

EFG HERMES REPORTS SECOND QUARTER 2020

GROUP EARNINGS OF EGP328 MILLION; ON OPERATING REVENUE OF EGP1.3 BILLION

Cairo, August 18th, 2020 – EFG Hermes reports second quarter 2020, with Group earnings of EGP328 million on operating revenues of EGP1.3 billion. The Group's total assets stood at EGP31.6 billion at the end of 2Q20.

Key Highlights

2Q20

- ≡ EFG Hermes Group revenues rose 26% Y-o-Y to EGP1.3 billion in 2Q20; with the Investment Bank supporting this increase, as its revenues rose 40% Y-o-Y to EGP1.0 billion in 2Q20. This was supported by markets, and thus the valuation of seed capital/investments spiraling up after it was strongly hit in 1Q20 on the outbreak of the Coronavirus;
- ≡ Sell-side revenues declined 20% Y-o-Y to EGP292 million in 2Q20, largely attributed to lower Brokerage revenues which declined 21% Y-o-Y to EGP234 million as margin income in Egypt and brokerage revenues generated in most markets we trade in contracted Y-o-Y. Investment Banking revenues decreased 13% Y-o-Y to EGP58 million in 2Q20, on lower advisory fees;
- ≡ Buy-side revenues lost 15% Y-o-Y to EGP93 million in 2Q20; on lower Asset Management revenues which declined 22% Y-o-Y to EGP65 million, as management and incentive fees booked by our Regional asset manager, FIM, declined. Private Equity revenues was broadly stable, up 6% Y-o-Y at EGP28 million in 2Q20;
- ≡ EFG Hermes NBFIs revenues during the second quarter was down 7% to EGP299 million despite the heavy weight, Tanmeyah, revenues losing 17% Y-o-Y to EGP229 million; as improvement in valU and Leasing revenues managed to offset part of the decline, with valU's revenues rising 239% to EGP20 million and Leasing adding 21% Y-o-Y to EGP47 million in 2Q20. Meanwhile Factoring revenues rose 100% Y-o-Y to EGP4 million over the same period;
- ≡ Capital markets & treasury revenues rose 142% Y-o-Y to EGP653 million in 2Q20, on fx-gains, higher unrealized gains from the move of seed capital/Investments to Investments through Profit & Loss (FVTPL) from Investments through OCI (FVTOCI); and despite lower interest received from Treasury Operations;
- ≡ Group operating expenses rose 25% Y-o-Y to EGP861 million in 2Q20, on higher employee expenses and higher other operating expenses. However, employee expenses/revenues came at 46%, well below the 50% level;
- ≡ Group net operating profit increased 26% Y-o-Y to EGP477 million in 2Q20, on gains booked on seed capital/investments. Meanwhile, Group net profit after tax and minority interest increased 8% Y-o-Y to EGP328 million in 2Q20, supported by the Investment Bank net profits, which increased 46% Y-o-Y to EGP297 million;

For full report and financial statements, please click on the links on top of the page.

For further information:

Investor Relations Contacts

Email: investor-relations@efg-hermes.com

Group Head of IR, Budgeting and Reporting

Hanzada Nessim

Email: hnessim@efg-hermes.com

Tel: +20 (0)2 35356502

www.efg-hermes.com