

EFG HOLDING REPORTS FIRST QUARTER 2024 RESULTS

with Group net profit after tax and minority interest of EGP1.8 billion; ON OPERATING REVENUE OF EGP8.6 BILLION

Cairo, May 23rd, 2024 EFG Holding reports a strong set of results for the first quarter 2024, with a Group net profit after tax and minority interest of EGP1.8 billion, on operating revenues of EGP8.6 billion. The Group's total assets stood at EGP170 billion at the end of March 2024.

Key Highlights

EFG Holding

- ≡ EFG Holding had a good start for the year, reporting a strong set of results, with Group revenues rising 92% Y-o-Y to EGP8.6 billion, on strong fx-gains, unrealized gains on investments/seed capital; together with stronger revenues recognized by different lines of business across all platforms;
- ≡ Excluding Holding & Treasury Activities revenues in both periods, the Group's revenue would be up 70% Y-o-Y, primarily on higher revenues generated by Brokerage, Asset Management, Valu, Leasing, Tanmeyah and aiBANK;
- ≡ EFG Holding Group operating expenses (including provisions & ECL) rose 67% Y-o-Y to EGP5.0 billion on higher operating expenses that include employee expenses, other operating expenses and provisions & ECL. However, employee expenses/operating revenues came at 41% in 1Q24 versus 44% in 1Q23;
- ≡ EFG Holding net profit before tax climbed 137% Y-o-Y to EGP3.3 billion. Taxes for the Group rose 151% Y-o-Y, on higher tax charges related to profitability generated by Egyptian entities, this in addition to higher deferred taxes on unrealized gains and fx-gains. Despite higher taxes and deferred taxes, EFG Holding net profit after tax and minority interest rose 110% Y-o-Y to EGP1.8 billion.

EFG Hermes

- ≡ All different verticals of EFG Hermes reported a growth in revenues, with Holding & Treasury Activities being the largest contributor benefiting from the Egyptian pound losing more than c.50% of its value. Additionally, the sell-side and the buy-side posted Y-o-Y increase in the revenues, thus lifting EFG Hermes revenues up 104% Y-o-Y to EGP6.2 billion;
- ≡ The Investment Bank operating expenses rose 85% Y-o-Y to EGP3.6 billion, mainly due to higher employee expenses, followed by higher other operating expenses. Meanwhile, provisions & ECL declined in 1Q24;
- ≡ EFG Hermes net operating profit rose 139% Y-o-Y to EGP2.6 billion. Pressured by higher contingent liability provisions, and taxes & deferred taxes which rose 162% Y-o-Y, EFG Hermes net profit after tax and minority interest rose 94% Y-o-Y to EGP1.4 billion.

EFG Finance

- ≡ A buoyant quarter for EFG Finance, with its revenues rising 58% Y-o-Y to EGP1.1 billion, underpinned by revenues growth reported by all its lines of business, particularly Valu and Leasing;
- ≡ Operating expenses increased 40% Y-o-Y to EGP807 million; on higher employee expenses, other operating expenses, and provisions and ECL. The increase in operating expenses is mainly related to the growth in sales, operations, and inflationary environment;
- ≡ EFG Finance net operating profit rose 152% Y-o-Y as the increase in revenues surpassed the increase in expenses. Despite a 100% Y-o-Y increase in taxes, the platform profitability increased; net profits after tax and minority jumped 280% Y-o-Y to EGP142 million, on Leasing and Valu higher profitability.

aiBANK

- ≡ The Commercial Bank continued its upward trajectory, with aiBANK's revenues soaring 75% Y-o-Y to EGP1.3 billion, driven mainly by higher net interest income on the back of loan book growth and supported by an increase in corridor rates. This in addition to higher revaluation gains and revenues from fx-trading;

- ≡ aiBANK operating expenses including provisions & ECL rose 22% Y-o-Y to EGP523 million, on higher salaries on the back of promotions, new hires and inflation; together with higher other G&A expenses, which came lower than inflation, and higher provisions & ECL to mirror weaker macro-economic indicators and loan portfolio growth;
- ≡ The Bank's net profit after tax shot up 173% Y-o-Y to EGP475 million (of which the Group's share is EGP244 million), as revenues growth outpaced the increase in expenses.

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

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