

## **EFG Hermes Holding reports strong results for the third consecutive quarter in 2021, taking its first nine-month profits up 26% Y-o-Y**

*Results for the third quarter of 2021 were buoyed by positive performances across EFG Hermes Holding's operations*

**Cairo, 17 November 2021**

EFG Hermes Holding, the leading financial services corporation in Frontier Emerging Markets (FEM), announced today its results for the first nine months of 2021, with revenues rising 8% over the same period last year to EGP 4 billion and its net profits jumping 26% Y-o-Y to reach EGP 1.1 billion.

“EFG Hermes’ core operations have continued to deliver solid performances and to play a vital role in fortifying the Group’s position as the flagship financial services corporation in Frontier Emerging Markets,” said **EFG Hermes Holding’s Group CEO Karim Awad**. “Our NBFi platform has continued to perform exceptionally well, with our microfinance platform, Tanmeyah, booking a record high portfolio value of EGP 3.5 billion, the highest since Tanmeyah’s inception. Moreover, our popular award-winning Buy-Now, Pay-Later (BNPL) fintech player, valU, continued to expand its relationships with merchants and grow its portfolio of clients. At our sell-side operations, I am pleased with our Investment Banking division, where the team closed a record-breaking nine transactions in a single quarter, worth over USD 2.6 billion. This milestone is a continued testament to the strength of our operations and well-established capacities to secure a healthy pipeline of deals across the capital markets space,” **added Awad**.

In quarterly terms, the Group recorded a top line of EGP 1.2 billion and a net profit after tax and minority interest of EGP 356 million in 3Q21, down year-on-year; as the comparable quarter included strong EGP 349 million of incentive fees from Private Equity’s Vortex III exit and included strong unrealized gains on seed capital revaluation in the comparable period of last year.

For the third quarter of 2021, EFG Hermes’ sell-side revenues grew by 45% Y-o-Y to EGP 406 million, primarily driven by standout performances by the Group’s Investment Banking and Brokerage divisions. On the Investment Banking front, revenues grew by 184% Y-o-Y to EGP 107 million, driven by strengthening advisory fees and a higher number of transactions for the period. Meanwhile, revenues from the Brokerage division increased by 23% Y-o-Y to EGP 299 million in 3Q21, driven by the higher revenues reported by the Group’s operations in Egypt, Kuwait, and its structured products desk.

The Group’s buy-side revenues declined by 74% Y-o-Y to EGP 115 million in 3Q21 primarily due to the high base effect associated with EGP 349 million in incentive fees from the Vortex Energy III exit generated by the Private Equity division in the comparable period. Private equity revenues stood at EGP 29 million 3Q21. Nonetheless, the Group’s Asset Management division recorded a top line increase of 32% Y-o-Y to EGP 86 million in 3Q21, reflecting the increase in management fees reported by FIM.

The NBFi platform recorded a 52% Y-o-Y increase in revenues to EGP 507 million. The platform’s performance in 3Q21 was primarily driven by higher revenues generated by the Group’s microfinance solutions provider Tanmeyah and EFG Hermes’ BNPL fintech platform “valU”. Tanmeyah booked revenues of EGP 355 million in 3Q21, up 36% Y-o-Y driven by stronger sales and a growing portfolio during the period. Parallel to this, valU’s revenues grew more than three-fold year-on-year to EGP 97 million due to portfolio expansions and enhanced margins in 3Q21.

Revenues generated by EFG Hermes' capital market and treasury operations contracted 58% Y-o-Y to EGP 156 million in 3Q21 due to unrealized losses from seed capital revaluations compared to the unrealized gains booked in the same period last year.

The Group's operating expenses declined 14% Y-o-Y to reach EGP 760 million in 3Q21, predominately on lower employee expenses. With employee expenses/ revenues coming at 44% in 3Q21, lower Y-o-Y and Q-o-Q. Consequently, EFG Hermes reported a net profit after tax and minority interest of EGP 356 million in 3Q21, down 16% Y-o-Y. Excluding Private Equity exceptional incentive fees realized in 3Q20, normalized Group net profits after tax and minority interest would be up a buoyant 387% Y-o-Y in 3Q21.

“Looking ahead, we are excited about the headways we are making in line with our strategy to transform into a full-fledged universal bank in Egypt, as the acquisition of the Arab Investment Bank (AIB) is near finalization. The Holding company today is poised to generate increased value for our shareholders with its diverse portfolio. Parallel to this, I truly look forward to meeting our clients from key investors to global business leaders, face-to-face at the return of our coveted One on One conference in Dubai in 2022 as we capitalize on normalizing market conditions. Overall, we are confident that as we continue to leverage our robust operational capacities and diverse lines of business, the Group is well-positioned to close out 2021 on a strong note,” **concluded Awad.**

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EFG Hermes' 3Q21 financial results and management's commentary on them are now available [here](#).

## About EFG Hermes

With a current footprint spanning thirteen countries across four continents, EFG Hermes Holding S.A.E (EGX: HRHO.CA – LSE: EFGD) started in Egypt and has grown over 37 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record and a team of more than 6,000 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research, and private equity to the entire MENA region.

In 2015, EFG Hermes launched its Non-Bank Financial Institutions (NBFI) Platform, which overlooks activities in the non-banking finance field covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), mortgage and insurance. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the Firm establish a physical presence in Pakistan, Bangladesh, Vietnam, Kenya, Nigeria, the United Kingdom, and the United States.

Learn more about us at [www.efghermes.com](http://www.efghermes.com) & stay connected with us:      
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#### ***Note on Forward-Looking Statements***

*In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.*