








Crédit Agricole Egypt, Q4 2021 Financial Results

Robust commercial performance across all business lines and strong increase in profitability with a Net Profit reaching EGP 1,592 million, up 17% YoY

Main Highlights

-  Gross Loan portfolio reached EGP 31 billion, up 15% Year-to-Date
-  Customer Deposits reached EGP 48 billion, up 17% Year-to-Date
-  Strong liquidity position, Loans-to-Deposit Ratio of 64%
-  High quality of assets, Non-performing Loans ratio of 3.3%
-  Resilient capital structure, Capital Adequacy ratio of 20.87%
-  Net Profit recorded EGP 1,592 million, up 17% Year-on-Year
-  Return on average Assets of 2.8% and Return on average Equity of 20.0%

Crédit Agricole Egypt: Overall, a dynamic commercial activity across all business lines in Q4 and throughout 2021

Within a growing Egyptian economy and resilient banking sector, Crédit Agricole Egypt has achieved a solid performance through 2021, generating a Net Banking Income of EGP 3.825billion, up 5%YoY. The bank has continued to support the economy with a gross loan portfolio reaching EGP 31billion, up 15%YtD where all the different clients' segments have contributed to this strong YoY growth. Moreover, Customer Deposits reached EGP 48billion, up 17%YtD in line with the increase in the lending portfolio.

CA Egypt continued to expand its solid well-segmented corporate business lines and achieved a growth in Loan and Deposit of 19% and 28% respectively. The bank has benefitted from its new trade finance setup and the launch of its new trade finance digital portal. As a result, CA Egypt succeeded to increase its trade finance volumes by 21% in 2021. In line with CA Egypt strategy to be an active player in syndication loan market, the bank participated in three new syndicated loans in 2021.

On the retail segment, the bank has retrieved a strong activity in Auto loans, enlarged its offer with a special focus on housing loans and consolidated its cards portfolio growth leveraging on the newly signed partnership contract with Visa early this year. Meanwhile, the number of active customers grew by 14% as a result of processing new payroll services, closed community initiatives and the reinforcement of the digital acquisition offering.

CA Egypt celebrated its 15th anniversary in Egypt and on that occasion, launched a campaign with a variety of offers to existing and new customers. The campaign strengthened CAE's positioning in the market in addition to increasing customer acquisition and satisfaction.

CA Egypt has accelerated SMEs lending portfolio growth in 2021. New offering and new business opportunities are being developed with protocols to secure new flow of targeted business especially on the professional segment. This will endorse CAE commitment to support CBE initiative towards small enterprises.



Digital development and branch network optimization

In 2021, CA Egypt succeeded at growing its number of active digital customers by 22%, which led to a sharp increase in digital transactions by 44% for individuals, and 113% for companies. With the latest release of “banki Mobile” application for individuals, CAE is the first bank in Egypt to embed the Loyalty program points follow up, and online points redemption, within its core mobile banking app, alongside the accounts and cards management. The new release also brings further satisfaction and convenience to the customers with additional digital service request possibilities resulting in more than 2,000 self-service requests initiated every month, accelerating the self-caring capacities for customers and permitting the reallocation of time for commercial activities in branches and call center.

For corporate, the bank continues to enrich “banki Business” platform with new modules such as the Trade Finance online module and the company cards management module. These new services help facilitate and ease corporate clients’ daily operations efficiently.

With regards to Branch Network optimization, three existing branches were merged with nearby branches in order to expand in new areas. Palm Strip Mall branch was opened during December applying CAE “Banki Store” concept where both digital and banking advisory services are provided in a modern layout. CA Egypt also expanded its ATM network from 190 to 249 in 2021 to enforce bank’s digital strategy and maximize customers’ reach in different governorates. Adding 60 ATMs in areas with no ATMs availability will enhance the customer experience and support the financial inclusion alignment with CBE directions.

Crédit Agricole Egypt Awards

In recognition to its ceaseless endeavor to achieve better customer satisfaction by offering innovative services and products, CA Egypt received six prestigious awards during 2021. These awards demonstrate the bank’s leadership in digital services, its sound governance framework and strict application of the local and international standards. The awards are as follows: “Most Innovative Retail Banking Product” and “Most Innovative Digital Bank” from The Global Business Outlook and “Best Customer Satisfaction & Happiness” and “Best Corporate Governance” awards from Global Banking and Finance Review. This is in addition to “Best Digital Trade Finance Services” and “Best Mobile Banking App” in Egypt from Global Finance Magazine. It is worth mentioning that these awards are a continuity to the bank’s achievements highlighting its aim to be a Reference European Bank in the Egyptian banking sector.

Corporate Social Responsibility

In line with its strategy and commitment towards the society, Crédit Agricole Egypt Foundation for Development has engaged in different activities that support key pillars: education, health, empowerment and entrepreneurship. The CAE foundation continued its support to Ebhar Masr program launched in 2018 to discover and grow outstanding talents aged from 14 to 18 in the fields of arts, science and technology.

In support to the health pillar, CA Egypt Foundation has strengthened the relationship with Magdy Yacoub Heart Foundation. Through a three-year protocol, CAE Foundation sponsors 64 surgeries annually, in addition to financing the buildup of Gama Room, a sophisticated examination unit, at the new hospital that is under construction in 6 October City. CAE Foundation in cooperation with Ibrahim A. Badran Charitable Foundation have inaugurated a new mobile clinic that provides medical care to children in orphanages across all Egyptian Governorates.

A dynamic Commercial Activity

CA Egypt commercial activity has been buoyant across all business lines through 2021, providing both Corporate and Individual customers with adequate financial solutions and increasing the active customer base. Gross loan portfolio (*including Loans to Banks*) increased +15%YtD, to reach EGP 31billion, while Customer Deposits increased +17%YtD, to reach EGP 48billion.

In Q4 CA Egypt succeeded in accelerating corporate growth while ensuring Retail portfolio quality. Retail loans’ growth was flat in Q4-21 as a result of a prudent pricing and risk management policy.



Press Release - Fourth Quarter and Twelve Months 2021

(Clients and Banks)	Dec-21	Sep-21	QtD	Dec-20	YtD
	EGP billion	EGP billion	Dec-21 vs Sep-21	EGP billion	Dec-21 vs Dec-20
Gross Loans Portfolio					
Corporate Loans	21	20	5%	18	19%
Retail Loans	10	10	-1%	9	3%
Loans to Banks	0.4	0.4	1%	0	n.m.
Gross Loans	31	30	3%	27	15%
Loans LCY	25	25	0%	23	9%
Loans FCY	6	5	19%	4	58%

Customer Deposits	Dec-21	Sep-21	QtD	Dec-20	YtD
	EGP billion	EGP billion	Dec-21 vs Sep-21	EGP billion	Dec-21 vs Dec-20
Corporate Deposits	25	22	11%	20	28%
Retail Deposits	23	23	2%	22	7%
Customer Deposits	48	45	7%	41	17%
Deposits LCY	37	35	7%	31	18%
Deposits FCY	11	11	6%	10	13%

LCY L/D Ratio	68%	73%	-5%	74%	-6%
FCY L/D Ratio	51%	45%	6%	36%	14%
Global L/D Ratio	64%	66%	-2%	65%	-1%

Profitability Performance

Net Banking Income increased +5% YoY and, reaching EGP 3,825 million at the end of December 2021, where Net interest income increased +3%YoY, despite margins coming under pressure with descending yields. This performance is portraying the bank's robust growth in commercial activity, along with an efficient control of the funding cost.

Thus, CA Egypt achieved a solid performance through 2021, where improved profitability combined with effective expenses and cost of risk control, resonated in Net Income +17%YoY, and +6%QoQ, reaching EGP 1,592 million. CA Egypt has demonstrated the strength of its diversified and well-balanced business model.

Q4 performance witnessed the best net income results since Q1 2020. CA Egypt achieved in Q4 the highest NBI, and Operating Income in the last two years where NII increased by (+3%) QoQ as a result of volumes' increase coupled with a good momentum in commissions (+13%) and well controlled expenses.

Income Statement	4Q21	3Q21	QoQ	4Q20	YoY	Dec-21	Dec-20	YoY
	EGP million	EGP million	4Q21 vs 3Q21	EGP million	4Q21 vs 4Q20	EGP million	EGP million	12M21 vs 12M20
Net Interest Income	750	728	3%	699	7%	2,891	2,796	3%
Fees and Commission	148	131	13%	133	11%	573	520	10%
Other Operating Income	97	90	7%	73	33%	361	311	16%
Net Banking Income	995	949	5%	905	10%	3,825	3,627	5%
Overhead Expenses	-340	-331	3%	-320	6%	-1,329	-1,261	5%
Gross Operating Profit	655	617	6%	584	12%	2,497	2,365	6%
Other Income/Expense	1	1	19%	17	n.m.	48	-9	n.m.
Impairment Charges	-82	-71	15%	-125	-35%	-334	-418	-20%
Net Profit before Tax	574	547	5%	476	21%	2,211	1,938	14%
Income Tax	-149	-144	3%	-142	5%	-619	-573	8%
Net Profit	425	403	6%	334	27%	1,592	1,365	17%

*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 2020, yet remaining significantly below the average of the market, demonstrating the high quality credit positioning of the bank to pursue healthy lending portfolio growth, with prudent risk management practices in place, while maintaining a strong provisioning to help withstand shocks, if any.

Additionally, the strength of the bank's liquidity position and the solid capital buffer, well above the CBE requirements, lay the foundation for further robust growth.

Issued and Paid-up Capital

Credit Agricole Egypt Extra Ordinary General Assembly held on 29 June 2021, approved the increase of its paid-up capital to EGP 5 billion from EGP 1.244 billion, by EGP 3.756 billion distributed over 939.083 million shares at a nominal value of EGP 4 per share.

The Egyptian Exchange Listing committee in its meeting held on 15 December 2021, approved registering the increase of CAE authorized capital from EGP 3.5 billion to EGP 6 billion as well as the increase of the issued and paid-up capital from 1.244 billion to EGP 5 billion. Distribution of the free shares was executed on 30 December 2021. Accordingly, the new issued and paid-up capital of the bank is fully aligned with the capital requirement of the new Central Bank law no 194/2020.

Key Idicators	Dec-21	Sep-21	QtD Change	Dec-20	Ytd Change
Liquidity					
Loans-to-Deposits Ratio	64%	66%	-2%	65%	-1%
Liquidity Coverage Ratio	581%	630%	-49%	636%	-54%
Net Stable Funding Ratio LCY	180%	172%	8%	169%	11%
Net Stable Funding Ratio FCY	185%	174%	11%	169%	16%
Assets Quality					
Capital Adequacy Ratio	20.9%	21.8%	-0.9%	20.3%	0.5%
Leverage Ratio	11.0%	11.6%	-0.6%	10.9%	0.1%
Non-performing Loans Ratio	3.33%	3.43%	-0.1%	3.06%	0.3%
Coverage Ratio	147%	145%	2%	164%	-17%

*CAR excluding Top 50 Concentration risk

Conclusion

2021 has confirmed the stability and resilience of the Egyptian Economy as well as the relevance of Crédit Agricole Egypt' strategy aligned with CA Group's project. The bank enjoys a solid balance sheet structure, a strong liquidity position and an adequate capital buffer allowing the bank to pursue an organic and profitable growth, while improving its efficiency and maintaining a vigilant approach.