

## **EFG Holding Achieves Consistent Growth with Strong Results for the Third Consecutive Quarter of 2024**

- *Despite market challenges, 3Q2024 Group revenue increased by 68% Y-o-Y, reaching EGP5.0 billion driven by robust performance across all verticals and lines of business.*
- *EFG Holding reports a net profit after tax and minority interest of EGP697 million in 3Q2024, reflecting a 76% Y-o-Y increase.*

**Cairo, 20 November 2024**

EFG Holding, a financial institution with a universal bank in Egypt and the leading investment bank in the Middle East and North Africa (MENA), announced today its results for the third quarter of 2024. Group revenues continued to surge for the third consecutive quarter, reaching EGP 5.0 billion, a 68% increase Y-o-Y driven by significant growth across its verticals, the Investment Bank (**EFG Hermes**), the NBFIs (**EFG Finance**), and the Commercial Bank (**Bank NXT**).

The Group's total operating expenses (including provisions & ECL) rose 63% Y-o-Y to EGP 3.2 billion on the back of increases in employee and operating expenses, reflecting the full impact of the EGP devaluation, inflationary environment impact on all operating expenses, and the expansion of operations. Despite these challenges, Group employee expenses/revenues came lower Q-o-Q, coming in at 39% vs. 42% in 2Q24.

With the increase in revenues outpacing the increase in expenses, EFG Holding's net operating profit and net profit before tax increased 78% Y-o-Y and 83% Y-o-Y, respectively.

Despite a challenging macroeconomic backdrop, this outstanding performance underscores EFG Holding's resilience and ability to navigate inflationary pressures and a fluid geopolitical backdrop. The Group's net profit after tax and minority interest soared 76% Y-o-Y, reaching EGP 697 million.

**Karim Awad, Group CEO of EFG Holding**, commented: "Our third-quarter results stand as a clear testament to the resilience and strategic acumen that EFG Holding embodies. They also highlight the Group's ability to withstand the negative impact of currency devaluation and persistent inflation in our home market, which has translated into higher employee and operating expenses across all three platforms, particularly at the Investment Bank. Our ability to achieve outstanding growth amidst a challenging economic landscape results from our ability to execute a solid strategy that allows us to expand our business in compelling markets such as Saudi Arabia. We are extremely proud of the strong performance that we have witnessed this quarter at EFG Hermes, EFG Finance, and our newly rebranded commercial bank, Bank NXT."

**EFG Hermes**, the investment bank, reported an 87% Y-o-Y increase in revenues, reaching EGP 2.7 billion, fueled by strong performances across all lines of business, particularly Holding & Treasury Activities, which achieved a remarkable 180 % Y-o-Y increase in revenues, driven primarily by unrealized gains on seed capital. The sell-side business also demonstrated significant strength, with revenues climbing 62% Y-o-Y to EGP 1.4 billion, bolstered by the exceptional performance of Brokerage and Investment Banking. Investment Banking revenues rose by 201% Y-o-Y, tripling on higher advisory fees, while Brokerage revenues surged 50% Y-o-Y, fueled by higher commissions from Egypt and MENA markets, alongside growth in Structured Products. The buy-side business reported an increase in revenues of 71% Y-o-Y to EGP 437 million, led by a strong performance in Asset Management, which posted an 81% Y-o-Y rise due to FIM's higher management fees, incentive fees, and the devaluation impact on its revenues, which is



denominated in USD. Meanwhile, Private Equity revenues increased 36% Y-o-Y to reflect the effect of devaluation on its USD revenues. Despite an 84% Y-o-Y increase in operating expenses, EFG Hermes nearly doubled its net operating profit, which rose 95% Y-o-Y to EGP 760 million. Taxes surged 168% Y-o-Y, primarily due to higher profitability in Egyptian operations and deferred taxes on seed capital gains. Yet, net profit after tax and minority interest climbed 68% Y-o-Y to EGP 274 million.

**EFG Finance**, the Non-Bank Financial Institutions (NBFI) platform, grew its revenues by 68% Y-o-Y to EGP 1.1 billion, underpinned by outstanding performance across the board. Tanmeyah saw a 95% Y-o-Y revenue surge on the back of increased loan issuances and higher interest income. In comparison, Valu recorded 36% Y-o-Y growth, driven by a significant rise in loan volumes. EFG Corp-Solution's leasing revenues more than doubled, increasing 103% Y-o-Y, reflecting higher net interest income and higher fees and commissions. The platform's net profit after tax and minority interest leaped 349% Y-o-Y to EGP 203 million.

**The Commercial Bank**, which was successfully rebranded in the third quarter as **Bank NXT**, continued its upward momentum with a 38% Y-o-Y increase in net revenues to EGP 1.2 billion. This growth was primarily attributed to a rise in net interest income. The bank's net profit after tax climbed 20% Y-o-Y to EGP 428 million, underscoring the success of its enhanced positioning and operational focus.

"As we approach the end of the year, I am optimistic that all our businesses are well-positioned to continue their strong performance. Our plans for the upcoming year are ambitious; we anticipate our investment in the commercial bank will yield significant returns, and our entire NBFI platform will keep expanding. Meanwhile, our investment bank proudly stands as the MENA region's premier institution. We remain confident in the region's growth potential, even amid geopolitical challenges." **Awad** concluded.

EFG Holding's 3Q24 financial results and management commentary are available.

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### **About EFG Holding**

**EFG Holding** (EGX: HRHO.CA – LSE: EFGD) is a trailblazing financial institution that boasts a remarkable 40-year legacy of success in eight countries spanning two continents. Operating within three distinct verticals — the Investment Bank (**EFG Hermes**), Non-Bank Financial Institutions (NBFI) (**EFG Finance**), and Commercial Bank (**Bank NXT**) — the company provides a comprehensive range of groundbreaking financial products and services tailored to meet the needs of a diverse clientele, including individual clients and businesses of all sizes.

EFG Hermes, the leading investment bank in the Middle East and North Africa (MENA), offers an extensive array of financial services, encompassing advisory, asset management, securities brokerage, research, and private equity. In its domestic market, EFG Holding serves as a universal bank, with EFG Finance emerging as the fastest-growing NBFI platform, comprising **Tanmeyah**, a small and microfinance player, **EFG Corp-Solutions**, which provides leasing and factoring services, **Valu**, a universal financial technology powerhouse, **PayTabs Egypt**, a digital payment platform, as well as **Bedaya** for mortgage finance and **Kaf** for insurance as well as **Fatura**, a technology-backed B2B marketplace. Furthermore, the company delivers commercial banking solutions through **Bank NXT**, a leading provider of integrated retail, corporate, and Islamic banking products in Egypt.

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Learn more about us at [www.efghldg.com](http://www.efghldg.com)



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Note on Forward-Looking Statements

*In this press release, EFG Holding may make forward-looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities, and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Holding's belief regarding future events, many of which, by their nature, are inherently uncertain and are beyond management's control and include, among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending, and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.*