

## **EFG HERMES REPORTS FIRST QUARTER 2018**

### **GROUP EARNINGS OF EGP249 MILLION; ON OPERATING REVENUE OF EGP945 MILLION**

**Cairo, May 14<sup>th</sup>, 2018** – EFG Hermes reports first quarter 2018, with Group Earnings of EGP249 million on operating revenues of EGP945 million. The Group Total assets stood at EGP34.7 billion at the end of 1Q18.

#### **Key Highlights**

##### **1Q2018**

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- ≡ Group operating revenues reached EGP945 million in 1Q18, flat Y-o-Y. Normalizing the revenues by adjusting for one-off gains related to Credit Libanais's stake sale in 1Q17, Group revenues would be 15% higher Y-o-Y; underpinned by strong contribution from the NBFi platform, particularly from the micro-finance "Tanmeyah", and the buy-side;
- ≡ Fee and commission revenues, which accounted for 70% of the Group revenues in 1Q18 and mirror to a large extent business expansion and growth, rose 41% Y-o-Y to reach EGP659 million in the first quarter of the year, driven primarily by robust growth in the NBFIs revenue;
- ≡ NBFIs revenues more than doubled, up 125% Y-o-Y to EGP227 million in 1Q18 as their portfolio continues to grow, reaching roughly EGP4.0 billion by the end of 1Q18. Buy-side revenues saw an increase of 110% Y-o-Y to EGP116 million, predominately on the back of the consolidation of FIM and higher Private Equity management fees. Sell-side revenues was broadly unchanged, up 2% Y-o-Y to EGP316 million, as Brokerage and Investment Banking revenues were unchanged Y-o-Y;
- ≡ Capital markets & treasury operations revenues, which represent the remaining 30% of the Group's revenue in 1Q18, declined 41% Y-o-Y to EGP285 million in 1Q18, as 1Q17 included exits from a number of merchant banking investments amounting to EGP169 million, and that (given their nature) were not repeated in 1Q18;
- ≡ Group operating expenses rose 26% Y-o-Y to EGP605 million in 1Q18, on headcount expansion and higher operating costs required to cater for the product diversification and geographical expansion that the company witnessed Y-o-Y. However, employee expenses to operating revenues came at 42% in 1Q18, below the 50% mark;
- ≡ The Group net profit after tax and minority interest came at EGP249 million in 1Q18, down 30% Y-o-Y. Normalizing the earnings by excluding the one-off gain related to CL gain, the Group net profit would be higher 6% Y-o-Y, supported by the NBFIs profitability, as the NBFi's contribution to the Group's overall results was remarkable, with the NBFi business contributing 18% and rising 233% Y-o-Y to EGP45 million in 1Q18.

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

**For further information:**

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