

EFG Hermes Holding Records Robust Revenue Growth of 77% to EGP 11 Billion Coupled with Strong Profitability Amid Challenging Global Market Conditions in FY22

The Group's double-digit growth across its top and bottom line in FY22 was driven by superlative performance from the Investment Bank, NBFI platform, and aiBANK

Cairo, March 22, 2023

EFG Hermes Holding, the leading financial institution with a universal bank in Egypt and the leading investment bank franchise in Frontier and Emerging Markets (FEM), announced today its results for the full-year ended 2022. The Group's revenues grew by 77% Y-o-Y to EGP 11.0 billion in FY22 on the back of robust results generated from its core operational platforms, including the Investment Bank, Non-Bank Financial Institutions (NBFI) platform, and the consolidation of aiBANK revenues in FY22.

In terms of profitability, the Group net operating profit increased 63% Y-o-Y to EGP 3.7 billion, despite an 85% Y-o-Y increase in the Group's operating expenses to EGP 7.3 billion due to rising inflationary pressures, USD denominated expenses in regional offices, and growth of business operations. Meanwhile, the Group net profit before tax grew by 63% to EGP 3.3 billion, while net profit after tax and minority interest recorded an increase of 18% Y-o-Y to EGP 1.8 billion in FY22, subdued by taxes and deferred taxes.

EFG Hermes Holding's Group CEO Karim Awad commented on the results: "In spite of the high inflationary pressures, challenging interest rate environment, and soaring commodity prices witnessed in 2022 that dampened global capital market activity, we managed to deliver another set of stellar results across each of our three verticals and have further cemented our position as the region's largest and most innovative impact-driven financial services institution. The investment bank leveraged a favorable investment landscape in the GCC to strengthen its presence and advise on some of the most high-profile transactions in the region, bringing total ECM, DCM, and M&A deals across our markets to an outstanding 32 for the year valued at USD 14.3 billion. Our NBFI platform performed equally well, buoyed largely by a two-fold increase in valU's topline, as we continued to elevate the financial services ecosystem by providing a holistic suite of convenient and seamless financial solutions. On the commercial banking side of the house, the consolidation of aiBANK propped up the Group's performance even further, as the bank continues to consistently grow revenues and as we capitalize on the synergies inherent in our business model."

The **Investment Bank** booked solid results and supported the Group's performance in FY22, recording a revenue increase of 58% Y-o-Y to EGP 6.2 billion. The Investment Bank's performance was driven by a 38% Y-o-Y increase in Sell-Side revenues to EGP 2.5 billion and a 14% Y-o-Y increase in Buy-Side revenues to EGP 723 million in FY22. Additionally, the Investment Bank's performance was further supported by a 105% Y-o-Y increase in revenue from Holding & Treasury activities during the period. Moreover, the Investment Bank's net profit after tax and minority interest inched down by 4% Y-o-Y to EGP 1.1 billion, primarily due to higher deferred tax booked at the holding level in FY22.

At the Group's **NBFI platform**, revenues grew by 28% Y-o-Y to EGP 2.5 billion on the back of solid performances across its lines of business in FY22. The Group's lifestyle enabling fintech

platform, valU, contributed to the majority of the NBFI platform's revenue growth for the period and booked a 115% Y-o-Y increase in revenues to EGP 650 million in FY22, with the majority of its key performance indicators doubling Y-o-Y despite the challenging market conditions. The NBFI platform's performance was further buoyed by a 37% and 43% Y-o-Y revenue increase in EFG Hermes Corp-Solutions' leasing and factoring businesses, respectively, in FY22, as well as a 5% Y-o-Y increase in revenues at Tanmeyah during the period. At its bottom-line, the NBFI platform recorded a 30% Y-o-Y increase in net profit after tax and minority interest to EGP 447 million.

As for **aiBANK**, revenues increased by 14% Q-o-Q in 4Q22 to EGP 660 million. This was driven primarily by a 87% Q-o-Q increase in net fees and commissions to EGP 118 million during the period on the back of growth in trade finance transactions and an accelerated increase in the booking of retail loans. Additionally, aiBANK's performance was further supported by a 3% Q-o-Q increase in net interest income during the period to EGP 509 million in 4Q22. In full year terms, aiBANK booked revenues of EGP 2.2 billion and a net profit after tax of EGP 515 million in FY22.

Awad concluded: "EFG Hermes Holding's results for the year are a testament to our unrivaled ability to continue rising above unprecedeted challenges, and showcases the strength and agility of our diverse business model and extensive brand universe. We continue to reap the fruits of our acquisition of aiBANK — a transaction that fueled our growth into a universal bank in Egypt whilst being a provider of a full scope of end-to-end financial services. In efforts to further grow our NBFI platform into a holistic platform of disruptive financial solutions, we continue to charge the market with innovative financial products and services that not only help businesses grow and scale their operations, but also empower people of all walks of life to elevate their lives. On the investment bank side, we remain confident in our ability to continue expanding our pipeline of equity, debt, and M&A transactions, with an eye to unlocking value-accretive prospects for clients and investors alike. As EFG Hermes Holding goes from strength to strength, our commitment to creating meaningful impact for all stakeholders is unwavering and remains a vital aspect of the Firm's dedication to public responsibility. I could not be prouder of our people for their hard work and dedication as they continue to drive unrivaled value for the clients we serve at every stage of their growth and, in turn, drive the success of the Group and where it stands today."

—Ends—

EFG Hermes Holding's FY2022 financial results and management's commentary are available [here](#).

About EFG Hermes Holding

With a current footprint spanning 14 countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) has grown over 38 years of success to transform from a pure-play investment bank in MENA into an impact-driven universal bank in Egypt with the leading investment bank franchise in Frontier and Emerging Markets (FEM). Drawing on our proven track record and a diverse team of talented employees, we provide a broad spectrum of financial services, including advisory, asset management, securities brokerage, research and private equity, to the entire FEM region. In our home country, we have the fastest-growing non-bank financial institutions (NBFI) platform with operations covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), digital payment solutions, mortgage finance and insurance.

And with its latest acquisition of a majority stake in aiBANK, the Firm was able to provide commercial banking products and services.

Through its three verticals, the Investment Bank, Non-Bank Financial Institutions (NBFI) and Commercial Bank, the group is perfectly positioned to consistently bring disruptive financial products and services to the market space, offering a holistic portfolio that best serves its growing base of individual clients and businesses of all sizes.

Proudly present in: Egypt | United Arab Emirates | Saudi Arabia | Kuwait | Oman | Jordan | Pakistan | UK | Kenya | USA | Bangladesh | Nigeria | Vietnam | Singapore

Learn more about us at www.efghermes.com & stay connected with us:

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Note on Forward-Looking Statements

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