

EFG HERMES REPORTS THIRD QUARTER 2022

GROUP EARNINGS OF EGP337 MILLION; ON OPERATING REVENUE OF EGP2.3 BILLION

Cairo, November 16th, 2022 EFG Hermes reports a strong set of results for the third quarter of 2022, with Group earnings of EGP337 million on operating revenues of EGP2.3 billion. The Group's total assets stood at EGP97 billion at the end of September 2022.

Key Highlights

3Q22

- ≡ Very strong operational performance reported by all verticals of the Group; lifting the Group revenues up 95% to EGP2.3 billion in 3Q22. These buoyant set of results was underpinned by the consolidation of Arab Investment Bank's "aiBank" revenues of EGP580 million and growth in revenues reported by all lines of business;
- ≡ Group employee expenses and other G&A rose 88% Y-o-Y to EGP1.4 billion in 3Q22, driven by aiBank's operating expenses which was not included in the comparable quarter. This in addition to higher operating expenses reported by the Investment Bank and the NBFIs; and which reflects growth in business operations, inflation and a depreciating EGP;
- ≡ Group provisions & ECL rose to EGP184 million in 3Q22 from EGP15 million, mainly on aiBank's loan book growth (EGP2 billion) and on specific provisions taken by aiBank during the quarter;
- ≡ Group gross operating profit more than doubled, up 106% Y-o-Y to EGP900 million, as the growth in revenues outpaced the increase in expenses;
- ≡ Group net operating profit and Group net profit before tax, each rose 70% Y-o-Y, to EGP716 million and EGP650 million, respectively; mainly on higher provisions and ECL;
- ≡ Group net profit after tax and minority interest slipped 5% Y-o-Y to EGP337 million on higher taxes and higher minority interest, predominately from the Bank;
- ≡ The Investment Bank delivered a solid quarter, with all its lines of business posting growth Y-o-Y to lift its revenues up 60% Y-o-Y to EGP1.1 billion in 3Q22. Meanwhile, the Investment Bank operating expenses rose 76% Y-o-Y to EGP822 million, driven mainly by higher employee expenses, followed by higher other G&A and ECL;
- ≡ The Investment Bank net profit before tax increased 24% Y-o-Y to EGP242 million in 3Q22, while the net profit after tax and minority interest contracted 35% Y-o-Y to EGP149 million, on higher tax charges, deferred taxes and higher minority;
- ≡ The NBFIs platform revenues rose 29% Y-o-Y to EGP664 million in 3Q22, supported by higher revenues generated mainly from Leasing and valU. Operating expenses rose 45% Y-o-Y to EGP451 million, on the consolidation of Fatura's operating expenses of EGP47 million and on higher other G&A expenses, particularly at valU. Net profit after tax and minority interest edged up 2% Y-o-Y to EGP131 million in 3Q22, as the increase in expenses was higher than the increase in revenues;
- ≡ aiBank reported revenues of EGP580 million, inching up 3% Q-o-Q in 3Q22. Moreover, the Bank reported a net profit after tax of EGP113 million (of which EFG Hermes' share is EGP58 million) in 3Q22, down from EGP149 million a quarter earlier, mainly due to a decline in income from associates and other revenues (which includes fx-gains and gains on trading portfolio). Credit growth came strong, with gross loans increasing 11% Q-o-Q to EGP20.7 billion; thus Loans/Deposits ratio moved up to 46% from 44% a quarter earlier.

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

For further information:

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Summary of Resolutions for the Board of Directors Meeting Held on 15/11/2022

Cairo, November 16th, 2022: EFG Hermes S.A.E. Board of Directors convened on Tuesday 15/11/2022 at 1:00 p.m. (CLT) and:

1. Approved 3Q22 Consolidated and Standalone Financial Statements, along with the board report and the audit report thereon;
2. Approved 3Q22 Audit and Risk Committees Reports;
3. The Board approved the Compliance Policies & Procedures Manual of EFG Hermes Holding;
4. The Board approved the Group Data Protection Policy.

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