

EFG HOLDING REPORTS THIRD QUARTER 2024 RESULTS

with Group net profit after tax and minority interest of EGP697 million; ON OPERATING REVENUE OF EGP5.0 BILLION

Cairo, November 20th, 2024 EFG Holding reports a strong set of results for the third quarter 2024, with a Group net profit after tax and minority interest of EGP697 million, on operating revenues of EGP5.0 billion. The Group's total assets stood at EGP189 billion at the end of September 2024.

Key Highlights

EFG Holding

- Against a challenging backdrop, recuperated capital markets activity supported our fee income and enhanced our dealmaking capabilities, this took Group revenues upwards for a third quarter, with revenues growing a decent 68% Y-o-Y to reach EGP5.0 billion in 3Q24; underpinned by increasing revenues reported by all lines of business of the Group;
- The Group total operating expenses (including provisions & ECL) increased 63% Y-o-Y to EGP3.2 billion in 3Q24, stipulated by the increase in employee expenses and operating expenses. This increase reflects the EGP devaluation, and the elevated inflation impacts on salaries, the non-cash portion of employee expenses and all other operating expenses. Despite these effects, the Group employee expenses/revenues came at 39% in 3Q24, lower Q-o-Q;
- With the increase in Group revenues exceeding the increase in expenses, EFG Holding net operating profit rose 78% Y-o-Y in 3Q24. Group taxes more than doubled Y-o-Y, up 122% Y-o-Y, on higher deferred taxes on unrealized gains on seed capital and increasing tax charges related to Egyptian entities profitability; particularly at the Commercial Bank. However, EFG Holding shrugged off the higher taxes impact on profitability, to report a net profit after tax and minority interest of EGP697 million in 3Q24, reflecting a 76% Y-o-Y increase.

EFG Hermes

- With another buoyant quarter, EFG Hermes revenues spiraled up 87% Y-o-Y to EGP2.7 billion in 3Q24; supported by higher revenues generated by all its lines of business; particularly Holding & Treasury Activities and Brokerage. Holding & Treasury Activities revenues rose 180% Y-o-Y, driven largely by unrealized gains on seed capital. The sell-side revenues gained 62% Y-o-Y, bolstered by strong growth in Brokerage and Investment Banking. Buy-side revenues rose 71%, mainly on the back of FIM's strong performance;
- EFG Hermes operating expenses rose 84% Y-o-Y to EGP1.9 billion in 3Q24, mainly due to higher employee expenses, followed by higher other operating expenses, and despite lower provisions & ECL. The increase in operating expenses portrays high inflation levels in Egypt, the sharp Y-o-Y EGP devaluation and its impact on Egypt expenses denominated in USD and higher expenses from regional offices;
- EFG Hermes net operating profit almost doubled Y-o-Y, up 95% Y-o-Y to EGP760 million in 3Q24; as revenue growth outpaced the growing expenses. Meanwhile, taxes rose 168% Y-o-Y, on higher profitability recorded by the Egyptian entities and higher deferred taxes on unrealized gains on seed capital. However, EFG Hermes net profit after tax and minority increased 68% Y-o-Y to EGP274 million.

EFG Finance

- Boosted by stronger sales, the NBFIs continued its strong revenue growth, with EFG Finance gaining 68% Y-o-Y to EGP1.1 billion in 3Q24, as all the platform's lines of business posted Y-o-Y growth; particularly Tanmeyah, followed by Valu and Leasing;
- Operating expenses increased 50% Y-o-Y to EGP809 million; (i) higher employee expenses, which was driven by inflationary pressure in Egypt; (ii) higher other operating expenses which echoes inflation in Egypt, the impact of USD denominated costs, and higher expenses related to stronger loans issuance at Valu; and (iii) higher provisions and ECL mirroring the increase in the portfolios, which reached EGP22.2 billion, up 59% Y-o-Y;
- EFG Finance recorded net operating profit of EGP311 million, up 142% Y-o-Y in 3Q24; as the increase in revenues outpaced the increase in expenses. With the

increase in taxes coming at 26% Y-o-Y, net profits after tax and minority leaped 349% Y-o-Y to EGP203 million, supported by Tanmeyah and Leasing higher profitability.

BANK NXT

- ≡ The Commercial Bank continued its upwards trend, with its revenues, moving up 38% Y-o-Y to EGP1.2 billion in 3Q24; largely driven by higher net interest income, generated from interbank placements, loan book growth and t-bills returns;
- ≡ BANK NXT operating expenses including provisions & ECL rose 27% Y-o-Y to EGP517 million in 3Q24, on higher salaries on the back of promotions, new hires and inflation; together with higher other G&A expenses mainly related to IT expenses, rebranding, and outsourced services. Meanwhile, provisions & ECL declined 43% Y-o-Y, as the comparable quarter included higher provisions which were required to enhance coverage ratio;
- ≡ The Bank's net profit after tax added 20% Y-o-Y to EGP428 million (of which the Group's share is EGP220 million), as revenues growth outpaced the growth in expenses.

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

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