



## 2Q 2023 Financial Results

**COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS SECOND-QUARTER 2023 CONSOLIDATED REVENUE OF EGP 13.5 BILLION AND NET INCOME OF EGP 7.99 BILLION, OR EGP 2.38 PER SHARE, UP 2.3X FROM SECOND-QUARTER 2022**

# CIB Second-Quarter 2023 Earnings Release

23 July 2023

## COMMERCIAL INTERNATIONAL BANK (“CIB”) REPORTS

### SECOND-QUARTER 2023 CONSOLIDATED REVENUE OF EGP 13.5 BILLION AND NET INCOME OF EGP 7.99 BILLION, OR EGP 2.38 PER SHARE, UP 2.3X FROM SECOND-QUARTER 2022

#### 🌐 Second-Quarter 2023 Consolidated Financial Results

- Net income of EGP 7.99 billion, up 2.3x year-on-year (YoY)
- Revenues of EGP 13.5 billion, up 96% YoY
- Return on average equity (ROAE) of 49.1%
- Return on average assets (ROAA) of 4.31%
- Efficiency ratio of 15.8%
- Net interest margin (NIM)<sup>1</sup> of 7.47%

#### 🌐 First-Half 2023 Consolidated Financial Results

- Net income of EGP 14.1 billion, up 81% YoY
- Revenues of EGP 25.5 billion, up 74% YoY
- ROAE of 41.3%
- ROAA of 3.92%
- Efficiency ratio of 16.1%
- NIM<sup>1</sup> of 7.30%

#### 🌐 Balance Sheet Performance

- Total tier capital recorded EGP 83.4 billion, or 19.0% of risk-weighted assets.
- CBE local currency liquidity ratio of 37.3%, foreign currency liquidity ratio of 73.9% (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 91% of total liabilities
- Non-performing loans coverage ratio of 234%

#### 🌐 Supporting our Economy

- Funding to businesses and individuals recorded EGP 252 billion, growing by 14% over first-half 2023, or 6% net of the EGP devaluation impact, with a loan market share of 5.44%<sup>2</sup>.
- Deposits recorded EGP 656 billion, growing by 24% over first-half 2023, or 15% net of the EGP devaluation impact, with a deposit market share of 6.23%<sup>2</sup>.
- Loan-to-Deposit Ratio recorded 38.4% by end of first-half 2023.
- In second-quarter 2023, CIB’s operations generated EGP 4.22 billion in corporate, payroll, and other taxes.

#### 🌐 Committed to our Community

- CIB Foundation supported “Al Nas Hospital” and “Mabara El Maadi Hospital” with the necessary amounts for the required medical equipment and facilities.
- CIB Foundation funded “Yahya Arafa Children’s Charity Foundation” with the needed amount to cover their annual operating costs.
- CIB Foundation subsidized “Abnaa El Ghad Foundation” with fourth installment to cover operating costs.

#### 🌐 Awards & Rankings

- Global Finance:
  - Best Private Bank
  - Best Supply Chain Finance Bank in Africa 2023
  - Best Trade Finance Provider in Egypt
  - Best Bank for Cash Management in Egypt
- EMEA Finance:
  - Best Mergers & Acquisitions Deal in MENA

<sup>1</sup> Based on managerial accounts.

<sup>2</sup> As of March-23; latest available CBE data at time of publishing.

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- Best Securitization House in Africa
- Best Securitization Deal in Africa
- MEED:
  - Best Bank in Trade Finance
- Euromoney:
  - Best Bank in Egypt
- African Banker
  - Lifetime Achievement Award

CAIRO - Commercial International Bank (EGX: COMI) today reported second-quarter 2023 consolidated net income of EGP 7.99 billion, or EGP 2.38 per share, up by 2.3x from second-quarter 2022.

Management Commented: "Building on a strong start to the year in the first quarter, CIB delivered another record set of results in the second quarter of 2023, ending the first half of the year with top and bottom line growth of 74% and 82%, respectively, compared to last year, which fed into Return on Average Equity (ROAE) of 49.1% for the second quarter and 41.3% for the first half, almost doubling from last year. This came as Management capitalized on the Bank's resilient balance sheet in accommodating macroeconomic dynamics, while sustaining fundamentals and growth momentum."

Performance in the second quarter came in noteworthy and primarily driven by strong balance sheet growth. At one end, CIB maintained its deposit growth impetus, growing its Local Currency Deposit base by 20% or EGP 75 billion, while attracting Foreign Currency Deposits worth of USD 240 million, over the second quarter. Uncompromised by this robust balance sheet growth, Management upheld its due focus on Spreads and Margins, which CIB managed to expand by around 40 basis points over the quarter, notwithstanding the highly-competitive market for deposits, and the inherent pressure posed on Cost of Funds. This came as Management remained keen towards maintaining a healthy contribution of Current and Saving Accounts (CASA), of 53% to Total Deposits, despite the current market inclination towards longer-term funding, coupled with the Bank's proactive Treasury Management that allowed for efficient allocation of excess funds, while preserving the desirable balance between liquidity and profitability. Those factors combined fed into Net Interest Income (NII) growth of 20% in the second quarter, compared to the first, which, being the core top line pillar, sets the stage for second-half performance. At the other end, the previous came paralleled with growth in the Bank's sustainable stream of Non-Interest Income, with Core Fees and Commissions growing by 10% over the second quarter, echoing decent lending growth, coupled with a rebound in Trade Finance activity. The latter came especially owing to CIB being well-equipped to cater Foreign Exchange and Trade Finance client needs in a timely manner, as Management continued to prioritize maintaining adequate foreign currency liquidity for potential market needs.

Remaining committed to its role in extending funding to businesses and individuals, CIB grew its Local Currency Loan book by 6% or EGP 9.4 billion in the quarter, recording a Total Gross Loan Portfolio of EGP 252 billion, by end of the first half of 2023, and of EGP 273 billion, upon considering the Securitization Portfolio of EGP 21.7 billion, preserving its position as the largest Lender-and-Securitizer among Private-Sector Banks. This came while presuming its role in funding Small-and-Medium-Sized-Enterprises (SMEs), exceeding the required target stipulated by CBE. This growth in lending got through while maintaining solid asset quality, with the proportion of non-performing loans decreasing over the quarter, and with Loan Loss Provision Balance recording EGP 29.9 billion by end of the first half of 2023, securing coverage for 11.9% of the Bank's Total Gross Loan Portfolio, and 17.7% of the Unsecured Portion therein, consequently, maintaining the Bank's foremost market position in Coverage for Expected Losses.

Simultaneously, Coverage for Unexpected Losses remained healthy, with Capital Adequacy Ratio (CAR) resting at 19% by end of the first half of 2023, comfortably above the minimum regulatory threshold, and maintained from last quarter, despite global macroeconomic pressures and robust core business growth. It is worth highlighting that Management continues to take proactive actions to cement the Bank's Capital Position and CAR against macroeconomic dynamics. Precisely, and further attesting investor confidence in its solid fundamentals, CIB managed this quarter to secure loans from the International Finance Corporation (IFC) worth of USD 250 million, which comes as a vote of confidence by IFC in the growth prospects and balance sheet fundamentals for CIB amidst current market conditions. Of this amount, USD 150 million is a Subordinated Loan, which would come to support the Bank's Capital Base, particularly Tier II Capital, while acting as a partial hedge tool for the Bank's CAR against potential foreign exchange fluctuations. The remaining USD 100 million aims at helping CIB boost its focus on funding of green projects, further emphasizing the Bank's integral role in setting the tone for Responsible Banking, through providing distinct support to businesses that are going green.



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Overall, Management is content about CIB's performance for the first half of the year. And, although the second half encloses a somewhat high degree of ambiguity attending the macroeconomic outlook, on both, global and local fronts, Management yet remains positive, with a strong confidence in the ability of CIB, and the Egyptian Banking Sector as a whole, to endure uncertainties and to well-accommodate macroeconomic and regulatory developments.”

### SECOND-QUARTER 2023 FINANCIAL HIGHLIGHTS

#### REVENUES

Second-quarter 2023 standalone revenues were EGP 13.5 billion, up 92% from second-quarter 2022. First-half 2023 standalone revenues were EGP 25.5 billion, up 74% from first-half 2022, on the back of 74% increase in net interest income, coupled with 78% increase in non-interest income.

#### NET INTEREST INCOME

First-half 2023 standalone net interest income recorded EGP 23.8 billion, increasing by 74% YoY, generated at 7.30% Total NIM<sup>1</sup>, which increased by 151 basis points (bp) YoY, with Local Currency NIM<sup>1</sup> recording 9.21%, coming 180bp higher YoY, and Foreign Currency NIM<sup>1</sup> recording 3.79%, coming 237bp higher YoY.

#### NON-INTEREST INCOME

First-half 2023 standalone non-interest income recorded EGP 1.72 billion, coming 78% higher YoY. Trade service fees were EGP 1.17 billion, growing by 2.5x YoY, with outstanding balance of EGP 158 billion<sup>3</sup>.

#### OPERATING EXPENSE

First-half 2023 standalone operating expense was EGP 4.17 billion, up 29% YoY. Cost-to-income<sup>4</sup> reported 15.6%, coming 469bp lower YoY, and remaining comfortably below the desirable level of 30%.

#### LOANS

Gross loan portfolio recorded EGP 252 billion, growing by 14% over first-half 2023, with real growth of 6% net of the EGP devaluation impact, which added EGP 16.7 billion to the EGP equivalent balance. Growth was driven wholly by local currency loans, increasing by 12% or EGP 18.5 billion, sufficiently counterbalancing net foreign currency loan repayments of 6% or USD 163 million. CIB's loan market share reached 5.44%<sup>2</sup> as of March 2023.

#### DEPOSITS

Deposits recorded EGP 656 billion, growing by 24% over first-half 2023, with real growth of 15% net of the EGP devaluation impact, which added EGP 40.0 billion to the EGP equivalent balance. Growth was driven by local currency deposits, increasing by 21% or EGP 77.7 billion, together with foreign currency deposits adding 4% or USD 278 million. CIB's deposit market share recorded 6.23%<sup>2</sup> as of March 2023, maintaining the highest deposit market share among all private-sector banks.

#### ASSET QUALITY

Standalone non-performing loans represented 5.02% of the gross loan portfolio, and were covered 236% by the Bank's EGP 29.9 billion loan loss provision balance. First-half 2023 loan loss provision expense recorded EGP 1.21 billion compared to EGP 14 million in first-half 2022.

#### CAPITAL AND LIQUIDITY

Total tier capital recorded EGP 83.4 billion, or 19.0% of risk-weighted assets as of June 2023. Tier I capital reached EGP 68.2 billion, or 82% 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 liquidity ratios remained well above the regulator's requirements, with local currency liquidity ratio recording 37.3% by end of June 2023, compared to the regulator's threshold of 20%, and foreign currency liquidity ratio reaching 73.9%, above the threshold of 25%. NSFR was 226% for local currency and 215% for foreign currency, and LCR was 1438% for local currency and 308% for foreign currency, comfortably above the 100% Basel III requirement.

<sup>3</sup>Net of Collateral, Gross of Provisions.

<sup>4</sup>Cost-to-income is calculated using revenues after adding/deducting back other provision charged/released.

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### KEY METRICS AND BUSINESS UPDATES<sup>5</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 191 billion, 18% higher Year-to-Date (YtD), with real growth of 7% net of the EGP devaluation impact, predominantly on 18% growth in local currency loans.
- End-of-period deposits were EGP 224 billion, 15% higher YtD, with real growth of 7% net of the EGP devaluation impact, mainly on 8% growth in local currency deposits and 5% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 166 billion, 19% higher YtD.

### BUSINESS BANKING

- End-of-period gross loans were EGP 8.23 billion, 21% higher YtD, wholly on 21% growth in local currency loans.
- End-of-period deposits were EGP 82.3 billion, 21% higher YtD, with real growth of 15% net of the EGP devaluation impact, mainly on 17% growth in local currency deposits and 8% growth in foreign currency deposits.
- Gross outstanding contingent business reached EGP 4.62 billion, 25% higher YtD.

### RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 52.1 billion, slightly lower by 1% YtD, wholly on 1% lower local currency loans.
- End-of-period deposits were EGP 350 billion, 31% higher YtD, with real growth of 21% net of the EGP devaluation impact, driven by 32% growth in local currency deposits and 3% growth in foreign currency deposits.
- CIB continued to expand its network to reach a total of 191 branches and 20 units across Egypt, supported by a network of 1,330 ATMs.

### CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	2Q23 EGP million	1Q23 EGP million	QoQ Change (2Q23 vs. 1Q23)	2Q22 EGP million	YoY Change (2Q23 vs. 2Q22)	1H23 EGP million	1H22 EGP million	YoY Change (1H23 vs. 1H22)
Net Interest Income	13,009	10,884	20%	7,011	86%	23,893	13,729	74%
Non-Interest Income	483	1,100	-56%	(116)	NM	1,583	941	68%
<b>Net Operating Income</b>	<b>13,492</b>	<b>11,984</b>	<b>13%</b>	<b>6,896</b>	<b>96%</b>	<b>25,476</b>	<b>14,670</b>	<b>74%</b>
Non-Interest Expense	(2,233)	(2,064)	8%	(1,599)	40%	(4,297)	(3,270)	31%
Loan Loss Provision	(238)	(945)	-75%	(113)	111%	(1,182)	(74)	NM
<b>Net Profit before Tax</b>	<b>11,022</b>	<b>8,975</b>	<b>23%</b>	<b>5,183</b>	<b>113%</b>	<b>19,997</b>	<b>11,325</b>	<b>77%</b>
Income Tax	(3,486)	(2,262)	54%	(1,642)	112%	(5,748)	(3,014)	91%
Deferred Tax	502	(645)	NM	(21)	NM	(143)	(531)	-73%
<b>Net profit from continued operations</b>	<b>8,038</b>	<b>6,068</b>	<b>32%</b>	<b>3,521</b>	<b>128%</b>	<b>14,106</b>	<b>7,780</b>	<b>81%</b>
Net profit from discontinued operations	(50)	1	NM	0	NM	(50)	0	NM
<b>Net profit</b>	<b>7,987</b>	<b>6,069</b>	<b>32%</b>	<b>3,521</b>	<b>127%</b>	<b>14,056</b>	<b>7,780</b>	<b>81%</b>
Minority Interest	(0.4)	4	NM	10	NM	3	16	-78%
<b>Net Profit After Minority</b>	<b>7,988</b>	<b>6,065</b>	<b>32%</b>	<b>3,511</b>	<b>127%</b>	<b>14,053</b>	<b>7,765</b>	<b>81%</b>

Financial Indicators	2Q23	1Q23	QoQ Change (2Q23 vs. 1Q23)	2Q22	YoY Change (2Q23 vs. 2Q22)	1H23	1H22	YoY Change (1H23 vs. 1H22)
<b>Profitability</b>								
ROAE	49.1%	37.5%	31%	21.5%	129%	41.3%	23.1%	78%
ROAA	4.31%	3.67%	17%	2.68%	61%	3.92%	3.04%	29%
<b>Efficiency</b>								
Cost-to-Income	15.8%	16.6%	-5%	21.7%	-27%	16.1%	20.6%	-22%
<b>Liquidity</b>								
Gross Loans-to-Deposits	38.4%	42.5%	-10%	44.9%	-15%	38.4%	44.9%	-15%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	5.07%	5.26%	-4%	4.84%	5%	5.07%	4.84%	5%
Capital Adequacy Ratio	19.0%	19.3%	-2%	28.8%	-34%	19.0%	28.8%	-34%

<sup>5</sup> 1) Loan, deposit, and outstanding contingent balances are based on managerial accounts. 2) Growth in foreign currency balances is in real terms, excluding the effect of EGP devaluation by EGP 6.2 YtD. 3) Outstanding contingent balances are gross of collateral and provisions.

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### STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	2Q23	1Q23	QoQ Change	2Q22	YoY Change	1H23	1H22	YoY Change
	EGP million	EGP million	(2Q23 vs. 1Q23)	EGP million	(2Q23 vs. 2Q22)	EGP million	EGP million	(1H23 vs. 1H22)
Net Interest Income	12,958	10,832	20%	7,093	83%	23,790	13,695	74%
Non-Interest Income	529	1,192	-56%	(59)	NM	1,721	968	78%
<b>Net Operating Income</b>	<b>13,488</b>	<b>12,024</b>	<b>12%</b>	<b>7,034</b>	<b>92%</b>	<b>25,511</b>	<b>14,663</b>	<b>74%</b>
Non-Interest Expense	(2,166)	(2,005)	8%	(1,688)	28%	(4,171)	(3,233)	29%
Loan loss provision	(265)	(948)	-72%	(55)	382%	(1,213)	(14)	NM
<b>Net Profit before Tax</b>	<b>11,056</b>	<b>9,071</b>	<b>22%</b>	<b>5,291</b>	<b>109%</b>	<b>20,128</b>	<b>11,415</b>	<b>76%</b>
Income Tax	(3,505)	(2,265)	55%	(1,735)	102%	(5,770)	(3,111)	85%
Deferred Tax	508	(722)	NM	(21)	NM	(214)	(531)	-60%
<b>Net Profit</b>	<b>8,059</b>	<b>6,084</b>	<b>32%</b>	<b>3,534</b>	<b>128%</b>	<b>14,144</b>	<b>7,774</b>	<b>82%</b>

Financial Indicators	2Q23	1Q23	QoQ Change	2Q22	YoY Change	1H23	1H22	YoY Change
			(2Q23 vs. 1Q23)		(2Q23 vs. 2Q22)			(1H23 vs. 1H22)
<b>Profitability</b>								
ROAE	49.1%	37.5%	31%	21.6%	127%	41.3%	23.1%	79%
ROAA	4.36%	3.69%	18%	2.71%	61%	3.96%	3.05%	30%
NIM*	7.47%	7.09%	5%	5.91%	26%	7.30%	5.79%	26%
<b>Efficiency</b>								
Cost-to-Income	15.3%	16.1%	-5%	22.5%	-32%	15.6%	20.3%	-23%
<b>Liquidity</b>								
Gross Loans-to-Deposits	38.4%	42.5%	-10%	44.8%	-14%	38.4%	44.8%	-14%
<b>Asset Quality</b>								
NPLs-to-Gross Loans	5.02%	5.20%	-4%	4.84%	4%	5.02%	4.84%	4%
Capital Adequacy Ratio	236%	233%	1%	209%	13%	236%	209%	13%

\*NIM based on managerial accounts

### BALANCE SHEET

Balance Sheet	Consolidated			Standalone				
	Jun-23		Dec-22	YtD Change	Jun-23		Dec-22	YtD Change
	EGP million	EGP million	(Jun-23 Vs. Dec-22)	EGP million	EGP million	(Jun-23 Vs. Dec-22)		
Cash & Due from Central Bank	33,569	47,493	-29%	33,404	47,385	-30%		
Due from Banks	282,231	133,857	111%	281,454	133,766	110%		
Net Loans & Overdrafts	220,912	196,578	12%	219,949	195,599	12%		
Financial Derivatives	2,072	1,940	7%	2,072	1,940	7%		
Financial Investment Securities	235,089	238,545	-1%	233,749	237,095	-1%		
Investments in Associates and Subsidiaries	145	186	-22%	2,116	1,074	97%		
Other Assets	22,272	17,233	29%	21,933	16,784	31%		
<b>Total Assets</b>	<b>796,291</b>	<b>635,832</b>	<b>25%</b>	<b>794,678</b>	<b>633,643</b>	<b>25%</b>		
Due to Banks	23,938	3,497	585%	23,941	3,476	589%		
Customer Deposits	658,531	531,617	24%	656,423	530,125	24%		
Other Liabilities	45,186	32,381	40%	45,159	32,322	40%		
<b>Total Liabilities</b>	<b>727,656</b>	<b>567,494</b>	<b>28%</b>	<b>725,523</b>	<b>565,922</b>	<b>28%</b>		
<b>Shareholders' Equity &amp; Net Profit</b>	<b>68,507</b>	<b>67,758</b>	<b>1%</b>	<b>69,155</b>	<b>67,721</b>	<b>2%</b>		
Minority Interest	129	580	-78%	0	0	NM		
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>796,291</b>	<b>635,832</b>	<b>25%</b>	<b>794,678</b>	<b>633,643</b>	<b>25%</b>		