

PRESS RELEASE
Credit Agricole Egypt Q1-2020 RESULTS
Net Profit of EGP 443.8Mln

HIGHLIGHTS ON Q1-2020 RESULTS

- **Net Profit of EGP 443.8 Mln**
- **Return on Assets of 3.5%**
- **Return on Equity of 30.5%**
- **Strong Capital Adequacy Ratio at 18.25%**
- **Earning Assets 89% of total Assets**
- **Interest Pairing Liability 81% of total Assets**
- **Customer Loans portfolio recorded EGP 25.3 Bln**
- **Ongoing good quality of assets (NPL at 2.71%)**
- **Customer Deposits portfolio recorded EGP 40.3 Bln**
- **Gross Loans to Deposit Ratio of 62.9%**
- **Total Equity of EGP 6.3Bln**

Global overview:

Facing the COVID-19 economic crisis context, Credit Agricole Egypt has been fully mobilized to fulfill its commitments toward staff, customers and community.

The bank has reacted in full alignment with the Central Bank of Egypt's comprehensive strategy by putting the required measures in place for staff and customers

Credit Agricole Egypt has been very attentive to the corporate and SME customers as our teams has been mobilized to provide them with individualized solutions when possible, to go through the current difficult economic situation. For the community, the bank is also actively present across all the spectrum of impacted sectors to provide medical equipment for the patients' treatment, avail protection kits for the medics or support the daily workers.

During the 1st quarter of the year, Credit Agricole Egypt has pursued its development plans relying on innovation and sustainability to provide customers with appropriate solution for digital and remote banking. Different milestones were achieved, noticeably the renewal of the strategic partnership with Shooting Club to extend its innovative concept launched for the first time in Egypt to serve the transformation towards cashless society in Egypt. Accordingly, the bank will convert the +200,000 membership access cards to payment cards.

Further to the digitalization and adding to its Omni channel experience, the bank has expanded its platform of digital services and launched Banki Lite "the desktop version of its mobile app" which provides user friendly and easy to use interface.

In recognition of its constant endeavor to create a unique customer experience through its multiple channels and services, Credit Agricole Egypt was awarded "the most innovative bank" award by Global Business Outlook.

As an outcome to its ongoing efforts for the spread of the digital culture, the number of transactions across the bank's digital channels has increased with over 40% for companies and overall increased by 20% during 1st quarter 2020 in comparison with the same period last year, knowing that already 1 out of 3 customers is registered in the bank's digital services.

Being 100% human and 100% digital, the bank has expanded its network and reinforced its presence in Delta region by inaugurating its newest branch in Shebein El Kom aiming to extend its services to new segments there.

A SUSTAINABLE COMMERCIAL DEVELOPMENT:

Despite the negative economic outlook and the national shrinking of commercial activities CAE growth across all commercial activities is satisfactory during Q1-2020, recording 3.8% growth in Loans portfolio as well 1.7% growth in Customer Deposits portfolio within a diversified portfolio structure approach between different business lines and customer segments

YTD growth in Loans portfolio of 3.8% (+9.9% vs Q1-2019), driven by the corporate line of business growth of 3.4% and individual portfolio growth of 4.8 %

YTD growth in Loans portfolio, driven by LCY growth of 3.4% and 10.4% YoY & YTD FCY portfolio growth of 5.1% and 8.1% YoY

YTD growth in Deposits portfolio of 1.7% (-4.4% YoY), driven by YTD LCY growth of 3.5% and 8.9% YoY while YTD FCY deposits decreased by -2.8% and -28% YoY which is impacted partially with EGP appreciation against FCY .

Clients Deposits EGP Mln	Mar-20	Dec-19	Δ YTD	Mar-19	Δ
Corporate	17,468	16,901	3.4%	15,999	9.2%
Retail	7,878	7,519	4.8%	6,998	12.6%
Banks	2	4	-56.0%	61	-97.1%
Total	25,348	24,424	3.8%	23,059	9.9%

Clients Deposits EGP Mln	Mar-20	Dec-19	Δ	Mar-19	Change %
Time & Certificate Deposits	22,427	22,691	-1.2%	23,141	-3.1%
Other Deposits	17,892	16,946	5.6%	19,034	-6.0%
Total	40,318	39,637	1.7%	42,175	-4.4%

Loans & Deposits - EGP Mln	Mar-20	Dec-19	Δ YTD	Mar-19	Δ YoY
Loans - LCY	20,050	19,383	3.4%	18,158	10.4%
Loans - FCY	5,298	5,041	5.1%	4,901	8.1%
Total	25,348	24,424	3.8%	23,059	9.9%
Deposits - LCY	29,358	28,359	3.5%	26,952	8.9%
Deposits - FCY	10,960	11,277	-2.8%	15,223	-28.0%
Total	40,318	39,637	1.7%	42,175	-4.4%
LCY L/D Ratio	68%	68%		67%	
FCY L/D Ratio	48%	45%		32%	
Global L/D ratio	63%	62%		55%	

PROFITABILITY INDICATORS

Q1 2020 NII recorded a decrease of 2.2% compared with Q4 2019 and 7.2% compared with Q1 2019

Q1 2020 NBI recorded a decrease of 2.4% compared with Q4 2019 and 9.1% compared with Q1 2019

Foreign Exchange income recorded growth of 4.3% compared with Q1 2019

Net Trading Income decreased by 12% Vs Q4 2019.

Q1 2020 Gross CoR recorded EGP 74.8Mln as well as Net Cost of Risk of EGP -30.6Mln compared with Net CoR of EGP -75.8Mln in Q4-2019 and net release of EGP 156Mln in Q1 2019

Q1 2020 Net Income before Impairment & Tax lower by 13.8% compared with Q4 2019 and 12.8% compared with Q1 2019

During Q1-2020, Credit Agricole Egypt recorded a net income of EGP 443.8Mln lower than Q4 2019 by 10% and 36.7% vs. Q1 2019

Income Statement - EGP Mln	Q1 2020	Q4 2019	QoQ	Q1 2019	QoQ
			Q1-20 Vs. Q4-19		Q1-20 Vs. Q1-19
Net Interest Income	746.9	763.6	-2.2%	805.3	-7.2%
Net Fees & Commission Income	132.2	139.9	-5.5%	154.0	-14.2%
Net Trading Income	57.6	65.4	-12.0%	75.4	-23.6%
Other Operating Income	13.7	5.1	167.9%	10.9	25.3%
Net Banking Income	950.3	974.1	-2.4%	1,045.6	-9.1%
Total Expenses	(328.3)	(322.9)	1.7%	(276.9)	18.5%
Gross Operating Profit	622.0	651.1	-4.5%	768.6	-19.1%
Other Income (Expenses)	5.4	76.3	-92.9%	(49.1)	-111.0%
Income Before Impairment & Tax	627.4	727.5	-13.8%	719.5	-12.8%
Impairment	(30.6)	(75.8)	-59.6%	155.8	-119.7%
Net Income Before Tax	596.8	651.7	-8.4%	875.2	-31.8%
Tax	(153.0)	(158.8)	-3.6%	(173.7)	-11.9%
Net Income	443.8	492.9	-10.0%	701.6	-36.7%
Cost / Income Ratio	34.5%	33.2%		26.5%	

STRONG QUALITY OF ASSETS, SOLVENCY AND LIQUIDITY:

The Non-Performing Loans (NPL) have decreased again, reaching 2.71% of total exposure as of March 2020 compared to 2.94 % as of December 2019, with an impaired loans coverage ratio of 168% as of March 2020 compared to 154% as of December 2019 & 169% as of March 2019.

The Capital Adequacy Ratio maintain the same level of Dec 2019 at 18.25%, well above the regulatory threshold (12.5% starting 2019) comparing with 17.46% at the end of Q1 2019.

This strong solvency allows the bank to pursue its strategy of actively developing its franchise in Egypt in both Retail and Corporate Banking

Bank sustains a good level of liquidity, recording LCY NSFR (Net Stable Funding Ratio) of 185% and 160% for FCY well above the regulatory threshold of 100%; and LCR (Liquidity Coverage Ratio) at 531% at the consolidated level (all currencies included) which is also above CBE requirement and Basel II guidelines of 100%.

Ratios	Q12020	Q42019	QoQ	Q12019	QoQ
			Q1-20 Vs. Q4-19		Q1-20 Vs. Q1-19
Profitability					
Return on equity	30.5%	40.7%	-25.0%	60.7%	-49.7%
Return on assets	3.5%	3.9%	-10.8%	5.4%	-34.9%
Efficiency					
Cost - to - Income	34.5%	33.2%	4.2%	26.5%	30.4%
Liquidity					
Loans - to - Deposits	62.9%	61.6%	2.0%	54.7%	15.0%
Liquidity Coverage Ratio	531%	711%	-25.4%	756%	-29.8%
Net Stable Funding Ratio - LCY	185%	178%	4.0%	180%	2.8%
Net Stable Funding Ratio - FCY	160%	164%	-2.8%	182%	-12.2%
Assets Quality					
Capital adequacy ratio	18.25%	18.25%	0.0%	17.46%	4.6%
Non-performing loans ratio	2.71%	2.94%	-7.9%	3.01%	-9.8%
Provision Coverage	168%	154%	9.6%	169%	-0.2%

CONCLUSION:

Credit Agricole Egypt is maintaining a solid and sustainable growth, as well as strong profitability, based on the quality of services provided to its clients and the quality of its assets. The sustainable Bank's business model is continuously translated by a robust solvency ratio.