
News Release

4 February 2019

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS
RECORD FULL-YEAR 2018 CONSOLIDATED REVENUE OF EGP 20.37 BILLION AND NET INCOME OF EGP
9.58 BILLION, OR EGP 7.26 PER SHARE, UP 27% FROM 2017****FOURTH-QUARTER 2018 CONSOLIDATED REVENUE OF EGP 5.22 BILLION AND NET INCOME OF EGP
2.56 BILLION, OR EGP 1.94 PER SHARE, UP 37% FROM FOURTH-QUARTER 2017****Record Full-Year 2018 Consolidated Financial Results**

- Net income of EGP 9.58 billion, up 27% year-on-year (YoY)
- Revenues of EGP 20.38 billion, up 37% YoY
- Return on average equity¹ of 33.1%
- Return on average assets¹ of 3.03%
- Efficiency ratio of 20.3%
- Net interest margin² of 6.43%

Strong Fourth-Quarter 2018 Consolidated Financial Results

- Net income of EGP 2.56 billion, up 37% YoY
- Revenues of EGP 5.22 billion, up 35% YoY
- Return on average equity of 31.7%
- Return on average assets of 3.06%
- Efficiency ratio of 24.0%
- Net interest margin² of 6.23%

Robust Balance Sheet

- Total tier capital recorded EGP 35.6 billion, or 19.09% of risk-weighted assets
- CBE local currency liquidity ratio of 66.2%, foreign currency of 55.0% (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 92.6% of total liabilities
- Non-performing loans coverage ratio of 269%

Supporting our Economy

- Funding to businesses and individuals grew by 17% over 2017 year-end to reach EGP 120 billion, with a loan market share of 6.96%³
- Deposits grew by 14% over 2017 year-end to reach EGP 285 billion, translating into a deposit market share of 7.68%³
- In 2018, CIB’s operations generated EGP 4.56 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation funded two projects, outfitting of the Craniofacial Center at Sohag University Hospital, and outfitting the Emergency Department at the Alexandria University Children’s Hospital.

¹ After Profit Appropriation² Based on managerial accounts³ As of October 2018; latest available CBE data at time of print

CIB Fourth-Quarter 2018 News Release

- CIB Foundation conducted 4 blood donation campaigns in several governorates, providing 43 bags of blood and potentially saving more than 129 patients.
- CIB Foundation donated to “Children's Right-to-Sight Program” under the management of Rotary Kasr El Nile covering 65 eye surgeries for underprivileged children.
- CIB Foundation started the funding of 91 paediatric open-heart surgeries at Magdy Yacoub Aswan Heart Center.

Awards & Rankings

- Global Finance: Digital Bank of Distinction in Egypt, Best Online Cash Management in Egypt, Best Trade Finance Services in Egypt, Best Online Portal Services in Egypt, Best Information Security and Fraud Management in Egypt, Best Foreign Exchange Provider in Egypt, Best Trade Finance Provider in Egypt, Best Treasury & Cash Management Providers in Egypt , Best Bank in Egypt, Best Sub-custodian Bank in Egypt, World's Best Bank in the Emerging Markets
- EMEA Finance: Best FX Services in North Africa, Best Payment Services in North Africa, Best Local Bank in Egypt
- Euromoney: Best Bank in Egypt, Best Bank Transformation in the Middle East
- African Banker: Best Regional Bank - Northern Africa

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2018 consolidated net income of EGP 2.56 billion, or EGP 1.94 per share, up 37% from fourth-quarter 2017. Full-year 2018 consolidated net income recorded EGP 9.58 billion, or EGP 7.26 per share, growing by 27% from last year.

Management commented: “2018 has been an eventful year for CIB as it has been for the whole Banking Sector. The year entailed two consecutive corridor rate cuts in the first and second quarters, in a boost for local currency lending activity. Market expectations, however, were largely based on a more rapid ease-off in inflation and thereby on steeper cuts in corridor rates. Nevertheless, CIB managed to deliver a new set of record results, growing its bottom line over 2017 by 27% and its top line by 37%, or 25% after normalizing for the amount recycled from unearned interest to interest income.

Besides strong growth in its local currency deposit base, and the impressive pick-up in foreign currency lending which improved Bank’s spreads significantly, CIB’s robust performance in 2018 was largely driven by the Bank’s nimble management of its balance sheet. Treasury investments have been the crux of 2018 and a key factor driving the balance sheet dynamics for CIB, given especially the significant fluctuations in sovereign yields throughout the year as impacted by both local and global sentiment for Egyptian sovereign securities. CIB’s strong grounding and malleable balance sheet structure equipped it to tactically adjust to market changes and to effectively alternate between asset products in a strategic focus on maintaining the Bank’s spreads while preserving liquidity at levels that would sail efficiently with market dynamics moving forward, particularly in light of the proposed new tax treatment for treasury income.

In 2018, CIB committed to its continuous record in complying with both local and international regulations, successfully finalizing the implementation stage for IFRS 9, which CBE mandated to be met by all banks by the onset of 2019. The impact of applying IFRS 9 on the Bank’s provisions is immaterial, reinstating the advanced and scientific methodology prudently applied by the Bank’s Risk Management over the last few years.

Aligned with its focus on customer satisfaction, CIB continued its record performance in Digital Transformation and Big Data Projects, in a better understanding of customer needs and for more informed pricing decisions, further adding to the Bank’s robust spreads.



CIB Fourth-Quarter 2018 News Release

Moving into 2019, we remain confident about CIB's ability to endure market variations. Local currency lending witnessed a decent uplift for CIB in the fourth quarter of 2018, which we are optimistic would drag on in 2019. We also reinstate CIB's comfortable capital position to accommodate the increase in minimum regulatory requirements starting 2019, while maintaining a reasonable buffer for any unfavorable changes that may occur in interest or exchange rates."

FOURTH-QUARTER FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2018 standalone revenues were EGP 5.21 billion, up 35% from fourth-quarter 2017, driven mainly by NII growth.

Full-year 2018 standalone revenues recorded EGP 20.4 billion, up 34% YoY. Excluding an amount of EGP 1.82 billion transferred from unearned interest and recognized as interest income, full-year revenues grew by 22% YoY.

NET INTEREST INCOME

Full-year standalone Net Interest Margin (NIM)⁴ was 6.43%, generating net interest income of EGP 18.1 billion, up 45% YoY. Excluding the aforementioned EGP 1.82 billion, full-year net interest margin recorded 5.81%, translating into net interest income of EGP 16.3 billion, up 31% YoY.

NON-INTEREST INCOME

Full-year standalone non-interest income was EGP 2.21 billion, representing 11% of revenues. Trade service fees were EGP 894 million, with net outstanding balance of EGP 71.4 billion, both coming almost flat from last year.

OPERATING EXPENSE

Full-year standalone operating expense was EGP 4.22 billion, up 35% YoY. Cost-to-income reported 20.3%, remaining flat YoY and comfortably below the desirable level of 30%.

LOANS

CIB's gross loan portfolio recorded EGP 120 billion, adding EGP 17.1 billion, or 17% YoY. CIB's loan market share reached 6.96% as of October 2018. CIB witnessed 19% growth in its local currency gross loan portfolio in 2018, adding EGP 9.95 billion, and 15% growth in its foreign currency portfolio adding EGP 7.15 billion.

DEPOSITS

Deposits were EGP 285 billion, adding EGP 34.6 billion, or 14% YoY. CIB's deposit market share was 7.68% as of October 2018, maintaining the highest deposit market share among all private-sector banks.

⁴ Based on managerial accounts

CIB Fourth-Quarter 2018 News Release

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.06% of the gross loan portfolio, covered 269% by the Bank's EGP 13.0 billion loan loss provision balance. Loan Loss provision expense recorded EGP 273 million for fourth-quarter 2018 and EGP 3.08 billion for full-year 2018, of which EGP 1.82 billion pertains to the amount transferred from unearned interest.

CAPITAL AND LIQUIDITY

Total tier capital was EGP 35.6 billion, or 19.09% of risk-weighted assets as of December 2018. Tier I capital was EGP 30.1 billion, or 85% 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 66.2% as of December 2018, while FCY CBE liquidity ratio reached 55.0%, above the threshold of 25%. NSFR was 243% for local currency and 166% for foreign currency, and LCR was 668% for local currency and 339% for foreign currency, comfortably above the 100% Basel III requirement.

KEY METRICS AND BUSINESS UPDATES⁵

- #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 95.6 billion, 1% higher QoQ and 17% higher YoY.
- End-of-period deposits were EGP 71.8 billion, flat QoQ while 1% higher YoY.
- Gross outstanding contingent business reached EGP 77.7⁶ billion, 1% higher QoQ and 5% higher YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 1 billion, 19% lower QoQ and 30% lower YoY.
- End-of-period deposits were EGP 47.5 billion, 1% lower QoQ while 22% higher YoY.
- Gross outstanding contingent business reached EGP 2.21⁶ billion, 34% higher QoQ and 39% higher YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 22.9 billion, 4% higher QoQ and 22% higher YoY.
- End-of-period deposits were EGP 166 billion, 3% higher QoQ and 18% higher YoY.
- CIB continued to expand its network to reach a total of 181 branches and 22 units across Egypt, supported by a network of 917 ATMs.

⁵ Loan and deposit balances based on managerial accounts

⁶ On gross basis; based on managerial accounts

CIB Fourth-Quarter 2018 News Release

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q18 EGP million	3Q18 EGP million	QoQ Change (4Q18 vs. 3Q18)	4Q17 EGP million	YoY change (4Q18 vs. 4Q17)	FY18 EGP million	FY17 EGP million	YoY change (FY18 vs. FY17)
Net Interest Income	4,835	5,455	-11%	3,194	51%	18,144	12,504	45%
Non-Interest Income	381	559	-32%	666	-43%	2,235	2,386	-6%
Net Operating Income	5,216	6,014	-13%	3,860	35%	20,379	14,890	37%
Non-Interest Expense	(1,276)	(1,014)	26%	(856)	49%	(4,224)	(3,119)	35%
Loan loss provision	(273)	(1,512)	-82%	(310)	-12%	(3,076)	(1,742)	77%
Net Profit before Tax	3,667	3,487	5%	2,693	36%	13,079	10,029	30%
Income Tax	(1,063)	(877)	21%	(834)	27%	(3,626)	(2,779)	30%
Deferred Tax	(42)	(15)	NM	8	NM	129	(2)	NM
Net profit from continued operations	2,563	2,595	-1%	1,867	37%	9,582	7,248	32%
Net profit from discontinued operations	0	0	NM	0	NM	0	291	NM
Net profit	2,563	2,595	-1%	1,867	37%	9,582	7,540	27%
Minority Interest	0	0	NM	0	NM	0	24	NM
Net Profit After Minority	2,563	2,595	-1%	1,867	37%	9,582	7,516	27%

Financial Indicators	4Q18	3Q18	QoQ Change (4Q18 vs. 3Q18)	4Q17	YoY change (4Q18 vs. 4Q17)	FY18	FY17	YoY change (FY18 vs. FY17)
Profitability								
ROAE*	31.7%	35.2%	-10%	27.1%	17%	33.1%	32.5%	2%
ROAA*	3.06%	3.25%	-6%	2.59%	18%	3.03%	2.69%	13%
Efficiency								
Cost-to-Income	24.0%	16.8%	43%	21.7%	11%	20.3%	20.8%	-2%
Liquidity								
Gross Loans-to-Deposits	41.9%	41.9%	0%	40.8%	3%	41.9%	40.8%	3%
Asset Quality								
NPLs-to-Gross Loans	4.06%	4.64%	-12%	6.95%	-42%	4.06%	6.95%	-42%
Capital Adequacy Ratio	19.1%	19.1%	0%	18.0%	6%	19.1%	18.0%	6%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q18 EGP million	3Q18 EGP million	QoQ Change (4Q18 vs. 3Q18)	4Q17 EGP million	YoY change (4Q18 vs. 4Q17)	FY18 EGP million	FY17 EGP million	YoY change (FY18 vs. FY17)
Net Interest Income	4,835	5,455	-11%	3,194	51%	18,144	12,504	45%
Non-Interest Income	370	550	-33%	659	-44%	2,208	2,688	-18%
Net Operating Income	5,205	6,005	-13%	3,853	35%	20,351	15,192	34%
Non-Interest Expense	(1,275)	(1,014)	26%	(856)	49%	(4,223)	(3,119)	35%
Loan loss provision	(273)	(1,512)	-82%	(310)	-12%	(3,076)	(1,742)	77%
Net Profit before Tax	3,657	3,478	5%	2,687	36%	13,053	10,331	26%
Income Tax	(1,063)	(877)	21%	(834)	27%	(3,626)	(2,779)	30%
Deferred Tax	(42)	(15)	180%	8	NM	129	(2)	NM
Net Profit	2,553	2,586	-1%	1,861	37%	9,556	7,550	27%

Financial Indicators	4Q18	3Q18	QoQ Change (4Q18 vs. 3Q18)	4Q17	YoY change (4Q18 vs. 4Q17)	FY18	FY17	YoY change (FY18 vs. FY17)
Profitability								
ROAE*	31.7%	35.2%	-10%	27.1%	17%	33.1%	32.7%	1%
ROAA*	3.05%	3.24%	-6%	2.58%	18%	3.02%	2.72%	11%
NIM**	6.23%	7.59%	-18%	5.09%	21%	6.43%	4.97%	29%
Efficiency								
Cost-to-Income	24.0%	16.8%	43%	21.7%	11%	20.3%	20.4%	0%
Liquidity								
Gross Loans-to-Deposits	41.9%	41.9%	0%	40.8%	3%	41.9%	40.8%	3%
Asset Quality								
NPLs-to-Gross Loans	4.06%	4.64%	-12%	6.95%	-42%	4.06%	6.95%	-42%
Direct Coverage Ratio	269%	240%	12%	154%	74%	269%	154%	74%

* Full-year ROAE and ROAA after profit appropriation

** NIM based on managerial accounts



CIB Fourth-Quarter 2018 News Release

BALANCE SHEET

	Consolidated			Standalone		
	Dec-18	Dec-17	YoY Change	Dec-18	Dec-17	YoY Change
	EGP million	EGP million	(Dec-18 Vs. Dec-17)	EGP million	EGP million	(Dec-18 Vs. Dec-17)
Cash & Due from Central Bank	20,059	14,663	37%	20,059	14,663	37%
Due from Banks	46,519	45,320	3%	46,519	45,320	3%
Treasury Bills & Governmental Notes	41,999	54,478	-23%	41,999	54,478	-23%
Trading Financial Assets	2,738	7,295	-62%	2,738	7,295	-62%
Available-for-Sale Investments	39,218	30,475	29%	39,218	30,475	29%
Net Loans & Overdrafts	106,377	88,428	20%	106,377	88,428	20%
Financial Derivatives	52	40	31%	52	40	31%
Held-to-Maturity Investments	73,631	45,168	63%	73,631	45,168	63%
Financial Investment in Subsidiaries	107	65	64%	69	54	27%
Other Assets	11,762	8,850	33%	11,762	8,850	33%
Total Assets	342,461	294,782	16%	342,423	294,771	16%
Due to Banks	7,260	1,878	287%	7,260	1,878	287%
Customer Deposits	285,297	250,723	14%	285,340	250,767	14%
Other Liabilities	15,676	13,742	14%	15,676	13,742	14%
Total Liabilities	308,233	266,343	16%	308,276	266,388	16%
Shareholders' Equity & Net Profit	34,228	28,439	20%	34,147	28,384	20%
Total Liabilities & Shareholders' Equity	342,461	294,782	16%	342,423	294,771	16%