



**Q1 2016 Financial Results
Management Discussion and Analysis**

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CBI Reports AED 36.5 Million net Profit in Q1 2016

Dubai, 28 April 2016: Commercial Bank International (CBI or 'The Bank') announces its financial results for quarter ended 31st March 2016.

CBI announces 'A-' Long-term Issuer Default Rating (IDR) from Fitch Ratings.

Q1 2016 Financial Highlights:

- **Net profit AED 36.5 million**
- **Net loans and advances increased by AED 703 million (6%) to AED 12,209 versus AED 11,506 million in December 2015**
- **Customer deposits up 6% to AED 11,782 million from AED 11,106 million in December 2015**
- **12% decrease in Non-performing loans (NPLS). NPLs dropped by AED 114 million to 869 million from AED 983 million in December 2015**
- **Non-Performing Loan ratio down to 5.9% from 7.0% in December 2015**
- **Capital Adequacy Ratio stable at 14.5% versus 14.8% in December 2015**
- **Coverage ratio increased to 89.2% from 81.4%**
- **Net specific provisions of AED 30.9 million down to 0.25% of Q1 2016 net loans and advances and 16% of Q1 2016 revenues versus AED 53.9 million in Q1 2015 or 0.43% of net loans and advances and 23% of revenues.**

In Q1 2016 CBI reported a net profit of AED 36.5 million supported by growth in Wholesale Bank lending and customer deposits.

Net Loans and Advances increased by AED 703 million, or 6% to AED 12,209 versus AED 11,506 million in December 2015, well above reported market growth of 1.3%. Earning Loans and Advances increased by AED 793 million from year end 2015.

Significant balance sheet restructuring and provisioning in 2015 led to a reported loss for FY 2015. In Q1 2016, the Bank reported continued improvements in asset quality with non-performing loans dropping by 12% to AED 869 million from AED 983 million in December 2015. As a result, CBI reported an improved Non-Performing Loan ratio of 5.9% from 7.0% down 115 bps from December 2015 and an NPL coverage ratio of 89.2% up 7.8% from 81.4% at year-end 2015. Capital Adequacy remained stable at 14.5%, versus 14.8% in December 2015, and above the minimum required. Liquidity continues to be in excess of the regulatory requirements.


Customer deposits increased by 6% to AED 11,782 million from AED 11,106 million in December 2015, significantly ahead of the market which was flat for the period. Revenue for the quarter was AED 186.7 million, slightly down from Q1 2015 mainly due to the one off revenues from the sales of non-core assets in Q1 2015.

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CBI's expenses of AED 105.4 are 3.5% above Q1 2015. Net specific provisions of AED 30.9 million were AED 23.0 million less than Q1 2015 wherein general provisions of AED 14 million were AED 25.4 million less than Q1 2015.

Mohammad Sultan Al Qadi, Chairman of CBI commented on the Bank's performance: "This is a very positive start to the year for CBI, and a pivotal moment for the Bank. The Fitch rating is an endorsement of the strategy and our relationship with QNB and puts CBI in a strong position at the start of a challenging year, and well placed to create sustainable returns for shareholders."

Mark T. Robinson, CEO of CBI commented: "CBI is a bank focused on growth. We have the speed and agility of a small bank, with the stability and security of a big bank. The rating from Fitch comes at an important time for CBI because it accelerates our growth strategy in several ways, including providing access to a bigger pool of potential investors and a reduced cost of funds."

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| <p>مارك ت. روبنسون الرئيس التنفيذي</p> <p>Mr. Mark T. Robinson Chief Executive Officer</p> |
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