7% from year-end 2011 and flat from first-quarter 2012.

CONSUMER BANKING

Key Metrics and Business Updates²

- End-of-period loans retained were EGP 6.1 billion, up 17.4% over year-end 2011 and 10.1% over first-quarter 2012.
- End-of-period deposits were EGP 55.2 billion, up 11.5% over year-end 2011 and 5.0% over first-quarter 2012.
- 151 branches and units throughout Egypt, supported by a network of 493 ATMs and 7,894 points of sale.
- #2 position in debit card usage and #3 in credit cards. Highest card acquisition rate in the market.

² Loan and deposit balances based on managerial accounts

CONSOLIDATED FINANCIAL HIGHLIGHTS

| | Consolidated P&L Statement | | | | | | | |
|----------------------------------|----------------------------|--------------|-----------------|-------------|-----------------|--------------|--------------|-----------------|
| | 2Q12 | 1Q12 | Change | 2Q11 | Change | 1H12 | 1H11 | Change |
| | EGP million | EGP million | (2Q12 vs. 1Q12) | EGP million | (2Q12 vs. 2Q11) | EGP million | EGP million | (1H12 vs. 1H11) |
| Net Interest Income | 932 | 870 | 7.1% | 630 | 47.9% | 1,801 | 1,262 | 42.7% |
| Non-Interest Income | 296 | 280 | 5.8% | 367 | -19.3% | 576 | 656 | -12.2% |
| Net Operating Income | 1,228 | 1,150 | 6.8% | 997 | 23.2% | 2,377 | 1,919 | 23.9% |
| Non-Interest Expense | (383) | (388) | -1.4% | (357) | 7.3% | (771) | (767) | 0.5% |
| Provisions | (143) | (17) | 762.7% | (78) | 81.9% | (159) | (201) | -20.9% |
| Net Profit before Tax | 703 | 745 | -5.7% | 562 | 25.0% | 1,448 | 951 | 52.3% |
| Income Tax | (182) | (248) | -26.6% | (126) | 44.7% | (430) | (216) | 99.2% |
| Deferred Tax | 3 | 8 | -65.0% | 7 | -57.7% | 11 | 16 | -30.2% |
| Net Profit | 523 | 505 | 3.6% | 443 | 18.1% | 1,029 | 751 | 37.0% |
| Minority Interest | 0 | 0 | -18.7% | 0 | 21.2% | 1 | 0 | 291.6% |
| Net Profit After Minority | 523 | 505 | 3.6% | 443 | 18.1% | 1,028 | 751 | 36.9% |

| | Consolidated Key Financial Indicators | | | | | | | |
|-------------------------|---------------------------------------|--------|-----------------|--------|-----------------|--------|--------|-----------------|
| | 2Q12 | 1Q12 | Change | 2Q11 | Change | 1H12 | 1H11 | Change |
| | | | (2Q12 vs. 1Q12) | | (2Q12 vs. 2Q11) | | | (1H12 vs. 1H11) |
| Profitability | | | | | | | | |
| ROAE | 25.1% | 25.2% | -0.3% | 22.2% | 12.9% | 24.7% | 18.8% | 30.9% |
| ROAA | 2.4% | 2.3% | 1.7% | 2.3% | 3.5% | 2.3% | 2.0% | 20.0% |
| NIM ¹ | 4.6% | 4.5% | 1.2% | 3.5% | 29.0% | 4.5% | 3.6% | 25.3% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 30.67% | 33.26% | -7.8% | 36.03% | -14.9% | 31.92% | 40.0% | -20.16% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 55.8% | 56.6% | -1.4% | 58.0% | -3.9% | 55.8% | 60.0% | -7.0% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 2.77% | 2.91% | -4.7% | 2.93% | -5.5% | 2.77% | 2.81% | -1.4% |
| Direct Coverage Ratio | 134.8% | 121.2% | 11.2% | 128.9% | 4.6% | 134.8% | 120.6% | 11.8% |
| Capital Adequacy Ratio | 15.32% | 15.27% | 0.4% | 15.64% | -2.0% | 15.32% | 15.40% | -0.5% |

STANDALONE FINANCIAL HIGHLIGHTS

| Standalone P&L Statement | | | | | | | | |
|------------------------------|--------------|--------------|-----------------|-------------|-----------------|--------------|--------------|-----------------|
| | 2Q12 | 1Q12 | Change | 2Q11 | Change | 1H12 | 1H11 | Change |
| | EGP million | EGP million | (2Q12 vs. 1Q12) | EGP million | (2Q12 vs. 2Q11) | EGP million | EGP million | (1H12 vs. 1H11) |
| Net Interest Income | 929 | 866 | 7.3% | 628 | 48.0% | 1,794 | 1,258 | 42.6% |
| Non-Interest Income | 274 | 256 | 7.0% | 347 | -21.0% | 530 | 605 | -12.3% |
| Net Operating Income | 1,203 | 1,122 | 7.2% | 974 | 23.4% | 2,324 | 1,863 | 24.8% |
| Non-Interest Expense | (348) | (354) | -1.8% | (302) | 15.3% | (702) | (655) | 7.1% |
| Provisions | (143) | (17) | 762.7% | (78) | 81.9% | (159) | (201) | -20.9% |
| Net Profit before Tax | 712 | 751 | -5.1% | 594 | 19.9% | 1,464 | 1,007 | 45.4% |
| Income Tax | (181) | (247) | -26.8% | (124) | 45.6% | (428) | (213) | 100.7% |
| Deferred Tax | 3 | 8 | -59.0% | 7 | -49.5% | 12 | 16 | -26.3% |
| Net Profit | 535 | 513 | 4.4% | 477 | 12.2% | 1,048 | 809 | 29.4% |

| Standalone Key Financial Indicators | | | | | | | | |
|-------------------------------------|-------------|-------------|-----------------|-------------|-----------------|-------------|-------------|-----------------|
| | 2Q12 | 1Q12 | Change | 2Q11 | Change | 1H12 | 1H11 | Change |
| | | | (2Q12 vs. 1Q12) | | (2Q12 vs. 2Q11) | | | (1H12 vs. 1H11) |
| Profitability | | | | | | | | |
| ROAE | 24.7% | 24.5% | 0.6% | 23.7% | 4.1% | 24.2% | 20.1% | 20.0% |
| ROAA | 2.4% | 2.4% | 2.5% | 2.5% | -2.2% | 2.4% | 2.1% | 12.9% |
| NIM ¹ | 4.6% | 4.5% | 1.2% | 3.5% | 29.0% | 4.5% | 3.6% | 25.3% |
| Efficiency | | | | | | | | |
| Cost-to-Income | 28.44% | 31.09% | -8.5% | 31.18% | -8.8% | 29.72% | 35.2% | -15.54% |
| Liquidity | | | | | | | | |
| Gross Loans-to-Deposits | 55.8% | 56.6% | -1.4% | 58.0% | -3.7% | 55.8% | 60.1% | -7.1% |
| Asset Quality | | | | | | | | |
| NPLs-to-Gross Loans | 2.77% | 2.91% | -4.7% | 2.93% | -5.5% | 2.77% | 2.81% | -1.4% |
| Direct Coverage Ratio | 134.8% | 121.2% | 11.2% | 128.9% | 4.6% | 134.8% | 120.6% | 11.8% |
| Capital Adequacy Ratio | 15.32% | 15.27% | 0.4% | 15.64% | -2.0% | 15.32% | 15.40% | -0.5% |

CONSOLIDATED AND STANDALONE BALANCE SHEETS

| Balance Sheet Highlights | Consolidated Balance Sheet | | | Standalone Balance Sheet | | |
|---|----------------------------|-----------------------|-------------|--------------------------|-----------------------|-------------|
| | Jun-12 EGP million | Dec-11 EGP million | Change | Jun-12 EGP million | Dec-11 EGP million | Change |
| Cash & Due from Central Bank | 5,542 | 7,492 | -26.0% | 5,542 | 7,492 | -26.0% |
| Due from Banks | 9,880 | 8,528 | 15.9% | 9,712 | 8,449 | 14.9% |
| Treasury Bills & Governmental Notes | 9,415 | 9,261 | 1.7% | 9,366 | 9,213 | 1.7% |
| Trading Financial Assets | 1,341 | 675 | 98.6% | 1,290 | 561 | 129.9% |
| Available-for-Sale Investments | 15,406 | 15,422 | -0.1% | 15,393 | 15,413 | -0.1% |
| Net Loans & Overdrafts | 40,771 | 41,065 | -0.7% | 40,771 | 41,065 | -0.7% |
| Financial Derivatives | 134 | 147 | -8.3% | 134 | 147 | -8.3% |
| Held-to-Maturity Investments | 3,673 | 39 | NM | 3,663 | 29 | NM |
| Financial Investment in Subsidiaries | 123 | 107 | 15.1% | 1,012 | 996 | 1.7% |
| Other Assets | 3,317 | 2,798 | 18.5% | 3,006 | 2,263 | 32.8% |
| Total Assets | 89,602 | 85,534 | 4.8% | 89,889 | 85,628 | 5.0% |
| Due to Banks | 1,785 | 3,341 | -46.6% | 1,785 | 3,341 | -46.6% |
| Customer Deposits | 76,767 | 71,468 | 7.4% | 76,802 | 71,574 | 7.3% |
| Other Liabilities | 2,132 | 1,939 | 9.9% | 1,928 | 1,792 | 7.6% |
| Total Liabilities | 80,684 | 76,748 | 5.1% | 80,515 | 76,707 | 5.0% |
| Total Shareholders' Equity | 7,843 | 7,125 | 10.1% | 8,327 | 7,172 | 16.1% |
| Net Profit for the Period | 1,028 | 1,615 | NM | 1,048 | 1,749 | NM |
| Shareholders' Equity & Net Profit | 8,871 | 8,740 | 1.5% | 9,375 | 8,921 | 5.1% |
| Minority Interest | 47 | 46 | 2.2% | | | |
| Total Liabilities & Shareholders' Equity | 89,602 | 85,534 | 4.8% | 89,889 | 85,628 | 5.0% |