

NBE achieves profits before tax worth EGP 30.6 bn. in FY 2019/2020, to pay taxes of EGP 17.5 bn. to the public treasury, in addition to dividends amounting to EGP 1.43 bn.

The General Meeting (GM) of the National Bank of Egypt (NBE) was held at the headquarters of the Central Bank of Egypt (CBE) on Monday, 12 April 2021, to approve NBE's financial statements for the FY ending on 30 June 2020. NBE announced its operating results for the FY 2019/2020, achieving net profit before tax of EGP 30.6 bn. and net profit after tax of EGP 13.1 bn. as at 30 June 2020, where NBE paid taxes of EGP 17.5 bn. to the public treasury.

In continuation of NBE's distinguished results and leadership, its total financial position exceeded EGP 2 trillion in June 2020 and EGP 2.5 trillion by end-March 2021, compared to EGP 1.6 trillion in June 2019, with an increase of EGP 900 bn. in 21 months. As an outcome of this performance, NBE shareholders' equity accounted for EGP 130 bn. in March 2021, against EGP 122 bn. in June 2020.

As part of its priorities, NBE is keen on providing its customers with the best services, fostering financial inclusion and promoting the strategy aimed at enhancing digital banking services, especially in light of the need to maintain public health standards and reduce footprint at branches to avoid COVID-19 repercussions. NBE managed to court 1.4 MM. new customers to the internet banking service "Al Ahly Net", bringing the total number of subscribers to the service since its launch to 2.7 MM. customers in June 2020, versus 1.3 MM. customers YoY. Within 9 months only, the number of Al Ahly Net customers exceeded 5.6 MM. customers by end-March 2021, i.e. 62% of total deposit customers. Moreover, Phone Cash subscribers accounted for 1.7 MM. customers in June 2020, reaching 1.8 MM. customers in March 2021, capitalizing on NBE's digital banking services, which witness continuous development.

The number of ATMs rose to 4,712 in June 2020, with an increase of 615 ATMs YoY, reaching 4,953 ATMs in March 2021. Furthermore, the number of POS machines reached 314,372 in June 2020, and 485,962 in March 2021.

In the same vein, NBE launched the first bus bank in Egypt and the Middle East, providing full flexibility in moving between locations targeted by the Bank, courting more unbanked customers and serving the largest number of customers in short time. NBE spared no effort to ensure convenience for its disabled customers, and provided 19 specially-tailored ATMs, which will be rolled out in all NBE branches.

In implementation of NBE's geographical expansion strategy to ensure convenience for customers and despite COVID-19 repercussions, NBE was able to open 34 new branches, in addition to 7 electronic service branches. In June 2020, NBE's branch network amounted to 517 branches, offices and banking units spread nationwide to be close to the different segments of customers. By end-March 2021, NBE's network accounted for 553 branches, including 23 electronic service branches.

NBE is keen on providing its customers with the best services and supporting them to help boost the national economy. It extended credit limits of EGP 1.57 bn. to promote the tourism sector, as well as credit limits of EGP 11 bn. to 1,000 customers to support the industrial sector, in implementation of CBE's different initiatives.

On the financial front, NBE's loan portfolio grew 33% YoY, amounting to EGP 720 bn. in June 2020 against EGP 542 bn. YoY. The loan portfolio increased to EGP 935.4 bn. by end-March 2021, i.e. 35.2% of the market share of the entire banking sector.

Small and medium enterprises (SMEs) play a vital role in achieving national economic and social goals. Priority is accordingly given to the development of SMEs sector to achieve integrated and balanced economic development, create jobs and reduce unemployment. Therefore, NBE provided more than 53,000 customers with facilities amounting to EGP 77 bn. in June 2020, which increased to EGP 91 bn. by end-March 2021 channeled to more than 86,400 customers, compared to EGP 58 bn. extended to 41,000 customers in June 2019. About 52% of SMEs portfolio was concentrated in Upper Egypt, 16% in Cairo, 10% in Canal and Sinai and 4% in Lower Egypt.

NBE continued to finance its large corporate customers and support the national economy in general through satisfying the financing needs required to achieve economic growth and promote national projects in different sectors affecting citizens' needs. Large corporate loan portfolio grew EGP 131 bn. to reach EGP 542 bn. in June 2020, i.e. with 32% growth rate, and exceeded EGP 710 bn. by end-March 2021.

In terms of non-performing loans, settlements were made for 1,144 non-performing customers with indebtedness amounting to EGP 10 bn. Moreover, NBE provided aid to a number of defaulting customers, and injected additional finance to help them overcome their financial crises after conducting detailed studies to strengthen the Bank's position. In June 2020, the ratio of non-performing loans (NPLs) to total loans decreased to 1.4%, compared to 1.6% in the previous year, which confirms NBE's support of its customers in all circumstances.

Given NBE customers' continued confidence, customer deposits amounted to EGP 2 trillion, accounting for 35.5% of market share in March 2021 with EGP 400 bn. growth (in 9 months), against EGP 1.6 trillion in June 2020 with an increase of EGP 425 bn. compared to June 2019. Such confidence is affirmed by the number of NBE's customers, which exceeded 14.3 MM. customers in June 2020, and 16.5 MM. customers in March 2021, i.e. at a rate of 2 MM. new customers during this period and an average of 8,000 new customers per day nationwide.

NBE's retail loan portfolio grew to EGP 102 bn., with an increase of EGP 28 bn. and a growth rate of 38% YoY, achieving a surge of EGP 129.3 bn. by end-March 2021. Further, NBE granted loans worth EGP 10 bn. to 94,300 customers under the CBE's mortgage initiative.

NBE believes in the importance of social responsibility, which has a direct impact on meeting part of the Egyptian citizen's health, educational and living needs. Therefore, NBE's policy focused on supporting three main areas, i.e. health, education, and slums development and combating poverty. Moreover, NBE paid attention to supporting breadwinning women and disabled people. In FY 2019/2020, NBE's total contributions in areas of social responsibility amounted to EGP 2,566 MM., exceeding EGP 8 bn. in the last five years. These contributions were granted in accordance with the sustainable development standards to ensure the best impact on the Egyptian citizen.

Crowning the efforts of all NBE's staff, NBE received several awards, including the Best Bank in Egypt by EMEA Finance, the Bank of the Year in Egypt by The Banker, the Best Bank in Africa and the Middle East, in terms of agents incoming electronic wire transfer solutions and services, and the Best Retail Bank by The Asian Banker. Moreover, NBE was recognized by Global Finance as the Best Bank in Crisis Finance Response in 2020, due to addressing Covid-19 crisis, and the Safest Bank in Egypt. NBE obtained the same award and additional two awards, i.e. the Best Website and the Best Bank in terms of social responsibility from Global Business Outlook. NBE was rated by Bloomberg as the Best Bank in Egypt in terms of syndicated loans in 2019 (H1-2020). Further, NBE was realized by Global Brands as the Best Bank in Egypt for 2019 in terms of digital services and retail banking, the Best Bank in providing digital services, the Best Brand, the Best Banking Website, the Best Bank in Crisis Finance Response and Social Responsibility. NBE was rated as the Best Bank in advertising campaigns, and tops the index of the best brand in Egypt.