

10 May 2017

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS  
RECORD FIRST-QUARTER 2017 CONSOLIDATED REVENUE OF EGP 3.32 BILLION AND NET INCOME OF  
EGP 1.73 BILLION, OR EGP 1.37 PER SHARE, UP 34% FROM FIRST-QUARTER 2016**

**🌐 Strong First-Quarter 2017 Consolidated Financial Results**

- Net income of EGP 1.73 billion, up 34% year-on-year (YoY)
- Revenues of EGP 3.32 billion, up 29% YoY
- Return on average equity of 31.9%
- Return on average assets of 2.6%
- Efficiency ratio of 21.9%
- Net interest margin of 4.62%

**🌐 Robust Balance Sheet**

- After profit appropriation, total tier capital recorded EGP 22.61 billion, or 14.49% of risk-weighted assets
- CBE local currency liquidity ratio of 56.17%, foreign currency of 51.38% (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 96% of total liabilities
- Non-performing loans coverage ratio of 147%

**🌐 Supporting our Economy**

- Funding to businesses and individuals grew by 2% during first quarter of 2017 to reach EGP 99 billion, with a loan market share of 7.56%<sup>1</sup>
- Deposits grew by 3% during first quarter of 2017 to reach EGP 240 billion, translating into a deposit market share of 8.4%<sup>1</sup>
- In first-quarter 2017, CIB's operations generated EGP 760 million in corporate, payroll and other taxes

**🌐 Committed to our Community**

- CIB Foundation funded the renovation and outfitting of the MOVE Foundation for Cerebral Palsy
- CIB Foundation fulfilled the second installment for the Outfitting of the Pediatric Catheter Lab dedicated for children at the Ain Shams University Hospital to enable the hospital to conduct 100 procedures a month and reduce the waiting list by 90%
- CIB Foundation covered 95 eye surgeries through the Children's Right to Sight Program
- CIB Foundation started the installments for the implementation of "Together for Change project" in partnership with a number of social development foundations
- CIB Foundation covered the funding of 50 children's open heart surgeries through the Magdi Yacoub Heart Foundation

<sup>1</sup> As of December 2016; latest available CBE data at time of print

## CIB First-Quarter 2017 News Release

### Awards & Rankings

- Global Finance: Best Trade Finance Provider in Egypt
- Global Finance: Best Treasury & Cash Management Providers in Egypt
- Global Finance: Best Foreign Exchange Provider in Egypt
- Global Finance: Best Bank in Egypt 2017

CAIRO - Commercial International Bank (EGX: COMI) today reported first-quarter 2017 consolidated revenue of EGP 3.32 billion and net income of EGP 1.73 billion, or EGP 1.37 per share, up 34% from first-quarter 2016.

Management commented: “CIB made a strong start to 2017, delivering record bottom and top lines, following a year with ample economic, financial and regulatory challenges. This quarter, besides normal growth in net interest income, CIB witnessed remarkable growth in its non-interest income, which tripled from last year, largely driven by a pick-up in trade finance activity and foreign exchange transaction volumes as the foreign currency shortage started to resolve following the CBE decision to float the Egyptian Pound by end of last year.

Pertaining to our strategy to gradually exit from our subsidiaries and affiliated investments and to direct primary focus to core banking activities, we successfully off-loaded a majority stake of 74.76% in our subsidiary, CI-Capital Holding.

In February 2017, the CBE finally approved the recognition of interim profits in the capital base for banks, which is expected to allow for relative stability in Banks’ capital levels and to reflect the actual solvency for commercial banks operating in Egypt.

The Bank continued to deliver successful treasury management performance, keeping its balance sheet duration at the shortest level possible, in a way that would sail efficiently with the currently increasing interest rate environment. Furthermore, CIB balance sheet remains well covered in terms of capital adequacy and liquidity requirements of the CBE as well as Basel III regulations.

Overall, CIB first-quarter results signal strong performance throughout the year and ensures the Bank remains nimble for any unanticipated changes in the macroeconomic environment or any further stringent regulatory requirements posed by the CBE. “

## FIRST-QUARTER FINANCIAL HIGHLIGHTS

### REVENUES

First-quarter 2017 standalone revenues were EGP 3.62 billion, up 37% from first-quarter 2016, driven mainly by NII growth, improved trade finance activity in addition to the gain from the sale of a majority stake in CI Capital.

### Net Interest Income

Year-to-date (YtD) standalone net interest margin (NIM)<sup>2</sup> was 4.62%, generating net interest income of EGP 2.78 billion, up 23% YoY.

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<sup>2</sup> Based on managerial accounts

## **CIB First-Quarter 2017 News Release**

### **Non-Interest Income**

Standalone non-interest income for first quarter of 2017 was EGP 839 million (23% of revenues).

Trade service fees were EGP 226 million. Trade service net outstanding balances stood at EGP 70.82 billion, 3% higher YtD.

### **OPERATING EXPENSE**

Standalone operating expense for first-quarter 2017 was EGP 746 million, up 24% YoY. Cost-to-income reported 20.1% down from 22.8% in first-quarter 2016, comfortably below the desirable level of 30%.

### **LOANS**

CIB's total gross loan portfolio was EGP 99.4 billion, adding EGP 1.95 billion, or 2% YtD. CIB's loan market share reached 7.56% as of December 2016. CIB witnessed 14% growth in its local currency gross loan portfolio during the quarter, adding EGP 6bn and outweighing foreign currency loan repayments by an equivalent of EGP 4bn.

### **DEPOSITS**

Deposits were EGP 240 billion, adding EGP 8.0 billion, or 3% YtD. CIB's deposit market share was 8.40% as of December 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 7.02% of the gross loan portfolio, covered 147% by the Bank's EGP 10.26 billion loan loss provision balance. Loan loss provision expenses were EGP 507 million, 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 22.61 billion, or 14.49%<sup>3</sup> of risk-weighted assets as of March 2017. Tier I capital was EGP 21 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 56.17% as of March 2017, while FCY CBE liquidity ratio reached 51.38%, above the threshold of 25%. NSFR was 217% for local currency and 139% for foreign currency, and LCR was 574% for local currency and 416% for foreign currency, comfortably above the 100% Basel III requirement.

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<sup>3</sup> After appropriation of first-quarter 2017 profits

**KEY METRICS AND BUSINESS UPDATES<sup>4</sup>**

- #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 80.6 billion, 46% higher YoY.
- End-of-period deposits were EGP 52.8 billion, 47% higher YoY.
- Gross outstanding contingent business reached EGP 72.7<sup>5</sup> billion, 2x last year.

**BUSINESS BANKING**

- End-of-period gross loans were EGP 2.2 billion, down 5% YoY.
- End-of-period deposits were EGP 58.9 billion, up 34% YoY.
- Gross outstanding contingent business reached EGP 1.8<sup>5</sup> billion, up 17% YoY.

**RETAIL INDIVIDUALS BANKING**

- End-of-period gross loans were EGP 16.6 billion, up 67% YoY.
- End-of-period deposits were EGP 128 billion, up 43% YoY.
- CIB continued to expand its network to reach a total of 171 branches and 23 units across Egypt, supported by a network of 797 ATMs.

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<sup>4</sup> Loan and deposit balances based on managerial accounts

<sup>5</sup> On gross basis; based on managerial accounts

## CIB First-Quarter 2017 News Release

### CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q17	4Q16	QoQ Change	1Q16	YoY Change
	EGP million	EGP million	(1Q17 vs. 4Q16)	EGP million	(1Q17 vs. 1Q16)
Net Interest Income	2,783	2,952	-6%	2,268	23%
Non-Interest Income	538	163	230%	315	71%
<b>Net Operating Income</b>	<b>3,322</b>	<b>3,115</b>	<b>7%</b>	<b>2,584</b>	<b>29%</b>
Non-Interest Expense	(746)	(639)	17%	(602)	24%
Loan loss provision	(507)	(315)	61%	(288)	76%
<b>Net Profit before Tax</b>	<b>2,069</b>	<b>2,161</b>	<b>-4%</b>	<b>1,695</b>	<b>22%</b>
Income Tax	(599)	(564)	6%	(483)	24%
Deferred Tax	15	(77)	-119%	58	-75%
<b>Net profit from continued operations</b>	<b>1,485</b>	<b>1,520</b>	<b>-2%</b>	<b>1,270</b>	<b>17%</b>
CI Capital Profit (Net of Tax)	273	31	767%	26	951%
<b>Net profit</b>	<b>1,757</b>	<b>1,551</b>	<b>13%</b>	<b>1,296</b>	<b>36%</b>
Minority Interest	24	0.4	5429%	4.7	409%
<b>Net Profit After Minority</b>	<b>1,733</b>	<b>1,551</b>	<b>12%</b>	<b>1,292</b>	<b>34%</b>

Financial Indicators	1Q17	4Q16	QoQ Change	1Q16	YoY Change
			(1Q17 vs. 4Q16)		(1Q17 vs. 1Q16)
<b>Profitability</b>					
ROAE	31.9%	30.6%	4.5%	33.2%	-8.0%
ROAA	2.57%	2.6%	-1.8%	2.8%	-5.8%
<b>Efficiency</b>					
Cost-to-Income	21.9%	20.8%	5.2%	23.4%	-10.9%
<b>Liquidity</b>					
Gross Loans-to-Deposits	41.5%	42.1%	-1.4%	39.3%	5.5%
<b>Asset Quality</b>					
NPLs-to-Gross Loans	7.02%	6.76%	3.9%	4.74%	48.2%
Capital Adequacy Ratio	14.5%	14.0%	3.7%	12.7%	13.9%

### STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q17	4Q16	QoQ Change	1Q16	YoY Change
	EGP million	EGP million	(1Q17 vs. 4Q16)	EGP million	(1Q17 vs. 1Q16)
Net Interest Income	2,783	2,952	-6%	2,268	23%
Non-Interest Income	839	161	421%	374	124%
<b>Net Operating Income</b>	<b>3,623</b>	<b>3,113</b>	<b>16%</b>	<b>2,642</b>	<b>37%</b>
Non-Interest Expense	(746)	(639)	17%	(602)	24%
Loan loss provision	(507)	(315)	61%	(288)	76%
<b>Net Profit before Tax</b>	<b>2,370</b>	<b>2,159</b>	<b>10%</b>	<b>1,753</b>	<b>35%</b>
Income Tax	(599)	(564)	6%	(483)	24%
Deferred Tax	15	(77)	NM	58	-75%
<b>Net Profit</b>	<b>1,785</b>	<b>1,518</b>	<b>18%</b>	<b>1,329</b>	<b>34%</b>

Financial Indicators	1Q17	4Q16	QoQ Change	1Q16	YoY Change
			(1Q17 vs. 4Q16)		(1Q17 vs. 1Q16)
<b>Profitability</b>					
ROAE	33.0%	30.0%	9.8%	34.2%	-3.6%
ROAA	2.66%	2.60%	2.4%	2.88%	-7.4%
NIM*	4.62%	4.98%	-7.1%	5.81%	-20.5%
<b>Efficiency</b>					
Cost-to-Income	20.1%	20.8%	-3.4%	22.8%	-11.9%
<b>Liquidity</b>					
Gross Loans-to-Deposits	41.5%	42.3%	-2.1%	39.7%	4.4%
<b>Asset Quality</b>					
NPLs-to-Gross Loans	7.02%	6.70%	4.7%	4.68%	49.9%
Direct Coverage Ratio	147%	149%	-1.4%	171%	-14.2%

\* NIM based on managerial accounts



## CIB First-Quarter 2017 News Release

### BALANCE SHEET

	Consolidated			Standalone		
	Mar-17	Dec-16	YtD Change	Mar-17	Dec-16	YtD Change
	EGP million	EGP million	(Mar-17 Vs. Dec-16)	EGP million	EGP million	(Mar-17 Vs. Dec-16)
Cash & Due from Central Bank	15,101	10,522	44%	15,101	10,522	44%
Due from Banks	65,450	58,011	13%	65,450	58,011	13%
Treasury Bills & Governmental Notes	39,956	39,177	2.0%	39,956	39,177	2%
Trading Financial Assets	2,209	2,445	-10%	2,209	2,445	-10%
Available-for-Sale Investments	5,140	5,447	-6%	5,140	5,447	-6%
Financial assets held for sale	240	4,890	-95%	-	428	-100%
Net Loans & Overdrafts	86,740	85,384	2%	86,740	86,152	1%
Financial Derivatives	95	269	-65%	95	269	-65%
Held-to-Maturity Investments	49,389	53,925	-8%	49,389	53,925	-8%
Financial Investment in Subsidiaries	49	37	33%	250	11	2285%
Other Assets	8,306	7,436	12%	8,307	7,465	11%
<b>Total Assets</b>	<b>272,675</b>	<b>267,544</b>	<b>2%</b>	<b>272,638</b>	<b>263,852</b>	<b>3%</b>
Due to Banks	2,598	3,009	-14%	2,598	3,009	-14%
Customer Deposits	239,731	231,741	3%	239,731	231,965	3%
Other Liabilities	8,302	11,286	-26%	8,302	7,602	9%
<b>Total Liabilities</b>	<b>250,631</b>	<b>246,036</b>	<b>2%</b>	<b>250,631</b>	<b>242,576</b>	<b>3%</b>
Total Shareholders' Equity	20,311	15,365	32%	20,221	15,325	32%
Net Profit for the Period	1,733	6,009	-71%	1,785	5,951	-70%
<b>Shareholders' Equity &amp; Net Profit</b>	<b>22,044</b>	<b>21,374</b>	<b>3%</b>	<b>22,007</b>	<b>21,276</b>	<b>3%</b>
Minority Interest		133.08	-100%			
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>272,675</b>	<b>267,544</b>	<b>2%</b>	<b>272,638</b>	<b>263,852</b>	<b>3%</b>