

News Release

31 January 2018

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS RECORD FULL-YEAR 2017 CONSOLIDATED REVENUE OF EGP 14.88 BILLION AND RECORD NET INCOME OF EGP 7.52 BILLION, OR EGP 5.76 PER SHARE, UP 25% FROM 2016

FOURTH-QUARTER 2017 CONSOLIDATED REVENUE OF EGP 3.85 BILLION AND NET INCOME OF EGP 1.87 BILLION, OR EGP 1.42 PER SHARE, UP 20% FROM FOURTH-QUARTER 2016

Record Full-Year 2017 Consolidated Financial Results

- Net income of EGP 7.52 billion, up 25% year-on-year (YoY)
- Revenues of EGP 14.88 billion, up 32% YoY
- Return on average equity¹ of 32.5%
- Return on average assets¹ of 2.69%
- Efficiency ratio of 20.8%
- Net interest margin² of 4.97%

Strong Fourth-Quarter 2017 Consolidated Financial Results

- Net income of EGP 1.87 billion, up 20% YoY
- Revenues of EGP 3.85 billion, up 24% YoY
- Return on average equity of 27.1%
- Return on average assets of 2.59%
- Efficiency ratio of 21.5%
- Net interest margin² of 5.09%

Robust Balance Sheet

- Total tier capital recorded EGP 32.54 billion, or 19.30% of risk-weighted assets
- CBE local currency liquidity ratio of 74.4%, foreign currency of 55.5% (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 94% of total liabilities
- Non-performing loans coverage ratio of 154%

Supporting our Economy

- Funding to businesses and individuals grew by 5% during the year, though coming almost flat in the fourth quarter of 2017 to reach EGP 102.4 billion, with a loan market share of 7.15%³
- Deposits grew by 8% during the year, though remained almost flat in the fourth quarter of 2017 to reach EGP 250.7 billion, translating into a deposit market share of 7.80%³
- In 2017, CIB’s operations generated EGP 3.64 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation organized 65 “6/6 Eye Exam Caravans” in Aswan, Sohag, Qena and Luxor governorates, examined more than 40,000 elementary school students, and provided prescription glasses to 6,000 students.

¹ After Profit Appropriation

² Based on managerial accounts

³ As of September 2017; latest available CBE data at time of print

CIB Fourth-Quarter 2017 News Release

- CIB Foundation conducted 8 blood donation campaigns for collecting 237 blood bags to cover the needs of more than 700 patients.
- CIB Foundation started funding 100 cochlear implant surgeries for children with hearing disabilities under the management of Mersal Foundation.
- CIB Foundation finalized installments, through the Yahiya Arafa Children's Charity Foundation, for outfitting the Pediatric Catheter Lab at the Ain Shams University Hospital.
- CIB Foundation started installments for funding 50 open-heart surgeries for underprivileged children at El Kasr El Eini Hospital.

Awards & Rankings

- **Global Finance:** Best Trade Finance Provider in Egypt, Best Treasury & Cash Management Providers in Egypt, Best Foreign Exchange Provider in Egypt, Best Bank in Egypt 2017, Best Securities Services Providers in Egypt
- **Euromoney:** Best Bank in Egypt, Best Bank in the Middle East 2017, World's Best Bank in the Emerging Markets
- **EMEA Finance:** Best Cash Management Services in North Africa, Best FX Services in North Africa, Best Local Bank in Egypt, Most Innovative Bank - Pan Africa
- **Asian Banker:** Achievement in Enterprise Risk Management in the Middle East and Africa, Achievement in Liquidity Risk Management in the Middle East and Africa

CAIRO - Commercial International Bank (EGX: COMI) today reported full-year consolidated net income of EGP 7.52 billion, or EGP 5.76 per share, and consolidated revenue of EGP 14.88 billion, up 25% and 32% from last year, respectively.

Management commented: CIB ended 2017 on a high note despite challenging macroeconomic and regulatory conditions. Corridor rates witnessed an unparalleled 700bps hike in one year, which, alongside skyrocketing inflation, strongly affected purchasing power parity and consumption, thus placing considerable pressure on the Bank's ability to grow its loan portfolio. Amid aforementioned circumstances, Management has been adept in foreseeing interest rate movements throughout the year, re-engineering the Bank's balance sheet in a way that allowed CIB to benefit from surging interest rates, partially counteracting the adverse impact of their increases.

Not only did CIB manage to deliver robust financial performance despite fluid macroeconomic conditions, but it has also continued to enjoy its comfortable capital position amidst increasingly stringent regulatory requirements. In line with the Bank's continuous focus on effective capital management, CIB managed to obtain a subordinated loan worth USD 200 million from the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), to be classified as tier II capital, hedging the Bank against any potential FX fluctuations, and supporting its future growth plans.

Looking into 2018, it is largely expected that interest rates and inflation will gradually bottom-out while the exchange rate would remain relatively stable. We thereby remain optimistic about the economic outlook in Egypt in general and CIB's performance in particular. Even though the scene remains beset by challenges, we will continue to build upon the anticipated improvement in macroeconomic conditions on one hand and CIB's proven track record of resilient balance sheet fundamentals and effective management, on the other.

FOURTH-QUARTER FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2017 standalone revenues were EGP 3.85 billion, up 24% from fourth-quarter 2016, driven by growth in both net interest income and non-interest income.

Full-year standalone revenues were EGP 15.19 billion, up 34% from the EGP 11.37 billion recorded last year.

Net Interest Income

Full-year standalone Net Interest Margin (NIM)⁴ was 4.97%, generating net interest income of EGP 12.50 billion, up 25% YoY.

Non-Interest Income

Full-year standalone non-interest income was EGP 2.68 billion, 18% of revenues.

Trade service fees were EGP 895 million. Trade service net outstanding balances stood at EGP 72.23 billion, 5% higher YoY.

OPERATING EXPENSE

Full-year standalone operating expense was EGP 3.11 billion, up 28% YoY. Cost-to-income recorded 20.3% down from 21.3% for 2016, comfortably below the desirable level of 30%.

LOANS

Standalone gross loan portfolio recorded EGP 102.4 billion, adding EGP 4.2 billion, or 4% in 2017. CIB's loan market share reached 7.15% as of September 2017. CIB witnessed 25% growth in its local currency gross loan portfolio in 2017, adding EGP 10.62 billion and outweighing foreign currency loan repayments equivalent to EGP 6.46 billion.

DEPOSITS

Standalone deposits were EGP 250.8 billion, adding EGP 18.8 billion, or 8% in 2017. CIB's deposit market share was 7.80% as of September 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 6.95% of the gross loan portfolio, covered 154% by the Bank's EGP 10.99 billion loan loss provision balance. Loan loss provision expense was EGP 310 million in the fourth quarter of 2017 to reach EGP 1.74 billion for 2017 full-year, as CIB continued its conservative risk management strategy to counter current and potential economic challenges in certain industries.

⁴ Based on managerial accounts

CIB Fourth-Quarter 2017 News Release

CAPITAL AND LIQUIDITY

Total tier capital was EGP 32.54 billion, or 19.30% of risk-weighted assets as of December 2017. Tier I capital was EGP 27.32 billion, representing 84% of total tier capital and 16.20% of risk-weighted assets.

CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines, recently enforced by the CBE, in both local currency and foreign currency requirements. LCY CBE liquidity ratio remained well above the regulator's 20% requirement, recording 74.4% as of December 2017, while FCY CBE liquidity ratio reached 55.5%, above the threshold of 25%. NSFR was 232% for local currency and 152% for foreign currency, and LCR was 627% for local currency and 377% 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 82.1 billion, almost flat QoQ and YoY.
- End-of-period deposits were EGP 51.5 billion, 13% higher QoQ and 10% lower YoY.
- Gross outstanding contingent business reached EGP 74.0 billion, 2% higher QoQ and 4% higher YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 1.5 billion, 33% lower QoQ and 28% lower YoY.
- End-of-period deposits were EGP 58.6 billion, 4% lower QoQ and 10% higher YoY.
- Gross outstanding contingent business reached EGP 1.9 billion, 5% lower QoQ and 8% higher YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 18.8 billion, flat QoQ and 33% higher YoY.
- End-of-period deposits were EGP 140.7 billion, flat QoQ and 20% higher YoY.
- CIB continued to expand its network to reach a total of 174 branches and 22 units across Egypt, supported by a network of 819 ATMs.

⁵ Based on managerial accounts

CIB Fourth-Quarter 2017 News Release

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q17	3Q17	QoQ Change	4Q16	YoY Change	FY17	FY16	YoY change
	EGP million	EGP million	(4Q17 vs. 3Q17)	EGP million	(4Q17 vs. 4Q16)	EGP million	EGP million	(FY17 vs. FY16)
Net Interest Income	3,194	3,567	-10%	2,952	8%	12,504	10,018	25%
Non-Interest Income	659	588	12%	163	304%	2,380	1,298	83%
Net Operating Income	3,854	4,155	-7%	3,115	24%	14,884	11,315	32%
Non-Interest Expense	(850)	(762)	12%	(639)	33%	(3,113)	(2,433)	28%
Loan loss provision	(310)	(623)	-50%	(315)	-2%	(1,742)	(893)	95%
Net Profit before Tax	2,693	2,770	-3%	2,161	25%	10,029	7,990	26%
Income Tax	(834)	(695)	20%	(564)	48%	(2,779)	(2,017)	38%
Deferred Tax	8	(7)	NM	(77)	NM	(2)	(77)	NM
Net profit from continued operations	1,867	2,068	-10%	1,520	23%	7,248	5,896	23%
CI Capital Profit (Net of Tax)	-	18	NM	31	NM	291	127	129%
Net profit	1,867	2,087	-11%	1,551	20%	7,540	6,023	25%
Minority Interest	-	-	NM	-	NM	24	14	70%
Net Profit After Minority	1,867	2,087	-11%	1,551	20%	7,516	6,009	25%

Financial Indicators	4Q17	3Q17	QoQ Change	4Q16	YoY Change	FY17	FY16	YoY change
			(4Q17 vs. 3Q17)		(4Q17 vs. 4Q16)			(FY17 vs. FY16)
Profitability								
ROAE*	27.1%	32.9%	-17%	30.6%	-11%	32.5%	34.2%	-5%
ROAA*	2.59%	2.98%	-13%	2.61%	-1%	2.69%	2.71%	-1%
Efficiency								
Cost-to-Income	21.5%	18.5%	17%	20.8%	3%	20.8%	21.4%	-3%
Liquidity								
Gross Loans-to-Deposits	40.8%	41.1%	-1%	42.1%	-3%	40.8%	42.1%	-3%
Asset Quality								
NPLs-to-Gross Loans	6.95%	6.94%	0%	6.76%	3%	6.95%	6.76%	3%
Capital Adequacy Ratio	19.3%	17.0%	14%	14.0%	38%	19.3%	14.0%	38%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q17	3Q17	QoQ Change	4Q16	YoY Change	FY17	FY16	YoY change
	EGP million	EGP million	(4Q17 vs. 3Q17)	EGP million	(4Q17 vs. 4Q16)	EGP million	EGP million	(FY17 vs. FY16)
Net Interest Income	3,194	3,567	-10%	2,952	8%	12,504	10,018	25%
Non-Interest Income	653	602	8%	161	305%	2,682	1,352	98%
Net Operating Income	3,847	4,169	-8%	3,113	24%	15,186	11,370	34%
Non-Interest Expense	(850)	(762)	12%	(639)	33%	(3,113)	(2,433)	28%
Loan loss provision	(310)	(623)	-50%	(315)	-2%	(1,742)	(893)	95%
Net Profit before Tax	2,687	2,784	-4%	2,159	24%	10,331	8,044	28%
Income Tax	(834)	(695)	20%	(564)	48%	(2,779)	(2,017)	38%
Deferred Tax	8	(7)	NM	(77)	NM	(2)	(77)	NM
Net Profit	1,861	2,082	-11%	1,518	23%	7,550	5,951	27%

Financial Indicators	4Q17	3Q17	QoQ Change	4Q16	YoY Change	FY17	FY16	YoY change
			(4Q17 vs. 3Q17)		(4Q17 vs. 4Q16)			(FY17 vs. FY16)
Profitability								
ROAE*	27.1%	32.9%	-18%	30.0%	-10%	32.7%	34.0%	-4%
ROAA*	2.58%	2.97%	-13%	2.60%	-1%	2.72%	2.70%	1%
NIM**	5.09%	5.47%	-7%	4.98%	2%	4.97%	5.47%	-9%
Efficiency								
Cost-to-Income	21.6%	18.4%	17%	20.8%	4%	20.3%	21.3%	-4%
Liquidity								
Gross Loans-to-Deposits	40.8%	41.1%	-1%	42.3%	-4%	40.8%	42.3%	-4%
Asset Quality								
NPLs-to-Gross Loans	6.95%	6.94%	0%	6.70%	4%	6.95%	6.70%	4%
Direct Coverage Ratio	154%	155%	0%	149%	4%	154%	149%	4%

* Full-year ROAA and ROAE after profit appropriation

** NIM based on managerial accounts



CIB Fourth-Quarter 2017 News Release

BALANCE SHEET

	Consolidated			Standalone		
	Dec-17	Dec-16	YoY Change	Dec-17	Dec-16	YoY Change
	EGP million	EGP million	(Dec-17 vs. Dec-16)	EGP million	EGP million	(Dec-17 vs. Dec-16)
Cash & Due from Central Bank	14,663	10,522	39%	14,663	10,522	39%
Due from Banks	45,320	58,011	-22%	45,320	58,011	-22%
Treasury Bills & Governmental Notes	54,478	39,177	39%	54,478	39,177	39%
Trading Financial Assets	7,295	2,445	198%	7,295	2,445	198%
Available-for-Sale Investments	30,475	5,447	459%	30,475	5,447	459%
Financial assets held for sale	-	4,890	NM	-	428	NM
Net Loans & Overdrafts	88,428	85,384	4%	88,428	86,152	3%
Financial Derivatives	40	269	-85%	40	269	-85%
Held-to-Maturity Investments	45,168	53,925	-16%	45,168	53,925	-16%
Financial Investment in Subsidiaries	65	37	77%	54	11	415%
Other Assets	8,850	7,436	19%	8,850	7,465	19%
Total Assets	294,782	267,544	10%	294,771	263,852	12%
Due to Banks	1,878	3,009	-38%	1,878	3,009	-38%
Customer Deposits	250,723	231,741	8%	250,767	231,965	8%
Other Liabilities	13,742	11,286	22%	13,742	7,602	81%
Total Liabilities	266,343	246,036	8%	266,388	242,576	10%
Total Shareholders' Equity	20,923	15,365	36%	20,833	15,325	36%
Net Profit for the Period	7,516	6,009	25%	7,550	5,951	27%
Shareholders' Equity & Net Profit	28,439	21,374	33%	28,384	21,276	33%
Minority Interest	-	133	NM	-	-	
Total Liabilities & Shareholders' Equity	294,782	267,544	10%	294,771	263,852	12%