

# H1 2022 Financial Results

**SECOND-QUARTER 2022 CONSOLIDATED REVENUE OF EGP 6.90 BILLION AND NET INCOME OF EGP 3.51 BILLION, OR EGP 1.58 PER SHARE, UP 9% FROM SECOND-QUARTER 2021**



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## Second-Quarter 2022 Consolidated Financial Results

- Net income of EGP 3.51 billion, up 9% year-on-year (YoY)
- Revenues of EGP 6.90 billion, up 8% YoY
- Return on average equity of 21.5%
- Return on average assets of 2.68%
- Efficiency ratio of 21.7%
- Net interest margin (NIM)\* of 5.91%

## First-Half 2022 Consolidated Financial Results

- Net income of EGP 7.76 billion, up 28% YoY
- Revenues of EGP 14.7 billion, up 16% YoY
- Return on average equity of 23.1%
- Return on average assets of 3.04%
- Efficiency ratio of 20.6%
- NIM1 of 5.79%

## Resilient Balance Sheet

- Total tier capital recorded EGP 73.6 billion, or 28.8% of risk-weighted assets
- CBE local currency liquidity ratio of 62.8%, 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 94% of total liabilities
- Non-performing loans coverage ratio of 209%

## Supporting our Economy

- Funding to businesses and individuals recorded EGP 191 billion, growing by 17% over first-half 2022, or 11% net of the EGP devaluation impact, with a loan market share of 5.19%\*\*.
- Deposits recorded EGP 428 billion, growing by 5% over first-half 2022, or 1% net of the EGP devaluation impact, with a deposit market share of 6.13%.
- Loan-to-Deposit Ratio recorded 44.8% by end of first-half 2022.
- In second-quarter 2022, CIB's operations generated EGP 2.05 billion in corporate, payroll, and other taxes.

## Committed to our Community

- CIB Foundation financed "The Egyptian Naval Forces New Children's Hospital" in Alexandria with the needed amount to purchase new equipment and furnish the Hospital.
- CIB Foundation subsidized "Egyptian Clothing Bank" with the first installment to manufacture 50,000 training suits and 50,000 shoe pairs.
- CIB Foundation funded "Magdi Yacoub Heart Foundation" with the fourth installment to cover 200 open-heart surgeries and 345 catheterization procedures.
- CIB Foundation financed "Ibrahim A.Badran Foundation" with the third installment to support "Our Kids Our Future" Campaign with medical convoys.
- CIB Foundation, in collaboration with, "Rotary Giza Metropolitan" funded "El Kasr El Eini Hospital" to cover 38 open-heart surgeries.



\* Based on managerial accounts.

\*\*As of March 2022; latest available CBE data at time of publishing.



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## Awards & Rankings

- Global Finance:
  - Best Trade Finance Providers in Egypt for 2022
  - World's Best Foreign Exchange Providers 2022
  - Best Bank in Egypt
  - Best Trade Finance Provider in Egypt
  - Best Treasury and Cash Management Providers in Egypt.
- The Digital Banker:
  - Best Bank for Payment Services
  - Best Transaction Banking
  - Best Bank for Cash Management
- Euromoney:
  - Best Bank for Digital Solutions in Egypt
  - Best Bank in Egypt
  - Country Awards Best Bank for SME Banking in Egypt
  - Regional Awards Middle East's Best Bank for SMEs
- EMEA Finance:
  - Best Green Bond in Africa
  - Best Structured Finance Deal in Africa
  - Best Local Currency Loan
- MENA
  - Sustainable Bank of the Year

CAIRO - Commercial International Bank (EGX: COMI) today reported second-quarter 2022 consolidated net income of EGP 3.51 billion, or EGP 1.58 per share, up 9% from second-quarter 2021.

Management commented: "CIB concluded the first half of 2022 with remarkable performance drawing on a resilient Egyptian Economy that was able to control the inflationary pressures and pave the way for an encouraging local consumption and a recovery in investment, despite a much fluid global macroeconomic environment.

Throughout the first half, CIB recorded top and bottom line growth of 16% and 28%, respectively, year-on-year (YoY). On the lending side, CIB managed to grow its local currency loan book by 20% or EGP 23 billion over the first half, with around 60% of this amount booked in the second quarter, signaling a gradual pickup in short-term working capital loan demand following a period of justified slow borrowing appetite. Catering to Trade Finance activities, the Bank was well-positioned to avail sufficient foreign currency, assisted in this by its flexible balance sheet structure Management has been building over the years, and proactive Treasury Management, which consequently allowed for efficient allocation of funds in light of interest rate and foreign exchange dynamics. Moreover, CIB managed to preserve its margins at 5.79%, despite the competitive environment, a further testament to Management's focus on safeguarding the returns of both current and future shareholders.

CIB continued its deposit gathering momentum, which came in stronger in the second quarter, recording a healthy 11% growth YoY, with a healthy share of Current and Saving Accounts (CASA) amounting to 56% of Total Deposits, in line with the Bank's funding strategy.

The Bank's coverage levels, for both expected and unexpected losses, remain reassuring, with loan loss provisions covering 10% of the Bank's gross loan portfolio and with Capital Adequacy Ratio (CAR) resting comfortably at 29%. This further affirms the Bank's healthy coverage and prudent risk management maintained over the years."





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## SECOND-QUARTER 2022 FINANCIAL HIGHLIGHTS

### REVENUES

Second-quarter 2022 standalone revenues were EGP 7.03 billion, up 11% from second-quarter 2021. First-half 2022 standalone revenues were EGP 14.7 billion, up 16% from first-half 2021, mostly driven by 17% increase in net interest income, coupled with 6% increase in non-interest income.

### NET INTEREST INCOME

First-half 2022 standalone net interest income recorded EGP 13.7 billion, increasing by 17% YoY, generated at 5.79% Total NIM<sup>1</sup>, increasing by 14 basis points (bp) YoY, with Foreign Currency NIM<sup>1</sup> recording 1.43%, coming 54bp higher YoY, and Local Currency NIM<sup>1</sup> recording 7.41%, coming in flat YoY.

### NON-INTEREST INCOME

First-half 2022 standalone non-interest income recorded EGP 968 million, coming 6% higher YoY. Upon adding back other provision charged, which is normally deducted from Non-Interest Income as part of Other Operating Expenses, recording EGP 1.24 billion for first-half 2022 and EGP 367 million for first-half 2021, standalone non-interest income grew by 72% YoY. Trade service fees were EGP 470 million, growing by 20% YoY, with outstanding balance of EGP 112 billion\*.

### OPERATING EXPENSE

First-half 2022 standalone operating expense was EGP 3.23 billion, up 11% YoY. Cost-to-income reported 20.3%, 220bp lower YoY\*\*, remaining comfortably below the desirable level of 30%.

### LOANS

Gross loan portfolio recorded EGP 191 billion, growing by 17% Year-to-Date (YtD), with real growth of 11% net of the EGP devaluation impact, which added EGP 9.60 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, growing by 20% or EGP 23.5 billion, sufficiently counterbalancing net foreign currency loan repayments by 9% or USD 265 million. CIB's loan market share reached 5.19% as of March 2022.

### DEPOSITS

Deposits recorded EGP 428 billion, growing by 5% YtD, with real growth of 1% net of the EGP devaluation impact, which added EGP 18.5 billion to the EGP equivalent balance. Growth was driven wholly by foreign currency deposits adding 4% or USD 249 million, covering net local currency deposit outflows by 1% or EGP 1.74 billion. CIB's deposit market share recorded 6.13% as of March 2022, maintaining the highest deposit market share among all private-sector banks.

\*Net of Collateral, Gross of Provisions.

\*\*Cost-to-income is calculated using revenues after adding/deducting back other provision charged/released.





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### ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 4.84% of the gross loan portfolio, covered 209% by the Bank's EGP 19.3 billion loan loss provision balance. First-half 2022 loan loss provision expense recorded EGP 14.4 million compared to loan loss provision expense of EGP 1.02 billion in first-half 2021.

### CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 73.6 billion, or 28.8% of risk-weighted assets as of June 2022. Tier I capital reached EGP 64.7 billion, or 88% 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 2022, while CBE foreign currency liquidity ratio reached 66.2%, above the threshold of 25%. NSFR was 223% for local currency and 200% for foreign currency, and LCR was 857% for local currency and 292% for foreign currency, comfortably above the 100% Basel III requirement.





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## KEY METRICS AND BUSINESS UPDATES\*

#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 140 billion, 17% higher YtD, wholly backed by 22% growth in local currency loans.
- End-of-period deposits were EGP 147 billion, 6% higher YtD, wholly driven by 5% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 116 billion, 22% higher YtD.

### BUSINESS BANKING

- End-of-period gross loans were EGP 5 billion, 50% higher YtD, solely on 51% growth in local currency loans.
- End-of-period deposits were EGP 51 billion, 23% higher YtD, driven by 24% growth in foreign currency deposits and 18% growth in local currency deposits.
- Gross outstanding contingent business reached EGP 3.51 billion, 31% higher YtD.

### RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 46 billion, 15% higher YtD, wholly on 16% growth in local currency loans.
- End-of-period deposits were EGP 230 billion, 2% higher YtD, wholly on 1% growth in foreign currency deposits.
- CIB continued to expand its network to reach a total of 190 branches and 23 units across Egypt, supported by a network of 1,292 ATMs.

\*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 3.1 over first-half 2022.





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## CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q22	1Q22	QoQ Change	2Q21	YoY Change	H122	H121	YoY Change (H122 vs. H121)
	EGP million	EGP million	(2Q22 vs. 1Q22)	EGP million	(2Q22 vs. 2Q21)	EGP million	EGP million	
Net Interest Income	7,011	6,717	4%	6,019	16%	13,729	11,697	17%
Non-Interest Income	(116)	1,057	NM	341	NM	941	929	1%
<b>Net Operating Income</b>	<b>6,896</b>	<b>7,774</b>	<b>-11%</b>	<b>6,360</b>	<b>8%</b>	<b>14,670</b>	<b>12,626</b>	<b>16%</b>
Non-Interest Expense	(1,599)	(1,671)	-4%	(1,471)	9%	(3,270)	(2,946)	11%
Loan Loss Provision	(113)	39	NM	(318)	-65%	(74)	(1,020)	-93%
<b>Net Profit before Tax</b>	<b>5,183</b>	<b>6,142</b>	<b>-16%</b>	<b>4,571</b>	<b>13%</b>	<b>11,325</b>	<b>8,660</b>	<b>31%</b>
Income Tax	(1,642)	(1,373)	20%	(1,382)	19%	(3,014)	(2,591)	16%
Deferred Tax	(21)	(510)	-96%	25	NM	(531)	19	NM
<b>Net profit</b>	<b>3,521</b>	<b>4,260</b>	<b>-17%</b>	<b>3,215</b>	<b>10%</b>	<b>7,780</b>	<b>6,088</b>	<b>28%</b>
Minority Interest	9.6	15.4	-38%	(2.1)	NM	15.5	(1.7)	NM
<b>Net Profit After Minority</b>	<b>3,511</b>	<b>4,244</b>	<b>-17%</b>	<b>3,217</b>	<b>9%</b>	<b>7,765</b>	<b>6,090</b>	<b>28%</b>

Financial Indicators	2Q22	1Q22	QoQ Change	2Q21	YoY change	H122	H121	YoY change (H122 vs. H121)
	(2Q22 vs. 1Q22)		(2Q22 vs. 2Q21)					
<b>Profitability</b>								
ROAE	21.5%	25.3%	-15%	21.0%	2%	23.1%	19.9%	16%
ROAA	2.68%	3.32%	-19%	2.81%	-5%	3.04%	2.72%	12%
<b>Efficiency</b>								
Cost-to-Income	21.7%	19.6%	11%	22.3%	-3%	20.6%	22.7%	-9%
<b>Liquidity</b>								
Gross Loans-to-Deposits	44.9%	41.6%	8%	38.8%	16%	44.9%	38.8%	16%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.84%	4.89%	-1%	5.69%	-15%	4.84%	5.69%	-15%
Capital Adequacy Ratio	28.8%	30.6%	-6%	32.0%	-10%	28.8%	32.0%	-10%





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## STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q22 EGP million	1Q22 EGP million	QoQ Change (2Q22 vs. 1Q22)	2Q21 EGP million	YoY change (2Q22 vs. 2Q21)	H122 EGP million	H121 EGP million	YoY change (H122 vs. H121)
Net Interest Income	7,093	6,603	7%	5,997	18%	13,695	11,673	17%
Non-Interest Income	(59)	1,027	NM	323	NM	968	914	6%
<b>Net Operating Income</b>	<b>7,034</b>	<b>7,629</b>	<b>-8%</b>	<b>6,320</b>	<b>11%</b>	<b>14,663</b>	<b>12,587</b>	<b>16%</b>
Non-Interest Expense	(1,688)	(1,545)	9%	(1,446)	17%	(3,233)	(2,919)	11%
Loan loss provision	(55)	41	NM	(317)	-83%	(14)	(1,019)	-99%
<b>Net Profit before Tax</b>	<b>5,291</b>	<b>6,124</b>	<b>-14%</b>	<b>4,557</b>	<b>16%</b>	<b>11,415</b>	<b>8,649</b>	<b>32%</b>
Income Tax	(1,735)	(1,375)	26%	(1,381)	26%	(3,111)	(2,590)	20%
Deferred Tax	(21)	(510)	-96%	25	NM	(531)	19	NM
<b>Net Profit</b>	<b>3,534</b>	<b>4,240</b>	<b>-17%</b>	<b>3,201</b>	<b>10%</b>	<b>7,774</b>	<b>6,077</b>	<b>28%</b>
Financial Indicators	2Q22	1Q22	QoQ Change (2Q22 vs. 1Q22)	2Q21	YoY change (2Q22 vs. 2Q21)	H122	H121	YoY change (H122 vs. H121)
<b>Profitability</b>								
ROAE	21.6%	25.3%	-14%	21.0%	3%	23.1%	19.9%	16%
ROAA	2.71%	3.33%	-19%	2.80%	-3%	3.05%	2.72%	12%
NIM*	5.91%	5.66%	4%	5.62%	5%	5.79%	5.65%	2%
<b>Efficiency</b>								
Cost-to-Income	22.5%	18.4%	22%	22.0%	2%	20.3%	22.5%	-10%
<b>Liquidity</b>								
Gross Loans-to-Deposits	44.8%	41.5%	8%	38.7%	16%	44.8%	38.7%	16%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	4.84%	4.90%	-1%	5.71%	-15%	4.84%	5.71%	-15%
Direct Coverage Ratio	209%	218%	-4%	204%	2%	209%	204%	2%

\*NIM based on managerial accounts





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BALANCE SHEET	Consolidated			Standalone		
	Jun-22	Dec-21	YtD Change	Jun-22	Dec-21	YtD Change
	EGP million	EGP million	(Jun-22 Vs. Dec-21)	EGP million	EGP million	(Jun-22 Vs. Dec-21)
Cash & Due from Central Bank	41,970	43,492	-3%	41,845	43,385	-4%
Due from Banks	56,928	80,142	-29%	56,971	79,991	-29%
Net Loans & Overdrafts	171,927	145,887	18%	170,919	145,078	18%
Financial Derivatives	877	225	289%	877	225	289%
Financial Investment Securities	236,815	213,987	11%	235,567	212,951	11%
Investments in Associates and Subsidiaries	211	205	3%	1,064	1,014	5%
Other Assets	14,735	14,296	3%	14,373	14,006	3%
<b>Total Assets</b>	<b>523,463</b>	<b>498,236</b>	5%	<b>521,616</b>	<b>496,651</b>	5%
Due to Banks	2,959	866	242%	2,970	863	244%
Customer Deposits	428,866	407,242	5%	427,556	406,101	5%
Other Liabilities	25,598	20,826	23%	25,546	20,759	23%
<b>Total Liabilities</b>	<b>457,423</b>	<b>428,933</b>	7%	<b>456,072</b>	<b>427,723</b>	7%
<b>Shareholders' Equity &amp; Net Profit</b>	<b>65,515</b>	<b>68,848</b>	-5%	<b>65,545</b>	<b>68,928</b>	-5%
Minority Interest	525	455	15%	0	0	NM
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>523,463</b>	<b>498,236</b>	5%	<b>521,616</b>	<b>496,651</b>	5%

## CONTACT INFORMATION

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