



## EFG Holding Achieves Outstanding Results in the First Quarter of 2024 and Unveils a Robust Share Buyback Program

- Reporting a profit of EGP 1.8 billion, marking a remarkable 110% year-over-year increase in the first quarter of 2024.
- Through open market transactions, the Board has approved the repurchase of 25 million shares, equivalent to 1.7% of the company's outstanding shares.

**Cairo, 23 May 2024**

EFG Holding, a trailblazing financial institution with a universal bank in Egypt and the leading investment bank in the Middle East and North Africa (MENA), announced today its robust results for the first quarter of 2024. The Group's revenues surged 92% year-on-year to EGP 8.6 billion, driven by the exceptional operational performance across its different business lines coupled with the EGP's devaluation. Excluding holding and treasury activities (including FX gains, among others), revenues in both periods would show a 70% year-over-year increase, mainly due to higher revenues from Brokerage, Asset Management, Valu, Leasing, Tanmeyah, and aiBANK.

The Group experienced a 67% year-on-year increase in total operating costs (including provisions and ECL), reaching EGP 5.0 billion, mainly driven by elevated employee costs. Nonetheless, the ratio of Group employee expenses to revenues stood at 41% in the first quarter of 2024, down from 44% in the corresponding period a year ago. EFG Holding witnessed a substantial 142% year-on-year surge in net operating profit and a 137% year-on-year growth in net profit before tax. Concurrently, net profit after tax and minority interest soared 110% year-on-year to EGP 1.8 billion.

As part of its ongoing commitment to shareholders, EFG Holding is excited to announce a share buyback program. The Board of Directors has authorized the repurchase of 25 million shares, equivalent to 1.7% of the Company's shares, on the open market. This is just the beginning of a comprehensive program, where the company also plans to return, in addition to the cash utilized in the buyback, EGP 400 million in shares buyback and/or dividends distribution (after receiving its General Assembly's approval) in the 18 months following the execution of the purchase of the 25 million shares.

**Karim Awad, Group CEO of EFG Holding**, commented on this, "We are very excited to announce such a program that creates value for our shareholders and further improves our performance metrics. While we continue to utilize our cash in multiple growth venues across our operational jurisdiction, we believe an investment in our stock at the current juncture is extremely accretive for our shareholders and sends a clear message in our strong conviction in the significant underlying value of the Company relative to the current trading levels. The Company will be financing the program from its internal resources/liquidity."

**EFG Hermes**, the investment bank, started the year strong, posting a Y-o-Y increase in revenues, lifting EFG Hermes' revenues more than double Y-o-Y to reach EGP 6.2 billion in 1Q24. Holding and treasury activities revenues were the most significant contributors to the platform's 1Q24 revenue growth, rising 117% to EGP 4.5 billion, underpinned by strong fx-gains and unrealized gains on seed capital/investments. Sell-side revenues grew 65% Y-o-Y to EGP 1.4 billion, driven by higher Brokerage revenues up 94% Y-o-Y, primarily due to solid commissions generated by the Egyptian market, including GDRs trading. Buy-side revenues shot up 162% Y-o-Y to EGP 299 million, lifted by Asset Management revenues, which increased four-fold Y-o-Y, mainly on FIM's higher revenues and a lower comparable quarter. Net profit



after tax and minority interest increased 94% Y-o-Y to record EGP 1.4 billion compared to EGP 740 million in 1Q23.

Revenues at **EFG Finance**, the Group's Non-Bank Financial Institutions (NBFI) platform, rose 58% Y-o-Y to EGP 1.1 billion, underpinned by revenue growth reported by all its lines of business, particularly Valu and EFG Corps-Solutions' Leasing business. Operating expenses increased 40% Y-o-Y to EGP 807 million on higher employee expenses, other operating expenses, provisions, and ECL. EFG Finance's 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's profitability increased, with net profits after tax and minority jumping 280% Y-o-Y to EGP 142 million.

**aiBANK** continued its upward trajectory, as the Bank saw its revenues for the quarter climb 75% Y-o-Y to EGP 1.3 billion, driven mainly by higher net interest income on the back of loan book growth and supported by an increase in corridor rates. aiBANK's operating expenses, including provisions & ECL, rose 22% Y-o-Y to EGP 523 million on higher salaries on the back of promotions, new hires, inflation, and other G&A expenses. The Bank's net profit after tax shot up 173% Y-o-Y to EGP 475 million, of which EFG Holding's share is EGP 244 million, as revenue growth outpaced the growth in expenses.

“Our strong first-quarter results underscore the resilience and adaptability of our diversified business model. Despite a dynamic and sometimes challenging market environment, we have successfully leveraged strategic initiatives and operational efficiencies throughout the Group. The impressive growth in revenue and profit is a testament to our team's hard work and dedication, as well as the trust and confidence our clients have in us. The exceptional performance of our investment bank, EFG Hermes, demonstrates our ability to navigate market fluctuations and deliver strong returns. Furthermore, the substantial growth at EFG Finance, our NBFI platform, and aiBANK underscores our commitment to expanding our presence in the non-bank and banking sectors. Moving forward, our unwavering focus is on maximizing our unique strengths and synergies across the group, enhancing our service offerings, and driving sustainable growth to create enduring value for our clients, shareholders, and employees across all our operations,” concluded **Awad**.

EFG Holding's 1Q24 financial results and management's 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 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 leading provider of financial services in Egypt with a concerted focus on the micro and small enterprise segments, **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)

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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.*