

Commercial International Bank - Egypt (COMI)

The release of a one-off provision boosted the bottom line

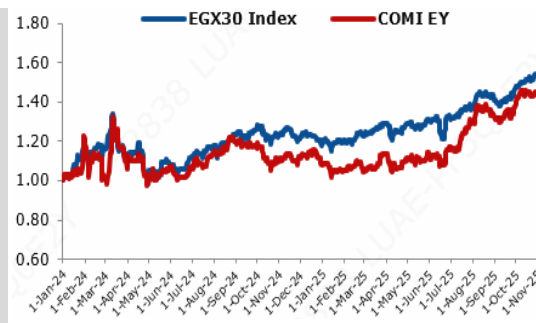
Current Price
EGP 109.45

Target Price
EGP 129.50

Upside/Downside (%)
+18%

Rating
BUY

- The Company released one-off provisions of EGP 13.1 Bn in 3Q25, including EGP 8 Bn in loan loss and EGP 5 Bn in contingent provisions for off-balance-sheet exposures.
- Net advances expanded 57.0% YOY and 7.1% QOQ to EGP 482.6 Bn in 3Q25.
- Customer deposit increased 16.3% YOY and 0.2% QOQ to EGP 1,047.5 Bn in 3Q25.
- The Bank CASA ratio increased from 55% in 3Q24 to 60.0% in 3Q25.
- The Bank's local currency liquidity ratio stood at 58.0% and the foreign currency liquidity ratio at 58.4% in 3Q25, exceeding the CBE regulatory requirements of 20% and 25%, respectively.



3Q25 Net Profit higher than our estimate

Commercial International Bank's (COMI/ the Bank) net profit grew significantly from EGP 14.8 Bn in 3Q24 to EGP 28.8 Bn in 3Q25, higher than our estimate of EGP 16.9 Bn. The growth in net profit was primarily driven by the one-off release of provisions totaling EGP 13.1 Bn, resulting in higher other non-funded income compared to non-funded expenses in 3Q24, alongside a reversal of credit impairment. The growth is also driven by a rise in net funded and fees & commission income. This gain is partially offset by a significant decrease in trading income, as well as higher operating and tax expenses.

P&L Highlights

The Bank's Funded income grew 8.0% YOY to EGP 53.2 Bn in 3Q25, primarily due to a strong growth in local and foreign currency loans, partially offset by a decline in asset yield. Funded expenses rose 3.0% YOY to EGP 25.9 Bn in 3Q25, supported by a rise in average interest-bearing liabilities, partially offset by a decline in cost of funds. Thus, net funded income increased 13.1% YOY to EGP 27.3 Bn in 3Q25. The Bank's calculated NIMs declined 69 bps YOY to 8.6% during 3Q25. Furthermore, fees and commission income rose 22.9% YOY to EGP 2.2 Bn in 3Q25, due to strong sustainability. However, income from trading declined significantly from EGP 804 Mn in 3Q24 to EGP 35 Mn in 3Q25. The Company recorded the other non-funded income of EGP 4.3 Bn in 3Q25, compared to other expenses of EGP 1.5 Bn in 3Q25, primarily driven by the one-off release of provisions related to exposures. As a result, non-funded income rose significantly from EGP 1.2 Bn in 3Q24 to EGP 6.6 Bn in 3Q25. The Bank's total operating income grew 34.0% YOY to EGP 33.9 Bn in 3Q25. Operating expenses expanded 33.6% YOY to EGP 4.5 Bn in 3Q25, driven by contract

Stock Information

Market Cap (EGP, Mn)	336,104.64
Paid Up Capital (Mn)	30,708.51
52 Week High	109.59
52 Week Low	73.00
3M Avg. daily value (EGP)	236,143,900

3Q25 Result Review (EGP, Mn)

Total Assets	1,355,579
Total Liabilities	1,147,532
Total Equity	208,047
Total Deposits	1,047,464
Net Profit	28,754

Financial Ratios

Dividend Yield (12m)	2.28
Dividend Pay-out (%)	6.03
Price-Earnings Ratio(x)	4.75
Price-to-Book Ratio (x)	1.62
Book Value (EGP)	67.67
Return-on Equity (%)	40.61

Stock Performance

5 Days	3.75%
1 Months	4.69%
3 Months	10.00%
6 Months	33.65%
1 Year	35.12%
Month to Date (MTD%)	3.75%
Quarter to Date (QTD%)	8.37%
Year to Date (YTD%)	39.43%

renewal, new depreciation charges on IT Infrastructure, depreciation, and higher regulatory & stamp duties. Resultantly, the cost-to-income ratio remained stable at 13.3% in 3Q25. The Bank recorded a reversal of impairments of EGP 7.6 Bn in 3Q25, compared to impairment charges of EGP 1.7 Bn in 3Q24, primarily driven by a one-off release of direct loan loss provisions. Tax charges grew significantly from EGP 5.4 Bn in 3Q24 to EGP 8.3 Bn in 3Q25.

Balance Sheet Highlight

COMI's total assets grew 21.0% YOY and 2.6% QOQ to EGP 1,355.6 Bn in 3Q25, driven by the growth in net advances and financial investments. Net advances increased 57.0% YOY and 7.1% QOQ to EGP 482.6 Bn in 3Q25. Customer deposits grew 16.3% YOY and 0.2% QOQ to EGP 1,047.5 Bn in 3Q25. Customer deposits accounted for 91.3% of the total liabilities in 3Q25. The Bank's calculated loan-to-deposit ratio rose by 820 bps YOY and 235 bps QOQ to 47.3% in 3Q25. Total equity grew 50.3% YOY and 17.3% QOQ to EGP 208.0 Bn in 3Q25.

Target Price and Rating

We maintain our BUY rating on COMI with a revised target price of EGP 129.50. The stock price has increased 7.0% since our last rating. COMI reported a sharp rise in profitability in 3Q25, primarily driven by a one-off provision release of EGP 13.1 Bn, which resulted in a substantial increase in other non-funded income and a reversal of credit impairments compared to 3Q24. However, as per the Central Bank of Egypt (CBE) guidelines, the released amount, transferred to a Special Reserve within Shareholders' Equity, is excluded from the Bank's distributable profits and does not contribute to the Capital Adequacy Ratio (CAR). The Bank recorded a solid growth in net advances, increasing 57.0% YOY and 7.1% QOQ to EGP 482.6 Bn in 3Q25, primarily attributed to increased lending across corporate and retail loans. The lending growth is also driven by a rise in local currency loans and foreign currency loans, demonstrating the Bank's strong credit demand and effective loan portfolio expansion across all segments. Lending activity expanded into previously less active sectors such as petrochemicals, chemicals, and automated manufacturing; however, growth in these sectors was slightly slower compared to the continued strong performance in the tourism and food industries. Similarly, customer deposits expanded 16.3% YOY and 0.2% QOQ to EGP 1,047.5 Bn in 3Q25, supported by both local and foreign currency deposits. COMI became the first Egyptian private-sector bank to surpass EGP 1 Tn in customer deposits. The Bank's CASA deposits accounted for 60% of the total deposits, reducing the impact of rate cuts on margins. COMI's loan-to-deposit increased from 39.1% in 3Q24 to 47.3% in 3Q25. Furthermore, the Company's calculated cost-to-income ratio remained stable at 13.3% in 3Q25, compared to 3Q24, marginally declining by 4 bps YOY. CIB also benefited from interest rate swaps, with revaluation gains rising sharply to EGP 187 Mn in 3Q25 from EGP 15 Mn in 3Q24, compared to a loss of EGP 395 Mn in 2Q25, driven by declining forward interest rate curves that enhanced the value of its hedging contracts amid expectations of rate cuts. CIB extended the duration of its local and foreign currency sovereign bonds, anticipating rate declines, with a foreign currency portfolio of around USD 3 Bn in 3Q25. On the foreign side, the Bank maintains a diversified mix that includes US Treasuries and other investment-grade sovereign bonds. CIB has been reallocating towards longer-dated bonds, particularly in foreign currency, to capture yield opportunities amid the ongoing global interest rate cuts. The Bank's liquidity position remained robust, with the local currency liquidity ratio at 58.0% and the foreign currency liquidity ratio at 58.4%, both significantly exceeding the regulatory requirements of 20% and 25%, respectively. The Bank's gross non-performing loan reached at EGP 10.2 Bn and decreasing from the last four quarters, with the calculated NPL ratio stood at 2.07% in 3Q25, indicating improved asset quality and effective credit risk management practices. The Bank added 99 new credit commitments year-to-date, including 55 booked during 3Q25, reflecting rising business confidence and highlighting CIB's pivotal role in supporting new investment cycles. Thus, based on our analysis, we assign a BUY rating on the stock.

COMI - Relative valuation

(at CMP)	2020	2021	2022	2023	2024	2025F
PB	3.54	3.06	4.71	3.57	2.13	1.24
PE	20.59	26.79	23.20	13.10	6.80	4.55
BVPS	19.328	22.374	22.019	29.404	49.602	85.502
EPS	NA	3.994	4.741	8.394	16.187	23.478
DPS	NA	0.900	0.538	0.550	2.500	4.000
Dividend yield	NA	0.8%	0.5%	0.5%	2.3%	3.7%

FABS Estimates & Co Data
COMI - P&L

	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	Change
EGP Mn										
Funded income	49,307	52,626	53,239	54,699	-2.7%	8.0%	1.2%	182,735	212,029	16.0%
Funded expense	-25,161	-26,686	-25,921	-27,455	-5.6%	3.0%	-2.9%	-91,671	-104,831	14.4%
Net funded income	24,146	25,940	27,318	27,244	0.3%	13.1%	5.3%	91,064	107,198	17.7%
Fees and commissions	1,816	2,216	2,232	2,376	-6.1%	22.9%	0.7%	7,085	8,860	25.0%
Trading gain/(loss)	804	603	35	1,908	-98.2%	-95.7%	-94.2%	20,472	2,037	-90.0%
Other non-funded income	-1,467	-1,640	4,325	-1,741	NM	NM	NM	-23,049	149	NM
Non-funded income	1,153	1,178	6,591	2,543	159.1%	471.6%	459.3%	4,509	11,045	145.0%
Operating income	25,299	27,118	33,909	29,787	13.8%	34.0%	25.0%	95,573	118,243	23.7%
Operating expenses	-3,382	-3,983	-4,517	-4,408	2.5%	33.6%	13.4%	-13,896	-16,909	21.7%
Pre-provision profit	21,917	23,135	29,392	25,379	15.8%	34.1%	27.0%	81,677	101,334	24.1%
Impairment (charge)	-1,693	418	7,635	-2,038	NM	NM	NM	-4,524	7,848	NM
Share of profits assoc	-5	6	4	1	NM	NM	-25.7%	-18	7	NM
PBT	20,219	23,558	37,031	23,341	58.7%	83.1%	57.2%	77,136	109,189	41.6%
Tax	-5,419	-6,845	-8,277	-6,419	29.0%	52.8%	20.9%	-21,879	-28,755	31.4%
Profit before NCI	14,801	16,713	28,754	16,922	69.9%	94.3%	72.0%	55,257	80,434	45.6%
Profit for the year	14,801	16,713	28,754	16,922	69.9%	94.3%	72.0%	55,257	80,434	45.6%
Minority interest	0	0	0	8	NM	NM	NM	60	94	55.3%
Net Profit after NCI	14,801	16,714	28,754	16,914	70.0%	94.3%	72.0%	55,196	80,341	45.6%

FABS estimate & Co Data
COMI - KPI

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	Change
Net FI/OI	95.4%	95.7%	80.6%	-1,488	-1,509	95.3%	90.7%	-462
Fees & comms/OI	7.2%	8.2%	6.6%	-60	-159	7.4%	7.5%	8
NIS	8.0%	7.2%	7.2%	-89	-3	9.4%	7.1%	-233
Trading/OI	3.2%	2.2%	0.1%	-308	-212	21.4%	1.7%	-1,970
Cost to income	13.4%	14.7%	13.3%	-4	-137	14.5%	14.3%	-24
Impairment/PPP	7.7%	-1.8%	-26.0%	-3,370	-2,417	5.5%	-7.7%	-1,328
Tax/PBT	26.8%	29.1%	22.4%	-445	-670	28.4%	26.3%	-203
NP/OI	58.5%	61.6%	84.8%	2,629	2,316	57.8%	67.9%	1,019
Cost of risk	1.9%	-0.4%	-6.2%	-809	-581	1.2%	-1.6%	-275
Loan-to-deposit	39.1%	44.9%	47.3%	820	235	40.3%	43.5%	316
Tier 1 (Reported)	24.6%	23.6%	25.5%	92	188	20.1%	29.9%	982
Capital adequacy (Reported)	26.2%	28.4%	30.2%	400	180	24.1%	33.5%	935
ROAE	46.0%	41.2%	43.3%	-268	215	45.4%	38.6%	-676
ROAA	5.1%	5.1%	6.1%	92	93	5.4%	6.1%	75

FABS estimate & Co Data

COMI – Key BS Items

(EGP Mn)	3Q24	4Q24	1Q25	2Q25	3Q25	YOY Ch
Net advances	307,367	353,098	380,384	450,441	482,635	57.0%
QOQ change	6.9%	14.9%	7.7%	18.4%	7.1%	
Total assets	1,119,958	1,214,973	1,262,885	1,321,096	1,355,579	21.0%
QOQ change	5.9%	8.5%	3.9%	4.6%	2.6%	
Customer deposits	900,967	972,596	1,000,618	1,045,325	1,047,464	16.3%
QOQ change	4.6%	8.0%	2.9%	4.5%	0.2%	
Total Equity	138,406	152,819	158,218	177,306	208,047	50.3%
QOQ change	15.9%	10.4%	3.5%	12.1%	17.3%	

FABS estimate & Co Data

Valuation:

We use the Residual Income and Relative Valuation (RV) method to value Commercial International Bank. We have assigned 70% weight to Residual Income, and 30% to RV method.

Valuation Method	Target	Weight	Weighted Value
Residual Income	112.59	70.0%	78.81
Relative Valuation (RV)	168.95	30.0%	50.69
Weighted Average Valuation (EGP)			129.50
Current market price (EGP)			109.45
Upside/Downside (%)			+18%

1) Residual Income Method:

We have discounted the economic profit/excess equity using the cost of equity of 16.0%. Cost of equity is calculated by using Egypt's 10-year government bond yield of 10.0%, beta of 0.8, and equity risk premium of 7.6%. Government bond yield is calculated after adding Egypt's 10-year CDS spread over the 10-year US risk-free rate. Also, assumed a terminal growth rate of 3.0%.

Sum of PV (EGP, Mn)	78.054
Terminal value (EGP, Mn)	56,767
Book Value of Equity (as of Sept 2025)	207,808
FV to Common shareholders (EGP, Mn)	342,629
No. of share (Mn)	3,043
Current Market Price (EGP)	109.45
Fair Value per share (EGP)	112.59

Residual Income Method

(All Figures in EGP Mn)	2025 E	2026 E	2027 E	2028 E	2029 E	2030 E
Net Profit	67,241 ²	72,070	70,601	77,980	86,113	93,853
(-) Equity Charge	24,414	42,084	51,152	59,523	68,591	78,469
Excess Equity	42,827	29,986	19,449	18,457	17,522	15,384
Discounting Factor	0.98	0.84	0.73	0.63	0.54	0.47
Present Value of Excess Equity	10,467¹	25,272	14,131	11,561	9,462	7,162

Source: FAB Securities, ¹Adjusted for partial year, ²Excluding one-off provision release, as it is monitored by the Egyptian Central Bank

2) Relative Valuation:

We have used international peers to value Commercial International Bank, and it is valued using the P/B multiple. It is valued at a 2026 P/B multiple of 1.6x.

Company	Market (USD Mn)	P/B (x)		P/E (x)	
		2025F	2026F	2025F	2026F
Alinma Bank	17,144	1.8x	1.6x	10.9x	10.3x
Abu Dhabi Islamic Bank PJSC	20,427	2.9x	2.6x	12.0x	11.2x
Commercial Bank of Dubai	7,720	1.6x	1.6x	8.4x	10.3x
Gulf Bank K.S.C.P.	4,543.2	1.7x	1.6x	23.4x	19.1x
Banque Saudi Fransi	11,462	0.9x	1.0x	8.7x	8.7x
Bank Al Bilad	11,622	1.9x	2.0x	14.0x	13.7x
Qatar Islamic Bank	16,135	2.0x	1.9x	12.9x	12.2x
Average		1.8x	1.7x	12.9x	12.2x
Median		1.8x	1.6x	12.0x	11.2x
Max		2.9x	2.6x	23.4x	19.1x
Min		0.9x	1.0x	8.4x	8.7x

Source: FAB Securities

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

FAB Securities Contacts:

Research Analyst

Ahmad Banihani +971-2-6161629 ahmad.banihani@Bankfab.com

Sales & Execution

Abu Dhabi Head Office

Trading Desk +971-2-6161700/1 Online Trading Link

+971-2-6161777

Institutional Desk +971-4-4245765

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