

## EFG HERMES REPORTS SECOND QUARTER 2018

### GROUP EARNINGS OF EGP200 MILLION; ON OPERATING REVENUE OF EGP1.0 BILLION

Cairo, August 15<sup>th</sup>, 2018 – EFG Hermes reports second quarter 2018, with Group earnings of EGP200 million on operating revenues of EGP1.0 billion. The Group total assets stood at EGP33.4 billion at the end of 2Q18.

#### Key Highlights

##### 2Q2018

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- ≡ **Headline revenues suggest a flat Group revenues of EGP1.0 billion in 2Q18.** Normalizing the revenues by adjusting for one-off gains of EGP225 million related to Credit Libanais's stake sale in 2Q17, Group revenues would be higher 28% Y-o-Y; supported by a strong contribution from the NBFi platform, particularly from the micro-finance player "Tanmeyah", and the buy-side;
- ≡ **Fee and commission revenues, which accounted for 74% of the Group revenues in 2Q18, rose 17% Y-o-Y to reach EGP748 million, underpinned by revenue growth delivered by all business lines with the exception of Investment Banking - as the comparable quarter included very strong advisory fees;**
- ≡ **NBFIs continue to deliver strong results, with revenues up 92% Y-o-Y to EGP253 million in 2Q18, driven predominately by Tanmeyah, which outperformed in 2Q18.** Buy-side revenues saw an increase of 64% Y-o-Y to EGP145 million, predominately on the back of higher management fees booked by FIM and Private Equity and higher incentive fees booked by FIM. Sell-side revenues declined 16% Y-o-Y to EGP351 million, as the decline in Investment Banking revenues overshadowed the increase in Brokerage commissions and margin income;
- ≡ **Capital markets & treasury operations revenue, which represent the remaining 26% of the Group's revenue in 2Q18, declined 31% Y-o-Y to EGP256 million, as 2Q17 included Credit Libanais's sales proceed; which if excluded, capital markets and treasury revenue would be higher 74% on dividend income and treasury operations;**
- ≡ **Group operating expenses rose 27% Y-o-Y to EGP698 million in 2Q18, on 9% increase in the number of employees, salary increases and higher operating expenses required for the additional headcount, start-ups, geographical expansion set-ups and the additional expenses of FIM on a Y-o-Y basis.** However, employee expenses to operating revenues came at 45% in 2Q18, below the 50% mark;
- ≡ **The Group net profit after tax and minority interest came at EGP200 million in 2Q18, down 49% Y-o-Y.** Normalizing the earnings by excluding the one-off gain related to Credit Libanais, the Group net profit would be higher 18% Y-o-Y, supported by NBFIs profitability, as the NBFi's contribution to the Group's overall results increased Q-o-Q, with the NBFi business contributing 21% and its net profits doubling Y-o-Y to EGP42 million in 2Q18.

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

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