

EFG HERMES REPORTS FIRST QUARTER 2022

GROUP EARNINGS OF EGP345 MILLION; ON OPERATING REVENUE OF EGP1.9 BILLION

Cairo, May 25th, 2022 – EFG Hermes kicks-off the year with a strong set of results for the first quarter 2022, with Group earnings of EGP345 million on operating revenues of EGP1.9 billion. The Group's total assets stood at EGP100 billion at the end of March 2022.

Key Highlights

1Q22

- ≡ A strong start for the year, with EFG Hermes Group revenues rising 55% Y-o-Y to EGP1.9 billion in 1Q22, as revenue growth in the Group's core businesses more than offset negative revenues in Holding & Treasury Activities;
- ≡ Moreover, the Group financial results, 1Q22, included the consolidation of aiBank's first full quarter of results, post EFG Hermes' acquisition of a majority stake (51%) during 4Q21;
- ≡ Group operating expenses rose 49% Y-o-Y to EGP1.2 billion in 1Q22, to reflect the consolidation of EGP203 million of aiBank's operating expenses, valU's higher marketing and third party expenses Y-o-Y as business multiplied in size, and the Y-o-Y increase in the Group salaries;
- ≡ Group net profit before tax rose 67% Y-o-Y to EGP677 million in 1Q22, reflecting the resilience of the Group's operating profits across its operating units, in addition to aiBank's consolidation.
- ≡ Post tax and minority interest profits rose 18% Y-o-Y to EGP345 million in 1Q22, driven by core operations' improvement in profitability and the Group's share of aiBank's profits;
- ≡ A strong quarter for the sell-side lifted the Investment Bank revenues up 12% Y-o-Y to EGP901 million in 1Q22, despite Holding & Treasury Activities revenues declining 24% Y-o-Y. Reflecting inflationary pressures to a large extent, the Investment Bank operating expenses rose 16% Y-o-Y to EGP569 million, driven by higher employee expenses and other G&A expenses;
- ≡ The Investment Bank net profit before tax came up 6% Y-o-Y to EGP312 million. However, the Investment Bank's after tax and minority interest profits recorded EGP177 million, down 25% Y-o-Y, on higher Y-o-Y tax charges;
- ≡ The NBFIs continued its upwards trajectory, with its revenues growing 34% Y-o-Y to EGP601 million in 1Q22, driven by Tanmeyah, valU and Factoring. The NBFIs operating expenses rose 34% Y-o-Y to EGP423 million, mainly on other G&A expenses which increased 111% Y-o-Y to EGP188 million; on valU's higher marketing, collection, activation and outsourcing fees;
- ≡ The NBFIs net profit after tax and minority interest rose 72% Y-o-Y to EGP97 million in 1Q22, on stronger profitability generated mainly by Tanmeyah, followed by valU and Factoring;
- ≡ aiBank reported revenues of EGP441 million and a net profit after tax of EGP140 million, of which EFG Hermes' share is EGP72 million. Gross loans grew 21% Q-o-Q to EGP13.6 billion, while deposits added 8% Q-o-Q to EGP41.8 billion, thus Loans/Deposits ratio moved up to 33% from 29% a quarter earlier.

For full report and financial statements, please click on the links on top of the page.

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