

## **EFG HERMES REPORTS SECOND QUARTER 2017 GROUP EARNINGS FROM CONTINUED OPERATIONS OF EGP395 MILLION; ON OPERATING REVENUE OF EGP1.0 BILLION**

**Cairo, August 15<sup>th</sup>, 2017** – EFG Hermes reported today net profit after tax and minority interest from continued operations of EGP395 million in 2Q17, up from EGP48 million in 2Q16. Operating revenue rose 252% Y-o-Y to EGP1,011 million in 2Q17. The Group total assets stood at EGP24.6 billion at the end of 2Q17.

### **Key Highlights**

#### **2Q2017**

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- ≡ EFG Hermes reported another strong set of results, with total revenues crossing the EGP1.0 billion mark in 2Q17, higher 252% Y-o-Y over the prior corresponding period. Results were supported by buoyant Investment Banking business, diversified Brokerage contribution, growing non-bank finance institution (NBFi) platform and better utilization of balance sheet;
- ≡ Fee and commission revenues rose 136% Y-o-Y to EGP639 million in 2Q17, fueled by higher revenue generated from all business lines. Investment Banking and Brokerage were the main drivers for fees and commissions increase, as Investment Banking executed a number of high profile transactions during the quarter, and Brokerage continued to trade new markets and launch new products. Furthermore, NBFi fared well in 2Q17, with Leasing and Tanmeyah more than doubling their revenues Y-o-Y;
- ≡ Capital markets and treasury operations revenue increased to EGP372 million in 2Q17, up from EGP17 million in 2Q16. If we exclude the eventually non-recurring capital gain realized from the sale of CL shares, revenue would increase by 782% Y-o-Y in 2Q17, driven by robust treasury operations;
- ≡ Another successful quarter for the Firm, managing to maintain its employee expenses/ operating revenues below the 50% mark, at 39% in 2Q17. Operating expenses rose 160% Y-o-Y to EGP550 million in 2Q17; mainly on higher overseas salaries post the EGP floatation, higher inflationary pressures, growth and addition of new operations and one-off expenses;
- ≡ The Firm reported a net operating profit of EGP462 million in 2Q17, up 507% Y-o-Y in 2Q17 and a net operating profit margin of 46% up from 26% a year earlier. This filtered into a Group net profit from continued operations of EGP395 million in 2Q17, up 718% Y-o-Y. Moreover, if we exclude the non-recurring gain realized from CL stake sale, the Group's net profit after tax and minority interest would be higher 252% Y-o-Y in 2Q17 at EGP170 million;
- ≡ We continue to divest our remaining stake in Credit Libanais post the sale of our majority stake in the Bank and its subsequent deconsolidation in 2Q16. In 2Q17, we offloaded an additional 3.65% of the Bank's shares, thus leaving the Firm with 9.46% stake at the end of the period. EFG Hermes realized a gain of EGP225 million from selling an additional stake in CL during the quarter and booked on the continued operations section of the income statement.

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

#### **For further information:**

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## Summary of Resolutions for the Board of Directors Meeting Held on 14/08/2017

**Cairo, August 15<sup>th</sup>, 2017:** EFG Hermes S.A.E. Board of Directors convened on Monday 14/8/2017 at 3:00 p.m. (CLT) and approved the following:

1. 2Q2017 consolidated and standalone financial statements, along with the board report and the audit report.
2. 2Q2017 internal audit committee and risk committee reports.
3. The Environmental, Social and Governance (ESG) policy.
4. The custody FY2016 anti-money laundry annual report.

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