

News Release

31 January 2017

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD FULL-YEAR 2016 CONSOLIDATED REVENUE OF EGP 11.3 BILLION AND RECORD NET INCOME OF EGP 6.01 BILLION, OR EGP 4.56 PER SHARE, UP 27% FROM 2015 RECORD FOURTH-QUARTER 2016 CONSOLIDATED REVENUE OF EGP 3.12 BILLION AND NET INCOME OF EGP 1.55 BILLION, OR EGP 1.19 PER SHARE, UP 35% FROM FOURTH-QUARTER 2015

Record FY16 Consolidated Financial Results

- Record net income of EGP 6.01 billion, up 27% YoY
- Revenues of EGP 11.3 billion, up 11% YoY
- Return on average equity of 34.2%¹
- Return on average assets of 2.71%¹
- Efficiency ratio of 21.4%
- Standalone net interest margin of 5.47%

Strong Fourth-Quarter 2016 Consolidated Financial Results

- Net income of EGP 1.55 billion, up 35% year-on-year (YoY)
- Revenues of EGP 3.12 billion, up 13% YoY
- Return on average equity of 30.6%
- Return on average assets of 2.61%
- Efficiency ratio of 20.8%
- Standalone net interest margin of 4.98%

Robust Balance Sheet

- Total tier capital of EGP 16.12 billion, or 10.74%² of risk-weighted assets, of which 90% is high quality Tier I capital. After 2016 profit appropriation, total tier capital would be EGP 20.97 billion, or 13.97% of risk-weighted assets.
- CBE local currency liquidity ratio of 60.8%, foreign currency of 47.8% (comfortably above CBE requirements of 20% and 25% respectively)
- CIB is well above the 100% requirement in the Basel III NSFR and LCR ratios
- High quality of funding, with customer deposits comprising 96%³ of total liabilities
- Standalone non-performing loans coverage ratio of 149%

Supporting our Economy

- Funding to businesses and individuals grew by 56% during FY16 to reach EGP 98.2 billion, with a real loan growth of 5.4%⁴ and a loan market share of 7.03% as of September 2016⁵
- Deposits grew by 49% in FY16 to EGP 232 billion, with a real deposit growth of 12%⁴, translating into a deposit market share of 8.09% as of September 2016
- In 2016, CIB’s operations generated EGP 2.5 billion in corporate, payroll and other taxes

¹ After 2016 profit appropriation

² Before 2016 profit appropriation

³ On a Standalone basis

⁴ Adjusted for the EGP devaluation

⁵ Latest available CBE data at time of print

CIB Fourth-Quarter 2016 News Release

Committed to our Community

- CIB Foundation organized a multiple sports days to children from the Egyptian Red Crescent, to offer equal opportunity to underprivileged children to explore and develop their athletic capabilities
- CIB Foundation conducted blood donation campaigns in five governorates
- CIB Foundation fulfilled the purchase of a pediatric Computed Tomographic (CT) scan machine for the Department of Radiology - National Cancer Institute to increase its efficacy in daily emergency intake and eliminate the pediatric waiting list
- CIB Foundation fulfilled the purchase of an intraoperative MRI machine for the Children's Cancer Hospital 57357

Awards & Rankings

- JP Morgan: MT 202 ELITE Quality Recognition Award with STP rate of 99.70%
- JP Morgan: MT 103 Quality Recognition Award with STP rate of 98.22%
- The Asian Banker: Achievement in Liquidity Risk Management
- The Asian Banker: Achievement in Operational Risk Management

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2016 consolidated net income of EGP 1.55 billion, or EGP 1.19 per share, an increase of 35% over fourth-quarter 2015 net income of EGP 1.15 billion, or EGP 0.87 per share.

Management commented: "CIB posted another year of record performance, despite the unfavorable macroeconomic environment and increasingly challenging regulatory requirements, generating consolidated full-year revenues of EGP 11.3 billion and net income of EGP 6.01 billion, up 11% and 27% from 2015, respectively.

With the unprecedented decision by the CBE to allow the Egyptian Pound to trade freely by year-end after severe foreign currency shortages, three corridor rate hikes throughout the year, with the latest being for an aggressive 300bp, along with the enforcement of ICAAP and the Capital Conservation Buffer, 2016 turned out to be a truly challenging year for CIB and for the entire Egyptian banking sector. Notwithstanding these circumstances, CIB managed to meet minimum capital requirements and to deliver outstanding financial performance, attesting the Bank's resilience in the face of economic uncertainties.

During 2016, and even back in 2015, CIB Management has been proficient in foreseeing such macroeconomic and regulatory developments and has reacted accordingly to accommodate them. The decision to cut dividends in 2015, despite an overly comfortable CAR level back then, allowed CIB to absorb the interest rate hike and EGP devaluation that took place in the subsequent quarter and preserve its sufficient capital level. Not only had Management been successful in mitigating the interest rate risk on CAR, but has also managed to benefit from such an increasing interest rate environment by keeping its balance sheet at the shortest duration possible. We believe the outlook in 2017 still remains ambiguous given the impact of recent macroeconomic developments on the banking sector performance in general and the Banks' Capital Adequacy Ratios in particular. We remain, however, self-assured that our fortress balance sheet and robust fundamentals keep us well-positioned to withstand economic and regulatory pressures, should any arise."

FOURTH-QUARTER FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter standalone revenues were EGP 3.11 billion, up 12% from fourth-quarter 2015. Growth was driven by a 34% increase in net interest income.

Full year standalone revenues were EGP 11.37 billion, up 12% from the EGP 10.17 billion achieved in the year ago period.

Net Interest Income

Year-to-date standalone net interest margin (NIM)⁶ was 5.47%, generating standalone net interest income of EGP 10.02 billion, up 23% YoY.

Non-Interest Income

Standalone non-interest income for fourth quarter of 2016 was EGP 161 million (5% of revenues).

Trade service fees for FY16 were EGP 548 million. Trade service net outstanding balances stood at EGP 68.6 billion, 2.2x last year.

OPERATING EXPENSE

Standalone operating expense for FY16 was EGP 2.43 billion, up 20% YoY. Consequently, FY16 cost-to-income reported 21.3% compared to 19.7% last year, comfortably below the desirable level of 30%.

LOANS

CIB's total standalone gross loan portfolio was EGP 98.2 billion, adding EGP 35.3 billion, or 56% YoY, with real loan growth of 5.4%. CIB's loan market share reached 7.03% as of September 2016.

DEPOSITS

Standalone deposits were EGP 232 billion, adding EGP 76.6 billion, or 49% YoY, with real deposit growth of 12%. CIB's deposit market share was 8.09% as of September 2016, maintaining the highest deposit market share among all private sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 6.70% (5.7% when normalized for the EGP devaluation) of the gross loan portfolio, covered 149% by the Bank's EGP 9.82 billion loan loss provision balance. Loan loss provision expenses were EGP 315 million in the fourth quarter to reach EGP 893 million for 2016 full year, as CIB continued its conservative and proactive risk management strategy to counter potential challenges in certain industries.

driven by potentially higher risk of default of corporate clients following the recent market macroeconomic developments.

⁶ Based on managerial accounts

CIB Fourth-Quarter 2016 News Release

CAPITAL AND LIQUIDITY

Total tier capital was EGP 16.1 billion in December 2016, or 10.74% of risk-weighted assets. Tier I capital was EGP 14.5 billion, or 90% of total tier capital. After 2016 profit appropriation, total tier capital would be EGP 20.97 billion, or 13.97% of risk-weighted assets.

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 60.8% as of Dec-16, FCY CBE liquidity ratio reached 47.8%, above the threshold of 25%. NSFR was 234% for local currency and 140% for foreign currency, and LCR was 1770% for local currency and 435% for foreign currency.

KEY METRICS AND BUSINESS UPDATES⁷

- #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 80.8 billion, up 61% YoY
- End-of-period deposits were EGP 58.6 billion, up 21% YoY
- Gross outstanding contingent business reached EGP 70.95⁸ billion, 2x 2015

BUSINESS BANKING

- End-of-period gross loans were EGP 2.1 billion, up 7% YoY
- End-of-period deposits were EGP 53.2 billion, up 49% YoY
- Gross outstanding contingent business reached EGP 1.8⁸ billion, up 30% YoY

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 15.3 billion, up 41% YoY
- End-of-period deposits were EGP 120.2 billion, up 69% YoY
- CIB continued to expand its network to reach a total of 168 branches and 24 units across Egypt, supported by a network of 748 ATMs

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- CI Capital recorded FY16 operating revenues of EGP 781 million and net income of EGP 113 million⁹
- Brokerage¹⁰ reached a market share of 9.65% and EGP 192 million in revenue
- EIMA ranked CIB Amman and Rakhaa Funds first by 2016 return; Blom Bank money market and Istethmar Funds ranked second
- Investment Banking successfully closed five transactions in 2016

⁷ Loan and deposit balances based on managerial accounts

⁸ On gross basis; based on managerial accounts

⁹ CI capital net profit after minority interest

¹⁰ Brokerage includes CIBC and Dynamic



CIB Fourth-Quarter 2016 News Release

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q16 EGP million	3Q16 EGP million	QoQ Change (4Q16 vs. 3Q16)	4Q15 EGP million	YoY Change (4Q16 vs. 4Q15)	YtD Dec-16 EGP million	YtD Dec-15 EGP million	YoY change (FY16 vs. FY15)
Net Interest Income	2,952	2,532	17%	2,208	34%	10,018	8,115	23%
Non-Interest Income	163	336	-51%	547	-70%	1,298	2,074	-37%
Net Operating Income	3,115	2,868	9%	2,755	13%	11,315	10,189	11.05%
Non-Interest Expense	(639)	(589)	8%	(616)	4%	(2,433)	(2,025)	20%
Loan loss provision	(315)	(74)	328%	(562)	-44%	(893)	(1,682)	-47%
Net Profit before Tax	2,161	2,205	-2%	1,577	37%	7,990	6,482	23%
Income Tax	(564)	(496)	14%	(520)	9%	(2,017)	(1,950)	3%
Deferred Tax	(77)	(5)	NM	50	NM	(77)	136	NM
Net profit from continued operations	1,520	1,704	-11%	1,108	37%	5,896	4,669	26%
CI Capital Profit (Net of Tax)	31	7	325%	38	-18%	127	61	108%
Net profit	1,551	1,711	-9%	1,146	35%	6,023	4,730	27%
Minority Interest	0.4	9	-95%	0.3	39%	14	1	NM
Net Profit After Minority	1,551	1,703	-9%	1,146	35%	6,009	4,729	27%

Financial Indicators	4Q16	3Q16	QoQ Change (4Q16 vs. 3Q16)	4Q15	YoY Change (4Q16 vs. 4Q15)	YtD Dec-16	YtD Dec-15	YoY change (FY16 vs. FY15)
Profitability								
ROAE ¹	30.6%	37.4%	-18.3%	28.3%	31.9%	34.2%	33.5%	2.3%
ROAA ¹	2.61%	3.4%	-22.8%	2.6%	31.4%	2.71%	2.95%	-8.4%
Efficiency								
Cost-to-Income	20.8%	19.8%	5.0%	22.2%	-10.6%	21.4%	19.6%	8.9%
Liquidity								
Gross Loans-to-Deposits	42.1%	38.1%	10.5%	40.3%	4.3%	42.1%	40.3%	4.3%
Asset Quality								
NPLs-to-Gross Loans	6.76%	5.29%	27.7%	4.00%	68.8%	6.76%	4.00%	68.8%
Capital Adequacy Ratio ²	10.7%	13.9%	-22.7%	12.7%	-15.6%	10.7%	12.7%	-15.6%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q16 EGP million	3Q16 EGP million	QoQ Change (4Q16 vs. 3Q16)	4Q15 EGP million	YoY Change (4Q16 vs. 4Q15)	YtD Dec-16 EGP million	YtD Dec-15 EGP million	YoY change (FY16 vs. FY15)
Net Interest Income	2,952	2,532	17%	2,208	34%	10,018	8,115	23%
Non-Interest Income	161	335	-52%	569	-72%	1,352	2,050	-34%
Net Operating Income	3,113	2,867	9%	2,777	12%	11,370	10,165	12%
Non-Interest Expense	(639)	(589)	8%	(616)	4%	(2,433)	(2,028)	20%
Loan loss provision	(315)	(74)	328%	(562)	-44%	(893)	(1,682)	-47%
Net Profit before Tax	2,159	2,204	-2%	1,599	35%	8,044	6,454	25%
Income Tax	(564)	(496)	14%	(520)	9%	(2,017)	(1,950)	3%
Deferred Tax	(77)	(5)	NM	50	NM	(77)	136	NM
Net Profit	1,518	1,703	-11%	1,130	34%	5,951	4,641	28%

Financial Indicators	4Q16	3Q16	QoQ Change (4Q16 vs. 3Q16)	4Q15	YoY Change (4Q16 vs. 4Q15)	YtD Dec-16	YtD Dec-15	YoY change (FY16 vs. FY15)
Profitability								
ROAE ¹	30.0%	37.5%	-20.0%	28.0%	7.3%	34.0%	32.8%	3.8%
ROAA ¹	2.60%	3.44%	-24.4%	2.54%	2.2%	2.70%	2.90%	-6.8%
NIM ³	4.98%	5.75%	-13.4%	5.74%	-13.2%	5.47%	5.74%	-4.7%
Efficiency								
Cost-to-Income	20.8%	19.8%	5.0%	22.0%	-5.3%	21.3%	19.7%	8.0%
Liquidity								
Gross Loans-to-Deposits	42.3%	38.3%	10.6%	40.5%	4.5%	42.3%	40.5%	4.5%
Asset Quality								
NPLs-to-Gross Loans	6.70%	5.26%	27.5%	3.98%	68.4%	6.70%	3.98%	68.4%
Direct Coverage Ratio	149%	158%	-5.8%	188%	-20.8%	149%	188%	-20.8%

¹ Full year ROAE and ROAA after profit appropriation

² CAR before profit appropriation

³ NIM based on managerial accounts



CIB Fourth-Quarter 2016 News Release

BALANCE SHEET

	Consolidated			Standalone		
	Dec-16	Dec-15	YtD Change	Dec-16	Dec-15	YtD Change
	EGP million	EGP million	(Dec-16 Vs. Dec-15)	EGP million	EGP million	(Dec-16 Vs. Dec-15)
Cash & Due from Central Bank	10,522	9,849	7%	10,522	9,849	7%
Due from Banks	58,011	21,002	176%	58,011	21,002	176%
Treasury Bills & Governmental Notes	39,177	22,130	77%	39,177	22,130	77%
Trading Financial Assets	2,445	5,848	-58%	2,445	5,848	-58%
Available-for-Sale Investments	5,447	46,289	-88%	5,447	46,289	-88%
Financial assets held for sale	4,890	1,066	359%	428	503	-15%
Net Loans & Overdrafts	85,384	56,836	50%	86,152	57,211	51%
Financial Derivatives	269	81	232%	269	81	232%
Held-to-Maturity Investments	53,925	9,261	482%	53,925	9,261	482%
Financial Investment in Subsidiaries	37	160	-77%	11	13	-17%
Other Assets	7,436	6,977	7%	7,465	7,005	7%
Total Assets	267,544	179,500	49%	263,852	179,193	47%
Due to Banks	3,009	1,601	88%	3,009	1,601	88%
Customer Deposits	231,741	155,234	49%	231,965	155,370	49%
Other Liabilities	11,286	6,082	86%	7,602	5,711	33%
Total Liabilities	246,036	162,918	51%	242,576	162,681	49%
Total Shareholders' Equity	15,365	11,806	30%	15,325	11,871	29%
Net Profit for the Period	6,009	4,729	27%	5,951	4,641	28%
Shareholders' Equity & Net Profit	21,374	16,535	29%	21,276	16,512	29%
Minority Interest	133	47.43	181%			
Total Liabilities & Shareholders' Equity	267,544	179,500	49%	263,852	179,193	47%