

EFG HERMES REPORTS FULL YEAR 2018

GROUP EARNINGS OF EGP1.0 BILLION; ON OPERATING REVENUE OF EGP4.3 BILLION

Cairo, March 19th, 2019 – EFG Hermes reports full year 2018, with Group Earnings of EGP1.0 billion on operating revenues of EGP4.3 billion. The Group total assets stood at EGP29 billion at the end of FY2018.

Key Highlights

FY2018

- ≡ A solid set of results, with the Group reporting a net operating profit of EGP1.4 billion, down only 5% Y-o-Y in FY18. Furthermore, excluding gains related to investment, seed capital exits and the non-recurring revenues in both periods, the Group NOP would be up 24% Y-o-Y in FY18, marking a strong operational growth delivered by the business;
- ≡ EFG Hermes reported Group revenues of EGP4.3 billion, up 19% Y-o-Y in FY18; and 32% Y-o-Y from core operations (excluding gains, exits and the non-recurring revenues). This was supported by NBFIs revenues crossing the one billion mark and all the Investment Bank's line of businesses posting revenue growth, and excluding Private Equity performance fees and capital gain that should be realized in 1Q19 on Vortex I & II exit;
- ≡ Fees and commissions revenue, which accounted for 71% of the Group revenues in FY18, rose 34% Y-o-Y to EGP3.0 billion, underpinned by revenue growth delivered by all lines of business, particularly the notable revenue growth of the NBFIs platform;
- ≡ The NBFIs platform posted a remarkable growth in revenue, with its revenues crossing the one billion mark, coming at EGP1.1 billion, up 89% Y-o-Y in FY18; largely due to a strong growth posted by Tanmeyah. The sell-side revenues increased 13% Y-o-Y to EGP1.4 billion in FY18, driven mainly by Brokerage executions in new markets and stronger market shares in addition to Investment Banking delivering another strong year with record number of deals. The buy-side revenues rose 22% Y-o-Y to EGP555 million, on the higher revenues recorded by FIM and stronger Private Equity fees;
- ≡ Capital markets & treasury operations revenue, which represented the remaining 29% of the Group's total revenues in FY18, saw its revenues decline 7% Y-o-Y to EGP1.3 billion. Albeit strong revenue growth from merchant banking activities and treasury operations; the comparable year included more gains related to exits and non-recurring gains that weighted down on the Y-o-Y change;
- ≡ Group operating expenses increased 35% Y-o-Y to EGP2.9 billion on higher employee expenses and other operating expenses; mirroring the Group's geographical expansion and the products & services diversification. However, employee expenses to operating revenues came at 42.3% in FY18; well below the 50% mark.
- ≡ The Group reported a net profit after tax and minority interest of EGP1.0 billion, down 16% Y-o-Y in FY18, mainly on higher tax provisions taken by Brokerage and Private Equity and higher taxes Y-o-Y, particularly as the NBFIs business continues to grow;
- ≡ EFG Hermes Board of Directors proposed a cash dividend of EGP0.65/share for the year ending December 2018, equivalent to roughly 50% of the attributable profits, that will be pending the General Assembly's approval.

Summary of Resolutions for the Board of Directors Meeting Held on 18/03/2019

Cairo, March 19th, 2019: EFG Hermes S.A.E. Board of Directors convened on Monday 18/3/2019 at 1:00 p.m. (CLT) and:

1. Approved FY2018 consolidated and standalone financial statements, along with the board report and the audit report.
2. Approved the annual anti-money laundry report for the year 2018, in addition to all board committees' reports.
3. Proposed a cash dividend of EGP0.65/share for the year ending December 2018, to be approved in the Company's next General Assembly.
4. Delegated EFG Hermes Holding chairperson to call for the OGM and EGM and determine their agendas.

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