

EFG Holding Continues to Report Solid Performance in the Second Quarter of 2024, Driven by Strong Growth Reported Across its Three Verticals

- *Investment Banking reports record-high revenues for a single quarter, together with growth recorded by the rest of the Group's core business lines supporting the Group's revenues, which surged 63% Y-o-Y to EGP 5.1 billion in 2Q24.*
- *With another strong quarter, the Group's net profit after tax and minority interest rose 95% Y-o-Y to reach EGP 791 million in 2Q24 and more than doubled in 1H24 to EGP 2.6 billion.*

Cairo, 14 August 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 second quarter of 2024. The Group's revenues surged 63% Y-o-Y to EGP 5.1 billion, particularly bolstered by strong revenues generated from the Investment Banking division, in addition to growth recorded by the rest of the Group's core lines of business. This resilient performance was driven by the Group's different verticals, the Investment Bank (EFG Hermes), the NBFIs (EFG Finance), and the Commercial Bank (aiBANK), all posting strong growth Y-o-Y in 2Q24. The Group's net profit after tax and minority interest rose 95% Y-o-Y to reach EGP 791 million in 2Q24.

The Group's operating expenses (including provisions & ECL) rose 59% Y-o-Y to EGP 3.4 billion, on higher employee expenses and operating expenses across the three verticals to reflect largely the full impact of the devaluation, persistently high inflation levels, and business growth. However, employee expenses/operating revenues for the Group came to 42% in 2Q24.

Karim Awad, Group CEO of EFG Holding, commented, “Our second-quarter results demonstrate EFG Holding's ability to navigate a challenging economic environment. In an era of unprecedented economic and geopolitical turbulence, marked by widespread inflation, currency devaluation, and volatile global markets, we not only navigated these challenges but also emerged stronger. This strong performance is evident from the financial results across EFG Hermes, EFG Finance, and aiBANK, particularly EFG Hermes' Investment Banking division, which shattered previous revenue records, complemented by the solid contributions from our other core businesses.”

EFG Hermes, the Investment Bank, saw its Investment Banking division report all-time high revenues together with Brokerage revenues shooting up, taking the sell-side revenues roughly 3.5x Y-o-Y up to EGP 2.9 billion to lift EFG Hermes' revenues 74% Y-o-Y to EGP 2.8 billion in 2Q24. Moreover, strong sell-side revenues along with higher buy-side revenues, which rose 46% Y-o-Y to EGP 384 million, completely overshadowed losses recorded by Holding & Treasury Activities. Holding and Treasury Activities recorded EGP 503 million in losses in 2Q24, a swing of more than a billion when compared to the comparable quarter where revenues came to EGP 530 million. Net profit after tax and minority interest of the investment bank rose 72% Y-o-Y to EGP 305 million.

Another strong quarter for **EFG Finance**, the Non-Bank Financial Institutions (NIFI) platform, with revenues rising 70% Y-o-Y to EGP 1.1 billion, as all the platform's lines of business posted Y-o-Y growth, particularly Valu, followed by Tanmeyah and EFG Corp-Solution's Leasing business. Operating expenses increased 41% Y-o-Y to EGP 671 million, on higher employee expenses, operating expenses, provisions, and ECL. With the magnitude of the increase in revenues outpacing the increase in expenses, EFG Finance's



net operating profit rose 167% Y-o-Y to EGP 383 million in 2Q24. Despite a 138% increase in taxes, net profits after tax and minority jumped 210% Y-o-Y to EGP 267 million on EFG Corp-Solution's Leasing business, Valu, and Tanmeyah's higher profitability.

"The significant increase in net profits at EFG Finance reflects our teams' dedication and effective collaboration within all its business lines, including Valu, Tanmeyah, and EFG Corp-Solutions' Leasing operations. These strong outcomes highlight our ongoing efforts to innovate and set new benchmarks in the industry. Looking ahead, our focus is on driving steady and sustainable long-term growth, cementing our market position, and improving operational efficiency for the benefit of driving unparalleled value for our stakeholders," **Awad** concluded.

aiBANK, the Commercial Bank, continued its outperformance, with its revenues soaring 39% Y-o-Y to EGP 1.2 billion, driven mainly by higher net interest income on the back of loan book growth and enhanced net interest margins. aiBANK's operating expenses, including provisions & ECL, rose 16% Y-o-Y to EGP 566 million due to higher employee expenses and other operating expenses, as inflation continues to remain high and with the Bank's operational expansion. The Bank's net profit after tax climbed 55% Y-o-Y to EGP 426 million (of which the Group's share is EGP 219 million) as revenue growth outpaced the growth in expenses.

EFG Holding's 2Q24 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 (**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 as well as **Fatura**, a technology-backed B2B marketplace. 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

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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.