

28 February 2021

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS

FULL-YEAR 2020 CONSOLIDATED REVENUE OF EGP 25.9 BILLION AND NET INCOME OF EGP 10.2 BILLION, OR EGP 6.21 PER SHARE, DOWN 13% FROM 2019

FOURTH-QUARTER 2020 CONSOLIDATED REVENUE OF EGP 6.58 BILLION AND NET INCOME OF EGP 2.89 BILLION, OR EGP 1.75 PER SHARE, DOWN 11% FROM FOURTH-QUARTER 2019

Fourth-Quarter 2020 Consolidated Financial Results

- Net income of EGP 2.89 billion, down 11% year-on-year (YoY)
- Revenues of EGP 6.58 billion, up 7% YoY
- Return on average equity of 20.4%
- Return on average assets of 2.75%
- Efficiency ratio of 20.8%
- Net interest margin (NIM)¹ of 6.40%

Full-Year 2020 Consolidated Financial Results

- Net income of EGP 10.2 billion, down 13% YoY
- Revenues of EGP 25.9 billion, up 12% YoY
- Return on average equity² of 19.2%
- Return on average assets² of 2.53%
- Efficiency ratio of 20.7%
- Net interest margin¹ of 6.75%

Resilient Balance Sheet

- Total tier capital recorded EGP 63.0 billion, or 31.4% of risk-weighted assets
- CBE local currency liquidity ratio of 56.8%, foreign currency liquidity ratio of 67.6% (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 93% of total liabilities
- Non-performing loans coverage ratio of 281%

Supporting our Economy

- Funding to businesses and individuals grew by 3% over 2020 to record EGP 136 billion, with a loan market share of 5.63%³
- Deposits grew by 12% over 2020 to record EGP 340 billion, with a deposit market share of 6.56%³
- In 2020, CIB’s operations generated EGP 6.24 billion in corporate, payroll and other taxes

Committed to our Community

- CIB Foundation joined “AmCham Egypt Private Sector Movement Against COVID-19” with EGP 5 million to secure protective equipment for the medical staff in healthcare units across the nation.
- CIB Foundation paid the second instalment of EGP 13 million for the “Children Cancer Hospital 57357” to purchase 390 syringe pumps and 216 infusion pumps.
- CIB Foundation participated by EGP 12 million to secure a closed MRI machine for the “Nile of Hope Hospital”.

¹ Based on managerial accounts.

² After profit appropriation.

³ As of September 2020; latest available CBE data at time of print.

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- CIB Foundation funded “Banha University Hospital” with the needed amount to purchase 40 incubators for the Intensive Care Unit and 10 paediatric ICU beds for the Paediatric Intensive Care Unit.
- CIB Foundation financed “Magdi Yacoub Heart Foundation” to cover 50 open-heart surgeries.
- CIB Foundation, in collaboration with “Al Joud Foundation”, covered 50 open-heart surgeries at “Al-Naas Hospital for Children’s Heart”.

Awards & Rankings

- Global Finance: World's Best Bank in the Emerging Markets
- Global Finance: Best Treasury & Cash Management Providers in Egypt
- Global Finance: Best Foreign Exchange Provider in Egypt
- Global Finance: Best Bank in Egypt
- African Banker: Best Regional Bank in North Africa
- Euromoney: Best Bank in Egypt
- Asiamoney: Best Digital Bank in Egypt

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2020 consolidated net income of EGP 2.89 billion, or EGP 1.75 per share, down 11% from fourth-quarter 2019. Full-year 2020 consolidated net income recorded EGP 10.2 billion, or EGP 6.21 per share, down by 13% from last year.

Management commented: “Ending a year beset with unprecedented dynamics on both macroeconomic and internal fronts, CIB achieved another milestone in financial performance, while maintaining top-notch solvency. As the second wave of COVID-19 hit, and ambiguity inherent in the macroeconomic outlook and client creditworthiness persisted, Management upheld its year-long strategy of prioritizing solvency over short-term profitability, accumulating a further EGP 1.2 billion of loan loss provisions in the fourth quarter of the year. Cumulatively, loan loss provision expense for full-year 2020 recorded EGP 5.0 billion, tripling from last year. With that, CIB maintained its pioneer coverage in the Sector, with loan loss provision balance of EGP 16.4 billion, covering 12% of the Bank’s gross loan portfolio, and 16% of the unsecured portion therein. This, alongside the Bank’s comfortable capital position reflected in robust Capital Adequacy Ratio of 31.4%, provide further credence to its resolute solvency and coverage for both expected and unexpected credit losses.

On another note, the Bank’s flexible balance sheet structure, racked-up over the years, has been pivotal to sharp performance, serving well in special light of declining interest rates and reflecting Management farsightedness and adept strategic direction. This came evident in pre-provision bottom line growing by decent 15% over last year, notwithstanding macroeconomic challenges, backed by competent balance sheet growth attained at improved margins. Distinctly, local currency balance sheet grew impressively, with deposits adding EGP 36.5 billion at controlled cost, matched by notable growth in net loan bookings by EGP 12.8 billion over the year.

Moving into 2021, Management remains confident in CIB’s ability to endure any arising challenges, drawing on its resilient balance sheet fundamentals and robust solvency.”

FOURTH-QUARTER 2020 FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2020 standalone revenues were EGP 6.50 billion, up 6% from fourth-quarter 2019. Full-year 2020 standalone revenues were EGP 25.8 billion, up 12% YoY, on the back of net interest income growth. Upon adding back contingent provision charged, which is normally deducted from Net Operating Income as part of Other Operating Expenses, full-year 2020 standalone revenues grew by 16% YoY.

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NET INTEREST INCOME

Full-year 2020 standalone net interest income was EGP 25.1 billion, up 16% YoY, generated at 6.75% Total NIM¹, up 27 basis points (bp) YoY. Local Currency NIM¹ recorded 9.01%, up 54bp YoY, while Foreign Currency NIM¹ recorded 1.25%, down 115bp YoY.

NON-INTEREST INCOME

Full-year 2020 standalone non-interest income recorded EGP 749 million, representing 3% of total revenues. Adding back contingent provision charged amounting to EGP 1.29 billion for full-year 2020, standalone non-interest income represented 8% of revenues. Trade service fees were EGP 699 million, with outstanding balance of EGP 82.5 billion⁴.

OPERATING EXPENSE

Full-year 2020 standalone operating expense was EGP 5.55 billion, up 10% YoY. Cost-to-income reported 20.5%, 111bp lower YoY⁵, and comfortably below the desirable level of 30%.

LOANS

Gross loan portfolio recorded EGP 136 billion, growing by 3% or EGP 4.52 billion over 2020. Growth was driven wholly by local currency loans, which grew impressively by 17% or EGP 12.8 billion, sufficiently offsetting foreign currency net loan repayments of USD 460 million or 13%, along with the effect of the EGP appreciation of EGP 0.31 over 2020, which brought the foreign currency equivalent balance down further by EGP 0.94 billion. CIB's loan market share reached 5.63% as of September 2020.

DEPOSITS

Deposits recorded EGP 340 billion, adding EGP 35.6 billion or 12% YoY. Growth was driven by local currency deposits, adding EGP 36.5 billion, while foreign currency deposits came almost flat adding modest USD 53 million, whereas EGP appreciation over the year brought the foreign currency equivalent balance down by EGP 1.74 billion. CIB's deposit market share recorded 6.56% as of September 2020, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.27% of the gross loan portfolio, covered 281% by the Bank's EGP 16.4 billion loan loss provision balance. Full-year 2020 loan loss provision expense recorded EGP 4.99 billion, 3.5x higher YoY.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 63.0 billion, or 31.4% of risk-weighted assets as of December 2020. Tier I capital reached EGP 56.3 billion, or 89% of total tier capital.

CIB maintained its comfortable liquidity position above CBE requirements and Basel III guidelines in both local currency and foreign currency. CBE local currency liquidity ratio remained well above the regulator's 20% requirement, recording 56.8% as of December 2020, while CBE foreign currency liquidity ratio reached 67.6%, above the threshold of 25%. NSFR was 301% for local currency and 168% for foreign currency, and LCR was 1977% for local currency and 337% for foreign currency, comfortably above the 100% Basel III requirement.

⁴ Net of Collateral, Gross of Provisions.

⁵ Cost-to-income is, as has normally been, calculated using revenues after adding/deducting back contingent provision charged/released.

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KEY METRICS AND BUSINESS UPDATES⁶

- #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 99.4 billion, 5% lower YoY, on foreign currency loans coming lower by 13%, partially offset by 6% growth in local currency loans.
- End-of-period deposits were EGP 111.7 billion, 14% higher YoY, predominantly on growth in local currency deposits by 20%, while foreign currency deposits came in almost flat.
- Gross outstanding contingent business reached EGP 86.3 billion, 15% higher YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 1.7 billion, 2x higher YoY, primarily in local currency.
- End-of-period deposits were EGP 29.5 billion, 26% higher YoY, mostly on local currency deposit growth of 33%, besides 5% growth in foreign currency deposits YoY.
- Gross outstanding contingent business reached EGP 1.9 billion, 41% higher YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 35.3 billion, 33% higher YoY, primarily in local currency loans coming in higher by 37%, offsetting 11% lower foreign currency loans.
- End-of-period deposits were EGP 198.9 billion, 9% higher YoY, wholly on local currency deposit growth of 13%, while foreign currency deposits came in almost flat YoY.
- CIB continued to expand its network to reach a total of 182 branches and 27 units across Egypt, supported by a network of 1,121 ATMs.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q20 EGP million	3Q20 EGP million	QoQ Change (4Q20 vs. 3Q20)	4Q19 EGP million	YoY change (4Q20 vs. 4Q19)	FY20 EGP million	FY19 EGP million	YoY change (FY20 vs. FY19)
Net Interest Income	6,332	6,363	0%	6,130	3%	25,172	21,579	17%
Non-Interest Income	246	290	-15%	19	1163%	709	1,441	-51%
Net Operating Income	6,578	6,653	-1%	6,149	7%	25,881	23,019	12%
Non-Interest Expense	(1,425)	(1,352)	5%	(1,160)	23%	(5,626)	(5,049)	11%
Loan Loss Provision	(1,156)	(1,603)	-28%	(228)	407%	(5,019)	(1,435)	250%
Net Profit Before Tax	3,997	3,697	8%	4,761	-16%	15,236	16,535	-8%
Income Tax	(1,129)	(1,306)	-14%	(1,356)	-17%	(5,087)	(4,639)	10%
Deferred Tax	24	(44)	NM	(142)	NM	87	(95)	NM
Net Profit	2,892	2,346	23%	3,263	-11%	10,236	11,801	-13%
Minority Interest	0	(2)	NM	0	NM	(2)	0	NM
Net Profit After Minority	2,892	2,349	23%	3,263	-11%	10,238	11,801	-13%

Financial Indicators	4Q20	3Q20	QoQ Change (4Q20 vs. 3Q20)	4Q19	YoY change (4Q20 vs. 4Q19)	FY20	FY19	YoY change (FY20 vs. FY19)
Profitability								
ROAE	20.4%	17.6%	15%	26.2%	-22%	19.2%	29.5%	-35%
ROAA	2.75%	2.31%	19%	3.43%	-20%	2.53%	3.26%	-23%
Efficiency								
Cost-to-Income	20.8%	20.5%	2%	17.8%	17%	20.7%	21.6%	-4%
Liquidity								
Gross Loans-to-Deposits	40.2%	40.6%	-1%	43.3%	-7%	40.2%	43.3%	-7%
Asset Quality								
NPLs-to-Gross Loans	4.26%	3.96%	8%	3.99%	7%	4.26%	3.99%	7%
Capital Adequacy Ratio	31.4%	31.0%	1%	26.1%	20%	31.4%	26.1%	20%

⁶ Loan, deposit, and outstanding contingent balances are based on managerial accounts.

Outstanding contingent balances are gross of collateral and provisions.

Growth in foreign currency balances is in real terms, excluding the effect of EGP appreciation by EGP 0.31 over full-year 2020.

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STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q20	3Q20	QoQ Change	4Q19	YoY change	FY20	FY19	YoY change
	EGP million	EGP million	(4Q20 vs. 3Q20)	EGP million	(4Q20 vs. 4Q19)	EGP million	EGP million	(FY20 vs. FY19)
Net Interest Income	6,257	6,356	-2%	6,130	2%	25,090	21,578	16%
Non-Interest Income	245	330	-26%	18	1298%	749	1,440	-48%
Net Operating Income	6,502	6,686	-3%	6,147	6%	25,839	23,018	12%
Non-Interest Expense	(1,368)	(1,339)	2%	(1,159)	18%	(5,553)	(5,045)	10%
Loan Loss Provision	(1,127)	(1,603)	-30%	(228)	394%	(4,989)	(1,435)	248%
Net Profit Before Tax	4,006	3,745	7%	4,760	-16%	15,297	16,537	-8%
Income Tax	(1,126)	(1,306)	-14%	(1,356)	-17%	(5,085)	(4,639)	10%
Deferred Tax	24	(44)	NM	(142)	NM	87	(95)	NM
Net Profit	2,904	2,394	21%	3,262	-11%	10,300	11,804	-13%

Financial Indicators	4Q20	3Q20	QoQ Change	4Q19	YoY change	FY20	FY19	YoY change
			(4Q20 vs. 3Q20)		(4Q20 vs. 4Q19)			(FY20 vs. FY19)
Profitability								
ROAE	20.5%	18.0%	14%	26.3%	-22%	19.3%	29.6%	-35%
ROAA	2.77%	2.36%	17%	3.43%	-19%	2.55%	3.26%	-22%
NIM*	6.40%	6.71%	-5%	7.00%	-9%	6.75%	6.48%	4%
Efficiency								
Cost-to-Income	20.2%	20.2%	0%	17.8%	14%	20.5%	21.6%	-5%
Liquidity								
Gross Loans-to-Deposits	40.1%	40.5%	-1%	43.3%	-7%	40.1%	43.3%	-7%
Asset Quality								
NPLs-to-Gross Loans	4.27%	3.97%	8%	3.99%	7%	4.27%	3.99%	7%
Direct Coverage Ratio	281%	289%	-3%	225%	25%	281%	225%	25%

*NIM based on managerial accounts

BALANCE SHEET	Consolidated			Standalone		
	Dec-20	Dec-19	YoY Change	Dec-20	Dec-19	YoY Change
	EGP million	EGP million	(Dec-20 Vs. Dec-19)	EGP million	EGP million	(Dec-20 Vs. Dec-19)
Cash & Due from Central Bank	33,769	28,274	19%	33,573	28,274	19%
Due from Banks	87,426	28,353	208%	86,997	28,353	207%
Net Loans & Overdrafts	120,347	119,946	0%	119,632	119,946	0%
Financial Derivatives	249	216	15%	249	216	15%
Financial Investment Securities	173,764	197,542	-12%	173,027	197,542	-12%
Investments in Associates and Subsidiaries	140	108	30%	874	64	1267%
Other Assets	12,148	12,303	-1%	11,793	12,301	-4%
Total Assets	427,842	386,742	11%	426,145	386,697	10%
Due to Banks	8,818	11,811	-25%	8,816	11,811	-25%
Customer Deposits	341,169	304,448	12%	340,087	304,484	12%
Other Liabilities	17,896	18,603	-4%	17,838	18,603	-4%
Total Liabilities	367,883	334,862	10%	366,740	334,897	10%
Shareholders' Equity & Net Profit	59,476	51,880	15%	59,405	51,800	15%
Minority Interest	483	0	NM	0	0	NM
Total Liabilities & Shareholders' Equity	427,842	386,742	11%	426,145	386,697	10%