

News Release

21 February 2022

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS FULL-YEAR 2021 CONSOLIDATED REVENUE OF EGP 26.7 BILLION AND NET INCOME OF EGP 13.3 BILLION, OR EGP 6.10 PER SHARE, UP 30% FROM FULL-YEAR 2020 FOURTH-QUARTER 2021 CONSOLIDATED REVENUE OF EGP 6.93 BILLION AND NET INCOME OF EGP 3.37 BILLION, OR EGP 1.53 PER SHARE, UP 17% FROM FOURTH-QUARTER 2020

🌐 Fourth-Quarter 2021 Consolidated Financial Results

- Net income of EGP 3.37 billion, up 17% year-on-year (YoY)
- Revenues of EGP 6.93 billion, up 5% YoY
- Return on average equity of 20.0%
- Return on average assets of 2.72%
- Efficiency ratio of 24.5%
- Net interest margin (NIM)¹ of 5.68%

🌐 Full-Year 2021 Consolidated Financial Results

- Net income of EGP 13.3 billion, up 30% YoY
- Revenues of EGP 26.7 billion, up 3% YoY
- Return on average equity² of 21.7%
- Return on average assets² of 2.88%
- Efficiency ratio of 22.8%
- Net interest margin (NIM)¹ of 5.67%

🌐 Resilient Balance Sheet

- Total tier capital recorded EGP 70.0 billion, or 29.9% of risk-weighted assets
- CBE local currency liquidity ratio of 57.5%, foreign currency liquidity ratio of 66.2% (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 95% of total liabilities
- Non-performing loans coverage ratio of 213%

🌐 Supporting our Economy

- Funding to businesses and individuals grew by 20% over 2021 to record EGP 163 billion, with a loan market share of 5.20%³.
- Deposits grew by 19% over 2021 to record EGP 406 billion, with a deposit market share of 6.76%².
- Loan-to-Deposit Ratio recorded 40.2% by end of 2021.
- In full-year 2021, CIB's operations generated EGP 6.84 billion in corporate, payroll, and other taxes.

🌐 Committed to our Community

- CIB Foundation financed “Children Cancer Hospital 57357” to install Digital Pathology Lab and cover 2021 Annual Operating Costs.
- CIB Foundation subsidized “Egyptian Clothing Bank” with the needed amount to manufacture and distribute 70,000 training suits and 70,000 shoes.
- CIB Foundation, in collaboration with “Sonaa El Kheir” in “Hayah Karima Campaign”, provided comprehensive medical service through convoys running across 42 schools.
- CIB Foundation funded “Magdy Yacoub Foundation” with the first and second installments to cover 400 open-heart surgeries and 690 catheterization procedures.

¹ Based on managerial accounts.

² After profit appropriation.

³ As of October 2021; latest available CBE data at time of print.

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- CIB Foundation joined forces with “The National Foundation for Family and Community Development” to establish clinics and rehabilitation centers.
- CIB Foundation financed “Aswan University Hospital” to outfit the Pediatric Neurosurgery Department.

Awards & Rankings

- Global Finance: Best Treasury and Cash Management Providers in Egypt, Best Trade Finance Provider in Egypt, Best Bank in Egypt, Best Digital Bank, Financial Leadership in Sustaining Communities in the Middle East, Sustainable Finance Award
- The Digital Banker: Best Financial Chain Initiative in Egypt, Best Supplier Financing Initiative, Best Bank for Cash Management, Best Bank for Payment Services, Best Transaction Banking
- African Banker: Sustainable Bank of the Year
- Euromoney: Best Bank in Egypt
- The Banker: Best Digital Bank in Africa
- Asiamoney: Best Domestic Bank in Egypt
- MEED: Best CSR Initiative in Asia and Middle East
- EMEA Finance’s African Banking Awards 2021: Most Innovative Bank
- Forbes: World's Best Employers 2021

CAIRO - Commercial International Bank (EGX: COMI) today reported fourth-quarter 2021 consolidated net income of EGP 3.37 billion, or EGP 1.53 per share, up 17% from fourth-quarter 2020. Full-year 2021 consolidated net income recorded EGP 13.3 billion, or EGP 6.10 per share, up by 30% from last year.

Management commented: “Following a year of continued uncertainty, CIB achieved yet again its record performance in 2021, reiterating its leading market position in terms of both profitability and solvency through the year, while remaining committed to elevate the overall customer banking experience.

Bottom line growth came in exceptionally strong, thanks to the Bank’s unique coverage and flexible balance sheet structure, which helped navigate efficiently through market dynamics. Such advantages, alongside Management’s focus on rationalizing costs, led to sustained balance sheet growth momentum without markedly compromising on spreads, especially on the local currency front, with local currency deposits growing by a notable 23%. CIB lending activity showed impressive progress as well, in both local and foreign currency, with an unprecedented 29% growth since 2011 in local currency loans. This further fueled top line growth, coupled with a strong revival in contingent business and foreign exchange trading activities, generating a significant rebound in core fees and commissions. Moreover, the Bank’s healthy coverage and prudent risk management, over the years, contributed to this singular loan growth, allowing for normalized provision accumulations in light of relatively stabilizing economic conditions compared to last year. CIB maintained its foremost coverage position in the market, for both expected and unexpected losses, with loan loss provision balance covering 11% of gross loans, combined with the Bank’s regulatory capital base covering 30% of its risk-weighted assets. Despite the adequate capital buffer above minimum regulatory requirements, the return to CIB shareholders remained amongst the most competitive in the market, with Return on Average Equity recording 21.9%, after profit appropriation, up by 255 basis points from last year.

In line with the Bank’s leading role in Digital Transformation, CIB pursued new levels in achieving outstanding records in cost synergies with direct impact on Bank’s financial results. This came as Management placed due focus on automating and digitizing its business processes, attracting more digitally-engaged customers and paving the way for its trade business growth, especially with the increase in online service penetration rates following the COVID-19 outbreak. With that, CIB is ranked first among all Egyptian Banks in governmental and commercial domestic E-payment transactions, reflecting the significant increase in volume and value of transactions, with more than 1 million users in the Online Banking Digital Consumer Channel by end of 2021, and more than 100% YoY increase in transaction value, reaching EGP 861 billion across all Bank’s digital channels. This came alongside revamping the branch experience, creating new customer touchpoints to serve new segments and add new services, while adopting a new culture of agility.

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Moving forward, Management remains committed to the Bank's role in supporting the economy through individual and corporate financing within the scope of its prudent risk management and operational evolution, while sustaining the balance between profitability and liquidity amidst probable market challenges."

FOURTH-QUARTER 2021 FINANCIAL HIGHLIGHTS

REVENUES

Fourth-quarter 2021 standalone revenues were EGP 7.05 billion, up 8% from fourth-quarter 2020. Full-year 2021 standalone revenues were EGP 26.8 billion, up 4% from 2020, wholly driven by non-interest income coming 2x higher YoY, slightly pulled down by 1% decrease in net interest income.

NET INTEREST INCOME

Full-year 2021 standalone net interest income recorded EGP 24.9 billion, decreasing by 1% YoY, with Total NIM decreasing by 108 basis points (bp), due mainly to the maturities of exceptionally-high-yielding bonds previously purchased. Normalizing for the above-market-interest-rate-differential of the aforementioned bonds in full-year 2020, net interest income grew by 14% YoY, generated at 5.67% Total NIM¹, down by 22bp YoY, with Local Currency NIM¹ recording 7.25%, down 54bp, and Foreign Currency NIM¹ recording 1.06%, down 19bp YoY.

NON-INTEREST INCOME

Full-year 2021 non-interest income recorded EGP 1.87 billion, coming 2x higher YoY. Upon adding back contingent provision charged, which is normally deducted from Non-Interest Income as part of Other Operating Expenses, recording EGP 411 million for full-year 2021 and EGP 1.29 billion for full-year 2020, standalone non-interest income grew by 12% YoY. Trade service fees were EGP 798 million, growing by 14% YoY, with outstanding balance of EGP 91.6 billion⁴.

OPERATING EXPENSE

Full-year 2021 standalone operating expense was EGP 6.1 billion, up 10% YoY. Cost-to-income⁵ reported 22.4%, 197bp higher YoY, while remaining comfortably below the desirable level of 30%. Normalized for the aforementioned 2020 bond yield-highs, cost-to-income came 76bp lower YoY.

LOANS

Gross loan portfolio recorded EGP 163 billion, growing by 20% or EGP 27.0 billion YoY. Growth was driven mainly by local currency loans, growing by 29% or EGP 25.4 billion, alongside foreign currency loans, adding 3% or USD 104 million. CIB's loan market share reached 5.20% as of October 2021.

DEPOSITS

Deposits recorded EGP 406 billion, growing by 19% or EGP 66.0 billion YoY. Growth was driven mainly by local currency deposits, growing by 23% or EGP 59.0 billion, besides foreign currency deposits, adding 8% or USD 452 million. CIB's deposit market share recorded 6.76% as of October 2021, maintaining the highest deposit market share among all private-sector banks.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 5.13% of the gross loan portfolio, covered 213% by the Bank's EGP 17.9 billion loan loss provision balance. Full-year 2021 loan loss provision expense recorded EGP 1.68 billion, 66% lower YoY.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 70.0 billion, or 29.9% of risk-weighted assets as of December 2021. Tier I capital reached EGP 63.0 billion, or 90% of total tier capital.

⁴ Net of Collateral, Gross of Provisions.

⁵ Cost-to-income is calculated using revenues after adding/deducting back contingent provision charged/released.

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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 57.5% as of December 2021, while CBE foreign currency liquidity ratio reached 66.2%, above the threshold of 25%. NSFR was 282% for local currency and 170% for foreign currency, and LCR was 902% for local currency and 304% for foreign currency, comfortably above the 100% Basel III requirement.

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 119.9 billion, 21% higher YoY, on 34% growth in local currency loans and 5% growth in foreign currency loans.
- End-of-period deposits were EGP 138.6 billion, 24% higher YoY, on 27% growth in local currency deposits and 16% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 95.0 billion, 10% higher YoY.

BUSINESS BANKING

- End-of-period gross loans were EGP 3.2 billion, 93% higher YoY, solely in local currency.
- End-of-period deposits were EGP 41.7 billion, 41% higher YoY, mostly on local currency deposit growth of 44%, besides foreign currency deposit growth of 29%.
- Gross outstanding contingent business reached EGP 2.7 billion, 46% higher YoY.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 40.3 billion, 14% higher YoY, wholly on 17% growth in local currency loans.
- End-of-period deposits were EGP 225.8 billion, 14% higher YoY, driven by local currency deposit growth of 18%.
- CIB continued to expand its network to reach a total of 188 branches and 27 units across Egypt, supported by a network of 1,284 ATMs.

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 0.02 over full-year 2021.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	4Q21	3Q21	QoQ Change	4Q20	YoY change	FY21	FY20	YoY change
	EGP million	EGP million	(4Q21 vs.3Q21)	EGP million	(4Q21 vs. 4Q20)	EGP million	EGP million	(FY21 vs. FY20)
Net Interest Income	6,811	6,458	5%	6,332	8%	24,966	25,172	-1%
Non-Interest Income	119	682	-83%	246	-52%	1,730	709	144%
Net Operating Income	6,930	7,140	-3%	6,578	5%	26,696	25,881	3%
Non-Interest Expense	(1,744)	(1,492)	17%	(1,425)	22%	(6,183)	(5,626)	10%
Loan Loss Provision	(356)	(303)	17%	(1,156)	-69%	(1,680)	(5,019)	-67%
Net Profit before Tax	4,829	5,344	-10%	3,997	21%	18,833	15,236	24%
Income Tax	(1,564)	(1,525)	3%	(1,129)	39%	(5,680)	(5,087)	12%
Deferred Tax	102	(7)	NM	24	325%	114	87	31%
Net profit	3,367	3,812	-12%	2,892	16%	13,268	10,236	30%
Minority Interest	(2.5)	(0.2)	NM	0	NM	(4.5)	(1.8)	143%
Net Profit After Minority	3,370	3,812	-12%	2,892	17%	13,272	10,238	30%

Financial Indicators	4Q21	3Q21	QoQ Change	4Q20	YoY change	FY21	FY20	YoY change
			(4Q21 vs.3Q21)		(4Q21 vs. 4Q20)			(FY21 vs. FY20)
Profitability								
ROAE*	20.0%	23.7%	-16%	20.4%	-2%	21.7%	19.2%	13%
ROAA*	2.72%	3.17%	-14%	2.75%	-1%	2.88%	2.53%	14%
Efficiency								
Cost-to-Income	24.5%	21.4%	15%	20.8%	17%	22.8%	20.7%	10%
Liquidity								
Gross Loans-to-Deposits	40.3%	39.1%	3%	40.2%	0.3%	40.3%	40.2%	0.3%
Asset Quality								
NPLs-to-Gross Loans	5.12%	5.42%	-5%	4.26%	20%	5.12%	4.26%	20%
Capital Adequacy Ratio	29.9%	32.1%	-7%	31.4%	-5%	29.9%	31.4%	-5%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	4Q21	3Q21	QoQ Change	4Q20	YoY change	FY21	FY20	YoY change
	EGP million	EGP million	(4Q21 vs.3Q21)	EGP million	(4Q21 vs. 4Q20)	EGP million	EGP million	(FY21 vs. FY20)
Net Interest Income	6,782	6,433	5%	6,257	8%	24,888	25,090	-1%
Non-Interest Income	266	687	-61%	245	9%	1,867	749	149%
Net Operating Income	7,048	7,119	-1%	6,502	8%	26,755	25,839	4%
Non-Interest Expense	(1,714)	(1,464)	17%	(1,368)	25%	(6,096)	(5,553)	10%
Loan loss provision	(352)	(307)	15%	(1,127)	-69%	(1,677)	(4,989)	-66%
Net Profit before Tax	4,983	5,349	-7%	4,006	24%	18,981	15,297	24%
Income Tax	(1,563)	(1,525)	3%	(1,126)	39%	(5,679)	(5,085)	12%
Deferred Tax	106	(7)	NM	24	342%	118	87	35%
Net Profit	3,526	3,817	-8%	2,904	21%	13,420	10,300	30%

Financial Indicators	4Q21	3Q21	QoQ Change	4Q20	YoY change	FY21	FY20	YoY change
			(4Q21 vs.3Q21)		(4Q21 vs. 4Q20)			(FY21 vs. FY20)
Profitability								
ROAE*	20.9%	23.7%	-12%	20.5%	2%	21.9%	19.3%	13%
ROAA*	2.85%	3.19%	-10%	2.77%	3%	2.93%	2.55%	15%
NIM**	5.68%	5.70%	0%	6.40%	-11%	5.67%	6.75%	-16%
Efficiency								
Cost-to-Income	23.6%	21.0%	12%	20.2%	17%	22.4%	20.5%	10%
Liquidity								
Gross Loans-to-Deposits	40.2%	39.0%	3%	40.1%	0%	40.2%	40.1%	0%
Asset Quality								
NPLs-to-Gross Loans	5.13%	5.43%	-6%	4.27%	20%	5.13%	4.27%	20%
Direct Coverage Ratio	213%	206%	4%	281%	-24%	213%	281%	-24%

*Full-year ROAE and ROAA after profit appropriation

**NIM based on managerial accounts

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BALANCE SHEET	Consolidated			Standalone		
	Dec-21	Dec-20	YoY Change	Dec-21	Dec-20	YoY Change
	EGP million	EGP million	(Dec-21 Vs. Dec-20)	EGP million	EGP million	(Dec-21 Vs. Dec-20)
Cash & Due from Central Bank	43,492	33,769	29%	43,385	33,573	29%
Due from Banks	80,142	87,426	-8%	79,991	86,997	-8%
Net Loans & Overdrafts	145,887	120,347	21%	145,078	119,632	21%
Financial Derivatives	225	249	-9%	225	249	-9%
Financial Investment Securities	213,987	173,764	23%	212,951	173,027	23%
Investments in Associates and Subsidiaries	205	140	47%	1,014	874	16%
Other Assets	14,296	12,148	18%	14,006	11,793	19%
Total Assets	498,236	427,842	16%	496,651	426,145	17%
Due to Banks	866	8,818	-90%	863	8,816	-90%
Customer Deposits	407,242	341,169	19%	406,101	340,087	19%
Other Liabilities	20,826	17,896	16%	20,759	17,838	16%
Total Liabilities	428,933	367,883	17%	427,723	366,740	17%
Shareholders' Equity & Net Profit	68,848	59,476	16%	68,928	59,405	16%
Minority Interest	455	483	-6%	0	0	NM
Total Liabilities & Shareholders' Equity	498,236	427,842	16%	496,651	426,145	17%