First Look Note | 3Q26

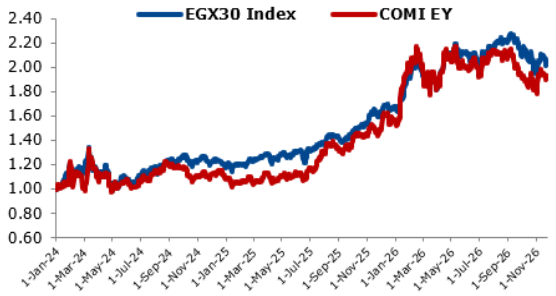
EGYPT Equity Research | Sector: Banking | Market: EGX

Commercial International Bank - Egypt (CIB)

Elevated base weighs on earnings despite strong balance sheet growth

Current Price	Target Price	Upside/Downside (%)	Rating
EGP 126.50	EGP 150.00	+19%	BUY

- Net advances increased 39.5% YOY and 4.1% QOQ to EGP 673.1 Bn in 3Q26, supported by corporate and retail lending activities.
- Customer deposits grew 38.3% YOY and 10.7% QOQ to EGP 1,448.9 Bn in 3Q26, accounting for 92.4% of the Bank's total liabilities in 3Q26.
- The Bank CASA ratio increased from 59.7% in 3Q25 to 63.0% in 3Q26 of total deposits.
- Online digital banking platforms served more than 2.3 Mn users by the end of 9M26, while transaction value across the Bank's digital platforms increased 54% YOY to c. EGP 5.7 Tn.



Stock Information	
Market Cap (EGP, Mn)	433,848.77
Paid Up Capital (Mn)	34,051.39
52 Week High	145.01
52 Week Low	95.01
3M Avg. daily value (EGP)	512,918,300

3Q26 Result Review (EGP, Mn)	
Total Assets	1,826,177
Total Liabilities	1,567,729
Total Equity	258,448
Total Deposits	1,448,932
Net Profit	23,764

Financial Ratios	
Dividend Yield (12m)	4.71
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	5.78
Price-to-Book Ratio (x)	1.68
Book Value (EGP)	75.89
Return-on Equity (%)	32.08

Stock Performance	
5 Days	-0.63%
1 Months	1.81%
3 Months	-8.65%
6 Months	-6.32%
1 Year	34.10%
Month to Date (MTD%)	5.76%
Quarter to Date (QTD%)	0.88%
Year to Date (YTD%)	23.70%

3Q26 Net Profit higher than our estimate

Commercial International Bank's (COMI/ the Bank) reported a 17.4% YOY decline in net profit to EGP 23.8 Bn in 3Q26, higher than our estimate of EGP 22.3 Bn. The decline in net profit was primarily due to lower non-funded income, reduced impairment reversals and lower profit share from associates coupled with higher operating expenses, tax expenses and minority expenses, partially offset by higher net funded income.

P&L Highlights

The Bank's funded income grew 21.3% YOY to EGP 64.6 Bn in 3Q26, primarily driven by growth in net advances and interest-earning assets, partially offset by decrease in asset yield. Funded expenses increased 24.0% YOY to EGP 32.1 Bn in 3Q26, due to increase in interest-bearing liabilities partially offset by decline in cost of funds. Consequently, net funded income increased 18.7% YOY to EGP 32.4 Bn in 3Q26. The Bank's NIMs declined 86 bps YOY and 34 bps QOQ to 8.0% in 3Q26. Furthermore, net fees and commission income increased 47.6% YOY to EGP 3.3 Bn in 3Q26, supported by loan-related, card fees and trade finance activity Income from trading increased significantly from EGP 35 Mn in 3Q25 to EGP 1.3 Bn in 3Q26. However, other non-funded income fell significantly from positive EGP 4.3 Bn in 3Q25 to negative EGP 144 Mn in 3Q26, due to decline in other operating income and dividend income couple with losses on financial investment. As a result, the Bank's non-funded income declined 32.1% YOY to EGP 4.5 Bn in 3Q26. The Bank's total operating income grew 8.8% YOY to EGP 36.9 Bn in 3Q26. Operating expenses increased 24.4% YOY to EGP 5.6 Bn in 3Q26. Thus, the calculated cost-to-income ratio increased by 190 bps YOY to 15.2% in 3Q26, due to investments in technology infrastructure and digital transformation initiatives. The Bank recorded impairment reversals of EGP 1.6 Bn in

3Q26, compared to 7.6 Bn in 3Q25. The 3Q26 reversal was largely attributable to the repayment of a single corporate borrower. Tax charges increased 10.4% YOY to EGP 9.1 Bn in 3Q26. The Bank recorded minority interest of EGP 2 Mn in 3Q26, compared to negative 0.4 Mn in 3Q25.

Balance Sheet Highlight

COMI's total assets grew 34.7% YOY and 8.1% QOQ to EGP 1,826.2 Bn in 3Q26, driven by growth in net advances and financial investments. Net advances increased 39.5% YOY and 4.1% QOQ to EGP 673.1 Bn in 3Q26, driven by corporate and retail lending. Customer deposits grew 38.3% YOY and 10.7% QOQ to EGP 1,448.9 Bn in 3Q26. Customer deposits accounted for 92.4% of total liabilities in 3Q26, driven by growth in local and foreign currency deposits. CASA deposits increased to 63.0% in 3Q26 from 59.7% in 3Q25 and 63.0% in 3Q26. The Bank's calculated loan-to-deposit ratio declined by 155 bps YOY and 304 bps QOQ to 45.7% in 3Q26. Total equity grew 24.2% YOY and 8.4% QOQ to EGP 258.4 Bn in 3Q26.

Target Price and Rating

We revise our rating from HOLD to BUY on COMI with an unchanged target price of EGP 150.0. COMI delivered a resilient performance in 3Q26, supported by healthy growth in core banking income and continued balance sheet expansion. Net interest income increased 18.7% YOY to EGP 32.4 Bn, supported by sustained lending growth, while the net operating income increased 8.8% YOY to EGP 36.9 Bn in 3Q26. However, net profit declined 17.4% YOY to EGP 23.8 Bn, reflecting the high base in 3Q25, which benefited from higher provision releases. The Bank continued to demonstrate strong balance sheet expansion, with net advances increasing 39.5% YOY and 4.1% QOQ to EGP 673.1 Bn in 3Q26. Lending growth was supported by both local and foreign currency advances, with corporate lending primarily driven by the Transportation and Natural Gas sectors and retail lending continued to benefit from personal loans and credit cards. Foreign currency lending also gained traction across tourism, textiles, agriculture and education, supported by the Bank's available foreign currency liquidity. The Bank's funding profile remained strong, with customer deposits rising 38.3% YOY and 10.7% QOQ to EGP 1,448.9 Bn in 3Q26, supported by growth across both local and foreign currency deposits. The CASA ratio remained healthy at 63.0% in 3Q26, compared with 59.7% in 3Q25 and 62.7% in 2Q26, strengthening the Bank's low-cost funding base and supporting margin resilience. COMI continued to make progress in expanding its digital banking ecosystem, with its online banking platforms serving more than 2.3 Mn users as of 3Q26, representing a 17.0% YOY increase. Transaction value across digital platforms rose 54.0% YOY to c. EGP 5.7 Tn, while the Bank acquired c. 380K new-to-bank (NTB) customers during 9M26, an increase of 36.0% YOY, with c. 40% of new customer additions recorded during 3Q26. The Bank's digital infrastructure continued to support customer acquisition, with the NTB digital registration rate increasing 20.0% YOY to 80%. The faster growth in digital transaction value relative to user additions reflects deeper engagement across the existing digital customer base, while the high digital registration rate is expected to customer acquisition and greater transaction migration to digital channels. Furthermore, the Bank's credit card portfolio expanded 24.2% YTD to EGP 22.6 Bn in 3Q26, supported by continued traction in its card business, including the CIB Explore proposition and co-branded partnerships. Asset quality remained robust, with the NPL ratio increasing marginally to 1.56% in 3Q26 from 1.49% in 2Q26, but remaining significantly below 2.52% in 3Q25, while the NPL coverage ratio stood at 343%, reflecting strong provisioning buffers against potential credit losses. Stage 2 loans exposure declined 22.9% YOY and 11.0% QOQ to EGP 92.4 Bn, while the share of gross loans moderated to 13.9% in 3Q26, compared to 24.2% in 3Q25 and 16.3% in 2Q26. Stage 3 loans decreased 15.5% YOY but increased 2.2% QOQ to EGP 11 Bn in 3Q26. However, the share of Stage 3 loan to gross loans was 1.7% in 3Q26, compared to 2.7% in 3Q25 and 1.7% in 2Q26. Overall, the decline in Stage 2 and Stage 3 exposure indicates an improvement in asset quality. Liquidity and capitalization also remained comfortable, with local and foreign currency liquidity ratios at 55.4% and 54.2%, respectively, both significantly above the Central Bank of Egypt's regulatory requirements of 20% and 25%. Meanwhile, the Banks's CAR remained strong at 28.8% in 3Q26 compared to 28.5% in 2Q26, providing sufficient headroom to support future balance sheet growth, however capital adequacy ratio declined from 30.2% in 3Q25. The Bank aims to maintain CAR above 25% amid elevated uncertainty. Overall, despite the decline in net profit on YOY basis due to the elevated base in 3Q25 following higher provision releases, COMI continued to deliver healthy growth in core banking income, supported by balance sheet expansion, improving asset quality and a strong liquidity and capital position. Thus, based on our analysis, we revise our rating to BUY on the stock.

COMI - Relative valuation

(at CMP)	2021	2022	2023	2024	2025	2026
PB	6.04	6.17	4.68	2.80	1.86	1.34
PE	34.57	29.04	16.43	8.59	6.99	5.69
BVPS	21.117	20.653	27.242	45.597	68.529	104.959
EPS	3.688	4.390	7.761	14.849	18.246	22.391
DPS	0.823	0.492	0.500	2.273	6.010	6.000
Dividend yield	0.7%	0.4%	0.4%	1.8%	4.8%	4.7%

FABS Estimates & Co Data

COMI – P&L

EGP Mn	3Q25	2Q26	3Q26	3Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Funded income	53,239	57,262	64,559	59,558	8.4%	21.3%	12.7%	211,600	240,025	13.4%
Funded expense	-25,921	-26,136	-32,130	-28,033	14.6%	24.0%	22.9%	-103,901	-113,333	9.1%
Net funded income	**27,318**	**31,127**	**32,429**	**31,525**	**2.9%**	**18.7%**	**4.2%**	**107,700**	**126,692**	**17.6%**
Fees and commissions	2,232	3,607	3,295	3,951	-16.6%	47.6%	-8.7%	9,219	12,478	35.3%
Trading gain/(loss)	35	1,022	1,323	1,852	-28.6%	NM	29.4%	1,801	3,566	NM
Other non-funded income	4,325	-1,002	-144	-973	-85.2%	NM	NM	1,597	-5,530	NM
Non-funded income	**6,591**	**3,626**	**4,473**	**4,831**	**-7.4%**	**-32.1%**	**23.4%**	**12,616**	**10,514**	**-16.7%**
Operating income	**33,909**	**34,753**	**36,902**	**36,356**	**1.5%**	**8.8%**	**6.2%**	**120,316**	**137,206**	**14.0%**
Operating expenses	-4,517	-5,201	-5,618	-5,489	2.3%	24.4%	8.0%	-17,562	-21,953	25.0%
Pre-provision profit	**29,392**	**29,551**	**31,284**	**30,866**	**1.4%**	**6.4%**	**5.9%**	**102,754**	**115,253**	**12.2%**
Impairment (charge)	7,635	-963	1,619	-1,074	NM	NM	NM	8,817	273	NM
Share of profits assoc	4	8	1	1	-19.7%	NM	NM	11	10	NM
PBT	**37,031**	**28,596**	**32,904**	**29,793**	**10.4%**	**-11.1%**	**15.1%**	**111,582**	**115,536**	**3.5%**
Tax	-8,277	-7,104	-9,139	-7,448	22.7%	10.4%	28.6%	-29,323	-31,426	7.2%
Profit before NCI	**28,754**	**21,492**	**23,766**	**22,345**	**6.4%**	**-17.3%**	**10.6%**	**82,259**	**84,110**	**2.3%**
Profit for the year	**28,754**	**21,492**	**23,766**	**22,345**	**6.4%**	**-17.3%**	**10.6%**	**82,259**	**84,110**	**2.3%**
Minority interest	-0.4	0	2	0	NM	NM	NM	20	17	-14.9%
Net Profit after NCI	**28,754**	**21,491**	**23,764**	**22,345**	**6.3%**	**-17.4%**	**10.6%**	**82,239**	**84,093**	**2.3%**

FABS estimate & Co Data

COMI - KPI

	3Q25	2Q26	3Q26	YOY Ch	QOQ Ch	2025	2026F	Change
Net FI/OI	80.6%	89.6%	87.9%	732	-169	89.5%	92.3%	282
Fees & comms/OI	6.6%	10.4%	8.9%	235	-145	7.7%	9.1%	143
NIM (Reported)	8.9%	8.4%	8.0%	-86	-34	9.0%	8.0%	-98
NIS	7.2%	7.1%	6.7%	-43	-38	7.6%	6.6%	-100
Trading/OI	0.1%	2.9%	3.6%	348	64	1.5%	2.6%	110
Cost to income	13.3%	15.0%	15.2%	190	26	14.6%	16.0%	140
Impairment/PPP	-26.0%	3.3%	-5.2%	2,080	-844	-8.6%	-0.2%	834
Tax/PBT	22.4%	24.8%	27.8%	542	293	26.3%	27.2%	92
NP/OI	84.8%	61.8%	64.4%	-2,040	256	68.4%	61.3%	-706
Cost of risk	-6.2%	0.6%	-1.0%	519	-158	-1.6%	0.5%	211
Loan-to-deposit	47.3%	48.8%	45.7%	-155	-304	49.2%	47.0%	-220
NPL (Reported)	2.5%	1.5%	1.6%	-96	7	1.7%	1.3%	NM
NPL Coverage (Calculated)	281.0%	358.0%	343.0%	6,200	-1,500	358.0%		-35,800
Tier 1 (Reported)	25.5%	24.4%	25.2%	-29	87	23.0%	25.7%	274
Capital adequacy (Reported)	30.2%	28.5%	28.8%	-140	34	27.3%	29.2%	187
ROAE	43.3%	42.5%	35.7%	-761	-676	42.8%	30.3%	-1,249
ROAA	6.1%	5.9%	5.2%	-82	-63	6.2%	5.1%	-111

FABS estimate & Co Data

COMI – Key BS Items

(EGP Mn)	3Q25	4Q25	1Q26	2Q26	3Q26	YOY Ch
Net advances	482,635	542,395	606,906	646,248	673,066	39.5%
QOQ change	*7.1%*	*12.4%*	*11.9%*	*6.5%*	*4.1%*	
Total assets	1,355,579	1,442,494	1,568,268	1,690,040	1,826,177	34.7%
QOQ change	*2.6%*	*6.4%*	*8.7%*	*7.8%*	*8.1%*	
Customer deposits	1,047,464	1,110,396	1,214,998	1,308,646	1,448,932	38.3%
QOQ change	*0.2%*	*6.0%*	*9.4%*	*7.7%*	*10.7%*	
Total Equity	208,047	231,514	216,173	238,416	258,448	24.2%
QOQ change	*17.3%*	*11.3%*	*-6.6%*	*10.3%*	*8.4%*	

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	142.38	70.0%	99.66
Relative Valuation (RV)	167.78	30.0%	50.33
Weighted Average Valuation (EGP)			**150.00**
Current market price (EGP)			126.50
Upside/Downside (%)			+19%

1) Residual Income Method:

We have discounted the economic profit/excess equity using the cost of equity of 14.1%. Cost of equity is calculated by using Egypt's 10-year government bond yield of 8.7%, beta of 1.00, and equity risk premium of 5.5%. 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)	113,655
Terminal value (EGP, Mn)	112,752
Book Value of Equity (as of September 2026)	258,408
FV to Common shareholders (EGP, Mn)	**484,815**
No. of share (Mn)	3,405
Current Market Price (EGP)	126.50
Fair Value per share (EGP)	**142.38**

Residual Income Method

(All Figures in EGP Mn)	2026F	2027F	2028F	2029F	2030F	2031F
Net Profit	76,912	83,005	89,322	93,358	101,556	109,233
(-) Equity Charge	32,712	45,641	55,577	65,885	76,488	88,143
Excess Equity	**44,201**	**37,364**	**33,746**	**27,473**	**25,069**	**21,091**
Discounting Factor	0.99	0.86	0.76	0.66	0.58	0.58
Present Value of Excess Equity	**10,885[1]**	**32,249**	**25,520**	**18,204**	**14,554**	**12,244**

Source: FAB Securities, [1]Adjusted for partial year

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 2027 PB multiple of 1.45x.

Company	Market (USD Mn)	P/B (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Alinma Bank	17,562	1.7x	1.5x	11.2x	10.0x
Abu Dhabi Islamic Bank PJSC	23,918	2.9x	2.6x	13.1x	11.8x
Commercial Bank of Dubai	8,030	1.6x	1.4x	8.4x	8.2x
Gulf Bank K.S.C.P.	4,477	NA	NA	23.6x	19.5x
Banque Saudi Fransi	13,229	1.1x	1.0x	9.3x	8.7x
Bank Al Bilad	8,489	1.4x	1.4x	10.5x	10.6x
Qatar Islamic Bank	14,161	1.6x	1.5x	11.4x	10.9x
Average		**1.7x**	**1.6x**	**12.5x**	**11.4x**
Median		**1.6x**	**1.5x**	**11.2x**	**10.6x**
Max		**2.9x**	**2.6x**	**23.6x**	**19.5x**
Min		**1.1x**	**1.0x**	**8.4x**	**8.2x**

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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