

# CIB Aiming for regional growth

*Earlier this year Ripplewood, with a number of other overseas investors, acquired a significant stake in CIB. What were their reasons for investing?*

The Egyptian government's economic reform programme has been a key driver behind the consortium's interest in the Egyptian market, which is bullish on Egypt and in particular CIB, the leading bank in the country. The consortium plans to provide CIB with the necessary technical expertise to transform it into the leading bank for the region.

*How many Board seats did this entitle the new Group and on which important committees are they represented?*

The new board structure has entitled the consortium two seats in addition to a Board Expert. At least one of the Board members is represented on each of the three committees, namely the Governance and Compensation Committee, the Audit Committee and the Risk Committee.

*Has Ripplewood brought any new strategic input to the work of the Board?*

The new Board members brought global best practices to CIB due to their board representation on Fortune 500 companies and significant experience as executives in the largest companies in the world. **Bob Willumstad** (Board Expert) has been instrumental in building Citigroup's global retail banking operations and retired as CEO of the Citigroup's consumer and retail division. He is now the Chairman of AIG. **Tim Collins** (Representative Board Member)



**Hisham Ezz Al-Arab, Chairman of Commercial International Bank (Egypt) SAE, explains to Arab Banker formative developments since a Ripplewood-led investor group acquired key stake in CIB, Egypt's largest private sector bank**

also leads one of the fastest growing private equity firms in the world. **Lucio Noto** (Representative Board Member) retired as Vice Chairman of Exxon Mobil Corporation in January 2001, a position he has held since the merger of Exxon and Mobil companies in November 1999.

**Paul Volker** (Advisor to the Board) served as Chairman of the Federal Reserve under United States Presidents Jimmy Carter and Ronald Reagan. CIB aims to capitalise on the vast experience of the new investor group in consolidating its foothold locally and regionally. That is to be achieved both organically and through acquisitions.

*And in terms of the Governance and Compensation Committee, what contributions has the investor group introduced?*

The new Board members have reviewed and further developed the Bank's corporate governance standards, which primarily entailed remuneration at all Bank levels and the introduction of stock option plans. This may need to be elaborated upon a bit, as he is only talking about the compensation bit and not much about governance.

*What significant new ideas have been implemented on the Risk Committee?*

The Risk Committee, which was only inaugurated after the new members joined the Board, works on approving all policy guides, including credit, investment, SMEs and consumer lending. The Committee works on streamlining policies to make them more efficient while maintaining asset quality.

*In February 2006, an international investor group led by Ripplewood Holdings, Eton Park Capital Management and RHJ International acquired 18.7% equity stake in CIB. The group includes Ripplewood Holdings LLC, Eton Park Capital Management and RHJ International and prominent international business executives cited above. The 18.7% stake represented an investment of approximately US\$230 million. CIB is aiming to be the leading retail bank in Egypt with the largest retail-banking network for private sector banks. It was the first Egyptian private sector bank to receive a rating from an international credit agency and is now the highest rated Egyptian bank by the top international rating agencies.*