

News Release

19 July 2017

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD SECOND-QUARTER 2017 CONSOLIDATED REVENUE OF EGP 3.55 BILLION AND NET INCOME OF EGP 1.83 BILLION, OR EGP 1.39 PER SHARE, UP 25% FROM SECOND-QUARTER 2016

Record Second-Quarter 2017 Consolidated Financial Results

- Net income of EGP 1.83 billion, up 25% year-on-year (YoY)
- Revenues of EGP 3.55 billion, up 29% YoY
- Return on average equity of 31.65%
- Return on average assets of 2.66%
- Efficiency ratio of 21.44%
- Net interest margin of 4.72%

Record First-Half 2017 Consolidated Financial Results

- Net income of EGP 3.56 billion, up 29% YoY
- Revenues of EGP 6.88 billion, up 29% YoY
- Return on average equity of 31.28%
- Return on average assets of 2.61%
- Efficiency ratio of 21.67%
- Net interest margin of 4.66%

Robust Balance Sheet

- Total tier capital recorded EGP 24.77 billion, or 15.61% of risk-weighted assets
- CBE local currency liquidity ratio of 57.18%, foreign currency of 55.41% (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 97% of total liabilities
- Non-performing loans coverage ratio of 148.41%

Supporting our Economy

- Funding to businesses and individuals grew by 5% during second quarter of 2017 to reach EGP 104 billion, with a loan market share of 7.40%¹
- Deposits grew by 2% during second quarter of 2017 to reach EGP 245 billion, translating into a deposit market share of 8.36%¹
- In second-quarter 2017, CIB’s operations generated EGP 1.01 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation supported two Egyptian high school students completing their studies at the African Leadership Academy in South Africa
- CIB Foundation conducted 6 blood donations campaigns for collecting 201 blood bags to cover the needs of more than 600 patients
- CIB Foundation covered 120 eye surgeries through the Children's Right to Sight Program

¹ As of March 2017; latest available CBE data at time of print

CIB Second-Quarter 2017 News Release

- CIB Foundation, in association with Gozour Foundation for Development, helped in providing more than 100,000 disadvantaged students enrolled at public schools in poor rural and urban areas in Egypt with free eye care services.

Awards & Rankings

- Global Finance: Best Bank in Egypt 2017
- Global Finance: Best Securities Services Providers in Egypt
- Euromoney: Best Bank in Egypt
- Euromoney: Best Bank in Middle East
- Euromoney: World's Best Bank in the Emerging Markets

CAIRO - Commercial International Bank (EGX: COMI) today reported second-quarter 2017 consolidated revenue of EGP 3.55 billion and net income of EGP 1.83 billion, or EGP 1.39 per share, up 25% from second-quarter 2016.

Management commented: "As clearly stated in our last couple of releases, CIB's Management anticipated a forthcoming increase in corridor rates, despite a 300bp hike having already taken place towards the end of 2016 post the Egyptian Pound floatation. Responsively, Management started re-engineering the Bank's balance sheet beforehand, continuing to direct funds towards shorter-duration assets in order to make the most of any interest rate movements. Only a few months later, our expectation actually materialized, as the CBE took the decision to raise benchmark rates by 200bp during the second quarter of 2017. CIB, however, managed to deliver commendable results, achieving record top and bottom lines and impressively growing its loan portfolio, despite the backdrop of a shortage in local currency liquidity and subdued growth in lending, which adversely impacted margins in the Egyptian Banking sector.

Amid the current ambiguity of the situation, especially with regards to the CBE corridor rate movement decisions, we remain comfortable with the Bank's resilient fundamentals to withstand economic pressures and to continue to deliver market-leading performance while maintaining comfortable capital and liquidity positions, in accordance with both CBE regulations and international best practices, as the Bank's balance sheet has become more lenient to accommodate any up- or down-moves in both interest rates and currency exchange rates. We expect the second half of 2017 to be challenging and eventful, as the effects of the country's economic reforms continue to ripple through the economy. Specifically, the road ahead is beset by challenges, ranging from current inflation rates to the more recent 200bp corridor rate hike."

SECOND-QUARTER FINANCIAL HIGHLIGHTS

REVENUES

Second-quarter 2017 standalone revenues were EGP 3.55 billion, up 29% from second-quarter 2016, driven mainly by NII growth.

Net Interest Income

Year-to-date (YtD) net interest margin (NIM)² was 4.66%, generating net interest income of EGP 5.74 billion, up 27% YoY.

² Based on managerial accounts

CIB Second-Quarter 2017 News Release

Non-Interest Income

Standalone non-interest income for first half of 2017 was EGP 1.43 billion (20% of revenues).

Trade service fees were EGP 423 million. Trade service net outstanding balances stood at EGP 71.08 billion, 4% higher YtD.

OPERATING EXPENSE

Standalone operating expense for first half of 2017 was EGP 1.5 billion, up 25% YoY. Cost-to-income reported 20.78% down from 22.29% in first-half 2016, comfortably below the desirable level of 30%.

LOANS

CIB's total consolidated gross loan portfolio was EGP 104 billion, adding EGP 7.01 billion, or 7% YtD. CIB's loan market share reached 7.40% as of March 2017. CIB witnessed 30% growth in its local currency gross loan portfolio in first half of the year adding EGP 13bn and outweighing foreign currency loan repayments by an equivalent of EGP 6bn.

DEPOSITS

Deposits were EGP 245 billion, adding EGP 13.42 billion, or 6% YtD. CIB's deposit market share was 8.36% as of March 2017, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 6.81% of the gross loan portfolio, covered 148.41% by the Bank's EGP 10.56 billion loan loss provision balance. Loan loss provision expenses were EGP 303 million in the second quarter of 2017, as CIB continued its conservative risk management strategy to counter current and potential economic challenges in certain industries.

CAPITAL AND LIQUIDITY

Total tier capital was EGP 24.77 billion, or 15.61% of risk-weighted assets as of June 2017. Tier I capital was EGP 23.10 billion, or 93% of total tier capital.

CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines, which have been recently enforced by the CBE, in both local currency and foreign currency. LCY CBE liquidity ratio remained well above the regulator's 20% requirement, recording 57.18% as of June 2017, while FCY CBE liquidity ratio reached 55.41%, above the threshold of 25%. NSFR was 195.92% for local currency and 144.93% for foreign currency, and LCR was 659.23% for local currency and 475.25% for foreign currency, comfortably above the 100% Basel III requirement.

KEY METRICS AND BUSINESS UPDATES³

- #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 84.7 billion, 5% higher QoQ and 3% higher YtD.
- End-of-period deposits were EGP 50.3 billion, 5% lower QoQ and 20% lower YtD.
- Gross outstanding contingent business reached EGP 72.6⁴ billion, 98% higher from last year and flat QoQ.

BUSINESS BANKING

- End-of-period gross loans were EGP 2.2 billion, 4% higher QoQ and 8% higher YtD.
- End-of-period deposits were EGP 59.3 billion, 1% higher QoQ and 12% higher YtD.
- Gross outstanding contingent business reached EGP 1.8⁴ billion, up 22% YoY and flat QoQ.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 17.5 billion, 5% higher QoQ and 24% higher YtD.
- End-of-period deposits were EGP 135.5 billion, 6% higher QoQ and 17% higher YtD.
- CIB continued to expand its network to reach a total of 172 branches and 23 units across Egypt, supported by a network of 807 ATMs.

³ Loan and deposit balances based on managerial accounts

⁴ On gross basis; based on managerial accounts

CIB Second-Quarter 2017 News Release

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q17	1Q17	QoQ Change	2Q16	YoY Change	1H17	1H16	YoY change
	EGP million	EGP million	(2Q17 vs. 1Q17)	EGP million	(2Q17 vs. 2Q16)	EGP million	EGP million	(1H17 vs. 1H16)
Net Interest Income	2,959	2,783	6%	2,266	31%	5,743	4,534	27%
Non-Interest Income	594	538	10%	484	23%	1,132	799	42%
Net Operating Income	3,554	3,322	7%	2,749	29%	6,875	5,333	29%
Non-Interest Expense	(754)	(746)	1%	(603)	25%	(1,501)	(1,204)	25%
Loan loss provision	(303)	(507)	-40%	(216)	40%	(809)	(504)	61%
Net Profit before Tax	2,497	2,069	21%	1,930	29%	4,565	3,624	26%
Income Tax	(651)	(599)	9%	(475)	37%	(1,250)	(957)	31%
Deferred Tax	(18)	15	NM	(54)	-67%	(3)	5	NM
Net profit from continued operations	1,828	1,485	23%	1,402	30%	3,313	2,672	24%
CI Capital Profit (Net of Tax)	-	273	NM	63	NM	273	88	208%
Net profit	1,828	1,757	4%	1,464	25%	3,585	2,760	30%
Minority Interest	-	24	NM	0.1	NM	24	5	396%
Net Profit After Minority	1,828	1,733	5%	1,464	25%	3,561	2,756	29%

Financial Indicators	2Q17	1Q17	QoQ Change	2Q16	YoY Change	1H17	1H16	YoY change
	EGP million	EGP million	(2Q17 vs. 1Q17)	EGP million	(2Q17 vs. 2Q16)	EGP million	EGP million	(1H17 vs. 1H16)
Profitability								
ROAE	31.65%	31.94%	-1%	36.87%	-14%	31.28%	32.66%	-4%
ROAA	2.66%	2.57%	4%	3.02%	-12%	2.61%	2.94%	-11%
Efficiency								
Cost-to-Income	21.44%	21.9%	-2%	21.74%	-1%	21.67%	22.53%	-4%
Liquidity								
Gross Loans-to-Deposits	42.62%	41.5%	3%	39.61%	8%	42.62%	39.61%	8%
Asset Quality								
NPLs-to-Gross Loans	6.81%	7.02%	-3%	4.95%	38%	6.81%	4.95%	38%
Capital Adequacy Ratio	15.61%	14.5%	8%	14.04%	11%	15.61%	14.04%	11%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q17	1Q17	QoQ Change	2Q16	YoY Change	1H17	1H16	YoY change
	EGP million	EGP million	(2Q17 vs. 1Q17)	EGP million	(2Q17 vs. 2Q16)	EGP million	EGP million	(1H17 vs. 1H16)
Net Interest Income	2,959	2,783	6%	2,266	31%	5,743	4,534	27%
Non-Interest Income	588	839	-30%	483	22%	1,427	856	67%
Net Operating Income	3,547	3,623	-2%	2,748	29%	7,170	5,390	33%
Non-Interest Expense	(754)	(746)	1%	(603)	25%	(1,501)	(1,204)	25%
Loan loss provision	(303)	(507)	-40%	(216)	40%	(809)	(504)	61%
Net Profit before Tax	2,490	2,370	5%	1,929	29%	4,860	3,682	32%
Income Tax	(651)	(599)	9%	(475)	37%	(1,250)	(957)	31%
Deferred Tax	(18)	15	NM	(54)	-67%	(3)	5	NM
Net Profit	1,821	1,785	2%	1,401	30%	3,607	2,729	32%

Financial Indicators	2Q17	1Q17	QoQ Change	2Q16	YoY Change	1H17	1H16	YoY change
	EGP million	EGP million	(2Q17 vs. 1Q17)	EGP million	(2Q17 vs. 2Q16)	EGP million	EGP million	(1H17 vs. 1H16)
Profitability								
ROAE	31.59%	33.00%	-4%	35.35%	-11%	31.78%	32.43%	-2%
ROAA	2.65%	2.66%	-1%	2.92%	-9%	2.66%	2.93%	-9%
NIM*	4.72%	4.62%	2%	5.51%	-14%	4.66%	5.64%	-17%
Efficiency								
Cost-to-Income	21.48%	20.13%	7%	21.75%	-1%	20.78%	22.29%	-7%
Liquidity								
Gross Loans-to-Deposits	42.62%	41.47%	3%	40.01%	7%	42.62%	40.01%	7%
Asset Quality								
NPLs-to-Gross Loans	6.81%	7.02%	-3%	4.89%	39%	6.81%	4.89%	39%
Direct Coverage Ratio	148.41%	147.07%	1%	169.12%	-12%	148.41%	169.12%	-12%

* NIM based on managerial accounts



CIB Second-Quarter 2017 News Release

BALANCE SHEET

	Consolidated			Standalone		
	Jun-17	Dec-16	YtD Change	Jun-17	Dec-16	YtD Change
	EGP million	EGP million	(Jun-17 Vs. Dec-16)	EGP million	EGP million	(Jun-17 Vs. Dec-16)
Cash & Due from Central Bank	19,498	10,522	85%	19,498	10,522	85%
Due from Banks	58,552	58,011	1%	58,552	58,011	1%
Treasury Bills & Governmental Notes	43,093	39,177	10%	43,093	39,177	10%
Trading Financial Assets	1,532	2,445	-37%	1,532	2,445	-37%
Available-for-Sale Investments	6,840	5,447	26%	6,840	5,447	26%
Financial assets held for sale	223	4,890	-95%	223	428	-48%
Net Loans & Overdrafts	91,222	85,384	7%	91,222	86,152	6%
Financial Derivatives	57	269	-79%	57	269	-79%
Held-to-Maturity Investments	48,489	53,925	-10%	48,489	53,925	-10%
Financial Investment in Subsidiaries	54	37	48%	10	11	-7%
Other Assets	8,118	7,436	9%	8,118	7,465	9%
Total Assets	277,678	267,544	4%	277,634	263,852	5%
Due to Banks	1,586	3,009	-47%	1,586	3,009	-47%
Customer Deposits	245,163	231,741	6%	245,163	231,965	6%
Other Liabilities	6,766	11,286	-40%	6,766	7,602	-11%
Total Liabilities	253,514	246,036	3%	253,514	242,576	5%
Total Shareholders' Equity	20,603	15,365	34%	20,513	15,325	34%
Net Profit for the Period	3,561	6,009	-41%	3,607	5,951	-39%
Shareholders' Equity & Net Profit	24,164	21,374	13%	24,120	21,276	13%
Minority Interest	-	133	NM	-	-	
Total Liabilities & Shareholders' Equity	277,678	267,544	4%	277,634	263,852	5%