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PRESS RELEASE – Q1-2018 RESULTS
Credit Agricole Egypt reports a net Profit of EGP 605.7 million at end of Q1-2018
Representing a rise of +33.3% over Q4.2017

HIGHLIGHTS ON Q1-2018 RESULTS

- Net Profit climbs to EGP 605.7 million up by +27.5% over Q1-2017
- Clients' deposits up by +3.6% reaching EGP 38.4 billion over Q4-2017
- Loans up by +2.5% reaching EGP 18.5 billion over Q4-2017
- Continuous improvement of efficiency with a Cost to Income Ratio of 26.6%
- Substantial Return on Equity at 59.6%
- Strong Capital Adequacy Ratio at 18.99%
- Ongoing good quality of assets and improvement of NPL under 2.7%

Credit Agricole Egypt has announced its Q1-2018 results showing an ongoing strong performance and the sustainable growth of the Bank. The Managing Director, Mr. Pierre Finas commented: "The Bank's strategy for responsible & steady growth delivers again a strong set of results for the first 3 months of 2018, driven by our well-balanced and innovation-driven business model". Mr. Finas added that during his recent visit to Egypt, the CEO of the worldwide Credit Agricole S.A. Group, Mr Philippe Brassac, has reiterated the Group's support to the growth of the bank in Egypt".

A SUSTAINABLE COMMERCIAL DEVELOPMENT:

The strong revenue increase is generated by the growth of the different business activities across the Bank.

Despite a challenging market, both customers' loans and deposits have recorded an increase over December 2017. Deposits have climbed by +3.6%. Loans have risen by +2.5% due the sizable growth of local currency loans, up by +7.0% for Retail and by +4% for Corporates, offsetting the decrease of foreign currency corporate loans.

Deposits - EGP Million	Mar-2018	Dec-2017	Δ
Time & Certificate Deposits	23,595.0	22,588.0	4.5%
Other Deposits	14,818.0	14,495.0	2.2%
Total	**38,413.0**	**37,083.0**	**3.6%**

Loans - EGP Million	Mar-2018	Dec-2017	Δ
Corporate	11,784.4	11,693.6	0.8%
Retail	6,608.0	6,165.9	7.2%
Banks	126.6	201.5	-37.2%
Total	**18,519.0**	**18,060.9**	**2.5%**

SHARP GROWTH OF PROFITABILITY

During Q1-2018, Credit Agricole Egypt again recorded a strong rise of results demonstrating ongoing efficiency and focused banking operations. This increase is triggered notably by the Net Interest Income, up by +10.2% year-on-year, thanks to both higher volumes and margins in local currency activities. The Net Commissions and Fees and the

Net Trading Income (mainly foreign exchange commissions), went down in Q1-2018 by -7.2% and -50.0% respectively in comparison to the exceptional level recorded during Q1-2017 due to post devaluation peak volumes and margins in Capital Markets activities.

Steady efforts are deployed to optimize costs and enhance controls, succeeding in decreasing total expenses by -1.8% versus Q1-2017, despite the inflation, new taxation and the impact of EGP devaluation across 2017.

Credit Agricole Egypt continued to improve its efficiency, achieving a Cost to Income Ratio of 26.6% in Q1-2018 versus 29.2% in Q4-2017 and 26.7% in Q1-2017, positioning the Bank well among its peer banks.

In Q1-2018, Cost of Risk recorded a net reversal of +45.2 million versus net cost of -88.2 million in Q1-2017, thanks to the value of an asset/assets? acquired after the write off of a Non Performing Loan several years ago and the upgrade of some Corporate customers files, driving a release of provisions.

Net Income reached EGP 605.7 million, up by +33.3% compared to Q4-2017 and +27.5% compared to Q1-2017.

Income Statement - EGP Million	**Q12018**	**Q4-2017**	**Δ Q1-18 Q4-17**	**Q12017**	**Δ Q1-18 Q1-17**
Net Interest Income	720.4	722.5	-0.3%	654.0	10.2%
Net Fees & Commission Income	163.3	155.6	4.9%	176.0	-7.2%
Net Trading Income	49.0	30.3	61.7%	98.0	-50.0%
Other Operating Income	12.6	7.1	77.0%	29.1	-56.8%
Net Banking Income	**945.3**	**915.5**	**3.2%**	**957.1**	**-1.2%**
Total Expenses	(251.2)	(267.8)	-6.2%	(255.7)	-1.8%
Gross Operating Profit	**694.0**	**647.7**	**7.1%**	**701.3**	**-1.0%**
Other Income (Expenses)	20.1	15.6	28.4%	6.6	201.8%
Income Before Impairment &Tax	**714.1**	**663.4**	**7.6%**	**708.0**	**0.9%**
Cost of Risk	45.2	(76.6)	-159.0%	(88.2)	-151.3%
Net Income Before Tax	**759.3**	**586.8**	**29.4%**	**619.8**	**22.5%**
Tax	(153.6)	(132.4)	16.0%	(144.7)	6.1%
Net Income	**605.7**	**454.3**	**33.3%**	**475.1**	**27.5%**
Cost / Income Ratio	**26.6%**	**29.2%**		**26.7%**	

<u>STRONG QUALITY OF ASSETS, SOLVENCY AND LIQUIDITY:</u>

Non-Performing Loans (NPL) decreased again, reaching 2.7% of total exposure as of end-March 2018 compared to 2.9% as of end-December 2017, with an impaired loans coverage ratio of 270% as of end-March 2018 compared to 264% as of end-December 2017.

The Capital Adequacy Ratio reached 18.99% at end-March 2018, well above the regulatory threshold (11.875% in 2018) comparing to 18.27% at end-December 2017. The ratio includes, in the capital base 2018, the interim profit of the first quarter of 2018 This strong solvency allows the bank to pursue its strategy of actively developing its franchise in Egypt in both Retail and Corporate Banking.

The liquidity is also at a very good level as evidenced by the NSFR (Net Stable Funding Ratio), which stands at 202% for local currency and 217% for foreign currency, above the regulatory threshold (90% in 2018), and by LCR (Liquidity Coverage Ratio) at 672% at the consolidated level (all currencies included) which is also above CBE requirement and Basel II guidelines (100%).

Ratios	**Q1201**	**Q4201**	**Δ Q1-18 Q4-17**	**Q1201**	**Δ Q1-18 Q4-17**
Profitability					
Return on equity	59.6%	52.9%	12.6%	56.4%	5.8%
Return on assets	5.1%	4.0%	28.4%	4.1%	25.8%
Efficiency					
Cost to Income	26.6%	29.2%	-9.1%	26.7%	-0.5%
Liquidity					
Loans to Deposits	48.2%	48.7%	-1.0%	47.9%	0.7%
Liquidity Coverage Ratio	672%	751%	-10.4%	507%	32.6%
Net Stable Funding Ratio - LCY	202%	199%	1.3%	192%	4.9%
Net Stable Funding Ratio - FCY	217%	224%	-3.3%	195%	11.3%
Asset Quality					
Capital adequacy ratio	18.99%	18.27%	3.9%	15.14%	25.4%
Non-performing loans ratio	2.69%	2.90%	-7.5%	4.20%	-36.0%
Impaired loans Coverage	270%	264%	2.3%	205%	31.9%

CONCLUSION:

Credit Agricole Egypt is maintaining a solid and sustainable growth, based on the quality of service provided to its clients. The Bank's profitability has been further strengthened with solid assets and robust solvency.
