

Commercial International Bank - Egypt (CIB)

Improved lending quality and impairment reversal supported bottom line

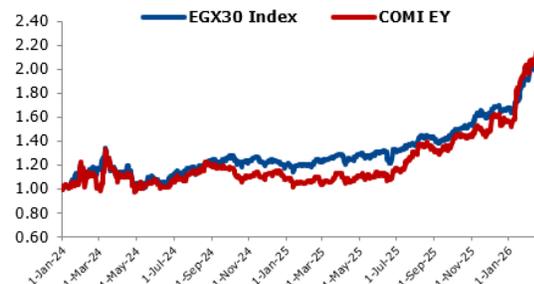
Current Price
EGP 132.0

Target Price
EGP 136.50

Upside/Downside (%)
+3.4%

Rating
HOLD

- Net advances expanded 53.6% YOY and 12.4% QOQ to EGP 542.4 Bn in 4Q25, due to increase in local and foreign currency loans.
- Customer deposits rose 14.2% YOY and 6.0% QOQ to EGP 1,110.4 Bn in 4Q25 and accounted for 91.7% of the total liabilities in 4Q25.
- The Bank CASA ratio increased from 56% in 4Q24 to 61% in 4Q25 of total deposits.
- The Bank proposed a cash dividend of 25% of net profit for 2025 (EGP 6 per share), supported by strong profitability.



Stock Information

Market Cap (EGP, Mn)	446,056.46
Paid Up Capital (Mn)	33,779.36
52 Week High	145.01
52 Week Low	68.46
3M Avg. daily value (EGP)	463,063,200

4Q25 Net Profit higher than our estimate

Commercial International Bank's (COMI/ the Bank) net profit grew significantly from EGP 12.8 Bn in 4Q24 to EGP 20.1 Bn in 4Q25, higher than our estimate of EGP 18.2 Bn. The growth in net profit was primarily driven by improved operating income with significant fees and commission income growth arising from one-off asset recovery gain and impairment reversal partially offset by higher operating and tax expenses.

4Q25 Result Review (EGP, Mn)

Total Assets	1,442,494
Total Liabilities	1,210,980
Total Equity	231,514
Customer Deposits	1,110,396
Net Profit	20,139

P&L Highlights

The Bank's Funded income grew 2.8% YOY to EGP 53.2 Bn in 4Q25, Primarily driven by robust growth across local and foreign currency loan portfolios, supported by increased lending activity to corporate clients, partially offset by a decline in asset yield. Funded expenses declined 8.4% YOY to EGP 24.2 Bn in 4Q25, supported by lower cost of funds following policy rate cuts and an improved deposit mix with a higher CASA share. Thus, net funded income increased 14.4% YOY to EGP 29.0 Bn in 4Q25. The Bank's NIMs declined 38 bps YOY to 9.1% during 4Q25. Furthermore, fees and commission income rose 52.5% YOY to EGP 2.8 Bn in 4Q25, primarily driven by a one-off asset recovery gain of EGP 1.5 Bn, alongside strong loan growth and increased Capex-related transaction. However, income from trading declined significantly from EGP 2.3 Bn in 4Q24 to EGP 518 Mn in 4Q25. The Bank recorded the other non-funded income of EGP 169 Mn in 4Q25, compared to other expenses of EGP 5.5 Bn in 4Q24. As a result, the Bank reported the non-funded income of EGP 3.5 Bn in 4Q25 compared to non-funded expenses of EGP 1.4 Bn in 4Q24. The Bank's total operating income grew 35.6% YOY to EGP 32.6 Bn in 4Q25. Operating expenses increased 8.8% YOY to EGP 5.1 Bn in 4Q25. Resultantly the cost-to-income ratio declined from 19.6% in 4Q24 to 15.7% in 4Q25.

Financial Ratios

Dividend Yield (12m)	1.68
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	5.90
Price-to-Book Ratio (x)	1.93
Book Value (EGP)	68.53
Return-on Equity (%)	39.16

Stock Performance

5 Days	-6.17%
1 Months	0.82%
3 Months	37.29%
6 Months	49.75%
1 Year	89.85%
Month to Date (MTD%)	-1.46%
Quarter to Date (QTD%)	28.20%
Year to Date (YTD%)	28.20%

The Bank recorded a reversal of impairments of EGP 849 Mn in 4Q25, compared to impairment charges of EGP 779 Mn in 4Q24, primarily driven by a one-off release of direct loan loss provisions, following the recalibration of the ECL model. Tax charges grew significantly from EGP 5.6 Bn in 4Q24 to EGP 8.1 Bn in 4Q25. Contribution to NCI stood at EGP 19 Mn in 4Q25 compared to EGP 60 Mn in 4Q24.

Balance Sheet Highlight

COMI's total assets grew 18.7% YOY and 6.4% QOQ to EGP 1,442.5 Bn in 4Q25, driven by the growth in net advances and financial investments. Net advances increased 53.6% YOY and 12.4% QOQ to EGP 542.4 Bn in 4Q25, due to rise in local and foreign currency loans. Customer deposits grew 14.2% YOY and 6.0% QOQ to EGP 1,110.4 Bn in 4Q25. Customer deposits accounted for 91.7% of the total liabilities in 4Q25, due to rise in local and foreign currency deposits. The Bank's calculated loan-to-deposit ratio rose by 885 bps YOY and 191 bps QOQ to 49.2% in 4Q25. Total equity grew 51.5% YOY and 11.3% QOQ to EGP 231.5 Bn in 4Q25.

Target Price and Rating

We revised our rating from BUY to HOLD with a revised target price of EGP 136.50. The stock price increased 26.0% since our last rating. COMI reported a sharp rise in net profit in 4Q25, supported by strong operating income growth and reversal of credit impairments compared to charges in 4Q24. The Bank's strong financial performance was underpinned by a robust digital infrastructure, enabling it to maintain leadership in digital banking and alternative channels. Additionally, the Bank also reported net profit growth of 49.0% YOY to EGP 82.2 Bn in 2025. Even after normalizing for the one-off benefit from the release of provisions related to the ECL model recalibration, COMI's 2025 net profit would stand at EGP 70.6 Bn, implying a robust 28% YOY growth. The Bank recorded a solid growth in net advances, increasing 53.6% YOY and 12.4% QOQ to EGP 542.4 Bn in 4Q25, attributed to corporate lending, particularly toward capital expenditure (CAPEX) financing, alongside steady expansion in SME financing and foreign currency 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. Similarly, customer deposits expanded 14.2% YOY and 6.0% QOQ to EGP 1,110.4 Bn in 4Q25, supported by both local and foreign currency deposits, indicating sustained depositor confidence and a strengthened funding base enabling continued balance sheet expansion. The Bank's CASA deposits accounted for 61% of the total deposits, reducing the impact of rate cuts on margins. COMI's loan-to-deposit increased from 40.3% in 4Q24 to 49.2% in 4Q25. The Bank's liquidity position remained robust, with the local currency liquidity ratio at 54.7% and the foreign currency liquidity ratio at 51.3%, both significantly exceeding the regulatory requirements of 20% and 25%, respectively, demonstrating ample liquidity buffers, and strong capacity to withstand funding shocks. Similarly, Tier 1 capital ratio, and capital adequacy ratio stood at 23.0% and 27.3% in 4Q25, above the regulatory requirement. The Bank's stage 3 reached at EGP 9.9 Bn in 4Q25, and decreasing from the last three quarters, with the NPL ratio stood at 1.7% in 4Q25, indicating improved asset quality and effective credit risk management practices. The Bank's strong performance was underpinned by its robust digital infrastructure, enabling COMI to maintain leadership in digital banking and alternative channels. By end-2025, the Bank served over 2.0 Mn online banking users (+19% YOY), while transaction values across digital channels rose 60% YOY to EGP 5.3 Tn, reflecting strong growth in both volumes and value. While adding 393K new customers, bringing its total client base to 2.5 Mn in 2025. The Bank guided 15–20% bottom-line growth for 2026 off a normalized base of EGP 70.6 Bn, supported by 30–35% loan growth driven by continued Capex demand and economic recovery. The Bank proposed a cash dividend of 25% of net profit for 2025 (EGP 6.0 per share), supported by strong profitability, while preserving sufficient capital to fund lending growth, potential acquisitions, and digital expansion under its five-year strategy. Thus, based on our analysis, we assign a HOLD rating on the stock.

COMI - Relative valuation

(at CMP)	2021	2022	2023	2024	2025	2026
PB	3.95	6.07	4.60	2.75	2.01	1.64
PE	34.52	23.20	13.10	7.56	6.09	6.45
BVPS	22.374	22.019	29.404	49.602	75.226	92.354
EPS	3.994	4.741	8.394	14.557	18.049	21.370
DPS	0.900	0.538	0.550	2.500	6.000	6.000
Dividend yield	0.7%	0.4%	0.4%	1.9%	4.5%	4.5%

FABS Estimates & Co Data
COMI - P&L

EGP Mn	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch	QOQ Ch	2024	2025	Change
Funded income	51,736	53,239	53,200	53,629	-0.8%	2.8%	-0.1%	182,735	211,600	15.8%
Funded expense	-26,355	-25,921	-24,154	-25,084	-3.7%	-8.4%	-6.8%	-91,671	-103,901	13.3%
Net funded income	25,381	27,318	29,046	28,544	1.8%	14.4%	6.3%	91,064	107,700	18.3%
Fees and commissions	1,860	2,232	2,837	2,478	14.5%	52.5%	27.1%	7,085	9,219	30.1%
Trading gain/(loss)	2,278	35	518	755	-31.3%	-77.2%	NM	20,472	1,801	NM
Other non-funded income	-5,502	4,325	169	-1,279	NM	NM	-96.1%	-23,049	1,597	NM
Non-funded income	-1,364	6,591	3,524	1,953	80.4%	NM	-46.5%	4,509	12,616	NM
Operating income	24,017	33,909	32,570	30,497	6.8%	35.6%	-3.9%	95,573	120,316	25.9%
Operating expenses	-4,715	-4,517	-5,129	-4,476	14.6%	8.8%	13.5%	-13,896	-17,562	26.4%
Pre-provision profit	19,302	29,392	27,442	26,022	5.5%	42.2%	-6.6%	81,677	102,754	25.8%
Impairment (charge)	-779	7,635	849	-120	NM	NM	-88.9%	-4,524	8,817	NM
Share of profits assoc	-9	4	1	-2	NM	NM	-83.1%	-18	11	NM
PBT	18,514	37,031	28,291	25,899	9.2%	52.8%	-23.6%	77,136	111,582	44.7%
Tax	-5,605	-8,277	-8,133	-7,565	7.5%	45.1%	-1.7%	-21,879	-29,323	34.0%
Profit before NCI	12,909	28,754	20,159	18,334	10.0%	56.2%	-29.9%	55,257	82,259	48.9%
Profit for the year	12,909	28,754	20,159	18,334	10.0%	56.2%	-29.9%	55,257	82,259	48.9%
Minority interest	60	0	19	93	-79.2%	-67.9%	NM	60	20	-66.9%
Net Profit after NCI	12,848	28,754	20,139	18,241	10.4%	56.7%	-30.0%	55,196	82,239	49.0%

FABS estimate & Co Data
COMI - KPI

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	Change
Net FI/OI	105.7%	80.6%	89.2%	-1,650	862	95.3%	89.5%	-577
Fees & comms/OI	7.7%	6.6%	8.7%	97	213	7.4%	7.7%	25
NIM (Reported)	9.4%	8.9%	9.1%	-38	17	9.48%	8.95%	-53
NIS	8.0%	7.2%	7.5%	-46	34	9.4%	7.6%	-179
Trading/OI	9.5%	0.1%	1.6%	-789	149	21.4%	1.5%	-1,992
Cost to income	19.6%	13.3%	15.7%	-388	243	14.5%	14.6%	6
Impairment/PPP	4.0%	-26.0%	-3.1%	-713	2,288	5.5%	-8.6%	-1,412
Tax/PBT	30.3%	22.4%	28.7%	-153	639	28.4%	26.3%	-208
NP/OI	53.5%	84.8%	61.8%	834	-2,296	57.8%	68.4%	1,060
Cost of risk	0.8%	-6.2%	-0.6%	-142	554	1.2%	-1.6%	-277
Loan-to-deposit	40.3%	47.3%	49.2%	885	191	40.3%	49.2%	885
NPL (Reported)	3.3%	2.52%	1.7%	-159	-81	3.3%	1.7%	-159
NPL Coverage (Reported)	351.0%	281.0%	358.0%	700	7,700	351.0%	358.0%	700
Tier 1 (Reported)	20.1%	25.5%	23.0%	289	-254	20.1%	23.0%	289
Capital adequacy (Reported)	24.1%	30.2%	27.3%	316	-294	24.1%	27.3%	316
ROAE	45.4%	43.3%	42.8%	-259	-49	45.4%	42.8%	-259
ROAA	5.4%	6.1%	6.2%	80	13	5.4%	6.2%	80

FABS estimate & Co Data

COMI – Key BS Items

(EGP Mn)	4Q24	1Q25	2Q25	3Q25	4Q25	YOY Ch
Net advances	353,098	380,384	450,441	482,635	542,395	53.6%
<i>QOQ change</i>	14.9%	7.7%	18.4%	7.1%	12.4%	
Total assets	1,214,973	1,262,885	1,321,096	1,355,579	1,442,494	18.7%
<i>QOQ change</i>	8.5%	3.9%	4.6%	2.6%	6.4%	
Customer deposits	972,596	1,000,618	1,045,325	1,047,464	1,110,396	14.2%
<i>QOQ change</i>	8.0%	2.9%	4.5%	0.2%	6.0%	
Total Equity	152,819	158,218	177,306	208,047	231,514	51.5%
<i>QOQ change</i>	10.4%	3.5%	12.1%	17.3%	11.3%	

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	135.49	70.0%	94.84
Relative Valuation (RV)	138.85	30.0%	41.66
Weighted Average Valuation (EGP)			136.50
Current market price (EGP)			132.00
Upside/Downside (%)			+3.4%

1) Residual Income Method:

We have discounted the economic profit/excess equity using the cost of equity of 14.0%. Cost of equity is calculated by using Egypt's 10-year government bond yield of 8.2%, beta of 0.99, and equity risk premium of 5.8%. 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)	113,631
Terminal value (EGP, Mn)	112,562
Book Value of Equity (as of December 2025)	231,486
FV to Common shareholders (EGP, Mn)	457,679
No. of share (Mn)	3,378
Current Market Price (EGP)	132.00
Fair Value per share (EGP)	135.49

Residual Income Method

(All Figures in EGP Mn)	2026 E	2027 E	2028 E	2029 E	2030 E
Net Profit	72,974	75,380	77,995	82,445	86,281
(-) Equity Charge	32,348	39,714	47,415	55,188	63,475
Excess Equity	40,623	35,662	30,575	27,251	22,800
Discounting Factor	0.89	0.78	0.69	0.60	0.53
Present Value of Excess Equity	36,242	27,915	20,998	16,421	12,054

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 PB multiple of 1.7x.

Company	Market (USD Mn)	P/B (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Alinma Bank	17,800	1.7x	1.5x	10.7x	9.9x
Abu Dhabi Islamic Bank PJSC	22,664	2.9x	2.5x	12.3x	10.8x
Commercial Bank of Dubai	7,761	1.5x	1.4x	10.1x	9.5x
Gulf Bank K.S.C.P.	4,416.8	1.5x	1.5x	21.8x	18.3x
Banque Saudi Fransi	11,648	1.0x	1.0x	9.1x	8.7x
Bank Al Bilad	10,519	1.9x	1.6x	12.4x	11.5x
Qatar Islamic Bank	16,337	1.9x	1.7x	12.5x	11.9x
Average		1.8x	1.6x	12.7x	11.5x
Median		1.7x	1.5x	12.3x	10.8x
Max		2.9x	2.5x	21.8x	18.3x
Min		1.0x	1.0x	9.1x	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%

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