

EFG HERMES EARNINGS RELEASE 2Q2021

INVESTOR RELATIONS

Cairo, August 18th, 2021

EFG Hermes reports a strong set of results for the second quarter of 2021, with Group earnings of EGP406 million on operating revenues of EGP1.6 billion. The Group's total assets stood at EGP45.4 billion at the end of June 2021.

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LISTINGS & SYMBOLS

The Egyptian Exchange

Reuters code: HRHO.CA
Bloomberg code: HRHO EY

London Stock Exchange (GDRs)

Reuters code: HRHOq.L
Bloomberg code: EFGD LI

FINANCIAL PERFORMANCE

i. Key Financial Highlights

- ≡ Another quarter of buoyant performance, with core business operations being the main driver for revenue growth in 2Q21; as Group revenues rose 20% Y-o-Y to EGP1.6 billion underpinned by an outstanding performance delivered by the Investment Bank fees and commissions and the NBFIs revenues which together rose 66% Y-o-Y to EGP1.1 billion;
- ≡ Sell-side revenues rose 69% Y-o-Y to EGP493 million in 2Q21, on the back of higher Investment Banking and Brokerage revenues. Investment Banking revenues more than doubled Y-o-Y, rising 176% to reach EGP161 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 42% Y-o-Y to EGP333 million, on higher revenues reported by almost all countries;
- ≡ Buy-side revenues gained 70% Y-o-Y to EGP159 million in 2Q21, lifted by strong Asset Management revenues. Asset Management revenues more than doubled Y-o-Y to EGP142 million in 2Q21; largely due to higher management and incentive fees reported by FIM. On the other side, Private Equity revenues lost 39% Y-o-Y to EGP17 million over the same period mainly on lower AuMs;
- ≡ NBFIs continued its upwards trajectory; with the platform's revenue growing 62% Y-o-Y to EGP483 million in 2Q21, on higher revenues generated predominately by Tanmeyah and valU. Tanmeyah reported revenues of EGP367 million, up 60% Y-o-Y; while valU continued to outperform, with its revenues more than tripling Y-o-Y to reach EGP63 million. Leasing revenues declined 11% Y-o-Y to EGP42 million as the comparable quarter included securitization gain of EGP6.7 million. Factoring saw a good quarter with its revenues rising 196% to EGP11 million;
- ≡ Capital markets & treasury revenues declined 27% Y-o-Y to EGP475 million in 2Q21, as 2Q20 included exceptionally strong unrealized gains on investments and strong fx-gains which overshadowed higher interest income from treasury operations reported in the current period;
- ≡ Group operating expenses rose 13% Y-o-Y to EGP981 million in 2Q21; on higher employee expenses. However, employee expenses/ revenues came at 45% in 2Q21, lower Y-o-Y and Q-o-Q;
- ≡ With a higher magnitude of increase in Group revenues compared to the increase in expenses, the Group reported a solid net operating profit of EGP630 million in 2Q21, up 33% Y-o-Y; and a Group net profits after tax and minority interest of EGP406 million in 2Q21, up 24% Y-o-Y.

ii. Group Financial Performance

<i>in EGP million</i>	Group Financial Highlights							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Group Operating Revenue	1,610	1,255	1,338	28%	20%	2,865	2,303	24%
Investment Bank	1,127	814	1,038	39%	9%	1,941	1,642	18%
NBFIs	483	441	299	9%	62%	925	661	40%
Group Operating Expenses	981	802	864	22%	13%	1,783	1,694	5%
Group Net Operating Profit	630	453	473	39%	33%	1,082	609	78%
Group Net Operating Margin	39%	36%	35%			38%	26%	
Group Net Profit Before Tax	577	406	433	42%	33%	983	531	85%
Group Net Profit (Loss) After Tax & Minority Interest	406	292	328	39%	24%	698	418	67%
Investment Bank	295	180	297	63%	-1%	475	409	16%
NBFIs	112	111	31	0%	260%	223	9	2501%

Source: EFG Hermes Management Accounts

2Q21

Group revenues rose 20% Y-o-Y to reach EGP1.6 billion in 2Q21, underpinned by an outstanding performance delivered by almost all lines of business; and albeit losing some ground on weaker Y-o-Y revenues recorded by capital markets and treasury operations; as the comparable quarter included exceptionally strong unrealized gains on investments.

Group operating expenses rose 13% Y-o-Y to EGP981 million in 2Q21, on higher employee expenses. The increase in the employee expenses was mainly attributed to Tanmeyah's higher employee expenses and higher variable portion of the employee expenses in line with the improvement in revenues.

With a higher magnitude of increase in Group revenues compared to the increase in expenses, the Group reported a solid net operating profit of EGP630 million in 2Q21, up 33% Y-o-Y; to reflect a net operating profit margin of 39% in 2Q21. Meanwhile, Group net profits after tax and minority interest moved up 24% Y-o-Y to EGP406 million in 2Q21, supported by the NBFIs profitability.

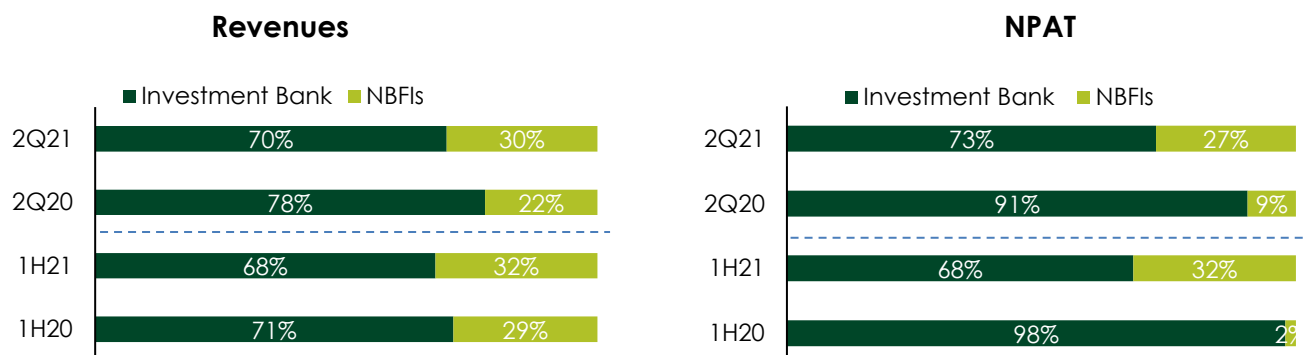
1H21

The Group reported a strong set of results in 1H21, with all business lines (with the exception of Private Equity and capital markets & treasury operations) posting strong performance, thus lifting Group revenues up 24% Y-o-Y to EGP2.9 billion.

Group expenses rose slightly, up 5% Y-o-Y to EGP1.8 billion in 1H21, as the increase in employee expenses was largely off-set by a decline in the NBFIs loan loss provisions, when compared to the same period last year.

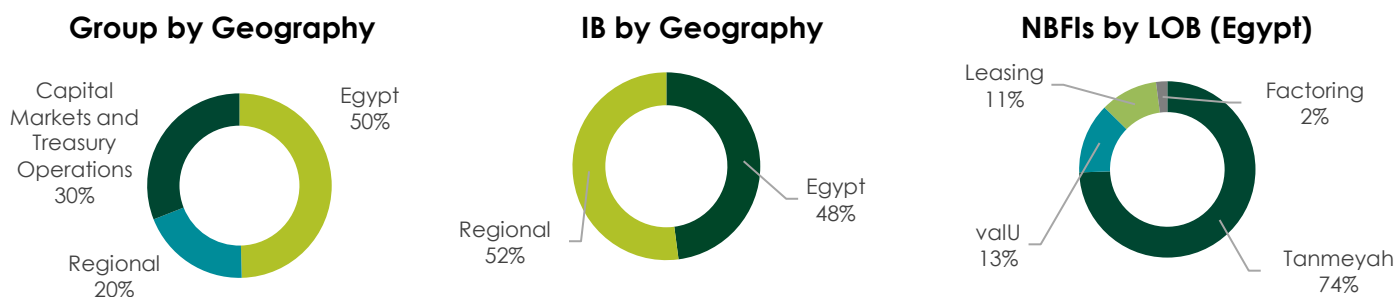
With stronger revenue growth and a largely muted expenses in 1H21, the Group's net operating profits and the net profits after tax and minority interest spiked up 78% Y-o-Y and 67% Y-o-Y to EGP1.1 billion and EGP698 million, respectively.

Contribution by Platform



The NBFs contribution to the Group's revenues and NPAT hovered around the 30% for both periods, 2Q21 and 1H21; as the NBFs revenues improved Y-o-Y and provisions normalized.

Revenues Contribution



*The above charts reflect 1H21 revenue figures

iii. Business Lines Financial Performance

in EGP million	Group Revenue by Platform							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Brokerage	333	255	234	31%	42%	587	447	31%
Investment Banking	161	42	58	285%	176%	202	75	170%
Sell-Side	493	296	292	66%	69%	789	521	51%
Asset Management	142	99	65	43%	118%	241	126	91%
Private Equity	17	29	28	-41%	-39%	47	73	-36%
Buy-Side	159	129	93	23%	70%	287	199	44%
Capital Markets & Treasury Operations	475	389	653	22%	-27%	864	921	-6%
Total Investment Bank	1,127	814	1,038	39%	9%	1,941	1,642	18%
Leasing	42	56	47	-25%	-11%	98	90	8%
Micro - Finance "Tanmeyah"	367	321	229	14%	60%	688	524	31%
Consumer - Finance "valU"	63	56	20	12%	222%	120	39	206%
Factoring	11	8	4	45%	196%	19	7	154%
Total NBFIs	483	441	299	9%	62%	925	661	40%
Group Operating Revenue	1,610	1,255	1,338	28%	20%	2,865	2,303	24%
<i>Of Which:</i>								
Fee and Commission Revenue	1,135	866	685	31%	66%	2,002	1,381	45%
Capital Markets & Treasury Operations	475	389	653	22%	-27%	864	921	-6%

Source: EFG Hermes Management Accounts

2Q21

Group revenues rose 20% Y-o-Y to EGP1.6 billion in 2Q21, on stronger fees and commissions which washed off the decline in capital markets and treasury operations revenue. Another quarter of strong revenue contribution from almost all business lines (with the exception of Private Equity and Leasing) resulted in fees and commissions shooting up 66% Y-o-Y to EGP1.1 billion in 2Q21.

Sell-side revenues rose 69% Y-o-Y to EGP493 million in 2Q21, on the back of higher Investment Banking and Brokerage revenues. Investment Banking revenues more than doubled Y-o-Y, rising 176% to reach EGP161 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 42% Y-o-Y to EGP333 million, on higher revenues reported by almost all countries, yet Egypt and Kuwait were the most significant contributors to revenue growth.

Buy-side revenues gained 70% Y-o-Y to EGP159 million in 2Q21, lifted by strong Asset Management revenues. Asset Management revenues more than doubled Y-o-Y to EGP142 million in 2Q21; largely due to higher management and incentive fees reported by FIM, in addition to higher incentive fees booked by Egypt Asset Management. On the other side, Private Equity revenues lost 39% Y-o-Y to EGP17 million over the same period; mainly on lower AuMs post Vortex III exit in September 2020.

NBFIs continued its upwards trajectory; with the platform's revenue growing 62% Y-o-Y to EGP483 million in 2Q21 on higher revenues generated predominately by Tanmeyah and valU. Tanmeyah reported revenues of EGP367 million, up 60% Y-o-Y, on stronger sales, enhanced margins and a gain of EGP24 million related to the securitized portfolio out of which EGP12 million were recognized in FY2020 and EGP12 million were recognized in 2Q21. valU continued to outperform, with its revenues growing more than threefold Y-o-Y to reach EGP63 million, on

Y-o-Y portfolio expansion and better margins. Leasing revenues declined 11% Y-o-Y to EGP42 million as the comparable quarter included securitization gain of EGP6.7 million. Factoring saw a good quarter with its revenues rising 196% to EGP11 million, on higher sales and drawdown fees.

Capital markets & treasury revenues declined 27% Y-o-Y to EGP475 million in 2Q21, as 2Q20 included exceptionally strong unrealized gains on investments and strong fx-gains (as opposed to slight fx-losses reported in the current period) which overshadowed higher interest income from treasury operations in the current period.

1H21

Group revenues increased 24% Y-o-Y to EGP2.9 billion in 1H21, as the outstanding performance of the business lines, triggered a 45% Y-o-Y improvement in fees and commission to reach EGP2.0 billion in 1H21, and overshadowed the 6% Y-o-Y decline in capital markets and treasury operations revenue.

Sell-side revenues rose 51% Y-o-Y to EGP789 million in 1H21, on the back of higher Investment Banking and Brokerage revenues. Investment Banking revenues more than doubled Y-o-Y, rising 170% to reach EGP202 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 31% Y-o-Y to EGP587 million, with Egypt being the most significant contributor to the increase, followed by Kuwait.

Buy-side revenues spiraled up 44% Y-o-Y to EGP287 million in 1H21, lifted by strong Asset Management revenues. Asset Management revenues almost doubled Y-o-Y to EGP241 million; largely due to higher management and incentive fees reported by FIM, followed by higher management and incentive fees booked by Egypt Asset Management. On the other side, Private Equity revenues slipped 36% Y-o-Y to EGP47 million; mainly on lower AuMs post Vortex III exit in September 2020 and on incentive fees booked in the comparable period related to Zezeeta exit.

NBFIs, 1H21 revenues followed second quarter buoyant performance, with the platform's revenue growing 40% Y-o-Y to EGP925 million in 1H21, on higher revenues generated mainly by Tanmeyah and valU. Tanmeyah's revenues rose 31% Y-o-Y to EGP688 million, on stronger sales and enhanced margins. valU continued to outperform, with its revenues tripling Y-o-Y to reach EGP120 million, on Y-o-Y portfolio expansion and better margins. Leasing revenues added 8% Y-o-Y to EGP98 million, as the comparative period included securitization gain of EGP6.7 million, thus limiting the Y-o-Y increase. Factoring shot up 154% to EGP19 million, on higher sales and drawdown fees.

In 1H21, capital markets & treasury revenues declined slightly, down 6% Y-o-Y to EGP864 million; mainly on slight fx-losses booked during the period as opposed to strong fx-gains booked in 1H20.

iv. Group Operating Expenses

<i>in EGP million</i>	Group Operating Expenses							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Employees Expense	724	581	610	25%	19%	1,304	1,054	24%
Employees Expense/Operating Revenues	45%	46%	46%			46%	46%	
Employees Expense/Operating Expenses	74%	72%	71%			73%	62%	
Other Operating Expenses	228	203	227	12%	0%	431	471	-9%
Other Operating Expenses/Operating Revenues	14%	16%	17%			15%	20%	
Other Operating Expenses/Operating Expenses	23%	25%	26%			24%	28%	
Provisions and ECL	29	18	27	58%	8%	48	168	-72%
Total Operating Expenses	981	802	864	22%	13%	1,783	1,694	5%

Source: EFG Hermes Management Accounts

2Q21

Group operating expenses rose 13% Y-o-Y to EGP981 million in 2Q21; on higher employee expenses. However, employee expenses/ revenues came at 45% in 2Q21, lower Y-o-Y and Q-o-Q.

Employee expenses rose 19% Y-o-Y to EGP724 million in 2Q21, on Tanmeyah's higher employee expenses, higher variable portion of the employee expenses in tandem with the growth in revenues recorded by the Group; in addition to higher monthly bonuses booked by Brokerage and Tanmeyah on higher brokerage executions and loan sales.

Other operating expenses was unchanged Y-o-Y at EGP228 million in 2Q21. The increase in promotional and advertising expenses, which rose 159% Y-o-Y to EGP30 million on the back of valU advertising campaign; together with the increase in consultancy and service fees which added 59% Y-o-Y to EGP73 million on FIM's higher loyalty fees, were largely off-set by the decline in general expenses, which lost 43% Y-o-Y to EGP40 million, on lower taxes on t-bills and donations.

Moreover, occupancy expense was largely unchanged Y-o-Y at EGP39 million in 2Q21, Tel. & Mobile expenses declined 21% Y-o-Y to EGP4 million, and travel expenses declined 68% Y-o-Y to EGP1 million on continued travel halts. On the other hand, data communication expense rose 12% Y-o-Y to EGP55 million, mainly on higher IT license and support expenses by Brokerage and Tanmeyah. Office expenses rose 44% Y-o-Y to EGP5 million, on higher printing and courier costs.

Provisions and ECL rose 8% Y-o-Y to EGP29 million in 2Q21, on higher provisions required by the NBFIs businesses.

1H21

Group operating expenses was largely flat, inching up 5% Y-o-Y to EGP1.8 billion in 1H21; as the increase in employee expenses, which came on the back of business and revenue expansion was off-set by lower loan loss provisions and other operating expenses. Employee expense/ revenues came at 46% in 1H21 in line with the previous period.

Employee expenses rose 24% Y-o-Y to EGP1.3 billion in 1H21, mainly on (i) Tanmeyah's higher employee expenses; (ii) higher monthly bonuses booked by Brokerage and Tanmeyah as



business improves; and (iii) higher variable portion of employee expenses in line with the increase in revenues.

Loan loss provisions and ECL declined 72% Y-o-Y to EGP48 million in 1H21; with the current provisions taken largely reflecting the increase in the NBFIs portfolios, while the comparable period included significant provisions taken post the outbreak of COVID-19 in the 1Q of 2020.

Other operating expenses declined 9% Y-o-Y EGP431 million in 1H21; as the increase of advertising expenses booked by Tanmeyah and valU, together with FIM's loyalty fees were overshadowed by a decline in donations, taxes on t-bills, sale and lease back expense, and travel expense.



OPERATIONAL PERFORMANCE

i. Brokerage

Operational Performance Update

Markets, which we operate on ground in, ended the quarter mostly in the black while volumes ended on a mixed note. EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions reached USD18.6 billion in 2Q21, higher 39% Q-o-Q; predominantly on higher executions in Egypt and Abu Dhabi followed by Kuwait and KSA. On a Y-o-Y basis, brokerage executions, increased 40% Y-o-Y, largely on higher executions in Abu Dhabi, Kuwait and Egypt. For 1H21, brokerage executions reached USD32 billion, up 18% Y-o-Y, mainly on higher executions in Abu Dhabi, Kuwait, Qatar, and Egypt.

Brokerage revenues increased 31% Q-o-Q in 2Q21 to reach EGP333 million, mainly on higher revenues generated in Egypt, which accounted roughly for 50% of the total revenues in 2Q21, and Kuwait. Moreover, all other markets that we trade posted higher revenues Q-o-Q. On a Y-o-Y basis, revenues increased 42% in 2Q21, mainly on stronger revenues generated in Egypt and Kuwait. For 1H21, revenues increased 31% Y-o-Y, on higher revenues generated in Egypt followed by Kuwait, together with the reversal of losses incurred by the Fixed Income desk during 1H20.

in EGP million	Brokerage Revenue*							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Egypt	162	125	111	29%	46%	287	203	42%
UAE	33	26	28	30%	18%	59	66	-11%
KSA	23	23	26	3%	-11%	46	47	-3%
Kuwait	50	23	20	119%	150%	73	53	37%
Pakistan	6	6	3	-9%	105%	12	8	56%
Kenya	15	12	12	25%	25%	26	23	15%
Nigeria	4	4	8	-3%	-47%	9	23	-63%
Frontier Markets	11	12	9	-4%	31%	23	16	44%
Structured Products	13	20	7	-33%	84%	34	36	-8%
Fixed Income	4	(3)	5	N/M	-22%	1	(39)	N/M
Others**	11	8	5	49%	110%	19	11	72%
Total Revenue	333	255	234	31%	42%	587	447	31%

Source: EFG Hermes Management Accounts

*Brokerage revenue highlighted above represents entities and not markets

**Others include Jordan, Oman, and Bahrain

In terms of pure commissions booked in different markets, Egypt was the top contributor to Brokerage commissions in 2Q21, with 27.4%; meanwhile, Kuwait came in second place with 19.3%; followed by UAE markets (which includes Dubai and Abu Dhabi) in the third place with 13.9% contribution. For 1H21, Egypt secured the top position with 27.3%, while Kuwait came in second with 18.6%, followed by Frontier markets (which includes Nigeria, Kenya, Pakistan & other Frontier executions) with 13.3% contribution.

Commissions Breakdown by Market

Markets	2Q21	1H21
Egypt	27.4%	27.3%
DFM*	4.2%	4.6%
ADX	9.7%	7.9%
KSA	9.9%	10.4%
Kuwait	19.3%	18.6%
Qatar	7.5%	8.4%
Frontier Markets	13.3%	13.3%
Structured Products	2.1%	3.5%
Others**	6.6%	5.9%
Total	100%	100%

*DFM includes Nasdaq Dubai's share of 0.01% in 1H21

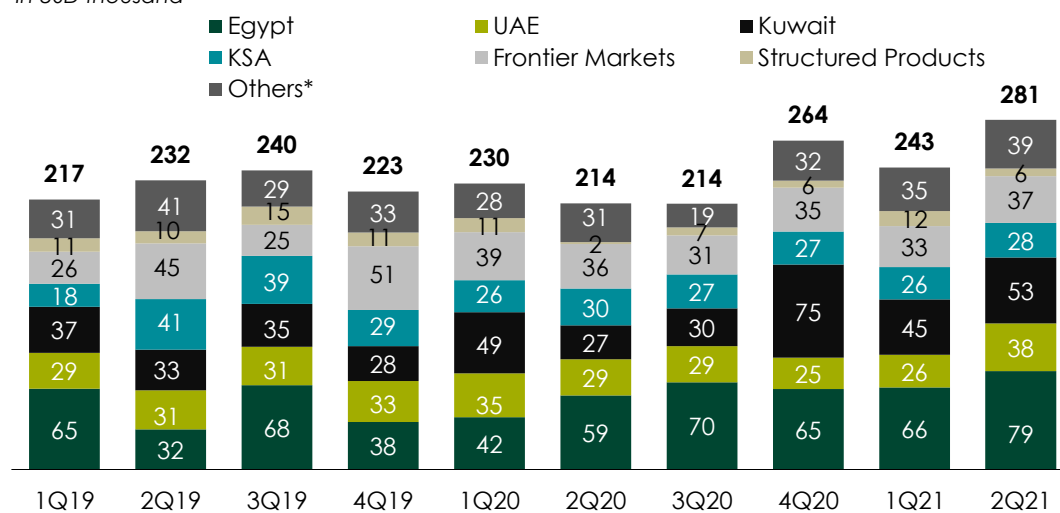
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The below chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate average daily commissions for the Brokerage business increased 16% Q-o-Q to reach USD281 thousand in 2Q21, on higher average daily commissions generated from Egypt, Kuwait, and the UAE. On a Y-o-Y basis, average daily commissions increased 31%, predominantly on higher commissions generated in Egypt, Kuwait and the UAE.

Average Daily Commissions

In USD thousand



*Others including: Qatar, Oman, Lebanon, Jordan, UK (GDRs), Bonds and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

in USD million	Brokerage Market Share & Executions							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Egypt*								
Market share	37.4%	29.4%	45.2%	8.0%	-7.8%	33.2%	46.3%	-13.1%
Executions	3,303	1,680	2,035	96.6%	62.4%	4,984	3,821	30.4%
UAE – DFM								
Market share	35.0%	28.6%	27.6%	6.4%	7.4%	31.5%	32.8%	-1.3%
Executions	1,250	1,204	1,270	3.8%	-1.5%	2,455	2,787	-11.9%
UAE – ADX								
Market share	13.5%	11.3%	49.6%	2.3%	-36.1%	12.7%	49.6%	-37.0%
Executions	3,383	1,653	1,297	104.6%	160.8%	5,036	2,752	83.0%
UAE - Nasdaq Dubai								
Market share	5.2%	31.3%	70.4%	-26.1%	-65.2%	15.4%	58.5%	-43.1%
Executions	1	2	1,043	-73.9%	-99.9%	3	1,822	-99.9%
KSA								
Market share	2.0%	1.5%	2.5%	0.5%	-0.5%	1.7%	3.0%	-1.3%
Executions	3,405	2,797	3,762	21.7%	-9.5%	6,202	6,738	-8.0%
Kuwait								
Market share	28.3%	35.3%	30.5%	-7.0%	-2.2%	31.0%	32.7%	-1.7%
Executions	3,772	3,068	1,891	23.0%	99.5%	6,840	4,727	44.7%
Oman								
Market share	11.9%	12.9%	26.0%	-1.0%	-14.1%	12.2%	22.5%	-10.3%
Executions	98	50	46	96.7%	111.7%	148	144	2.6%
Jordan								
Market share	5.7%	7.2%	12.3%	-1.5%	-6.6%	6.4%	7.3%	-0.9%
Executions	49	55	23	-10.2%	112.6%	104	44	137.7%
Pakistan								
Market share	3.0%	3.0%	5.1%	0.0%	-2.1%	3.0%	5.6%	-2.7%
Executions	244	306	147	-20.4%	66.4%	551	345	59.4%
Kenya								
Market share	63.6%	62.7%	46.7%	1.0%	16.9%	63.2%	41.8%	21.4%
Executions	224	185	172	20.9%	30.1%	409	326	25.7%
Nigeria								
Market share	4.8%	4.6%	21.4%	0.2%	-16.6%	4.7%	24.2%	-19.5%
Executions	47	85	110	-45.3%	-57.6%	132	325	-59.6%
Frontier								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	283	271	243	4.4%	16.2%	553	412	34.4%
Structured Products								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	327	216	73	51.3%	347.1%	544	419	29.9%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Bahrain, Lebanon, UK(GDRs), Bonds, and others represent an additional 10% of total Brokerage executions in 2Q21 and 11% in 1H21

Source: EFG Hermes and Regional Exchanges

Egypt

The Egyptian market was largely muted, with volumes declining 18% Q-o-Q and the Hermes Financial Index (HFI) inching up 0.9% Q-o-Q in 2Q21. However, EFG Hermes Brokerage managed to grow its market share with its executions nearly doubling Q-o-Q.

During the quarter, EFG Hermes successfully concluded the dual listing of Integrated Diagnostics Holdings "IDH", and the sale of Bank Audi's 100% share capital of its Egyptian unit to First Abu Dhabi Bank "FAB" on the EGX.

EFG Hermes continued to dominate the first spot on the EGX, with the Firm's market share (excluding special transactions) increasing to 37.4% in 2Q21 up from 29.4% a quarter earlier, thus taking 1H21 market share to 33.2%. Meanwhile, EFG Hermes market share including special transactions more than doubled Q-o-Q to reach 53.0% in 2Q21 versus 24.2% in 1Q21.

Foreign participation accounted for c.13% of the market activity (excluding special transactions) during the second quarter, and EFG Hermes successfully captured 47% of those flows. Moreover, the Firm maintained its strong footing in the retail business, ranked as the top broker with c.12% of the retail executions during 2Q21.



UAE – Dubai

The Dubai market ended 2Q21 on a mixed note, with the DFMGI adding 10.2% Q-o-Q, and volumes decreasing 15% during the quarter, as a result of the decrease in retail activity and western long only institutions. Meanwhile, the majority of the activity was undertaken by thematic and synthetic foreign flow in addition to GCC investors.

During the quarter, EFG Hermes captured the majority of the flow associated with the deletion of Emaar Malls from MSCI Emerging market indices, facilitating the Firm's first place ranking for 2Q21 and 1H21 with a market share of 35.0% and 31.5%, respectively.

Foreign participation came at 32% in 2Q21 and 30% in 1H21, whereas EFG Hermes has successfully captured 37% of the foreign flow during the quarter and 35% during 1H21.



UAE – ADX

Another buoyant quarter for the ADX, with the ADI adding 15.6% Q-o-Q in 2Q21, and volumes rising 73% Q-o-Q, mainly on the back of FAB receiving an up-weight from MSCI resulting in USD400 million of passive inflows; in addition to block placements in ADNOC and ADCB worth an aggregate of c.USD800 million.

During the quarter, EFG Hermes successfully captured most of the MSCI-related flows as well as MSCI EM futures rollover in 2Q21. The Firm's market shares came at 13.5% in 2Q21 and 12.7% in 1H21 with a 2nd place ranking for both periods.

Foreign participation represented 32% of the market activity in 2Q21 and 34% in 1H21, with EFG Hermes capturing 17% and 15% of those foreign flows, respectively.

Saudi Arabia

The Tadawul All Share Index continued its upward trajectory yet on slimmer volumes, with the Index adding 10.9% Q-o-Q, supported by foreign investors' activity; however, volumes declined 8% Q-o-Q in 2Q21.

The QFI and the swaps volumes combined reached SAR72.0 billion in 2Q21 to account for 5.6% (of which the swaps accounted for 0.03% and the QFIs for 5.58%) of the total market's turnover during the quarter, with EFG Hermes capturing 4.7% of this business in 2Q21.

EFG Hermes market share came at 2.0% in 2Q21, versus 1.5% a quarter earlier, with a 7th place ranking among non-commercial banks brokerage firms, down from 6th place ranking in 1Q21. The minor change in the Firm's ranking came as a result of passive inflows associated with MSCI and FTSE events executed by international brokers with seats on Tadawul. For 1H21, the Firm's market share came at 1.7% with 6th place ranking among non-commercial banks brokerage firms.

Moreover, in the Sukuk & Bonds market, EFG Hermes KSA's market share stood at 14.3% and ranked 4th amongst the general brokers' ranking during 2Q21.

#2

Abu Dhabi

Market share **12.7%**
Executions **AED18.5bn**
+83% Y-o-Y, 1H21

#6

KSA

Market share **1.7%**
Executions **SAR23.0bn**
-8% Y-o-Y, 1H21

Kuwait

A strong quarter for the Kuwaiti market with the main market index gaining 10.6% Q-o-Q, and volumes soaring 50% Q-o-Q in 2Q21; driven by GCC and foreign investors who were net buyers, while local investors came as net sellers.

EFG Hermes IFA market share came at 28.3% in 2Q21 with a third place ranking, and 31.0% with a second place in 1H21. The decline in the Firm's market share and ranking came on the back of increased activity across all investors' segments trading across all licensed brokers, with many of these investors executing through commercial banks' brokerage arms.

However, among foreign investor EFG Hermes IFA continued to lead, with the Firm capturing a decent 55.7% of the foreign flow, which came at 8.1% of the total market volume in 2Q21. For 1H21, foreign participation accounted for 10.2% of the total market activity, whereby EFG Hermes successfully seized 55.3% of these flows.

#2

Kuwait

Market share **31.0%**
Executions **KWD2.1bn**
+45% Y-o-Y, 1H21

Oman

The Omani market MSM Index increased 9.6% Q-o-Q in 2Q21 and volumes increased 46% Q-o-Q; supported by special transactions worth c.OMR100 million and that accounted for 31% of the market turnover.

EFG Hermes Oman's market share came at 11.9% in 2Q21 with the 5th place ranking, as a result of the decrease in foreign and GCC clients' activity in Oman. For 1H21, the Firm's market share stood at 12.2% with a fifth place ranking.

Foreign participation came at 7.7% of the market turnover in 2Q21 and 6.9% in 1H21, with EFG Hermes capturing 8.9% and 12.3% of those flows in 2Q21 and 1H21, respectively.

#5

Oman

Market share **12.2%**
Executions **OMR57mn**
+3% Y-o-Y, 1H21

Jordan

The Amman Stock Exchange Index gained 18.4% Q-o-Q, while volumes rose 12% Q-o-Q in 2Q21, driven mostly by strong retail activity.

The Firm's market share came at 5.7%, with a 13th place ranking on the market for 2Q21, and 6.4% with the 10th place ranking for 1H21. The decline in ranking was attributed to a decline in local institutional activity and the disappearance of foreign institutional investors from the market.

In terms of foreign participation, foreign activity accounted for 2.5% of the market turnover in 2Q21 and 2.9% in 1H21; whereby EFG Hermes captured 10.7% of that flow in 2Q21 and 8.3% in 1H21.

#10

Jordan

Market share **6.4%**
Executions **JOD74mn**
+138% Y-o-Y, 1H21

Pakistan

The KSE100 added 6.2% Q-o-Q, while volumes decreased 15% Q-o-Q in 2Q21; mainly dragged by COVID-19 third wave. During the quarter, the MSCI called for consultation to downgrade Pakistan to frontier as the market failed to meet the market capitalization criteria.

Foreign investors continued to cut down their exposure and sold USD92 million during the quarter, taking 1H21 cumulative sale to USD109 million. Within the local space, individuals and retail were the major buyers. EFG Hermes Pakistan market share came at 3.0% in 2Q21 and 1H21. Meanwhile, foreign participation came at 6.7% for 2Q21 and 6.3% in 1H21, of which EFG Hermes executed 9.3% in 2Q21 and 10.7% of 1H21.

N/A

Pakistan

Market share **3.0%**Executions **PKR38.6bn**

+48% Y-o-Y, 1H21

Kenya

The Kenyan market saw the NASI rise 9.4% Q-o-Q and the volumes increase 19% Q-o-Q in 2Q21; driven by gains recorded by some large cap stocks.

Driven by foreign activity, EFG Hermes market share increased to 63.6%, maintaining its 1st place ranking for 2Q21 and 1H21; with 1H21 market share reaching 63.2%.

Foreign participation accounted for 57.6% of the total market activity in 2Q21 and 58.5% in 1H21, of which EFG Hermes executed 51.1% of this flow in 2Q21 and 47.6% in 1H21.

#1

Kenya

Market share **63.2%**Executions **KES44.1bn**

+27% Y-o-Y, 1H21

Nigeria

The Nigerian Index lost 2.9% Q-o-Q, while volumes declined 43% Q-o-Q in 2Q21, with the sharp decline in liquidity attributed predominately to the reallocation of flows from equities towards the fixed income market, as yields improve.

Meanwhile, the declining trend of foreign investors' activity persisted as investors continued to struggle with the FX repatriation, however, some of the trapped foreign funds were reinvested in quality consumers and financial stocks accounting for 20% of the market activity in 2Q21.

EFG Hermes Nigeria held the sixth place ranking in 2Q21 and fifth place in 1H21, with a market share of 4.8% and 4.7%, respectively.

#5

Nigeria

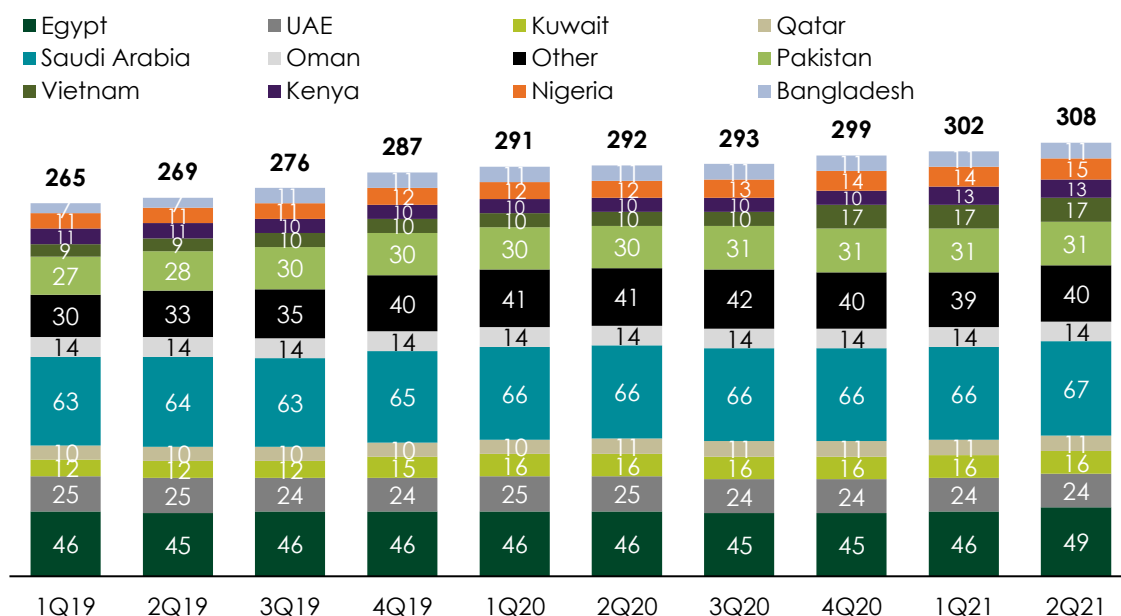
Market share **4.7%**Executions **NGN48.7bn**

-60% Y-o-Y, 1H21

ii. Research

Research Coverage Universe

Number of Companies



Source: EFG Hermes Research

EFG Hermes Research team initiated coverage of three stocks in Egypt during 2Q21: Rameda; a pharmaceutical company; Integrated Diagnostics Holdings; a healthcare service provider; and Contact Holding, a consumer company, which further deepened the team’s coverage of sectors that are increasingly at the forefront of investors’ interest, especially in Egypt. Moreover, the team initiated coverage on Theeb Rent a Car, a car rental company in Saudi Arabia, and LabelVie, a supermarket play in Morocco.

The team saw an increase in the amount of research reports published in 2Q21, which can be partially attributed to improved confidence in the business outlook now that the vaccine rollout is in full swing and economies have returned to some form of normalcy that has enabled analysts to have more confidence in medium- and long-term forecasts.

By the end of 2Q21, EFG Hermes Research active coverage reached 308 stocks, spread across 22 countries and 40 industries, with a strong pipeline in frontier markets over the coming few months and new markets currently under exploration. In terms of MIFID, we have seen no major changes and it is very much business as usual.

iii. Investment Banking

In 2Q21, EFG Hermes' Investment Banking division successfully advised on eight transactions: two equity, four M&A and two debt transactions worth an aggregate value of USD946 million, bringing the total number of transactions concluded this year to 16 with a total value of USD1.5 billion.

On the equity front, EFG Hermes successfully acted as financial advisor and bookrunner on the dual listing of Integrated Diagnostics Holdings (IDH) on the EGX. The offering, which marks the first of its kind on the exchange, included an accelerated equity offering portion worth USD30 million, and aims to increase the stock's liquidity by creating a strong and active retail market, in efforts to unlock untapped value. Building on its longstanding relationship with Fawry for Banking and Payment Technology Services, the team also successfully advised the company on its capital increase amounting to USD25 million, through the issuance of tradeable rights.

In the M&A space, the division successfully concluded advisory to Bank Audi S.A.L. on the sale of 100% of its Egyptian subsidiary, Bank Audi S.A.E., to First Abu Dhabi Bank PJSC (FAB). The landmark transaction aims to shore up Bank Audi's capitalization as well as help FAB grow its presence in Egypt's structurally solid banking sector. EFG Hermes also successfully acted as sell side advisor to Hayah International Academy on the divestment of a 100% stake to Egypt Education Platform. Additionally, the division acted as financial advisor to Foundation Holdings on the acquisition of Saudi-based Shifa Al Munthaza Polyclinic Company. Finally, the team also concluded the take private and delisting of ADES International from the London Stock Exchange in a transaction worth USD178 million, through Innovative Energy, a newly established transaction vehicle, jointly owned by ADES Investments, the Public Investment Fund of Saudi Arabia (PIF) and Zamil Group.

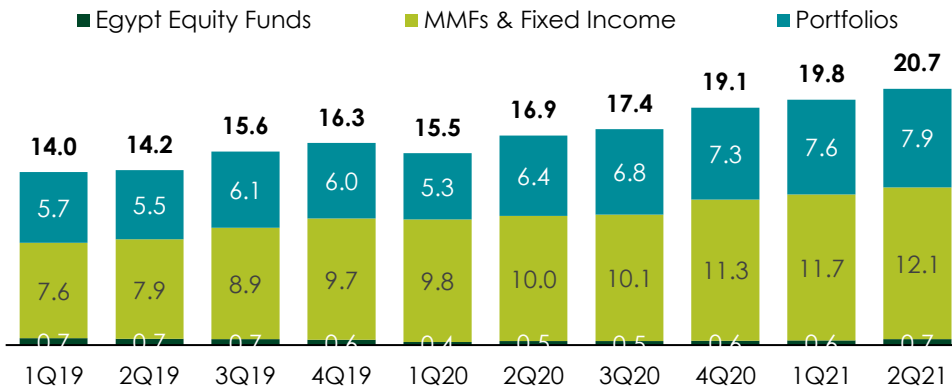
On the debt front, the Investment Banking division successfully secured a lease financing for National Printing Company, a large Egyptian paper and packaging player. Additionally, the team issued a securitization bond for Talaat Mostafa Group (TMG), which marks the third issuance of the company's three-year program to issue EGP6 billion (USD382 million) in securitization bonds.

EFG Hermes' remarkable performance in 2Q21, covering the full spectrum of equity, M&A and debt mandates, is a testament to the firm's ability to withstand the challenging external environment presented by the COVID-19 pandemic, by providing world-class advisory services to its local and regional client base. EFG Hermes is expected to continue to expand its MENA footprint, by sustaining its positive performance throughout the second half of the year, on the back of a healthy pipeline of M&A, equity and debt transactions.

iv. Asset Management

Egypt Assets under Management Evolution

In EGP billion

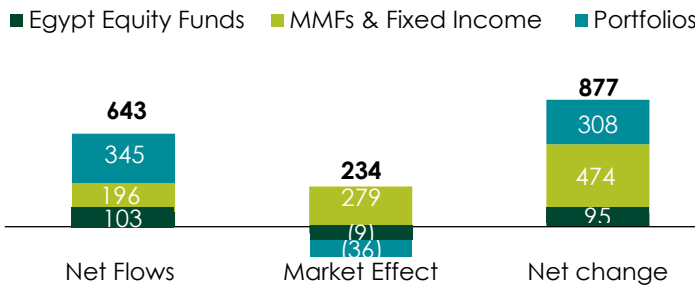


Source: EFG Hermes Asset Management

EFG Hermes Egypt Asset Management AUMs inched up 4% Q-o-Q to reach EGP20.7 billion at the end of 2Q21. Net inflows contributed 3% to the total increase in AuMs, predominantly from inflows in equity portfolios mainly from an additional equity subscription in one of our portfolios. This in addition to inflows into the FI/MMFs. Meanwhile, markets appreciation represented the remaining 1% of the increase in total AUMs, mainly on MMFs appreciation.

Quarterly Change in Egypt Mandates

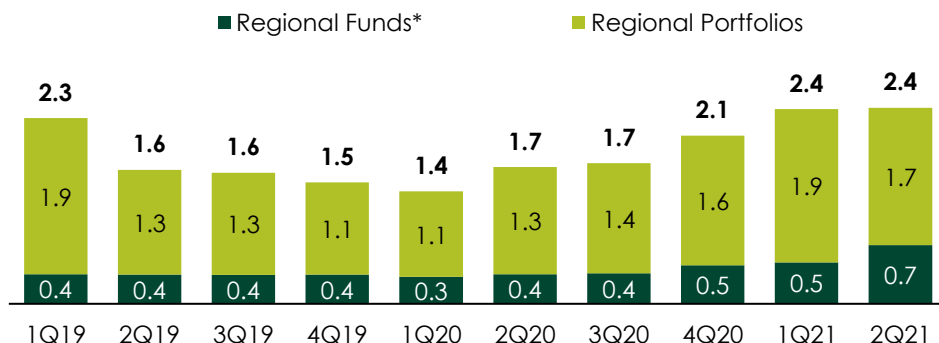
In EGP million



Source: EFG Hermes Asset Management

Regional Assets under Management “FIM” Evolution

In USD billion



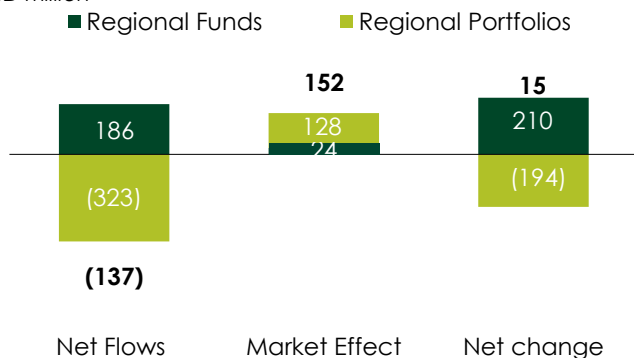
*Includes SPAC and real estate

Source: FIM

EFG Hermes Regional Asset Management (FIM) AuMs inched up 0.6% Q-o-Q, closing the quarter at USD2.4 billion, on outperformance across the Firm’s funds and managed accounts. The Firm raised USD200 million for the Frontier Investment Corporation SPAC. The SPAC is targeting companies with business operations in the technology, digital media, e-commerce, financial technology, or digital services sectors across the high growth markets of the Middle East North Africa & Turkey, Sub-Saharan Africa, and South Asia and Southeast Asia.

Quarterly Change in Regional Mandates

In USD million



Source: FIM

Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD336.44 at the end of 2Q21 versus a NAV/share of USD316.95 in 1Q21. The Fund gained 6.1% during the quarter versus the S&P Pan Arab Composite Index, which gained 8.4% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,272.61 at the end of 2Q21 versus a NAV/share of USD1,104.65 in 1Q21. The Fund gained 15.2% over the quarter versus the MSCI FEM Index, which gained 6.5% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD1,475.10 at the end of 2Q21 versus a NAV/share of USD1,324.62 at the end of 1Q21.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,311.90 at the end of 2Q21 versus a NAV/share of USD1,261.74 in 1Q21. The Fund gained 4.0% during the quarter versus the JPM MECIGCC, which gained 3.1% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,187.43 at the end of 2Q21 versus a NAV/share of USD1,158.82 in 1Q21. The Fund gained 2.5% during the quarter versus the Markit iBoxx Sukuk which gained 1.8% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD1,094.36 at the end of 2Q21 versus a NAV/share of USD1,056.05 in 1Q21. The Fund gained 3.9% during the quarter versus a gain of 3.8% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.

v. Private Equity

Infrastructure

Vortex Energy, a global renewable energy platform managed by the private equity arm of EFG Hermes, has reached first close of USD200 million (including a USD25 million conditional commitment) for its fourth fund, which is anchored by EFG Hermes and Abu Dhabi sovereign institutional investors and family offices, among others. Vortex Energy IV was established in Abu Dhabi Global Markets (ADGM) where the team will be based and will work alongside Vortex Energy's existing and growing team in London.

Education

Egypt Education Fund successfully completed its third closing in March 2021, which saw additional commitments being secured amounting to almost USD15 million and subscribed to by the Sovereign Fund of Egypt. The fund's total commitments currently stand at almost USD150 million.

The Fund's education platform also registered a new milestone in its growth track in the Egyptian market in June 2021, through the addition of Hayat International Academy which ranks as one of Egypt's top education establishments with c.1.4k enrolled students.

The Fund's education platform currently holds a diversified portfolio comprising 6 schools housing +8k students in addition to a majority stake in Option Travel, the leading transport provider in Egypt.

Healthcare

Following a year of hands on management under the Rx Health Management "RxHM" team, United Pharma "UPH" (RxHM's first investment) has successfully closed the financial year 2020 in line with its budget targets. During FY2020, UPH has successfully secured compliance with Ministry of Health "MoH" best practice GMP guidelines; re-established supply relationships with commercial covering +800 hospitals across Egypt (out of a total market of +1,300 hospitals); gained a market share of +13% despite challenging market conditions (amid the Covid-19 pandemic), with a month to month sales growth of +30% was achieved since start of year. UPH has realized an EBITDA margin of +22% for FY 2020, exceeding several established market peers.

UPH continues to capitalize on the success achieved in 2020 to expand the product portfolio by adding complimentary products serving the hospitals B2B segment (such as anesthetics, and higher value added injectables); synergistic hydro-based products serving the B2C segment; in addition to enhancing focus on exports to neighboring markets facing shortages in essential medical supplies. During 1H21 UPH has entered into a pivotal relationship with government's United Purchasing Authority "UPA", and secured a number of new products to be introduced across its target market segments.

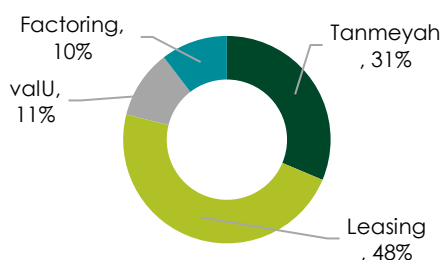
In parallel to the ongoing value creation process within UPH, Rx Healthcare platform is in progress with transaction processes on a number of highly promising opportunities in the injectables and generics pharma segments, with potential aggregate deal values exceeding EGP1 billion, supporting EFG's healthcare platform strategy of expanding its investments in the pharmaceuticals sector, and capitalizing on the track record achieved in United Pharma.

NBFIs Financial Performance

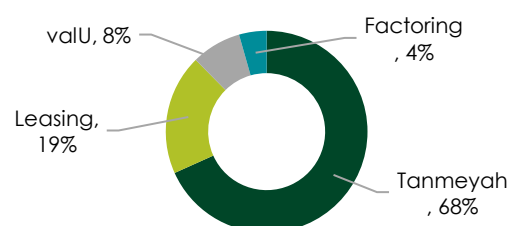
NBFIs Balance Sheet Highlights

<i>in EGP million</i>	June-21	Mar-21	Dec-20	June-20	Q-o-Q	YTD	Y-o-Y
Portfolio Outstanding	10,683	9,870	9,036	7,566	8%	18%	41%
Provision Balance	415	416	388	340	0%	7%	22%
Total Equity	2,063	1,807	1,703	1,432	14%	21%	44%

Portfolio Contribution by LoB



Provisions Contribution by LoB

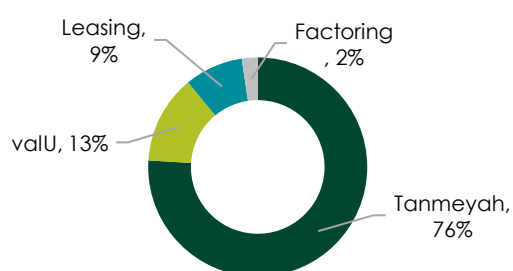


NBFIs Financial Highlights

<i>in EGP million</i>	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Operating Revenue	483	441	299	9%	62%	925	661	40%
Operating Expenses	299	257	226	16%	33%	557	558	0%
Net Operating Profit	184	184	74	0%	150%	368	103	259%
Net Operating Margin	38%	42%	25%			40%	16%	
Net Profit (Loss) After Tax & Minority Interest*	112	111	31	0%	260%	223	9	2501%

*After allocation of corporate costs

Revenue Contribution by LoB



NPAT Contribution by LoB



*After allocation of corporate costs

vi. Micro-Finance "Tanmeyah"

Tanmeyah showed an evident improvement in its KPIs during 2Q21, with its portfolio reaching EGP3.3 billion, the highest since its inception, despite a challenging quarter due to Ramadan and Eid holidays.

Securitization

Tanmeyah's securitization net gain reached EGP24 million out of which EGP12 million were recognized in FY20 and EGP12 million were recognized in 2Q21.

Results at a Glance and Performance Review

	KPIs							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Total Number of Active Borrowers	362,805	348,100	295,256	4%	23%	362,805	295,256	23%
Total Number of Processed Applications	105,788	107,803	79,782	-2%	33%	213,591	182,855	17%
Total Number of Loans Issued	90,167	91,703	66,458	-2%	36%	181,870	154,539	18%
Total Portfolio Outstanding (EGP mn)	3,347	3,195	2,833	5%	18%	3,347	2,833	18%
Total Number of Employees	4,919	5,117	4,510	-4%	9%	4,919	4,510	9%

Source: Tanmeyah

Operational Update

Sales

Sales reached EGP1.3 billion in 2Q21, up 44% Y-o-Y; on strong sales throughout the 3 months of the quarter and on a relatively weak comparable quarter after the outbreak of COVID-19.

On a Q-o-Q basis, sales inched up 2% despite having only 17 working days in May and slightly lower number of loans issued; on the back of: (i) higher average ticket size by 9% Q-o-Q as the company increased the minimum ticket size of the MEL product from EGP 5,000 to EGP 7,000 in March; (ii) seasonal offers to its field staff and clients to boost productivity; and (iii) WIB was rolled out to all of Tanmeyah's branches instead of only 21, which led to a boost in both the WIB sales and the total loan value.

Branches

Tanmeyah's operational branches remained unchanged at 286 branches by the end of 2Q21, however, it has fully furnished 15 branches in 2Q21 and is awaiting FRA license.

Portfolio Quality & Provisions

Provisions booked in 2Q21 amounted to EGP10 million due to the recognition of the remainder of the securitized portfolio on Tanmeyah's books. In May-21, Tanmeyah wrote-off EGP31 million (0.9%), thus resulting in a decline in the PAR30+ and the NPLs ratios. This takes total provision balance to EGP283 million, representing a portfolio coverage of 8.5% at the end of 2Q21.

vii. Consumer Finance “valu”

During the holy month of Ramadan, valu joined forces with its strategic partners, offering its customers discounts and flexible payments terms across all categories. Moreover, it partnered with the leading lifestyle regional retail group AZADEA, adding big names such as Zara Home, Oysho, Stradivarius, Pull and Bear and more.

Beside onboarding new partners and focusing on increasing loan issuance, one of valu's main KPIs is increasing its customer base and expanding its unbanked population. In May-21 valu launched the “valu Family Program” enabling valu clients' 1st degree relatives above the age of 16 to acquire a limit. This program is the first of its kind and aims at expanding valu's unbanked customer coverage.

Furthermore, on the 2nd of May, valu launched its Mega Campaign featuring the Egyptian star Ruby across TV, Digital channels, and OOH. The ad became viral and hit more than 12 million views. The campaign proved highly successful impacting the growth of app downloads as well as valu app customers Q-o-Q. The advertisements served to expand valu's customer base and predominately elevate valu's brand visibility. valu took home the “Best BNPL Platform Award” presented by Entrepreneur Middle East; solidifying valu's market leading position.

Results at a Glance and Performance Overview

	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y	BTD
App Business									
valu App Customers ⁽¹⁾	37	27	24	40%	61%	64	47	36%	229
Limits Activated Value (EGP mn)	440	397	248	11%	78%	837	561	49%	3,186
Total Loans Issued (EGP mn)	407	364	196	12%	108%	770	395	95%	2,150
Outstanding Portfolio (EGP mn)	1,105	951	534	16%	107%	1,105	534	107%	1,105
Number of Transactions ⁽¹⁾	83	79	39	6%	113%	162	78	107%	426
Portfolio Tenure (In months)	15.8	15.8	16.4	0%	-4%	15.8	16.4	-4%	15.8
Number of Merchants	1,043	973	721	7%	45%	1,043	721	45%	1,043
Non-App Business									
Outstanding Portfolio (EGP mn)	38	41	48	-6%	-20%	38	48	-20%	38
Number of Transactions	5	4	1	25%	400%	9	6	50%	296
Portfolio O/S (EGP mn)	1,143	992	581	15%	97%	1,143	581	97%	1,143

(1) Numbers are in thousands
Source: valu

App Business

valu reported another set of favorable results in 2Q21, with all its KPIs growing Q-o-Q and Y-o-Y; and its outstanding portfolio breaking the EGP1 billion mark to reach EGP1.1 billion at the end of 2Q21, up 16% Q-o-Q and 107% Y-o-Y.

valu app customers increased 40% Q-o-Q in 2Q21, with this mainly attributed to advertising campaign that effectively raised brand awareness and increased valu's total downloads by 115% Y-o-Y.

Total loans issued increased 12% Q-o-Q and the number of transactions grew 6% Q-o-Q in 2Q21,

with valU recording its highest number of monthly transactions in June, reaching 31 thousand of transactions worth USD10 million, a record-breaking figure in a single month. Online sales have contributed to 21.6% of transactions and 17.6% of the loans issued in 2Q21.

Active merchants increased by 25% Q-o-Q from 485 transacting merchants in 1Q21 to 604 transacting merchants in 2Q21. 70 new merchants were on boarded in 2Q21, reflecting a 7% Q-o-Q increase in the total number of merchants, thus taking the total number of merchants to 1,043 merchant in 2Q21 from 973 merchant as of 1Q21.

Non-App Business

BTB outstanding portfolio decreased by 6% Q-o-Q in 2Q21, because valU is currently focusing on growing the BTC business.

Loan Loss Provisions & ECL

Provision figures are taken as the higher of the PD & FRA methods to ensure at all times that provision levels do not fall beneath FRA requirements. valU ended 2Q21 with a total provision balance of EGP33.2 million representing a coverage ratio of 3.5%.

Geographical Presence

2Q21	1Q21	2Q20
Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria
Hurghada	Hurghada	Hurghada
Tanta	Tanta	Tanta
Mansoura	Mansoura	Mansoura
Portsaid	Portsaid	Portsaid
Ismailia	Ismailia	
Assiout	Assiout	
Monofia	Monofia	
Menia		
Damanhour		

Source: valU

viii. Leasing

Quarterly Performance

	KPIs							
	2Q21	1Q21	2Q20	Q-o-Q	Y-o-Y	1H21	1H20	Y-o-Y
Number of New Contracts	26	18	20	44%	30%	44	36	22%
Total Outstanding Portfolio (EGP mn)	5,827	5,635	4,187	3%	39%	5,827	4,187	39%
On-books Outstanding Portfolio* (EGP mn)	5,083	4,867	3,829	4%	33%	5,083	3,829	33%
NFA for New Contracts (EGP mn)	802	856	264	-6%	203%	1,657	767	116%
Rec. Value of New Contracts** (EGP mn)	816	971	391	-16%	109%	1,787	1,089	64%

* Includes on-balance sheet and VC transactions

** The receivables value of the new contracts (contract value + future interest payments)

Source: EFG Hermes Leasing

The leasing line of business booked EGP802 million of new contracts during 2Q21; representing a robust growth of 203% Y-o-Y. The increase in the value of contracts booked in 2Q21 was mainly driven by a number of bookings in the Educational sector, which accounted for 39% of the total value of contracts booked in 2Q21; in addition to a significant contribution from the Printing & Packaging and the Real Estate sectors. Accordingly, total on-books outstanding portfolio reached EGP5.1 billion, higher 33% Y-o-Y and 4% Q-o-Q by the end of 2Q21.

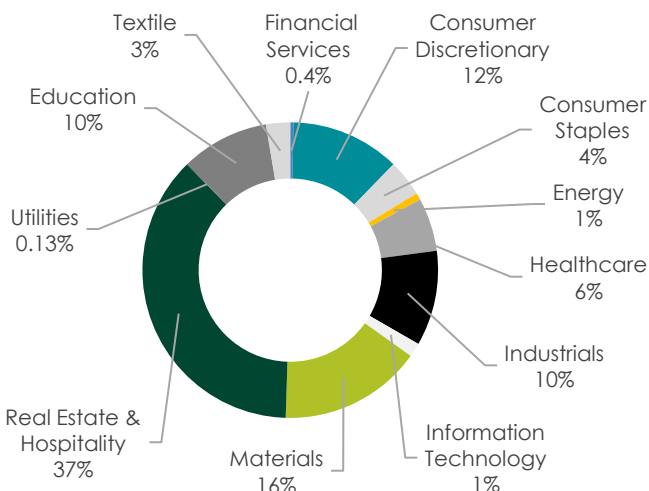
The number of contracts booked during the second quarter increased to 26 contracts, up from 18 contracts in 1Q21; thus reflecting a smaller average ticket size Q-o-Q. Average ticket size declined to EGP31 million in 2Q21 versus EGP48 million a quarter earlier.

Management continues looking forward on capitalizing on its cross-selling approach offering bundled financial solutions for its clients. Currently, Corp Solutions has 11 joint clients utilizing Leasing and Factoring facilities.

Loan Loss Provisions and ECL

By the end of 2Q21, Leasing total provision balance stood at EGP80.1 million, reflecting a total provision coverage of 1.6% for the Leasing business.

Portfolio Distribution by Client Industry



Source: EFG Hermes Leasing

Portfolio distribution by client industry changed slightly over 2Q21; as the Real Estate & Hospitality continued being the top contributor, having the lion's share of 37% and triggered by the booking of several big tickets. Materials came in second, with a 16% contribution, after successfully closing a big ticket with a leading printing and packaging manufacturer. Whereas, Consumer Discretionary came in third to account for 12% of the portfolio. Furthermore, the Education sector accounted for 10% of the total portfolio.

Market Share

2Q21 ranking has not yet been released by the FRA; however as of May-21, EFG Hermes Leasing held the 6th place ranking, moving up 1 place from the prior month. Market share stood at 6.18% by the end of May-21 versus 3.15% by the end of March-21. Worth noting that, during the month of May-21, EFG Hermes Leasing was ranked 2nd with a market share of 23.0%.

Ranking		
5M21	Company Name	Market Share (%)
1	Corplease	18.5%
2	BM Lease	14.3%
3	Global Corp	9.1%
4	GB Lease	7.1%
5	Cairo Lease	6.9%
6	EFG Hermes Leasing	6.2%
7	El Tawfiq for Leasing	5.1%
8	GB Tameer for Leasing	4.5%
9	Others	28.4%

Source: EFG Hermes Leasing

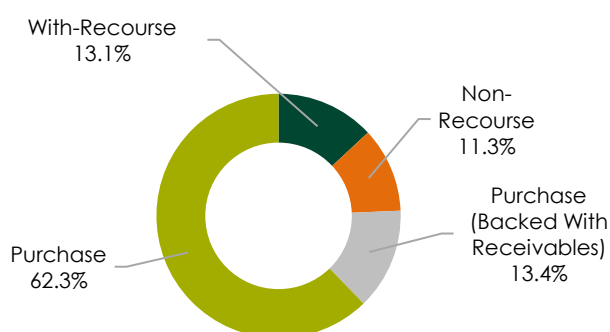
ix. Factoring

Factoring business added 4 new active clients during 2Q21, namely in the healthcare and materials sectors; supporting a 10% Q-o-Q increase in the number of existing clients.

Outstanding portfolio surpassed the EGP1 billion level for the first time since inception placing EFG Hermes Factoring as top ranked for the first 5 months of the year, with a market share of 20.4%.

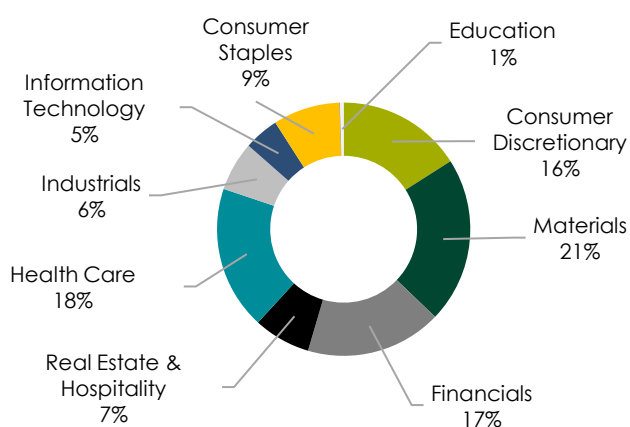
Domestic non-recourse has been one of the products of focus in 2Q21, as it currently accounts for 11% of the portfolio; whereby, the Firm was able to access large corporates and multinational companies, in an attempt to further diversify the portfolio's product mix. Supply chain financing has additionally been an area of focus and helped support SME clients to get access to funding; today SME clients account for 18% of the factoring portfolio, the highest level since establishment.

Portfolio Analysis



Source: EFG Hermes Factoring

Portfolio Breakdown by Industry



Source: EFG Hermes Factoring

Loan Loss Provisions and ECL

By the end of 2Q21, Factoring total provision balance stood at EGP18.3 million, reflecting a total provision coverage of 1.6% for the Factoring business.

Market Share

FRA has not yet released 2Q21 market share data. However, EFG Hermes' Factoring business came in 1st place in the first 5 months of the year and managed to increase its market share to 20.38% (up from 14.4% in 1Q21).

Ranking		
5M21	Company Name	Market Share (%)
1	EFG Hermes Factoring	20.4%
2	Egypt Factoring	18.7%
3	Drive Factoring	15.7%
4	QNB Al Ahli Factoring	14.0%
5	BM Factoring	8.5%
6	Others	22.8%

Source: EFG Hermes Factoring

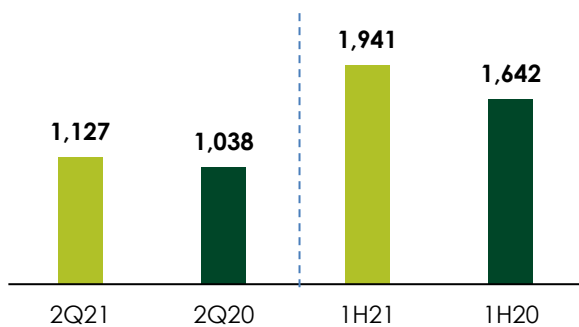
ANNEX

Contribution by Platform

Revenues

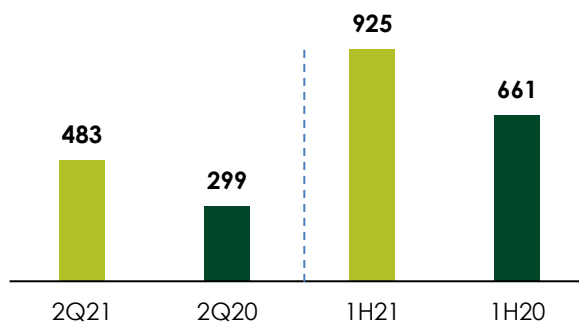
Investment Bank

In EGP million



NBFIs

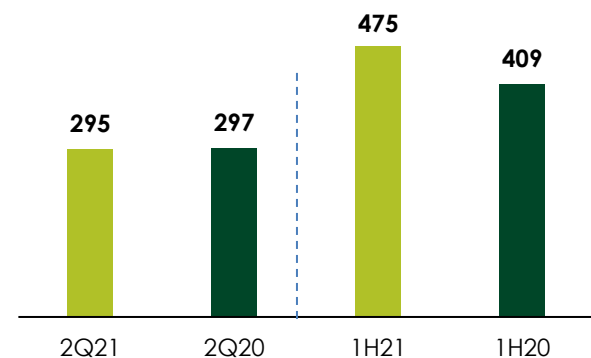
In EGP million



NPAT

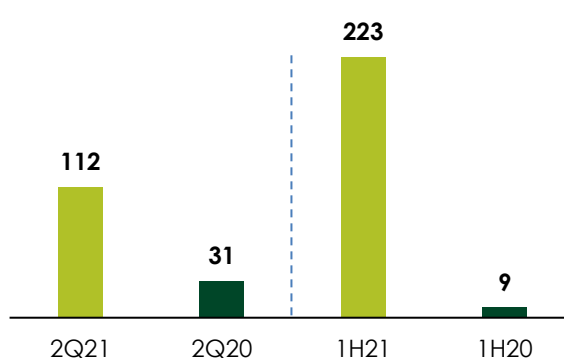
Investment Bank

In EGP million



NBFIs

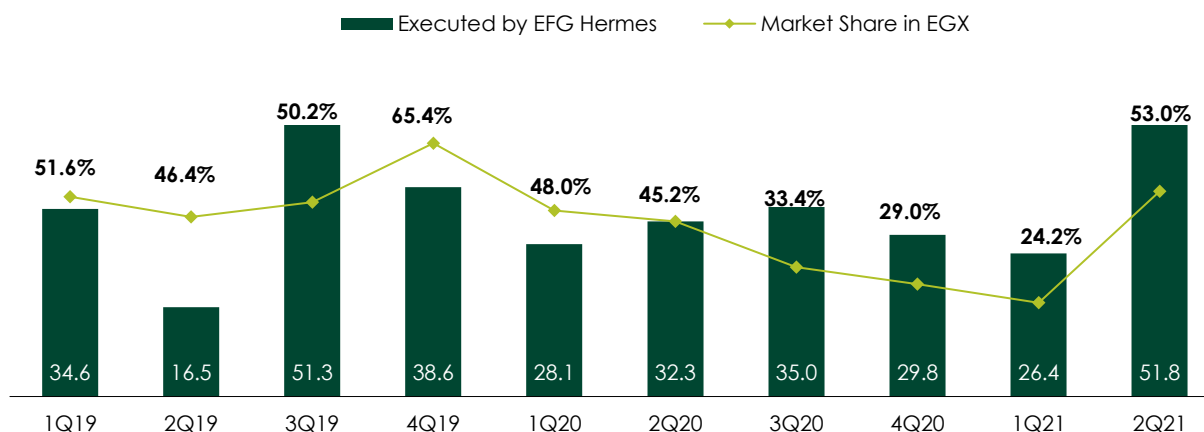
In EGP million



EFG Hermes Executions & Market Shares

Egypt*:

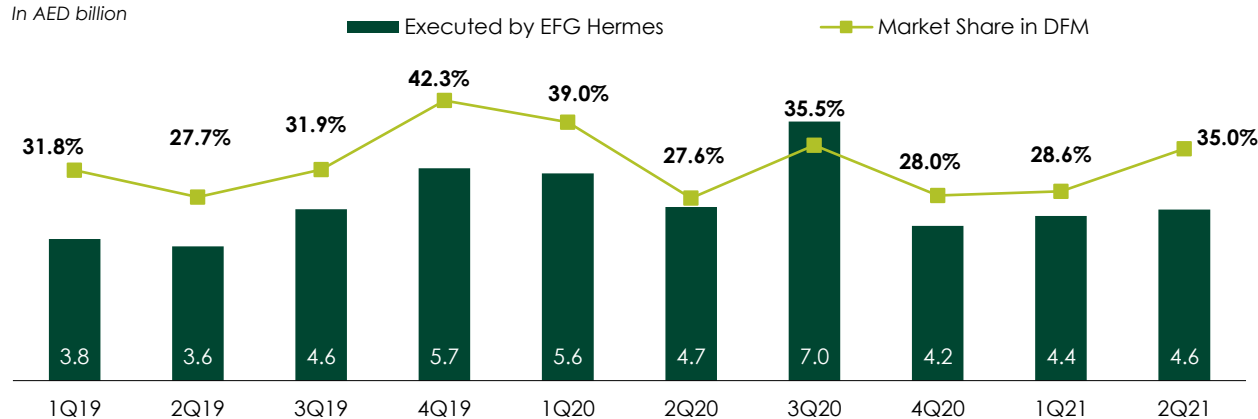
In EGP billion



*Market share calculation includes special transactions

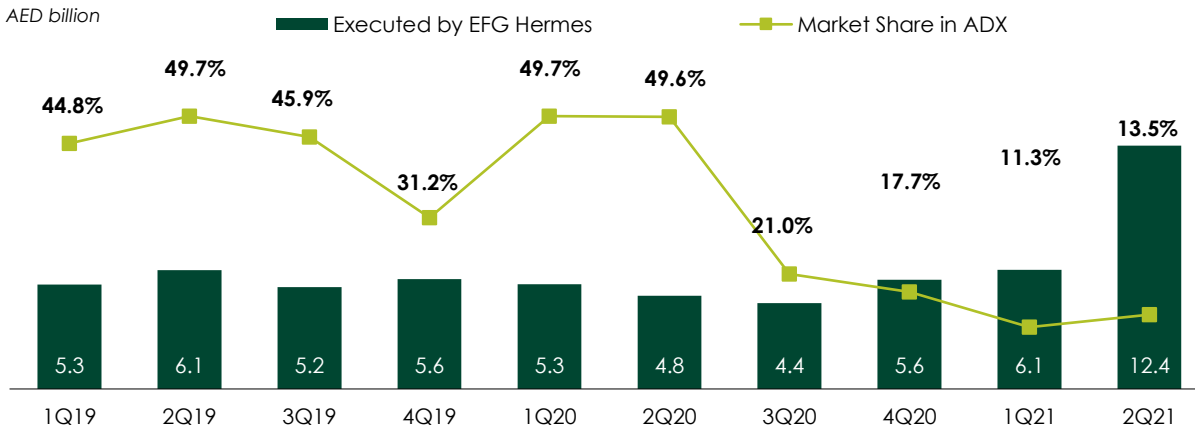
UAE- DFM

In AED billion



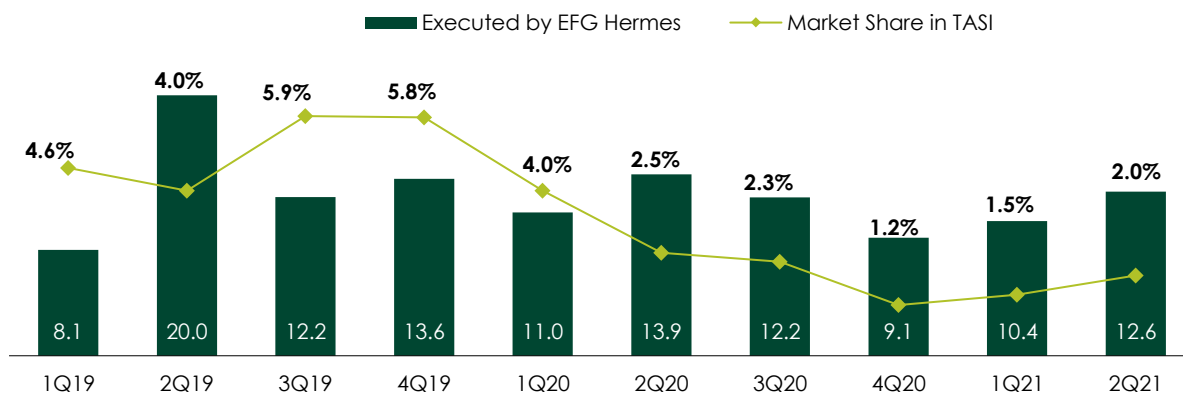
UAE - Abu Dhabi

In AED billion



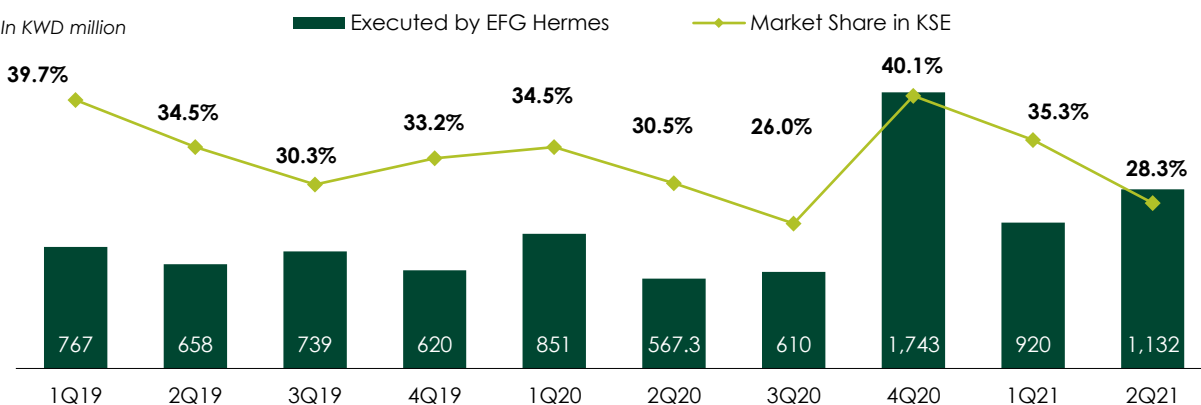
KSA

In SAR billion



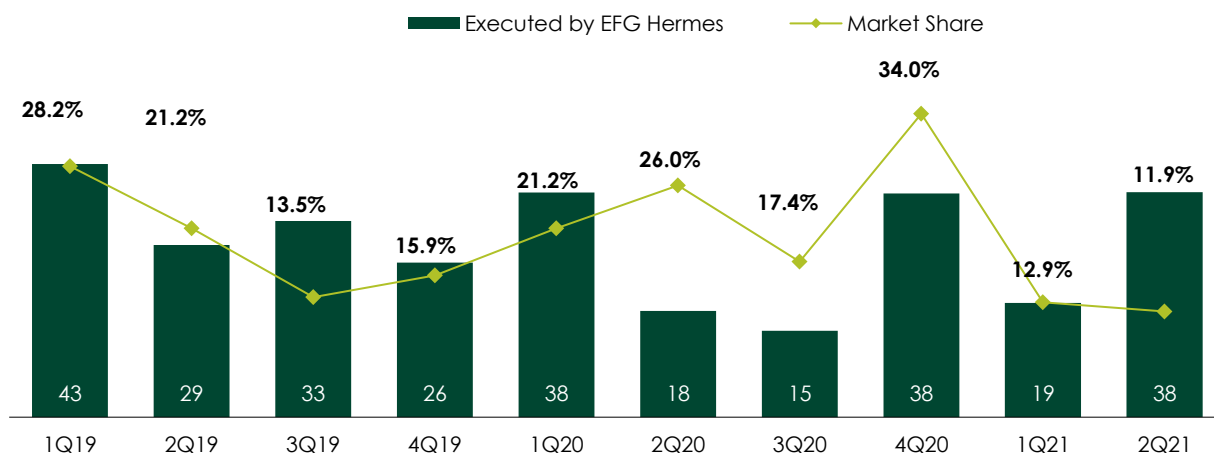
Kuwait

In KWD million



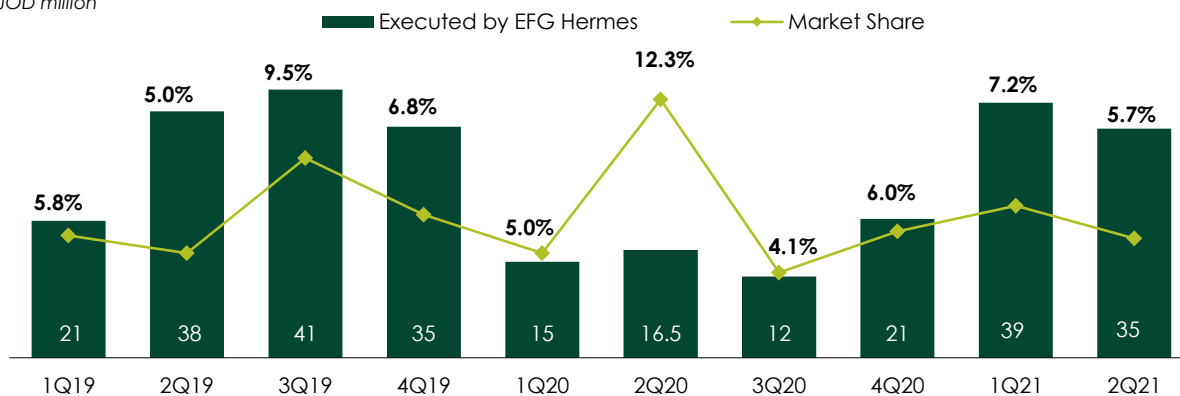
Oman

In OMR million



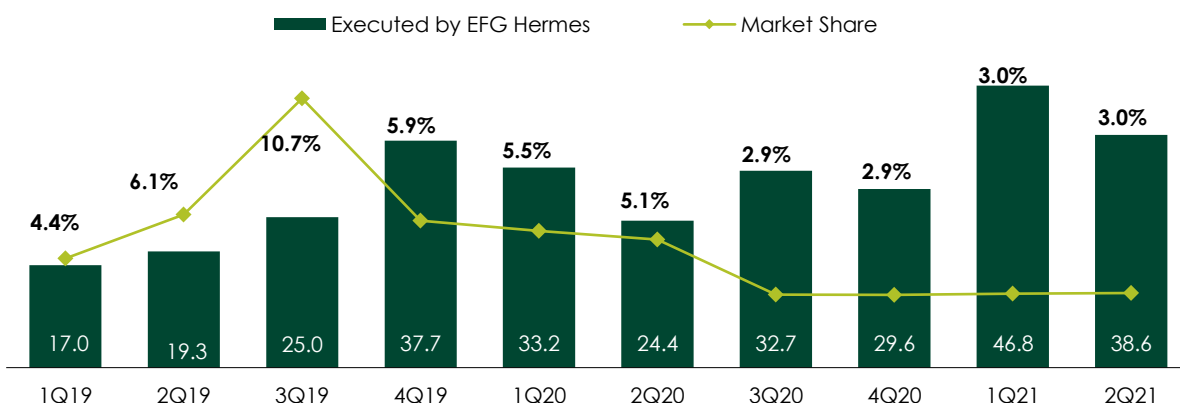
Jordan

In JOD million



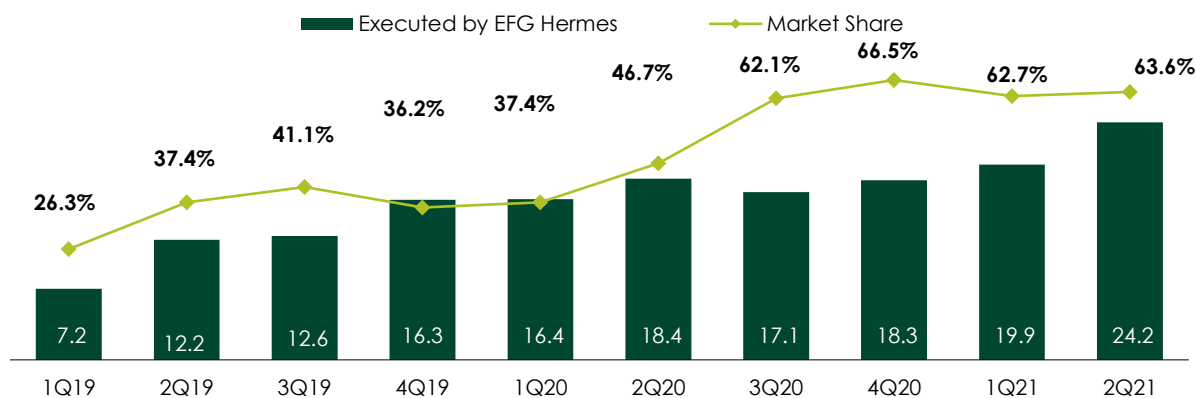
Pakistan

In PKR billion



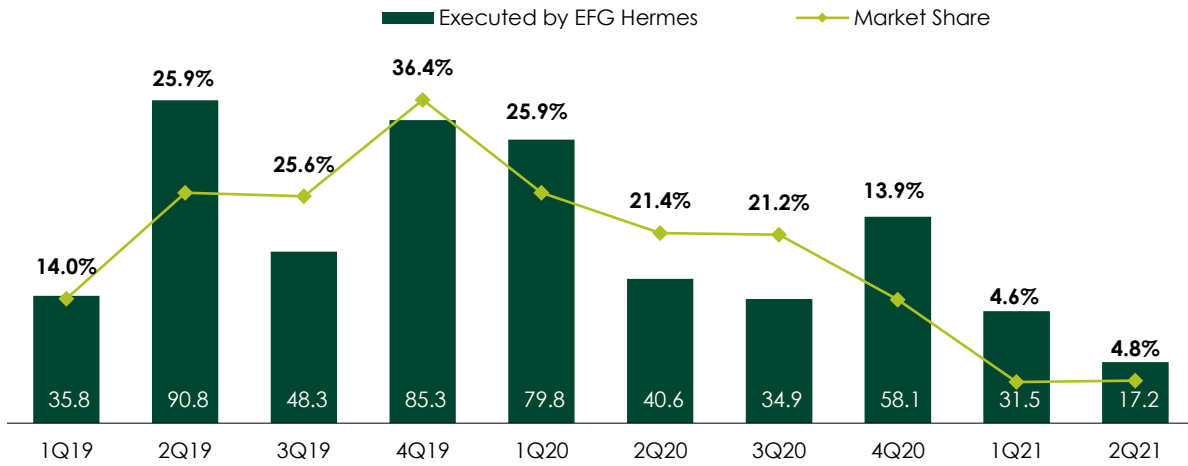
Kenya

In KES billion



Nigeria

In NGN billion



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EFG Hermes Holding SAE has its address at Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October and has an issued capital of EGP 4,611,709,340

Listings & Symbols

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

[London Stock Exchange \(GDRs\)](#)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

Reuters pages: .EFGS .HRMS .EFGI .HFISMCAP .HFIDOM

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