



## **EFG Holding Shatters Records with EGP 14.7 Billion in Revenues, Fueled by Stellar Performance From EFG Hermes, Valu, and aiBANK**

*Revenue Growth Reported by the Three Verticals Underpinned the Group's Net Profit After Tax and Minority Interest, Up 39% Y-o-Y to Reach EGP 2.5 Billion*

**Cairo, 20 March 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 full year ended 2023. The Group booked its highest-ever recorded revenues of EGP 14.7 billion, representing a 34% Year-on-Year growth, fueled by the stellar performance of its Investment Bank's (**EFG Hermes**) sell-side and buy-side, **Valu**, and its commercial bank arm, **aiBANK**.

EFG Holding operating expenses rose 35% Y-o-Y on higher employee expenses and other G&A, particularly at EFG Hermes, followed by aiBANK, and higher provisions and ECL across EFG Finance's lines of business and aiBANK. In terms of profitability, the Group's net operating profit increased 32% Y-o-Y to EGP 4.9 billion. Meanwhile, net profit rose 47% Y-o-Y to EGP 3.2 billion in FY23, driven primarily by Brokerage, Asset Management, Valu, and aiBANK's growth in profitability. Meanwhile, the Group's net profit after tax and minority interest came in at EGP 2.5 billion, up 39% Y-o-Y, and the Group's total assets stood at EGP 121.9 billion at the end of December 2023.

**Karim Awad, Group CEO of EFG Holding**, reflected on the Group's performance, stating, "The exceptional performance of EFG Holding in 2023 stands as a testament to our team's unwavering dedication in navigating challenging economic conditions, our steadfast commitment to excellence, and our strategic foresight. With our unprecedented revenues and impressive profitability, we continue to set the standard in the financial industry in the MENA region, providing value and fostering growth across our diverse range of services. The record-breaking financial results, driven by the remarkable contributions of EFG Hermes and aiBANK, underscores the strength of our strategic vision that revolutionized our business model years ago, as well as our enduring commitment to delivering excellence to our clients, shareholders, and communities. Our dedication to innovation and sustainable growth remains resolute."

On the investment bank side of the house, **EFG Hermes** had a strong year, with its revenues rising 32% Y-o-Y to EGP 8.1 billion in FY23, driven primarily by its core operations, the sell-side, and the buy-side. Sell-side revenues grew 51% to EGP 3.8 billion, lifted by Brokerage revenues. While Investment Banking revenues were essentially flat Y-o-Y, inching down 2% Y-o-Y, Brokerage revenues shot up 73% Y-o-Y, underpinned mainly by Brokerage Egypt's strong executions.

Meanwhile, the buy-side's revenues leaped 75% Y-o-Y to close the year at EGP 1.3 billion; mainly driven by robust growth in the Asset Management business, with the Asset Management revenues surpassing the EGP 1.0 billion mark in FY23 versus EGP 553 million in FY22, driven by higher incentive and management fees booked by FIM Partners and higher incentive fees booked by Egypt's Asset Management. Meanwhile, Private Equity revenues increased 44% Y-o-Y to EGP 246 million in FY23 on higher management fees.

# EFG Holding

The Investment Bank net profit after tax and minority interest increased 20% to record EGP 1.6 billion compared to EGP 1.3 billion in FY22.

Revenues at **EFG Finance**, the Group's Non-Bank Financial Institutions (NBFI) platform, rose 17% Y-o-Y to reach EGP 3.0 billion in FY23, underpinned by Valu, which drove the NBFI's top and bottom line in FY23, with its revenues spiraling up 78% Y-o-Y to EGP 1.2 billion in FY23. Operating expenses rose 17% Y-o-Y to EGP 2.3 billion, driven primarily by higher Provisions & ECL.

This was followed by EFG Corp-Solutions reporting higher revenues, with revenues from the Leasing side of the business rising 23% Y-o-Y to EGP 363 million and the Factoring side adding 45% Y-o-Y to EGP 120 million. Meanwhile, Tanmeyah's revenues declined 14% Y-o-Y to EGP 1.3 billion, while Fatura reported higher revenues, up 45% Y-o-Y, as Fatura's acquisition was completed in June 2022. Furthermore, net profit after tax and minority interest rose 51% Y-o-Y to EGP 349 million on strong growth in profits reported by Valu.

**aiBANK** experienced a robust year, as the Bank saw its revenues soar 61% Y-o-Y to EGP 3.6 billion in FY23, driven by higher net interest income on the back of loan book growth. Moreover, Fees & commissions increased more than three times, largely on higher trade finance activities. The Bank's net profit after tax more than doubled, up 117% Y-o-Y to EGP 1.1 billion (of which the Group's share is EGP 591 million) in FY23, reflecting the Bank's resilient growth in operations.

"With Egypt's market taking a pivotal turn following the recent floatation, EFG Holding looks ahead with optimism towards our future endeavors. Our robust balance sheet has been strategically hedged to withstand the fluctuations in the EGP, while our expanding regional operations consistently yield considerable USD revenues annually. These factors, combined with the promising growth trajectories of Valu, aiBANK, and Tanmeyah, instill in us a growing sense of confidence in the resilience and efficacy of the business model we have diligently built. We are increasingly assured of our ability to not only weather challenges but also to drive sustained profitability and create value for shareholders, clients, and communities" concluded Awad.

EFG Holding's FY23 financial results and management's commentary are available on the Firm's website.

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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 nine countries spanning three continents. Operating within three distinct verticals — the Investment Bank (**EFG Hermes**), Non-Bank Financial Institutions (NBFI) (**EFG Finance**), and Commercial Bank (**aiBANK**) — 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 microfinance player, **EFG Corp-Solutions**, which provides leasing and factoring services, **Valu**, a versatile financial technology powerhouse, **PayTabs Egypt**, a digital payment platform, as well as **Bedaya** for mortgage finance and **Kaf** for insurance. Furthermore, the company delivers commercial banking solutions through **aiBANK**, 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)

For further information, please contact:

**May El Gammal**

Group Chief Marketing & Communications Officer of EFG Holding  
[melgammal@efghldg.com](mailto:melgammal@efghldg.com)

**Omar Salama**

Senior Communications Manager of EFG Holding  
[osalama@efghldg.com](mailto:osalama@efghldg.com)

**The EFG Holding Public Relations Team**

[PublicRelations@efghldg.com](mailto:PublicRelations@efghldg.com)

**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.*