

News Release

5 May 2019

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FIRST-QUARTER 2019 CONSOLIDATED REVENUE OF EGP 5.60 BILLION AND NET INCOME OF EGP 2.64 BILLION, OR EGP 1.63 PER SHARE, UP 31% FROM FIRST-QUARTER 2018

Record First Quarter 2019 Consolidated Financial Results

- Net income of EGP 2.64 billion, up 31% year-on-year (YoY)
- Revenues of EGP 5.60 billion, up 35% YoY
- Return on average equity of 29.0%
- Return on average assets of 3.04%
- Efficiency ratio of 24.2%
- Net interest margin¹ of 6.32%

Robust Balance Sheet

- Total tier capital recorded EGP 41.8 billion, or 21.49% of risk-weighted assets
- CBE local currency liquidity ratio of 63.29%, foreign currency of 57.40% (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 199%

Supporting our Economy

- Funding to businesses and individuals grew by 5% over first-quarter 2019 to record EGP 125 billion, with a loan market share of 6.54%²
- Deposits grew by 3% over first-quarter 2019 to reach EGP 293 billion, translating into a deposit market share of 7.51%²
- In 1Q19, CIB’s operations generated EGP 1.5 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation sponsored the establishment of a new fully equipped pediatric dental clinic in the Faculty of Dentistry Cairo University Hospital.
- CIB Foundation funded the purchase of Fluoroscopy X-ray Device for the Radiology Department at Abu El-Reesh Children's Hospital.
- CIB Foundation covered more than 50 pediatric open-heart surgeries in an endowment to Magdy Yacoub Foundation.
- CIB Foundation funded the purchase of 33 upgraded monitors and 4 central stations at the Children's Cancer Hospital 57357.

Awards & Rankings

- Global Finance: Best Trade Finance Provider in Egypt
- Global Finance: Best Bank for Payment & Collections in the Middle East
- Global Finance: Best Treasury & Cash Management Providers in Egypt
- Global Finance: Best Bank in Egypt

¹ Based on managerial accounts

² As of January 2019; latest available CBE data at time of print

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CAIRO - Commercial International Bank (EGX: COMI) today reported first-quarter 2019 consolidated net income of EGP 2.64 billion, or EGP 1.63 per share, up 31% from first-quarter 2018.

Management commented: "CIB commenced the year with sturdy performance in light of an overall eventful quarter. As rightly foreseen, the CBE cut corridor rates by 1% in the middle of the quarter, after being held for close to a year, capitalizing on a slowdown in inflation and underpinning increased confidence in Egypt's economic outlook. This came to the aid of the Bank's growth prospects, with local currency loans growing by a decent 9% or EGP 6bn in the first quarter of the year. Further, the awaited new tax law for treasury income has been enacted towards the end of the quarter, largely perceived to pose downward pressure on the banking sector's profit metrics in 2019 onwards. We remain confident, however, that the adaptable structure of the Bank's balance sheet, alongside the precautionary measures adeptly taken on by Management over the past year, position the Bank well to smoothly accommodate the new tax treatment and confine its impact on the Bank's profits.

This quarter additionally marked the first-time adoption of IFRS 9, as per the guidelines stipulated by the CBE. As envisioned and previously highlighted, the impact on CIB's provisions was immaterial, with no extra provisions required as a result of applying the new standard, thereby leaving the reserve created for this purpose last year based on CBE directives untouched. This is clearly a direct outgrowth of the Bank's prudent risk management and conservative provisioning approach over the course of the past years.

For this quarter peculiarly, Management has been prudently setting eyes on the Bank's capital position, deemed as a bottleneck considering both the 1% increase in minimum regulatory requirements and the distribution of 2018 dividends. CIB, nevertheless, recorded a Capital Adequacy Ratio of 21.5% by end of 1Q19, designating its competence in continually striking the balance between solvency and profitability while staying on a strong footing in face of upcoming macroeconomic and regulatory developments.

Moving forward, we embrace a cautiously optimistic reading of Egypt's macroeconomic climate, evident in the enhanced appetite for Egyptian sovereign securities, and the accompanying drop in local currency sovereign yields, which alongside the already materialized and the further anticipated rate cuts, would expectantly result in boosted demand for corporate loans and a shift in the Banks' asset composition towards institutional lending."

FIRST-QUARTER 2019 FINANCIAL HIGHLIGHTS

REVENUES

First-quarter 2019 standalone revenues were EGP 5.60 billion, up 35% from first-quarter 2018, driven mainly by NII growth.

NET INTEREST INCOME

First-quarter 2019 standalone Net Interest Margin¹ (NIM) was 6.32%, generating net interest income of EGP 4.94 billion, up 51% YoY.

NON-INTEREST INCOME

First-quarter 2019 standalone non-interest income was EGP 661 million, representing 12% of revenues. Trade service fees were EGP 171 million, with net outstanding balance of EGP 68 billion.

OPERATING EXPENSE

First-quarter 2019 standalone operating expense was EGP 1.3 billion, up 38% YoY. Cost-to-income reported 24.2%, 124bp higher YoY, but still comfortably below the desirable level of 30%.



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LOANS

CIB's gross loan portfolio recorded EGP 125 billion, adding EGP 5.5 billion or 5% year-to-date (YtD). CIB's loan market share reached 6.54% as of January 2019. Growth was driven mainly by local currency loans which grew by 9%, adding EGP 6 billion in first-quarter 2019.

DEPOSITS

Deposits were EGP 293 billion, adding EGP 8.1 billion or 3% YtD. CIB's deposit market share was 7.51% as of January 2019, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.99% of the gross loan portfolio, covered 199% by the Bank's EGP 12.4 billion loan loss provision balance. Loan Loss provision expense recorded EGP 521 million for first-quarter 2019, 63% higher YoY.

CAPITAL AND LIQUIDITY

Total tier capital was EGP 41.8 billion, or 21.49% of risk-weighted assets as of March 2019. Tier I capital was EGP 36.9 billion, or 88% 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 63.29% as of March 2019, while FCY CBE liquidity ratio reached 57.40%, above the threshold of 25%. NSFR was 227% for local currency and 160% for foreign currency, and LCR was 755% for local currency and 356% 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 100.4 billion, 4% higher YtD.
- End-of-period deposits were EGP 96.7 billion, 3% lower YtD.
- Gross outstanding contingent business reached EGP 74.3 billion, 5% lower YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 0.6 billion, 20% higher YtD.
- End-of-period deposits were EGP 20.2 billion, 2% higher YtD.
- Gross outstanding contingent business reached EGP 1.21 billion, 1% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 24 billion, 5% higher YtD.
- End-of-period deposits were EGP 176.5 billion, 6% higher YtD.
- CIB continued to expand its network to reach a total of 180 branches and 21 units across Egypt, supported by a network of 948 ATMs.

³ Loan, deposit, and outstanding contingent balances based on managerial accounts

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q19	4Q18	QoQ Change	1Q18	YoY change
	EGP million	EGP million	(1Q19 vs. 4Q18)	EGP million	(1Q19 vs. 1Q18)
Net Interest Income	4,939	4,835	2%	3,260	52%
Non-Interest Income	660	381	73%	890	-26%
Net Operating Income	5,600	5,216	7%	4,150	35%
Non-Interest Expense	(1,322)	(1,276)	4%	(957)	38%
Loan loss provision	(521)	(273)	91%	(320)	63%
Net Profit before Tax	3,757	3,667	2%	2,873	31%
Income Tax	(1,090)	(1,063)	3%	(896)	22%
Deferred Tax	(25)	(42)	-39%	45	NM
Net profit from continued operations	2,642	2,563	3%	2,021	31%
Net profit from discontinued operations	0	0	NM	0	NM
Net profit	2,642	2,563	3%	2,021	31%
Minority Interest	0	0	NM	0	NM
Net Profit After Minority	2,642	2,563	3%	2,021	31%

Financial Indicators	1Q19	4Q18	QoQ Change	1Q18	YoY change
			(1Q19 vs. 4Q18)		(1Q19 vs. 1Q18)
Profitability					
ROAE	29.0%	31.7%	-9%	28.7%	1%
ROAA	3.04%	3.06%	-1%	2.67%	14%
Efficiency					
Cost-to-Income	24.2%	24.0%	1%	22.9%	6%
Liquidity					
Gross Loans-to-Deposits	42.6%	41.9%	2%	42.2%	1%
Asset Quality					
NPLs-to-Gross Loans	4.99%	4.06%	23%	5.11%	-2%
Capital Adequacy Ratio	21.5%	19.1%	13%	17.9%	20%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q19	4Q18	QoQ Change	1Q18	YoY change
	EGP million	EGP million	(1Q19 vs. 4Q18)	EGP million	(1Q19 vs. 1Q18)
Net Interest Income	4,939	4,835	2%	3,260	51%
Non-Interest Income	661	370	79%	887	-26%
Net Operating Income	5,599	5,205	8%	4,147	35%
Non-Interest Expense	(1,321)	(1,275)	4%	(957)	38%
Loan loss provision	(521)	(273)	91%	(320)	63%
Net Profit before Tax	3,758	3,657	3%	2,869	31%
Income Tax	(1,090)	(1,063)	3%	(896)	22%
Deferred Tax	(25)	(42)	-39%	45	NM
Net Profit	2,642	2,553	4%	2,018	31%

Financial Indicators	1Q19	4Q18	QoQ Change	1Q18	YoY change
			(1Q19 vs. 4Q18)		(1Q19 vs. 1Q18)
Profitability					
ROAE	29.1%	31.7%	-8%	28.7%	1%
ROAA	3.05%	3.05%	0%	2.67%	14%
NIM*	6.32%	6.23%	2%	5.05%	25%
Efficiency					
Cost-to-Income	24.2%	24.0%	1%	22.9%	5%
Liquidity					
Gross Loans-to-Deposits	42.6%	41.9%	2%	42.2%	1%
Asset Quality					
NPLs-to-Gross Loans	4.99%	4.06%	23%	5.11%	-2%
Direct Coverage Ratio	199%	269%	-26%	202%	-1%

* NIM based on managerial accounts



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BALANCE SHEET

	Consolidated			Standalone		
	Mar-19	Dec-18	YtD Change	Mar-19	Dec-18	YtD Change
	EGP million	EGP million	(Mar-19 Vs. Dec-18)	EGP million	EGP million	(Mar-19 Vs. Dec-18)
Cash & Due from Central Bank	24,742	20,059	23%	24,742	20,059	23%
Due from Banks	51,538	46,519	11%	51,538	46,519	11%
Net Loans & Overdrafts	112,495	106,377	6%	112,495	106,377	6%
Financial Derivatives	150	52	188%	150	52	188%
Financial Investments Securities	149,899	157,586	-5%	149,899	157,586	-5%
Financial Investment in Subsidiaries	107	107	0%	67	69	-2%
Other Assets	12,752	11,762	8%	12,752	11,762	8%
Total Assets	351,683	342,461	3%	351,644	342,423	3%
Due to Banks	3,339	7,260	-54%	3,339	7,260	-54%
Customer Deposits	293,350	285,297	3%	293,392	285,340	3%
Other Liabilities	16,358	15,676	4%	16,357	15,676	4%
Total Liabilities	313,046	308,233	2%	313,088	308,276	2%
Shareholders' Equity & Net Profit	38,637	34,228	13%	38,556	34,147	13%
Total Liabilities & Shareholders' Equity	351,683	342,461	3%	351,644	342,423	3%