

## Financial Results for 1H21

### Crédit Agricole Egypt continuing the good business momentum and records good quality results Net Profit reaches EGP 764 Mln in 1H21

#### HIGHLIGHTS ON RESULTS AT 1H2021

- Net Profit of EGP 764 Mln
- Return on Equity of 21.6%
- Return on Assets of 2.8%
- Strong Capital Adequacy Ratio at 21.7%
- Earning Assets 89.3% of total Assets
- Customer Loans portfolio recorded EGP 28.6 Bln
- Ongoing good quality of assets NPL at 3.7%.
- Customer Deposits portfolio recorded EGP 44.1 Bln
- Gross Loans to Deposit Ratio of 65%
- Total Equity of EGP 7.1 Bln

#### GLOBAL OVERVIEW

In the resilient Egyptian economy that noticeably endured the exceptional pandemic challenge, Crédit Agricole Egypt continued in Q2 to restore its revenues (4.2% YOY net banking income growth) and to support its client with a loan portfolio growth of 6.6% YTD.

Crédit Agricole Egypt kept a good business momentum, grew its deposit and lending portfolios in 2021 and accelerated the development plans serving automation and digitalization. The bank was able to maintain its vigilant risk approach, good quality of assets and overall efficiency as well as its support to the community through the engagement of its staff and the activity of its foundation.

Driven by the customer relationship excellence, the bank has continued its implementation of its multiple-streams development plans, with a focus on services' digitalization and overall quality experience. The bank fully-fledged digital platform "banki by Crédit Agricole" increased number of transactions by 38% for individuals and 107% for corporate in comparison to the same period last year (YOY). The bank has also renewed its partnership with Visa to offer the best-in-class payment solutions to its customers and increase its portfolio and market share in a very dynamic growing environment for electronic payment.

Crédit Agricole Egypt has reinforced its capacities to finance the development and growth of its corporate and SME customers. The bank is now able to propose leasing finance solutions to its customers in partnership with EHFC. Besides the bank is engaged in various projects in order to grow enterprises financing. During the quarter, CA Egypt joined a USD 200 Mln syndicated term loan in oil and gas sector.

Finally, CA Egypt has reinforced its financial solidity and the General Assembly approved to increase the Issued and Paid-up Capital from EGP 1,243,668,000 to EGP 5,000,000,000 i.e. increase of EGP 3,756,332,000. No. of shares will be increased from 310 917 000 to 1,250,000,000 shares. Process of the free shares distribution expected to be finalized before December 2021 after obtaining the full-required approvals.

#### CRÉDIT AGRICOLE EGYPT AWARDS:

In acknowledgment of its continuous efforts to enhance customer relationship excellence and increasing the offering of innovative services, CA Egypt has won 4 prestigious awards from 2 internationally recognized magazines. The Global Business Outlook awarded Crédit Agricole Egypt the "Most Innovative Retail Banking Product" recognizing the bank's initiative to create a cashless society in closed communities, namely in Alex Sporting and Egyptian Shooting clubs. It has also awarded CA Egypt as "Most Innovative Digital Bank" for "banki by Crédit Agricole" integrated platform of digital services to serve both individuals and companies. CA Egypt has also received two additional awards. The first is, "Best Bank for Customer Satisfaction and Happiness" from Global Banking and Finance Review for CA Egypt's loyalty program "Happy Points" and the second is "Best Bank for Corporate Governance" rewarding the Bank's compliance with local and international governance frameworks.

**CRÉDIT AGRICOLE EGYPT FOUNDATION FOR DEVELOPMENT:**

Supporting women economics, the Foundation sponsored 'Women Pioneers' program with its partners to empower young women economically and integrating them into the labor market. On the medical side, the Foundation gave support to Magdi Yacoub Global Heart Foundation in Aswan for the third year in a row.

**COMMERCIAL DEVELOPMENT:**

CA Egypt witnessed in H1-2021 overall a good commercial performance with commitment to accompany its customers in their projects and support their needs. CA Egypt continued to provide both its corporate and individual customers with adequate financial solutions. Consequently, both the loans and deposits portfolios have increased in comparison with H1-2020 to reach respectively EGP 28.6Bln, +5.4% and EGP 44.1Bln, +8.3% while active customers increased by 14% YOY.

Clients Loans EGP Bln	Q2 2021	Q1 2021	Δ QoQ	Dec 2020	Δ YTD	Q2 2020	Δ YoY
Corporate	19.1	17.3	10.4%	17.6	8.9%	18.7	2.5%
Retail	9.5	9.5	-0.2%	9.3	1.9%	8.5	11.7%
<b>Total</b>	<b>28.6</b>	<b>26.8</b>	<b>6.7%</b>	<b>26.9</b>	<b>6.6%</b>	<b>27.2</b>	<b>5.4%</b>

Clients Deposits EGP Bln	Q2 2021	Q1 2021	Δ QoQ	Dec 2020	Δ YTD	Q2 2020	Δ YoY
Time & Certificate Deposits	20.9	20.5	1.9%	18.1	15.8%	18.9	10.7%
Other Deposits	23.2	23.1	0.4%	23.2	-0.1%	21.8	6.1%
<b>Total</b>	<b>44.1</b>	<b>43.6</b>	<b>1.1%</b>	<b>41.3</b>	<b>6.9%</b>	<b>40.7</b>	<b>8.3%</b>

Loans & Deposits - EGP Bln	Q2 2021	Q1 2021	Δ QoQ	Dec 2020	Δ YTD	Q2 2020	Δ YoY
Loans – LCY	24.8	23.2	6.9%	23.3	6.7%	22.6	10.0%
Loans – FCY	3.8	3.6	5.2%	3.6	6.1%	4.6	-17.1%
<b>Total</b>	<b>28.6</b>	<b>26.8</b>	<b>6.7%</b>	<b>26.9</b>	<b>6.6%</b>	<b>27.2</b>	<b>5.4%</b>
Deposits - LCY	33.8	33.6	0.6%	31.4	7.6%	30.3	11.4%
Deposits - FCY	10.3	10.0	2.7%	9.8	4.6%	10.4	-0.8%
<b>Total</b>	<b>44.1</b>	<b>43.6</b>	<b>1.1%</b>	<b>41.3</b>	<b>6.9%</b>	<b>40.7</b>	<b>8.3%</b>
LCY L/D Ratio	73.5%	69.2%		74.1%		74.5%	
FCY L/D Ratio	36.9%	36.0%		36.4%		44.1%	
<b>Global L/D ratio</b>	<b>65.0%</b>	<b>61.6%</b>		<b>65.1%</b>		<b>66.7%</b>	

**PROFITABILITY INDICATORS**

CA Egypt achieved higher NBI in Q2-21 reaching EGP 949Mln, increased by +1.7% vs Q1-21 and +4.2% vs Q2-20. This achievement was supported by NII growth of 5.6% vs Q1-21 reflecting CA Egypt efficiency in managing volume growth and cost of funding. Net Income in Q2-21 recorded EGP 392Mln, higher by 5.1% than Q1-21 despite non-recurring income in Q1 mainly related to selling of fixed assets (One-off transaction). Net income increased by 9% YTD vs H1-20. Q2-21 Net cost of risk is on a lower trend vs Q1-21 due to lower provisions for retail activity.

All in all, CA Egypt achieved a robust performance in Q2-21 showing the best quarterly result since the beginning of the Covid-19 pandemic.

Income Statement - EGP Million	Q2 2021	Q1 2021	QoQ Q2-21 Vs. Q1-21	YTD June 2021	YTD June 2020	Δ YoY	Q2 2020	QoQ Q2-21 vs Q2-20
Net Interest Income	726.2	687.8	5.6%	1,414.0	1,395.7	1.3%	661.1	9.8%
Net Fees & Commission Income	133.7	160.7	-16.8%	294.4	234.7	25.5%	112.2	19.2%
Net Trading Income	71.2	75.3	-5.4%	146.5	135.2	8.4%	75.8	-6.0%
Other Operating Income	17.4	9.2	87.9%	26.6	41.0	-35.1%	21.8	-20.4%
<b>Net Banking Income</b>	<b>948.5</b>	<b>933.1</b>	<b>1.7%</b>	<b>1,881.6</b>	<b>1,806.5</b>	<b>4.2%</b>	<b>870.9</b>	<b>8.9%</b>
Total Expenses	-329.5	-327.6	0.6%	-657.1	-622.8	5.5%	-310.6	6.1%
<b>Gross Operating Profit</b>	<b>619.0</b>	<b>605.5</b>	<b>2.2%</b>	<b>1,224.5</b>	<b>1,183.7</b>	<b>3.4%</b>	<b>560.3</b>	<b>10.5%</b>
Other Income (Expenses)	-0.1	46.2	--	46.0	-0.1	--	-0.1	16.5%
<b>Income Before Impairment &amp; Tax</b>	<b>618.8</b>	<b>651.6</b>	<b>-5.0%</b>	<b>1,270.5</b>	<b>1,183.6</b>	<b>7.3%</b>	<b>560.2</b>	<b>10.5%</b>
Impairment	-68.8	-111.8	-38.4%	-180.6	-223.2	-19.1%	-196.6	-65.0%
<b>Net Income Before Tax</b>	<b>550.0</b>	<b>539.9</b>	<b>1.9%</b>	<b>1,089.9</b>	<b>960.4</b>	<b>13.5%</b>	<b>363.6</b>	<b>51.3%</b>
Tax	-158.4	-167.2	-5.3%	-325.5	-259.2	25.6%	-106.2	49.1%
<b>Net Income</b>	<b>391.6</b>	<b>372.7</b>	<b>5.1%</b>	<b>764.4</b>	<b>701.2</b>	<b>9.0%</b>	<b>257.4</b>	<b>52.2%</b>
<b>Cost / Income Ratio</b>	<b>34.7%</b>	<b>35.1%</b>		<b>34.9%</b>	<b>34.5%</b>		<b>35.7%</b>	

\*Income Statement figures is based on managerial reporting format

#### STRONG QUALITY OF ASSETS, SOLVENCY AND LIQUIDITY:

Some clients met some repayment difficulties during Q2, resulting in an NPL increase witnessed in Q2 compared to Q1 recording 3.7% of total exposure mainly driven by Retail. Meanwhile impaired loans coverage ratio reached 147.9% as of June 2021 compared to 169.4% as of March 2021.

Ratios	Jun 2021	Mar 2021	Δ QoQ	Jun 2020	Δ YoY
<b>Liquidity</b>					
Loans - to - Deposits	65.0%	61.6%	5.5%	66.7%	-2.5%
Liquidity Coverage Ratio	612.9%	575.0%	6.6%	604.0%	1.5%
Net Stable Funding Ratio - LCY	171.4%	180.0%	-4.8%	171.0%	0.2%
Net Stable Funding Ratio - FCY	168.9%	183.0%	-7.7%	164.0%	3.0%
<b>Assets Quality</b>					
Capital adequacy ratio	21.7%	22.0%	-1.4%	19.5%	11.3%
Non-performing loans ratio	3.7%	3.5%	5.7%	2.5%	48.0%
Provision Coverage	147.9%	169.4%	-12.7%	199.3%	-25.8%

#### CONCLUSION:

Crédit Agricole Egypt achieved a satisfactory income growth in Q2 2021 while ensuring a good level of profitability and strong solvency ratio. The bank will continue focusing on some key objectives: further expediting the digital transformation, optimizing its network, growing its client base including SMEs while keeping the focus on the sustainability of the customer relationship and sound risk management.