

## Crédit Agricole Egypt, 12M 2024 Standalone Financial Results - Press Release

The Board of Directors of Credit Agricole Egypt approved the Bank's results for the 12 months ended on Dec 31, 2024, at its meeting on Tuesday, February 4, 2025.

### Main Highlights

- CA Record Net Profit at record EGP 8,001 million, up 56% Year-on-Year;
- CA Customer Deposits reached EGP 95.5 billion, up 13% Year-on-Year;
- CA Gross Loans reached EGP 55.2 billion, up 29% Year-on-Year;
- CA Current and Saving Accounts to Total Deposits reached 57% up by 6% Year-on-Year;
- CA Non-Performing Loans ratio at 2% and Coverage Ratio at 200%;
- CA Loans-to-Deposit Ratio at 58%, up +7% Year-on-Year driven by robust loan growth;
- CA Resilient Capital Structure, Capital Adequacy Ratio of 20.05%;
- CA Return on Average Assets at 6.9% up 1.2% Year-on-Year and Return on Average Equity at 44.6% up 2.5% Year-on-Year;
- CA Cost Income Ratio at 19.8% lower by 2.5% Year-on-Year;

### Economic Dynamics:

In the final quarter of 2024, the global economy exhibited signs of normalization in economic growth. Inflationary pressures have eased though not completely reversed thereby triggering a shift towards more accommodative but cautious monetary policies in key markets. However, the outlook for short- and medium-term growth remains clouded by geopolitical risks and a heightened degree of policy uncertainty.

Domestically, Egypt is progressing on the path of gradual recovery in economic activity, driven by slow but easing inflation due to on-going fiscal adjustments induced high interest rates, relaxation in import and trade controls, flexible exchange rate and liquid FX markets thereby increasing the business confidence. CBE deferred its inflation targets, recognizing the need for a more flexible approach to navigate the challenging economic environment. Looking ahead, inflation is set to decline in the near future, enabling ease of monetary policy thereby stimulating economic activity.

### Crédit Agricole Egypt Delivers Impressive Profitability and Growth in 2024

Crédit Agricole Egypt (CAE) achieved record financial performance through 2024, evidenced by a 44% YoY increase in Net Banking Income, totaling EGP 13.75 billion. This growth was supported by positive contributions from all business lines. The bank's gross loan portfolio increased by 29% YoY to reach EGP 52.2 billion, while customer deposits increased by 13% YoY to reach EGP 95 billion.

Corporate banking continues to achieve remarkable results in 2024 driven by strong growth in the lending portfolio, which increased by EGP 9.2 billion (29% YoY) while maintaining high asset quality. Corporate deposits witnessed decent growth of EGP 3 billion (5% YoY), driven by trade backlog clearance and dynamic liability profile management. CAE continues to meet evolving client needs by having strategic focus on providing tailored financial solutions and enhancing its product offerings in order to achieve diversified income streams.

Retail banking demonstrated strong portfolio growth in 2024, with loans increasing by 31% and Deposits by 34% YoY. This performance was driven by successful marketing campaigns, introduction of new products, and active clients acquisition, despite the competitive (CDs) market. Cash loans witnessed a 7% YoY growth driven by strategic cross-selling efforts. Auto loans exhibited robust growth of 143% YoY, attributed to higher tickets and loan ticket size despite continued market supply shortages. Mortgage loans production increased by 10% YoY, supported by CBE initiatives and targeted marketing campaigns.

Active customer base demonstrated good growth i.e. 2% QoQ sequentially and 7% YoY resulting from key initiatives focused on customer acquisition, reactivation, loan campaigns, and cross-selling. This included launching new products i.e. time deposit with competitive rates, AHLAN accounts (for non-digital and digital acquisition), the



Excellence Accounts, Cash Loan Program (Drive Cash), Education Loans, Solar Loans, new Visa Platinum Business Cards, and three new floating CDs (Excellence, Premium, and Standard). The bank also participated in events hosted by clubs, universities, and closed communities.

### Dynamic Commercial Activity and Solid Balance Sheet Structure

Despite evolving conditions in the CDs and FX markets, commercial activity remained robust and met anticipated levels. This stability allowed the bank to effectively serve both corporate and individual customers with appropriate financial solutions, contributing to growth in the active customer base. This positive outcome is evident in the key performance indicators: gross loans (including loans to banks) increased by 29% YTD to EGP 55.2 billion, and customer deposits grew by 13% YTD to EGP 95.5 billion.

(Clients)	Dec-24	Sep-24	QtD	Dec-23	YtD
Gross Loans Portfolio	EGP billion	EGP billion	Dec-24 vs Sept-24	EGP billion	Dec-24 vs Dec-23
Corporate Loans	41.0	38.5	6%	31.8	29%
Retail Loans	14.2	13.4	6%	10.9	31%
Loans to Banks	0.1	0.0	0%	0.0	0%
<b>Gross Loans</b>	<b>55.2</b>	<b>51.9</b>	<b>6%</b>	<b>42.7</b>	<b>29%</b>

Customer Deposits	Dec-24	Sep-24	QtD	Dec-23	YtD
Customer Deposits	EGP billion	EGP billion	Dec-24 vs Sept-24	EGP billion	Dec-24 vs Dec-23
Corporate Deposits	62.6	52.6	19%	59.6	5%
Retail Deposits	32.9	31.4	5%	24.6	34%
<b>Customer Deposits</b>	<b>95.5</b>	<b>84.0</b>	<b>14%</b>	<b>84.2</b>	<b>13%</b>

<b>L/D Ratio</b>	<b>58%</b>	<b>62%</b>	<b>-4%</b>	<b>51%</b>	<b>7%</b>
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\*Corporate and Retail breakdown based on Published Financial Statements

### Profitability Performance

Net Banking Income (NBI) demonstrated record growth in 2024, increasing by 44% YoY to reach EGP 13,751 million. This record performance was mainly driven by a 49% YoY increase in Net Interest Income resulting from higher volume and yields, and an 85% surge in other income attributable to FX activities. Controlled increase over operating expenses with 28% YoY in a challenging economic environment marked by higher inflation and EGP devaluation. Cost to Income Ratio (C/I) reduced to 19.8% from 22.3% in 2023 and a robust 48% YoY increase in Gross Operating Income (GOI), reaching EGP 11,022 million.

A substantial improvement in the cost of risk was recorded at EGP -180 million, compared to -484 million in the same period last year. This positive development is attributable to the bank's resilient portfolio and strong recoveries, demonstrating the effectiveness of its prudent risk management framework.

Higher net banking income (NBI), combined with effective operating expense control and prudent risk management, resulted in a 56% YoY increase in net profit to reach an all-time record of EGP 8,001 million.

Sequentially, (QoQ) net banking income (NBI) grew by 3%. Gross operating income (GOI), however, remained stagnant. This outcome mainly resulted from increase in commercial activity in Q4 2024, which was largely balanced by a slight rise in operating expenses driven by employee driven activities and inflationary pressures.

Income Statement	4Q24	3Q24	QoQ	4Q23	YoY	Dec-24	Dec-23	YoY
	EGP million	EGP million	4Q24 vs 3Q24	EGP million	4Q24 vs 4Q23	EGP million	EGP million	12M24 vs 12M23
Net Interest Income	2,862	2,806	2%	2,207	30%	11,044	7,428	49%
Fees and Commission	406	357	14%	278	46%	1,440	1,444	0%
Other Operating Income	151	149	1%	155	-3%	1,267	684	85%
<b>Net Banking Income</b>	<b>3,419</b>	<b>3,312</b>	<b>3%</b>	<b>2,641</b>	<b>29%</b>	<b>13,751</b>	<b>9,557</b>	<b>44%</b>
Overhead Expenses	-776	-679	14%	-634	22%	-2,729	-2,131	28%
<b>Gross Operating Profit</b>	<b>2,642</b>	<b>2,633</b>	<b>0%</b>	<b>2,007</b>	<b>32%</b>	<b>11,022</b>	<b>7,426</b>	<b>48%</b>
Other Income/Expense	-100	-55	81%	22	-559%	-211	-53	299%
Impairment Charges	14	-106	-113%	-225	-106%	-180	-484	-63%
<b>Net Profit before Tax</b>	<b>2,556</b>	<b>2,472</b>	<b>3%</b>	<b>1,804</b>	<b>42%</b>	<b>10,631</b>	<b>6,889</b>	<b>54%</b>
Income Tax	-615	-611	1%	-467	32%	-2,630	-1,747	51%



<b>Net Profit</b>	<b>1,941</b>	<b>1,861</b>	<b>4%</b>	<b>1,337</b>	<b>45%</b>	<b>8,001</b>	<b>5,142</b>	<b>56%</b>
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\* Income Statement based on managerial reporting

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

CAE's NPL ratio at 2.0% in Q4 2024, continuing to rank among the best within the banking sector. This low ratio, coupled with a substantial coverage buffer, indicates the high quality of the bank's credit portfolio and reflects its commitment to prudent risk management practices. This strong credit profile enables CAE to pursue healthy organic growth in its lending portfolio.

Moreover, the bank's robust liquidity and capital positions, comfortably exceeding regulatory requirements, ensuring its resilience against potential market shocks as well as supporting organic growth.

Key Indicators	Dec-24	Sep-24	QtD Change	Dec-23	YoY Change
<b>Liquidity</b>					
Loans-to-Deposits Ratio	57.8%	61.8%	-4%	50.7%	7%
Liquidity Coverage Ratio	388.5%	484.4%	-96%	455.3%	-67%
Net Stable Funding Ratio	167.7%	235.7%	-68%	187.3%	-20%
<b>Assets Quality</b>					
Capital Adequacy Ratio	20.1%	20.1%	0%	18.5%	2%
Leverage Ratio	9.7%	10.2%	-1%	8.4%	1%
Non-performing Loans Ratio	2.0%	2.4%	0%	2.8%	-1%
Coverage Ratio	199.8%	181.3%	19%	144.4%	55%

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

### Key Financial and Business Indicators

Key Indicators	Dec-24	Sep-24	QtD Change	Dec-23	YoY Change
<b>Financial Indicators</b>					
Net Interest Margin NIM	9.8%	10.3%	-1%	9.3%	0%
Cost-to-Income Ratio	19.8%	18.9%	1%	22.3%	-2%
Return on Assets ROAA	6.9%	7.3%	0%	5.7%	1.2%
Return on Equity ROAE	44.6%	47.4%	-3%	42.1%	2.5%
Earnings per Share	5.7	4.3	1.4	3.70	2.0
<b>Non-Financial Indicators</b>					
Staff Headcount	2,535	2,524	0%	2,529	0%
Active Customers	380,171	374,416	2%	354,147	7%
Number of Branches	85	84	1%	83	2%
Number of ATMs	752	737	2%	686	10%

\*Net Interest Margin "NIM" based on managerial reporting and Earnings per Share after relevant adjustments i.e. (Employees Profit Share, Banking Development Fund etc.)

### Digital Journey

CAE continues to be one of the leading banks in digital and is progressing efficiently towards enhancing seamless digital experience for its customers.

Customers adoption of digital continues to grow remarkably with more than 4 million transactions processed digitally in Q4 2024 (+138% vs Q4 2023) with 99% of domestic transfers done digitally and more than 2.5 million logins (+35% vs. Q4 2023) over our mobile app **Banki Mobile**

CAE went live on **INSTAPAY** in May 2023 and continues to make significant contribution as customers have increasingly setup their accounts i.e. over 11.9M outgoing transactions thereby demonstrating the participation of the bank within the growing digital banking ecosystem in alignment with the continuous efforts of the CBE.

For corporate and SMEs customers, 48% of the companies have been digitally active on the online platform, with almost half of the domestic transfers now done digitally with 23% increase over Q4 2023. CAE witnessed an increase in digital governmental payments volumes by around 140% in Q4 2024 vis-à-vis Q4 2023.

For Ecommerce, CAE continued its solid steps to realize it's digitalization ambitious roadmap by capitalizing on the payment acceptance product "banki Commerce" contributing further towards the CBE efforts for a "less cash society" as well as the gradual shift to payment acceptance. As of 12M24, "banki Commerce" witnessed 26K transactions vis-



à-vis 3.2K transactions for 12M23 i.e. increase of 8X transactions processed through the new gateway YoY. 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.

### **Sustainability and CSR Activities**

in furtherance of its objectives in promoting green and clean finance, the bank has entered into a facility agreement with the European Bank for Reconstruction and Development (EBRD) under the auspices of the Green Energy Finance Facility (GEFF) and Global Climate Fund (GCF) program. This collaboration will provide support to SMEs and other eligible clients. The bank has also been actively promoting sustainable financing solutions to its individual client base, exemplified by the launch of a solar loan campaign in the second half of 2023.

Crédit Agricole Egypt (CAE) has reinforced its leadership in sustainable reporting by publishing its third integrated sustainability report, "Embracing an elevated journey," in Q3 2024. As the first and only bank in Egypt to adopt integrated reporting under both the Integrated Reporting (IR) framework and the Global Reporting Initiative (GRI), CAE demonstrates its commitment to creating value for its customers, investors, the public, and the broader economy.

CAE Foundation, in partnership with Education First, held the 2024 graduation ceremony for the EBHAR MISR Program for Talented Youth. This event celebrated both incoming and graduating students who participated in a two-week boot camp. The EBHAR MISR Program supports approximately 20 talented young students annually in the fields of art, science, and technology, and its alumni network now comprises 120 students who continue to receive skill development training.

### **About 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.