

## EFG HERMES REPORTS Full Year 2021

### GROUP EARNINGS OF EGP1.5 BILLION; ON OPERATING REVENUE OF EGP6.1 BILLION

**Cairo, March 24<sup>th</sup>, 2022** – EFG Hermes reports a strong set of results for the full year 2021, with Group earnings of EGP1.5 billion on operating revenues of EGP6.1 billion. The Group's total assets stood at EGP96.6 billion at the end of December 2021.

#### Key Highlights

##### FY21

- ≡ Group EFG Hermes' revenues surpassed the six billion mark in FY21, to reach EGP6.1 billion; boosted by an increase in revenues reported by all core operations, in addition to the consolidation of aiBANK's two months of revenues, post the completion of its acquisition in 4Q21. This year's performance is a testament to the Firm's ability to grow revenues, despite the strong realized/unrealized gains on investments and Private Equity's exceptional incentive fees (EGP342 million) booked in the comparable year;
- ≡ Group operating expenses rose 9% Y-o-Y to reach EGP3.9 billion in FY21, with 50% of this increase attributed to aiBANK's operating expenses, which came at EGP156 million. Employee expenses rose 20% Y-o-Y to reflect scaling up of the NBFIs and variable expenses related to higher revenues generated by all core operations. This increase was partially muted by cost containment on the G&A side and lower provisions & ECL taken during the year;
- ≡ Group net profit after tax and minority interest rose 12% Y-o-Y to EGP1.5 billion, driven mainly by the NBFIs strong profitability, as well as a contribution of EGP38 million from aiBANK;
- ≡ Strong revenues generated by Investment Banking, Brokerage and Asset Management failed to off-set the decline in Holding & Treasury Activities and Private Equity revenues. The Investment Bank recorded a solid EGP3.8 billion of revenues, translating into a limited decline of 6% Y-o-Y; despite the large variance in magnitude between realized and unrealized losses on seed capital in the current year compared to gains in FY20, together with Private Equity's non-recurring revenues, (which included EGP342 million of incentive fees related to Vortex III exit) in the comparable year;
- ≡ The Investment Bank net profit after tax and minority interest came at EGP1.1 billion, down 22% Y-o-Y; pressured by Holding's strong revenues generation and Private Equity's non-recurring fees in the comparable year as well as on higher employee expenses, and albeit lower other G&A and ECL & Provisions;
- ≡ A very robust year for the NBFIs, with all its businesses reporting resilient revenues. NBFIs recorded revenues of EGP2.0 billion, up 41% Y-o-Y, and reflecting an aggregate outstanding portfolios\* of EGP13 billion, up 39% Y-o-Y. Tanmeyah, which accounts for 72% of the Platform's revenues, was the main driver for revenues growth as the business resumed growth in loans issued and sales in 2H21. valU followed, with stronger sales and higher margins;
- ≡ The NBFIs net profit after tax and minority interest reached EGP344 million, up from a loss of EGP73 million, on higher revenues generated by all the platform's lines of business and lower ECL & Provisions, and despite higher employee expenses and other G&A;
- ≡ EFG Hermes completed the acquisition of 51% of aiBANK shares in 4Q21, and thus the EFG Hermes' consolidated financial statements include two months of the Bank's performance (November and December figures).

**For full report, please click on the link on top of the page.**

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