

## Crédit Agricole Egypt, Q1 2024 Standalone Financial Results - Press Release

The Board of Directors of Credit Agricole Egypt approved the Bank's results for the Quarter ended on March 31, 2024, at its meeting on Tuesday, April 30, 2024.

### Main Highlights

- ☑ Net Profit at record EGP 2,291 million, up 88% Year-on-Year;
- ☑ Customer Deposits reached EGP 84.4 billion, up 24% Year-on-Year;
- ☑ Gross Loans reached EGP 45.6 billion, up 27% Year-on-Year;
- ☑ Current and Saving Accounts to Total Deposits reached 60.8% down by 1% Year-on-Year;
- ☑ Non-performing Loans ratio at 1.8% and Coverage Ratio at 219%;
- ☑ Loans-to-Deposit Ratio at 54.1%, up +1% Year-on-Year driven by high increase in deposits vis-à-vis loans and EGP devaluation effect;
- ☑ Resilient Capital Structure, Capital Adequacy Ratio of 20.2%;
- ☑ Return on Average Assets at 8.5% up 2% and Return on Average Equity at 61.5% up 14%;

### Economic Dynamics:

The global economy has remained surprisingly resilient despite policy rate increases by key central banks to restore price stability. The tight monetary policy across the globe and the slower pace of reduction in inflation is expected to slow down the pace of rate reversals which are subject to shocks from geopolitical tensions and its consequences on key commodity prices.

Domestically, Q1 2024 witnessed several positive events supported by Gulf Co-operation Council partners and Global Institutions (IMF, World Bank, EU etc.) in the form of **Foreign Direct Investments (FDIs), Loans, Grants and Foreign Portfolio Investments (FPIs)** directly improving the economic outlook and restoring FX liquidity in the banking system. These enabled easing of the external financing constraints as well as initiation of normalization of production and trade cycle for Egypt. The monetary policy measures including local currency floatation and increasing policy rates by 800bps i.e. bid corridor at 27.25% further reinforced the tight monetary stance with the aim of anchoring inflation expectations.

### Crédit Agricole Egypt: Record performance despite challenging environment

Crédit Agricole Egypt (CAE) continued to maintain its solid performance through Q1 2024, generating a Net Banking Income of EGP 3,707 million, up 72%YoY, on the back of good performance by business lines. Gross Loans outstanding reaching EGP 45.6billion, up 27%YoY and Customer Deposits reaching EGP 84.4billion, up 24%YoY.

Corporate banking continued to achieve remarkable results in Q1 2024 driven by all segments, despite the challenging market conditions, where the lending portfolio increased by EGP 8.1billion, thereby achieving a 31% YoY growth, with resilient and high quality of assets. Further robust growth in corporate deposits, increasing by EGP 11.7billion, achieving 27% YoY growth. The strong performance reflects CAE's commitment to providing best-in-class financial solutions and services to our corporate clients. Corporate profitability improved significantly in light of our strategy to diversify our products and have a strong focus on fee income. In Q1 2024 CAE participated in a key syndication facility illustrating our ability to be an active player in the syndication market.

Retail banking achieved good portfolio growth in Q1 2024 i.e. +16% for Loans and +20% for Deposits YoY. The performance driven by targeted marketing campaigns, new products and client acquisition despite the competitive CD market during Q1 2024. Cash loans production were marginally higher +5%. Auto loans production were nearly double +84% despite the market being still short of supply (expected to recover in the coming quarters post EGP Floatation and FCY availability). Mortgage loans production was higher by 25% YoY supported by CBE Initiatives and targeted campaigns.

The bank witnessed growth in active customer i.e. 1% QoQ sequentially and 9% YoY driven by campaign/offers directed to customer acquisition, account acquisition, financial inclusion, loans and cross-sell. This was also supported



by launching new products i.e. Cash loan Program (Drive cash), Education Loans, Solar Loans, New Visa Platinum business cards, 3 new floating CDs (Excellence, Premium & Standard) to meet all our clients' needs, and participation in events hosted by Clubs. With the launch of Solar Loans in Q4 2023, the bank has demonstrated its ambition to expand in the green finance space.

### Dynamic Commercial Activity and Solid Balance Sheet Structure

Commercial activity growth continues to be good with limited impact due to the evolution of the CDs and FX market thereby providing both Corporate and Individual customers with adequate financial solutions and increasing the active customer base. Gross Loans portfolio (*including Loans to Banks*) increased +27% YTD, to reach EGP 45.6billion, while Customer Deposits increased +24%YTD, to reach EGP 84.4billion.

(Clients)	Mar-24	Dec-23	QtD	Mar-23	YtD
	EGP billion	EGP billion	Mar-24 vs Dec-23	EGP billion	Mar-24 vs Mar-23
<b>Gross Loans Portfolio</b>					
Corporate Loans	34.2	31.8	7%	26.1	31%
Retail Loans	11.5	10.9	6%	9.9	16%
<b>Gross Loans</b>	<b>45.6</b>	<b>42.7</b>	<b>7%</b>	<b>36.0</b>	<b>27%</b>

Customer Deposits	Mar-24	Dec-23	QtD	Mar-23	YtD
	EGP billion	EGP billion	Mar-24 vs Dec-23	EGP billion	Mar-24 vs Mar-23
Corporate Deposits	55.6	59.6	-7%	43.9	27%
Retail Deposits	28.8	24.6	17%	24.0	20%
<b>Customer Deposits</b>	<b>84.4</b>	<b>84.2</b>	<b>0%</b>	<b>67.9</b>	<b>24%</b>

<b>L/D Ratio</b>	<b>54%</b>	<b>51%</b>	<b>3%</b>	<b>53%</b>	<b>1%</b>
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\*Corporate and Retail breakdown based on Published Financial Statements

\*\*Nil Loans to banks for all mentioned periods

### Profitability Performance

Net Banking Income (NBI) increased +72% YoY, reaching EGP 3,707 million, where Net Interest Income increased +79% YoY supported by exceptional other income +178% driven by FX activities and efficient control on the cost of funds. Operating Expenses increased +43% YoY demonstrating efficient controls on costs despite higher inflation and EGP devaluation of ~52% in Q1/2024. Cost to Income Ratio (C/I) reduced significantly to 17.2% from 20.6% and Gross Operating Income (GOI) increased +79% YoY to reach EGP 3,070 million.

Lower cost of risk at EGP +1 million, compared to -100 million in the same period last year driven by resilient portfolio and strong recoveries demonstrating the bank's prudent risk management framework.

Net Profit reached EGP 2,291 million, +88% YoY, driven by higher NBI with effective control on cost of funds and operating expenses complemented by prudent risk management.

QoQ sequentially, NBI and GOI grew by +40% and +53% respectively, where NII increased by +21% on the back of higher yields on earning assets, volumes increase, exercised control on cost of funds, higher net commissions +15% driven by commercial business, exceptional other income +351% supported by FX activities and stagnant OPEX.

Income Statement	1Q24	4Q23	QoQ	1Q23	YoY
	EGP million	EGP million	1Q24 vs 4Q23	EGP million	1Q24 vs 1Q23
Net Interest Income	2,679	2,207	21%	1,500	79%
Fees and Commission	317	276	15%	406	-22%
Other Operating Income	711	158	351%	255	178%
<b>Net Banking Income</b>	<b>3,707</b>	<b>2,641</b>	<b>40%</b>	<b>2,161</b>	<b>72%</b>
Overhead Expenses	-637	-634	0%	-445	43%
<b>Gross Operating Profit</b>	<b>3,070</b>	<b>2,007</b>	<b>53%</b>	<b>1,716</b>	<b>79%</b>
Other Income/Expense	-42	22	-293%	-7	490%
Impairment Charges	1	-225	-101%	-100	-101%
<b>Net Profit before Tax</b>	<b>3,029</b>	<b>1,804</b>	<b>68%</b>	<b>1,609</b>	<b>88%</b>
Income Tax	-738	-467	58%	-387	90%
<b>Net Profit</b>	<b>2,291</b>	<b>1,337</b>	<b>71%</b>	<b>1,221</b>	<b>88%</b>

\* Income Statement based on managerial reporting



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

CAE NPL ratio of 1.8% reduced by 100 bps in Q1/24 and continues to remain among one of the lowest ratios within the banking sector and complemented by strong coverage buffer, demonstrating the high quality credit positioning of the bank to pursue healthy lending portfolio growth, with prudent risk management practices in place.

Furthermore, the bank’s strong liquidity position and solid capital buffer, well above regulatory requirements, provide adequate safeguard to absorb shocks, if any.

Key Indicators	Mar-24	Dec-23	QtD Change	Mar-23	Ytd Change
<b>Liquidity</b>					
Loans-to-Deposits Ratio	54.1%	50.7%	3%	53.0%	1%
Liquidity Coverage Ratio	677.7%	455.3%	222%	460.3%	217%
Net Stable Funding Ratio	179.1%	187.3%	-8%	181.2%	-2%
<b>Assets Quality</b>					
Capital Adequacy Ratio	20.2%	18.5%	2%	19.7%	1%
Leverage Ratio	10.0%	8.4%	2%	9.5%	1%
Non-performing Loans Ratio	1.8%	2.8%	-1%	2.8%	-1%
Coverage Ratio	218.8%	144.4%	74%	169.6%	49%

\* CAR, LCR, NSFR and Leverage as reported to CBE.

### Key Financial and Business Indicators

Key Indicators	Mar-24	Dec-23	QtD Change	Mar-23	Ytd Change
<b>Financial Indicators</b>					
Net Interest Margin NIM	12.1%	9.3%	3%	8.7%	3%
Cost-to-Income Ratio	17.2%	22.3%	-5%	20.6%	-3%
Return on Assets ROAA	8.5%	5.7%	3%	6.1%	2%
Return on Equity ROAE	61.5%	42.1%	19%	47.7%	14%
Earnings per Share	1.65	3.70	(2.1)	0.88	0.8
<b>Non-Financial Indicators</b>					
Staff Headcount	2,560	2,529	1%	2,541	1%
Active Customers	357,261	354,147	1%	302,355	18%
Number of Branches	83	83	0%	83	0%
Number of ATMs	657	686	-4%	559	18%

\*Net Interest Margin “NIM” based on managerial reporting and Earnings per Share net of Profit Share to Employees

### Digital Development

CAE digital channels continue to show competitive positive achievements.

For retail, Banki Mobile continues to be an essential tool for reinforcing CAE position as one of the leading banks in digital banking with more than 3M login during Q1 2024. Further, the app rating (average on app stores) increased significantly to reach 4.6 in Q1 2024 from 3.8 in Q1 2023. CAE digital channels have witnessed more than 2.1M transactions executed during Q1 2024 (+200% YoY) with a remarkable 99% of domestic transfers being done online. Banki Wallet usage and transactions increased by 7% in Q1 2024 (+215K transactions) compared to Q1 2023.

CAE went live on **InstaPay** in May 2023 and continues to make significant contribution i.e. over 3.3M outgoing transactions as well as attracting more than 100K registered users thereby emphasizing the participation of the bank within the growing digital banking ecosystem in alignment with the continuous efforts of the Central Bank of Egypt.

For corporate and SMEs customers, 42% of the companies have been digitally active on the platform, with almost half of the domestic transfers now done digitally with 22% increase over Q1 2023 and more than +320 customers on-boarded/reactivated on Banki Business. CAE witnessed an increase in digital governmental payments volumes by around 120% in Q1 2024 vis-à-vis Q1 2023.



For Ecommerce, CAE continued to capitalize on the payment acceptance product "banki Commerce" contributing further towards the Central Bank efforts for a "less cash society" as well as the gradual shift to payment acceptance. By the end of Q1 2024, "banki Commerce" had generated more than 40K eCommerce transactions processed through the new gateway since inception. CAE remains committed to its ambitious vision in the Payment Acceptance field, and its unique onboarding journey continues to make it easy for all customers to onboard.

### Sustainability and CSR Activities

In Q4 2023, Credit Agricole Egypt has released its second integrated sustainability report 2020-2022, titled "Shaping a Sustainable Future". The report reflects CAE's strategic direction, toward adding value for its customers, investors, the general public, and the economy it serves. The bank is the first in Egypt to introduce integrated reporting in alignment with Integrated Reporting (IR) framework and in compliance with the Global Reporting Initiative (GRI).

CAE donated 1500 RAMADAN food boxes for unprivileged families across Egypt, out of which 700 boxes were packed by CAE employees in CAE premises as a contribution in giving back to the society.

In Q1 2024 and in collaboration with Schneider Egypt, CAE Foundation celebrated the completion of its first "community development project using clean energy" conducted in two villages of MENOUEYA Governorate. The project serves residents of the two villages through availing and saving irrigation water, increasing the size and quality of crop production as well as creating job opportunities for women in the villages.

### About Credit Agricole Egypt

Credit Agricole Egypt (CAE) is the sole French Bank in Egypt established in 2006 and is listed in the Egyptian Stock Exchange since 2015. CAE has one subsidiary Egyptian Housing Finance Company (EHFC) with 99.99% percent stake.

Credit Agricole Egypt continues to leverage on its digital infrastructure, diversified expertise, solid balance sheet structure, prudent risk management, strong liquidity position and adequate capital buffer allowing the bank to pursue its strategic profitable growth by serving its customers as well as the economy.