








## Crédit Agricole Egypt, Q1 2022 Financial Results

**Dynamic commercial activities across all business lines, decent revenue generation capacity, with Net Profit reaching EGP 486 million, up 30% YoY**

### Main Highlights

-  Gross Loan portfolio reached EGP 32 billion, up 3% Year-to-Date
-  Customer Deposits reached EGP 49 billion, up 2% Year-to-Date
-  Strong liquidity position, Loans-to-Deposit Ratio of 65%
-  High quality of assets, Non-performing Loans ratio of 4.1%
-  Resilient capital structure, Capital Adequacy ratio of 22.66%
-  Net Profit recorded EGP 486 million, up 30% Year-on-Year
-  Return on average Assets of 3.1% and Return on average Equity of 23.2%

### Crédit Agricole Egypt: growing commercial activities in a more challenging environment

Within the current context, Crédit Agricole Egypt yet has achieved a solid performance through 1Q22, generating a Net banking income of EGP 998million, up 7%YoY. The bank has continued to support the economy with a gross loan portfolio reaching EGP 32billion, up 3%YtD. Moreover, customer deposits reached EGP 49billion, up 2%YtD.

Corporate Portfolio witnessed an increase in bookings during Q1 for gross amount around 3billion EGP leading to net increase of the portfolio around 900million; achieving a YoY growth in Loans and Deposits of 26% and 17% respectively. CAE Corporate's aim is to diversify the product mix with its customers and enhance cross selling to better serve the customers' needs with a positive impact on the overall profitability of corporate banking.

The performance in Capital Market activities was a reflection of volatility in the onshore and offshore market. In light of the current supply chain disruption and the hikes in different raw material prices, it is expected that corporate customers may witness slowdown in new investments/CAPEX plans in the local market.

As for Retail Segments, the bank actively participated to financial inclusion endeavors through dedicated campaigns during the "International Women's month" and through a significant presence during the French university's annual employment fair. In addition, on-ground activities took place in Shooting Club as part of the bank's partnership for exclusive closed communities. CA Egypt has also revamped its payroll programs, including more benefits to increase customers' onboarding and activation.

Credit cards have witnessed an increase of 15% in acquisition and 29% in cards' spend YoY. This performance was supported by strong acquisition campaigns in addition to several utilization campaigns in top shopping seasons and consistent communication on cards benefits including Credit Agricole Happy Points Program.

CA Egypt individual loans' portfolio in Q1- 2022 read an increase by EGP 0.36billion as a direct result of the seasonal marketing campaigns and the wide range of products' offerings. Aligning to the Central Bank of Egypt's policy to support the small businesses and self-professions, CAE developed new financing solutions for self-employed Doctors. During the quarter the bank continued to increase its SME exposure in line with CBE directions. Overall, the total customer portfolio rose by 3% and the bank succeeded to acquire 21K new customers during Q1-2022.



## Digital Development

March recorded the highest number of transactions in the history of CAE. During Q1 2022, customers have logged on to our digital channels more than 2.8Mn times (vs 2.2Mn logins in Q1 2021).

More than 58% of Credit Agricole Egypt customers have registered to CAE digital services, and more than 28% are using it on monthly basis. The growth continues also with a consistent increase +9% (vs Q4 2021) in digital transactions processed by individuals & +6% by corporate bringing the total number of transactions during the quarter to 526K digital transactions.

As for Corporate and SME customers, more than 95% have subscribed to “banki business” & 45% are digitally active on the platform. Corporate users have logged on CAE platform more than 347K times over Q1 2022 (vs 236K logins in Q1 last year) pushing the average customer login to 47 times/month (vs 28 times in Q1 last year).

This quarter has seen the successful launch of the eGovernmental payment portal: Corporate Payment Service CPS. The portal (powered by e-Finance) allows corporate and SME customers to pay their governmental payments conveniently 24/7 from anywhere. The new service is seeing strong demand since the first day of its launch.

The development of ATMs transaction volumes was also strong in Q1 2022: 9% usage increase vs Q4-21. It relied on two main factors: First finalizing the CBE initiative of adding new ATMs in areas with no ATMs/any bank presence in addition to deploying additional 56 new ATMs in different touristic/ high traffic areas. Second, concluding the project of ATMs replacement, which started in Sept. 2021 to replace old ATMs with new ATMs with higher capacity and capabilities.

## Crédit Agricole Egypt Awards

In recognition to its ceaseless endeavor to achieve better customer satisfaction by offering innovative services and products, CA Egypt received “The best performing Egyptian bank” award from International Business Magazine during 2022. This award demonstrates the bank’s vision in providing an excellent customer experience.

## Corporate Social Responsibility and Foundation activities

Crédit Agricole Egypt Foundation for Development has engaged in different activities that support its key pillars: education, health, empowerment and entrepreneurship. The Foundation management conducted an annual gathering with “Ebhar Misr Program” graduates to set a new expansion plan. During the gathering, a new scholarship was granted to one of the program’s graduates who was qualified to join the undergraduate program at Lafayette College in Pennsylvania, USA to study Biochemistry. The foundation also sponsored “Printemps des Artistes”; an annual art exhibition and Gala Dinner that was conducted for the sake of raising funds for Samu-Social Foundation that takes care of street children in order to reduce hardships and risks, street children face every day.

## Dynamic Commercial Activity and Solid Balance Sheet Structure

CA Egypt commercial activity has been strong and stable across all business lines through 1Q22, providing both Corporate and Individual customers with adequate financial solutions and increasing the active customer base. Gross loan portfolio (*including Loans to Banks*) increased +3%YtD, to reach EGP 32billion, while Customer Deposits increased +2%YtD, to reach EGP 49billion.



(Clients and Banks)	Mar-22	Dec-21	QtD	Mar-21	YoY
Gross Loans Portfolio	EGP billion	EGP billion	Mar-22 vs Dec-21	EGP billion	Mar-22 vs Mar-21
Corporate Loans	21.8	20.9	4%	17.3	26%
Retail Loans	9.9	9.6	4%	9.5	5%
Loans to Banks	0.3	0.4	-39%	0.0	n.m.
<b>Gross Loans</b>	<b>32.0</b>	<b>30.9</b>	<b>3%</b>	<b>26.8</b>	<b>19%</b>
Loans LCY	27.5	25.3	9%	23.2	18%
Loans FCY	4.5	5.7	-21%	3.6	24%

Customer Deposits	Mar-22	Dec-21	QtD	Mar-21	YoY
Customer Deposits	EGP billion	EGP billion	Mar-22 vs Dec-21	EGP billion	Mar-22 vs Mar-21
Corporate Deposits	25.2	24.9	1%	21.6	17%
Retail Deposits	23.7	23.3	2%	22.0	8%
<b>Customer Deposits</b>	<b>48.9</b>	<b>48.2</b>	<b>2%</b>	<b>43.6</b>	<b>12%</b>
Deposits LCY	36.0	37.0	-3%	33.6	7%
Deposits FCY	12.9	11.2	16%	10.0	29%

LCY L/D Ratio	76%	68%	8%	69%	7%
FCY L/D Ratio	35%	51%	-16%	36%	-1%
<b>Global L/D Ratio</b>	<b>65%</b>	<b>64%</b>	<b>1%</b>	<b>62%</b>	<b>4%</b>

### Profitability Performance

Net Banking Income increased +7% YoY, reaching EGP 998 million at the end of March 2022, where Net Interest Income increased +9%YoY, demonstrating the bank's robust commercial growth, along with an efficient control of the funding cost. Commissions decreased due to special one-off transactions in Q1-21 related to tax refund in addition to lower retail fees. CA Egypt continues its decent performance through 1Q22, where improved profitability combined with effective expenses and cost of risk control, exhibited in Net Income +30%YoY, reaching EGP 486 million.

On top of improving gross income (+8% YoY), CAE benefited from a lower cost of risk due to consistent risk management and specific write back recoveries. Other income this quarter does not include any special transactions unlike Q1-21 that included the disposal of sale of fixed assets.

Income Statement	1Q22	4Q21	QoQ	1Q21	YoY
Income Statement	EGP million	EGP million	1Q22 vs 4Q21	EGP million	1Q22 vs 1Q21
Net Interest Income	750	750	0%	688	9%
Fees and Commission	128	148	-14%	161	-20%
Other Operating Income	120	97	23%	85	41%
<b>Net Banking Income</b>	<b>998</b>	<b>995</b>	<b>0%</b>	<b>933</b>	<b>7%</b>
Overhead Expenses	-345	-340	1%	-328	5%
<b>Gross Operating Profit</b>	<b>653</b>	<b>655</b>	<b>0%</b>	<b>605</b>	<b>8%</b>
Other Income/Expense	-9	1	n.m.	46	n.m.
Impairment Charges	23	-82	-128%	-112	-120%
<b>Net Profit before Tax</b>	<b>666</b>	<b>574</b>	<b>16%</b>	<b>540</b>	<b>23%</b>
Income Tax	-180	-149	20%	-167	7%
<b>Net Profit</b>	<b>486</b>	<b>425</b>	<b>14%</b>	<b>373</b>	<b>30%</b>

\*Income Statement figures is based on managerial reporting



### High Quality of Assets, Strong Solvency and Liquidity

CA Egypt NPL ratio marginally increased compared to December 2021, coupled with a decent coverage buffer, indicating the high quality credit positioning of the bank to pursue healthy lending portfolio growth, with vigilant risk management practices in place.

Additionally, the bank's strong liquidity position and solid capital buffer are well above the CBE requirements, creating a safeguard that enables the bank to absorb shocks, if any. The loans to deposit ratio has been stable and providing liquidity buffer for CAE.

Key Idicators	Mar-22	Dec-21	Ytd Change
<b>Liquidity</b>			
Loans-to-Deposits Ratio	65%	64%	1%
Liquidity Coverage Ratio	477%	581%	-104%
Net Stable Funding Ratio LCY	171%	180%	-9%
Net Stable Funding Ratio FCY	214%	185%	29%
<b>Assets Quality</b>			
Capital Adequacy Ratio	22.66%	20.87%	1.8%
Leverage Ratio	10.58%	10.95%	-0.4%
Non-performing Loans Ratio	4.13%	3.33%	0.8%
Coverage Ratio	131.39%	164.42%	-33.0%

\*CAR excluding Top 50 Concentration risk

### Conclusion

Credit Agricole Egypt continue to leverage on its digital infrastructure, diversified expertise, solid balance sheet and controlled cost of risk to ensure business growth by serving its customers as well as the economy.