

EFG HERMES REPORTS SECOND QUARTER 2022

GROUP EARNINGS OF EGP344 MILLION; ON OPERATING REVENUE OF EGP2.1 BILLION

Cairo, August 17th, 2022 EFG Hermes reports a strong set of results for the first quarter of 2022, with Group earnings of EGP344 million on operating revenues of EGP2.1 billion. The Group's total assets stood at EGP99 billion at the end of June 2022.

Key Highlights

2Q22

- ≡ Group operating revenues improved 28% Y-o-Y to reach EGP2.1 billion in 2Q22; despite a turbulent Global macro-economic backdrop. The improvement in revenues was underpinned by the consolidation of Arab Investment Bank "aiBank" revenues and the strong growth in revenues generated by the sell-side of the business;
- ≡ Group employee expenses and other G&A expenses rose 28% Y-o-Y to EGP1.2 billion in 2Q22, mainly driven by the consolidation of aiBank's operating expenses (employee expenses and other G&A expenses). In addition to, higher other G&A expenses reported by the Investment Bank and the NBFs, driven generally by rising inflation and weaker EGP;
- ≡ Group provisions & ECL rose 465% Y-o-Y to EGP166 million in 2Q22, on exceptional (specific) provisions taken by aiBank during the quarter;
- ≡ Group net operating profit and Group net profit before tax, each rose 8% Y-o-Y, to EGP676 million and EGP623 million, respectively, in 2Q22; reflecting bottom line growth from operations;
- ≡ Group net profit after tax and minority interest declined 15% Y-o-Y to EGP344 million in 2Q22 on higher taxes and higher minority interest, predominately from the bank;
- ≡ A solid growth in revenues delivered by the Investment Bank core operations; particularly the sell-side. However, the decline in Holding & Treasury Activities out-weighted the improvement realized by all core businesses, resulting in the Investment Bank reporting an 11% Y-o-Y decline in revenues to reach EGP989 million in 2Q22;
- ≡ The Investment Bank operating expenses rose 10% Y-o-Y to EGP688 million in 2Q22, driven by higher other G&A and ECL booked during the quarter, and albeit lower employee expenses. Thus, The Investment Bank net profit after tax and minority interest declined 39% Y-o-Y to EGP206 million in 2Q22, as revenues contracted while expenses increased;
- ≡ The NBFs revenues edged up 3% Y-o-Y to EGP503 million in 2Q22, supported by higher revenues generated from Leasing and valU, yet pressured by lower revenues generated from Tanmeyah. Operating expenses added 5% Y-o-Y to EGP366 million in 2Q22, on higher other G&A expenses and despite lower employee expenses. Thus, the NBFs net profit after tax and minority interest declined 9% Y-o-Y to EGP62 million in 2Q22;
- ≡ aiBank reported strong set of results, with revenues rising 28% Q-o-Q to reach EGP564 million in 2Q22. Moreover, the bank reported a net profit after tax of EGP149 million (of which EFG Hermes' share is EGP76 million) in 2Q22, up from EGP140 million a quarter earlier, despite the exceptionally higher provisions booked during the quarter. Credit growth came strong, with gross loans increasing 37% Q-o-Q to EGP18.7 billion; thus Loans/Deposits ratio moved up to 40% from 33% a quarter earlier;

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

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