

News Release

12 July 2021

COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS SECOND-QUARTER 2021 CONSOLIDATED REVENUE OF EGP 6.36 BILLION AND NET INCOME OF EGP 3.22 BILLION, OR EGP 1.92 PER SHARE, UP 24% FROM SECOND- QUARTER 2020

Second-Quarter 2021 Consolidated Financial Results

- Net income of EGP 3.22 billion, up 24% year-on-year (YoY)
- Revenues of EGP 6.36 billion, up 2% YoY
- Return on average equity of 21.0%
- Return on average assets of 2.81%
- Efficiency ratio of 22.3%
- Net interest margin (NIM)¹ of 5.62%

First-Half 2021 Consolidated Financial Results

- Net income of EGP 6.09 billion, up 22% YoY
- Revenues of EGP 12.6 billion, coming in flat YoY
- Return on average equity of 19.9%
- Return on average assets of 2.72%
- Efficiency ratio of 22.7%
- Net interest margin (NIM)¹ of 5.65%

Resilient Balance Sheet

- Total tier capital recorded EGP 67.8 billion, or 32.0% of risk-weighted assets
- CBE local currency liquidity ratio of 62.8%, foreign currency liquidity ratio of 71.6% (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 95% of total liabilities
- Non-performing loans coverage ratio of 204%

Supporting our Economy

- Funding to businesses and individuals grew by 9% over first-half 2021 to record EGP 149 billion, with a loan market share of 5.16%², and EGP 157 billion when considering securitized bonds to corporate clients
- Deposits grew by 13% over first-half 2021 to record EGP 385 billion, with a deposit market share of 6.67%²
- Loan-to-Deposit Ratio recorded 39% by end of first-half 2021, and 41% when including securitized bonds
- In second-quarter 2021, CIB's operations generated EGP 1.64 billion in corporate, payroll, and other taxes

Committed to our Community

- CIB Foundation subsidized “South Valley University Hospitals (Qena University)” to establish a pediatric surgery unit.
- CIB Foundation financed “The Egyptian Naval Forces New Children’s Hospital in Alexandria” with the amount needed to purchase medical equipment and furniture for the Hospital outfitting, as well as for the finishing of the medical and electro-mechanical works.
- CIB Foundation funded “Nile of Hope Hospital” with the final installment for purchasing a closed MRI machine.
- CIB Foundation, in collaboration with Al Joud Foundation, sponsored “Al - Naas Hospital for Children’s Heart” to cover 50 open heart surgeries.

¹ Based on managerial accounts.

² As of April 2021; latest available CBE data at time of print.

CIB Second-Quarter 2021 News Release

- CIB Foundation supported “Shifa’ Al-Orman Hospital” with the amount needed to outfit the pediatric department.

Awards & Rankings

- African Banker: Sustainable Bank of the Year
- Euromoney: Best Bank in Egypt
- Global Finance: Best Trade Finance Provider in Egypt
- Global Finance: Best Treasury and Cash Management Providers in Egypt
- Global Finance: Best Bank in Egypt
- The Digital Banker: Best Transaction Banking
- The Digital Banker: Best Bank for Payment Services
- The Digital Banker: Best Bank for Cash Management
- The Digital Banker: Best Supplier Financing Initiative
- The Digital Banker: Best Financial Chain Initiative in Egypt

CAIRO - Commercial International Bank (EGX: COMI) today reported second-quarter 2021 consolidated net income of EGP 3.22 billion, or EGP 1.92 per share, up 24% from second-quarter 2020.

Management Commented: “Building on a strong first quarter of the year, CIB continued to outperform in the second quarter of 2021, which further saw notable growth in the Bank’s balance sheet, particularly in local currency. Local currency deposits grew steadily throughout the quarter, and local currency loans increased by 14%, adding EGP 13 billion in the quarter, back to the all-time high growth levels of early 2017. This reaffirms that, while continuing to focus on growing the Bank’s deposit base, Management remains committed to the Bank’s role in supporting the economy through funding businesses and individuals.

In line with this background, topline performance remained strong, benefitting primarily from robust deposit growth and largely from the impressive revival in corporate lending, with the associated pick-up in trade finance and foreign exchange trading activities, falling into line with improved economic prospects. This favorable turn of events synchronized with the Bank’s flexible balance sheet structure, which served well in preserving the coherent balance between profitability and liquidity. It is worth mentioning that the remarkable growth in loans, coupled with normalized accumulation of provisions compared to last year, had not in any way impacted the Bank’s coverage for both expected and unexpected losses, with loan loss provision balance covering 12% of gross loans, and regulatory capital base, covering 32% of risk-weighted assets.

In continuation of the Bank’s leading role in Corporate Social Responsibility, CIB managed this quarter to secure the initial approval of the Financial Regulatory Authority on the issuance of Green Bonds, becoming the first institution in the Egyptian Economy to issue such bonds. This further emphasizes the Bank’s integral role in setting the tone for Responsible Banking, through providing distinct support to businesses that are going green.

SECOND-QUARTER 2021 FINANCIAL HIGHLIGHTS

REVENUES

Second-quarter 2021 standalone revenues were EGP 6.32 billion, up 1% from second-quarter 2020. First-half 2021 standalone revenues were EGP 12.6 billion, down 1% from first-half 2020, wholly driven by 6% decrease in net interest income, mostly offset by non-interest income coming 5x higher YoY.

NET INTEREST INCOME

First-half 2021 standalone net interest income recorded EGP 11.7 billion, decreasing by 6% YoY, with Total NIM decreasing by 131bp, 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 first-half 2020, net interest income grew by 9% YoY, generated at 5.65% Total NIM¹, down 31 basis points (bp) YoY, with Local Currency NIM¹ recording 7.41%, down 41bp, and Foreign Currency NIM¹ recording 0.88%, down 66bp YoY.

NON-INTEREST INCOME

First-half 2021 non-interest income recorded EGP 914 million, coming 5x higher YoY. Upon adding back contingent provision charged, which is normally deducted from Non-Interest Income as part of Other Operating Expenses, recording EGP 0.37 billion for first-half 2021 and EGP 1.08 billion for first-half 2020, standalone non-interest income grew by 2% YoY. Trade service fees were EGP 390 million, growing by 18% YoY, with outstanding balance of EGP 86.1 billion³.

OPERATING EXPENSE

First-half 2021 standalone operating expense was EGP 2.92 billion, up 3% YoY. Cost-to-income reported 22.5%, 181bp higher YoY⁴, while remaining comfortably below the desirable level of 30%. Normalized for the aforementioned 2020 bond yield highs, cost-to-income came 130bp lower YoY.

LOANS

Gross loan portfolio recorded EGP 149 billion, growing by 9% or EGP 12.5 billion Year-to-Date (YtD). Growth was driven wholly by local currency loans, which grew by 19% or EGP 17.0 billion, sufficiently offsetting foreign currency net loan repayments of USD 280 million or 9%. CIB's loan market share reached 5.16% as of April 2021. Securitized Bond Portfolio, extended to Corporate Clients, recorded EGP 7.63 billion by end of first-half 2021.

DEPOSITS

Deposits recorded EGP 385 billion, growing by 13% or EGP 44.9 billion YtD. Growth was driven mainly by local currency deposits, growing by 15% or EGP 37.8 billion, besides foreign currency deposits, adding 8% or USD 470 million. CIB's deposit market share recorded 6.67% as of April 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 5.71% of the gross loan portfolio, covered 204% by the Bank's EGP 17.3 billion loan loss provision balance. First-half 2021 loan loss provision expense recorded EGP 1.02 billion, 55% lower YoY.

CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 67.8 billion, or 32.0% of risk-weighted assets as of June 2021. Tier I capital reached EGP 61.0 billion, or 90% 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 62.8% as of June 2021, while CBE foreign currency liquidity ratio reached 71.6%, above the threshold of 25%. NSFR was 240% for local currency and 186% for foreign currency, and LCR was 2157% for local currency and 317% for foreign currency, comfortably above the 100% Basel III requirement.

³ Net of Collateral, Gross of Provisions.

⁴ Cost-to-income is calculated using revenues after adding/deducting back contingent provision charged/released.

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 111 billion, coming 11% higher YtD, on 28% growth in local currency loans, partially offset by 9% decrease in foreign currency loans.
- End-of-period deposits were EGP 138 billion, 23% higher YtD, on 24% growth in local currency deposits and 20% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 90 billion, coming 4% higher YtD.

BUSINESS BANKING

- End-of-period gross loans were EGP 2 billion, 29% higher YtD, solely in local currency.
- End-of-period deposits were EGP 35 billion, 20% higher YtD, mostly on local currency deposit growth of 22%.
- Gross outstanding contingent business reached EGP 2 billion, 14% higher YtD.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 36 billion, 3% higher YtD, wholly on 4% growth in local currency loans.
- End-of-period deposits were EGP 212 billion, 7% higher YtD, mostly on local currency deposit growth of 8% besides 2% growth in foreign currency deposits.
- CIB continued to expand its network to reach a total of 184 branches and 28 units across Egypt, supported by a network of 1,258 ATMs.

⁵ 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 0.05 over first-half 2021.

CIB Second-Quarter 2021 News Release

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q21 EGP million	1Q21 EGP million	QoQ Change (2Q21 vs.1Q21)	2Q20 EGP million	YoY change (2Q21 vs. 2Q20)	1H21 EGP million	1H20 EGP million	YoY change (1H21 vs. 1H20)
Net Interest Income	6,019	5,678	6%	6,282	-4%	11,697	12,477	-6%
Non-Interest Income	341	589	-42%	(53)	NM	929	173	438%
Net Operating Income	6,360	6,266	1%	6,229	2%	12,626	12,650	0%
Non-Interest Expense	(1,471)	(1,475)	0%	(1,323)	11%	(2,946)	(2,848)	3%
Loan Loss Provision	(318)	(702)	-55%	(1,020)	-69%	(1,020)	(2,260)	-55%
Net Profit before Tax	4,571	4,089	12%	3,887	18%	8,660	7,542	15%
Income Tax	(1,382)	(1,209)	14%	(1,320)	5%	(2,591)	(2,652)	-2%
Deferred Tax	25	(6)	NM	32	-22%	19	108	-82%
Net profit	3,215	2,873	12%	2,599	24%	6,088	4,998	22%
Minority Interest	(2.0)	0.4	NM	0.0	NM	(1.7)	0.0	NM
Net Profit After Minority	3,217	2,873	12%	2,599	24%	6,090	4,998	22%

Financial Indicators	2Q21	1Q21	QoQ Change (2Q21 vs.1Q21)	2Q20	YoY change (2Q21 vs. 2Q20)	1H21	1H20	YoY change (1H21 vs. 1H20)
Profitability								
ROAE	21.0%	19.3%	9%	21.1%	0%	19.9%	19.2%	4%
ROAA	2.81%	2.63%	7%	2.66%	6%	2.72%	2.54%	7%
Efficiency								
Cost-to-Income	22.3%	23.1%	-4%	19.2%	16%	22.7%	20.7%	9%
Liquidity								
Gross Loans-to-Deposits	38.8%	38.0%	2%	42.2%	-8%	38.8%	42.2%	-8%
Asset Quality								
NPLs-to-Gross Loans	5.69%	4.40%	29%	4.01%	42%	5.69%	4.01%	42%
Capital Adequacy Ratio	32.0%	31.5%	2%	29.5%	8%	32.0%	29.5%	8%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q21 EGP million	1Q21 EGP million	QoQ Change (2Q21 vs.1Q21)	2Q20 EGP million	YoY change (2Q21 vs. 2Q20)	1H21 EGP million	1H20 EGP million	YoY change (1H21 vs. 1H20)
Net Interest Income	5,997	5,676	6%	6,282	-5%	11,673	12,477	-6%
Non-Interest Income	323	590	-45%	(43)	NM	914	174	426%
Net Operating Income	6,320	6,267	1%	6,239	1%	12,587	12,651	-1%
Non-Interest Expense	(1,446)	(1,473)	-2%	(1,321)	9%	(2,919)	(2,845)	3%
Loan loss provision	(317)	(702)	-55%	(1,020)	-69%	(1,019)	(2,260)	-55%
Net Profit before Tax	4,557	4,092	11%	3,898	17%	8,649	7,546	15%
Income Tax	(1,381)	(1,209)	14%	(1,320)	5%	(2,590)	(2,652)	-2%
Deferred Tax	25	(6)	NM	32	-23%	19	108	-83%
Net Profit	3,201	2,876	11%	2,610	23%	6,077	5,002	22%

Financial Indicators	2Q21	1Q21	QoQ Change (2Q21 vs.1Q21)	2Q20	YoY change (2Q21 vs. 2Q20)	1H21	1H20	YoY change (1H21 vs. 1H20)
Profitability								
ROAE	21.0%	19.4%	8%	21.2%	-1%	19.9%	19.2%	4%
ROAA	2.80%	2.64%	6%	2.68%	5%	2.72%	2.55%	7%
NIM*	5.62%	5.67%	-1%	6.99%	-19%	5.65%	6.96%	-19%
Efficiency								
Cost-to-Income	22.0%	23.1%	-4%	19.1%	15%	22.5%	20.7%	9%
Liquidity								
Gross Loans-to-Deposits	38.7%	37.9%	2%	42.1%	-8%	38.7%	42.1%	-8%
Asset Quality								
NPLs-to-Gross Loans	5.71%	4.41%	29%	4.03%	41%	5.71%	4.03%	41%
Direct Coverage Ratio	204%	279%	-27%	257%	-21%	204%	257%	-21%

*NIM based on managerial accounts

CIB Second-Quarter 2021 News Release

BALANCE SHEET	Jun-21	Dec-20	YtD Change	Jun-21	Dec-20	YtD Change
	EGP million	EGP million	(Jun-21 Vs. Dec-20)	EGP million	EGP million	(Jun-21 Vs. Dec-20)
Cash & Due from Central Bank	31,958	33,769	-5%	31,793	33,573	-5%
Due from Banks	79,378	87,426	-9%	79,080	86,997	-9%
Net Loans & Overdrafts	132,034	120,347	10%	131,252	119,632	10%
Financial Derivatives	292	249	17%	292	249	17%
Financial Investment Securities	211,011	173,764	21%	210,195	173,027	21%
Investments in Associates and Subsidiaries	324	140	132%	1,022	874	17%
Other Assets	14,152	12,148	16%	13,842	11,793	17%
Total Assets	469,149	427,842	10%	467,476	426,145	10%
Due to Banks	1,316	8,818	-85%	1,313	8,816	-85%
Customer Deposits	386,001	341,169	13%	384,956	340,087	13%
Other Liabilities	18,501	17,896	3%	18,440	17,838	3%
Total Liabilities	405,818	367,883	10%	404,709	366,740	10%
Shareholders' Equity & Net Profit	62,850	59,476	6%	62,768	59,405	6%
Minority Interest	481	483	0%	0	0	NM
Total Liabilities & Shareholders' Equity	469,149	427,842	10%	467,476	426,145	10%