

## Press Release

[Home \(/en\)](#) | [News \(/en/newsroom-km\)](#)

**EFG Hermes Holding kicks off the year with a strong set of results for the first quarter of 2022 across its operations, posting a remarkable 55% Y-o-Y increase in revenues**

Buoyant performance pushed Group net profit before tax up 67% Y-o-Y to EGP 677 million in 1Q2022

Cairo, 25 May 2022

EFG Hermes Holding, a universal bank in Egypt and the leading investment bank franchise in Frontier Emerging Markets (FEM), announced today an outstanding set of results to kick off the year, with revenues for the first quarter of 2022 leaping 55% Y-o-Y to EGP 1.9 billion. Group net profits after tax and minority interest grew 18% Y-o-Y to EGP 345 million driven by solid performance across the Group's lines of business.

"EFG Hermes Holding's diversified operations and holistic product offerings continue to drive our resilient performance and exceptional revenue growth, making us one of the fastest growing companies in our footprint," said EFG Hermes Holding's Group CEO Karim Awad. "Our Non-Bank Financial Institutions (NBFI) platform is responding to consumer and corporate needs during high inflationary times. Net profits for the platform, together with results generated following the majority-stake acquisition of a commercial bank, generated half of our Group's net profits after tax and minority. On the sell-side of the house, I am equally pleased with our Investment Banking division, which closed five transactions valued at USD 301 million, including the first IPO in the cosmeceutical space in Egypt and two regional M&A transactions. Meanwhile, our Brokerage division continues to hold firmly onto its first-place ranking in Cairo, Nairobi, and Dubai," added Awad.

Sell-side revenues gained a record 61% Y-o-Y to EGP 494 million on the back of solid performance by the Investment Banking and Brokerage divisions, which grew revenues 52% Y-o-Y and 62% Y-o-Y respectively. Investment Banking revenues reached EGP 64 million driven by strong deal execution capabilities in the MENA region, while revenues from the Brokerage division grew to EGP 430 million on the back of stronger revenues generated by all MENA markets together with higher revenues from the Structured Products desk.

The Group's buy-side revenues came in flat Y-o-Y to record EGP 113 million in 1Q2022. Asset Management revenues rose 7% Y-o-Y to EGP 90 million due to higher management fees driven by increased AUMs. Meanwhile, Private Equity revenues stood at EGP 23 million compared to EGP 29 million in the same period last year due to a high base in 1Q2021 that included additional management fees following the third close of the EFG Hermes Education Fund, which, if excluded, would have boosted the division's revenues by 28% Y-o-Y.

The NBFi platform recorded a 34% Y-o-Y increase in revenues to EGP 601 million. The platform's growth in the first quarter was predominantly driven by the Group's microfinance player Tanmeyah, Buy-Now, Pay-Later (BNPL) fintech platform valU, and EFG Hermes Corp-Solutions' factoring arm. Tanmeyah booked revenues of EGP 395 million, up 21% Y-o-Y driven by stronger sales. valU posted stellar results for the quarter, with revenues surging 157% Y-o-Y to EGP 143 million. In parallel, EFG Hermes Corp-Solutions' factoring business more than doubled its top line, with revenues hitting EGP 18 million — a 118% growth compared to the same period last year. Meanwhile, revenues from EFG Hermes Corp-Solutions' leasing business revenues declined 21% Y-o-Y to EGP 45 million.

Revenues generated by capital market and treasury operations contracted 24% Y-o-Y to EGP 294 million in 1Q2022, mainly due to a decline in net interest income that was partially attributed to a lower cash position following the acquisition of a majority stake in aiBANK.

The Group's operating expenses rose 49% Y-o-Y to EGP 1.2 billion in 1Q2022, driven by the consolidation of aiBANK's operating expenses, valU's higher operating costs, and an increase in the Group's employee costs.

Group net profit before tax rose 67% Y-o-Y to EGP 677 million in 1Q2022, while net profit after tax and minority interest came in at EGP 345 million in 1Q2022, up 18% from the same period last year, mainly on higher taxes and minority interest. The consolidation of aiBANK's taxes, growing tax charges from expanding Egyptian operations (NBFi and Brokerage), and increased taxes from distribution of dividends to the Holding led to a 143% Y-o-Y growth in tax expenses to EGP 229 million at the end of 1Q2022.

"We look forward driving more value for shareholders as the year progresses and we work to hit the milestones we've set out for 2022. In the quarters to come, we will continue to focus on garnering more opportunities in the GCC and cementing our foothold there in the Investment Bank space. At the same time, our NBFi platform will continue to grow as our BNPL player valU expands its operations and Tanmeyah continues to deliver solid revenues. On the commercial bank front, we will continue to support the new senior management team to drive change across the bank, create growth opportunities, and capitalize on the synergies inherent in our

business model as a universal bank in Egypt. As an impact-driven organization, we will maintain laser-sharp focus on providing boundless financial opportunities that foster growth and create value for our stakeholder base and the communities in which we live and work,” said Awad.

Earlier this month, the Firm was recognized by the Financial Times and Statista as one of Africa’s fastest-growing companies in 2022. It was one of only 10 African financial services companies listed on the year’s ranking and was named 55th fastest-growing company in Africa. In its home market of Egypt, the Firm also named the fourth-fastest growing company and was the only Egyptian financial services institution listed in the ranking.

—Ends—

EFG Hermes Holding’s 1Q2022 financial results and management’s commentary on them are now available here.

### About EFG Hermes Holding

With a current footprint spanning 13 countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) has grown over 38 years of success to transform from a pure-play investment bank in MENA into a universal bank in Egypt with the leading investment bank franchise in Frontier Emerging Markets (FEM). Drawing on our proven track-record and a diverse team of talented employees, we provide a wide spectrum of financial services that include advisory, asset management, securities brokerage, research and private equity to the entire FEM region. In our home country, we have the fastest-growing non-bank financial institutions (NBFI) platform with operations covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), digital payment solutions, mortgage finance and insurance.

Through its three verticals, the Investment Bank, Non-Bank Financial Institutions (NBFI) and Commercial Bank, the group is perfectly positioned to consistently bring disruptive financial products and services to the market space, offering a holistic portfolio that best serves its growing base of individual clients and businesses of all sizes.

Egypt | United Arab Emirates | Saudi Arabia | Kuwait | Oman | Jordan | Pakistan | UK | Kenya  
| USA | Bangladesh | Vietnam | Nigeria