

EFG Holding EARNINGS RELEASE 2Q2023

INVESTOR RELATIONS

Cairo, August 10th, 2023

EFG Holding reports a strong set of results for the first half of 2023, with Group earnings of EGP1.3 billion on operating revenues of EGP7.6 billion. The Group's total assets stood at EGP114.2 billion at the end of June 2023.

MOHAMED ABDELKHABIR

Group Chief Financial Officer

mabdelkhabir@efg-hermes.com

Tel: +20 2 3535 6491



HANZADA NESSIM

Group Head of Corporate Strategy & IR

hnessim@efg-hermes.com

Tel: +20 2 3535 6502

MOHAB BAKR

IR, Budgeting & Reporting
Manager

mbakr@efg-hermes.com

Tel: +20 2 3535 6349



INVESTOR RELATIONS CONTACTS

investor-relations@efg-hermes.com

Tel: +20 2 3535 6710

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

Key Financial Highlights

- ≡ Another buoyant quarter for EFG Holding Group, with the Investment Bank (EFG Hermes), EFG Finance and aiBANK, all posting Y-o-Y revenue growth. Group revenues rose 51% Y-o-Y to reach EGP3.1 billion in 2Q23; steered by strong unrealized gains on seed capital, higher Brokerage, Asset Management and Private Equity revenues; together with higher revenues delivered by valU and aiBANK;
- ≡ Group operating expenses, (including employee expenses, other G&A and Provisions & ECL) rose 53% Y-o-Y to come at EGP2.1 billion in 2Q23. Employee expenses moved up 40% Y-o-Y to EGP1.1 billion, other G&A expenses rose 62% Y-o-Y to EGP649 million and provisions & ECL gained 93% Y-o-Y to EGP320 million, mainly on the back of higher salaries, operating expenses and provisions & ECL reported by all three verticals to reflect inflation and USD denominated expenses in Egypt, and the impact of a weaker EGP on the translation of the non-EGP denominated salaries at EFG Hermes. Employee expenses/revenues came at 37% in 2Q23 and 41% in 1H23;
- ≡ EFG Holding Group net operating profit and net profit before tax, rose 46% and 37% Y-o-Y to EGP988 million and EGP842 million, respectively, in 2Q23. Taxes, which rose 76% Y-o-Y to EGP288 million in 2Q23, and was driven mainly by higher deferred taxes booked by the Investment Bank, weighed down on the magnitude of the increase in profitability; thus, EFG Holding Group net profit after tax and minority interest came at EGP405 million, up 20% Y-o-Y, in 2Q23;
- ≡ EFG Hermes (the Investment Bank) revenues grew 61% Y-o-Y to EGP1.6 billion in 2Q23, lifted by higher revenues posted by the different platforms: the sell-side, buy-side and Holding & Treasury. This was powered by strong unrealized gains on seed capital, higher brokerage executions in Egypt, Egypt Asset Management's incentive fees, higher Private Equity AuMs, and generally the impact on revenues generated by operations outside Egypt and translated to EGP, post the EGP devaluation Y-o-Y;
- ≡ EFG Hermes operating expenses rose 67% Y-o-Y to EGP1.1 billion in 2Q23, driven largely by higher employee expenses, followed by higher other G&A and ECL booked during the quarter. This was driven by higher salaries and operating expenses Y-o-Y to reflect the impact of the non-Egypt operations/offices expenses, the USD denominated expenses in Egypt and the high inflation levels in Egypt Y-o-Y;
- ≡ EFG Hermes reported decent profitability from its operations in 2Q23, as the Investment Bank net operating profit and net profit before tax, rose 47% Y-o-Y and 45% Y-o-Y to EGP443 million and EGP405 million, respectively. Higher taxes from operations and higher deferred taxes dented profitability; thus, EFG Hermes net profit after tax and minority inched up only 3% Y-o-Y to EGP212 million;
- ≡ EFG Finance revenues added 23% Y-o-Y to EGP620 million in 2Q23, underpinned by higher revenues recorded by all lines of business except Tanmeyah, and predominately on higher revenues posted by valU, which included EGP75 million of securitization gains;
- ≡ EFG Finance operating expenses rose 30% Y-o-Y to EGP477 million, mainly on other G&A expenses to reflect inflation and the impact of the devaluation on USD denominated expenses, and higher provisions & ECL required as the loan portfolio continued to grow; meanwhile, employee expenses were largely unchanged;
- ≡ EFG Finance net profit before tax and minority interest declined 24% Y-o-Y, as the quarter included EGP34 million of goodwill amortization related to Fatura's PPA, which is a requirement within the first anniversary from the acquisition date. However, net profit after tax and minority reached EGP54 million, down only 5% Y-o-Y, on Tanmeyah's lower tax charge and minority



interest compared to 2Q22;

- ≡ aiBANK reported revenues of EGP888 million in 2Q23, up 58% Y-o-Y; driven by stronger net interest income on the back of the growth in interest earning assets, jointly with higher fees & commissions as trade finance volumes increased Y-o-Y;
- ≡ aiBANK operating expenses including provisions & ECL rose 49% Y-o-Y to EGP487 million in 2Q23, on higher salaries on the back of promotions, inflation, and new hirings during 2Q23; higher other G&A expenses to reflect high inflation levels in Egypt and the devaluation impact on USD denominated expenses; together with an increase in provisions & ECL as the bank continues to enhance its coverage ratios, in addition to ECL required for investments such as securitization that entail higher provisions;
- ≡ The Bank's net profit after tax rose 86% Y-o-Y to EGP271 million (of which EFG Holding's share is EGP138 million) in 2Q23, as revenues growth outpaced the growth in expenses.



EFG Holding

The Group



Income Statement

Performance Overview

in EGP million	2Q23	1Q23	2Q22*	Q-o-Q	Y-o-Y	1H23	1H22*	Y-o-Y
Group Net Operating Revenue	3,097	4,454	2,056	-30%	51%	7,551	3,999	89%
Investment Bank	1,589	3,038	989	-48%	61%	4,627	1,891	145%
NBFIs	620	689	503	-10%	23%	1,309	1,104	19%
aiBank	888	727	564	22%	58%	1,615	1,004	61%
Group Operating Expenses	2,109	2,963	1,380	-29%	53%	5,072	2,574	97%
Employees Expenses	1,140	1,978	814	-42%	40%	3,118	1,604	94%
Employee Expenses/Operating Revenues	37%	44%	40%			41%	40%	
Other Operating Expenses**	969	985	566	-2%	71%	1,954	970	101%
Group Net Operating Profit	988	1,491	676	-34%	46%	2,479	1,424	74%
Group Net Operating Margin	32%	33%	33%			33%	36%	
Group Net Profit (Loss) Before Tax	842	1,399	614	-40%	37%	2,241	1,286	74%
Group Net Profit (Loss) After Tax & Minority Interest	405	885	337	-54%	20%	1,289	681	89%
Investment Bank	212	759	206	-72%	3%	971	382	154%
NBFIs	54	39	57	39%	-5%	93	154	-40%
aiBank	138	87	75	58%	86%	226	145	56%

Source: EFG Hermes Management Accounts

* 2Q22 and 1H22 net profit were restated as a result of the Purchase Price Allocation (PPA) study for aiBANK and Fatura

** Includes Other G&A and Provisions & ECL

2Q23

EFG Holding Group revenues continued its upward trajectory, rising 51% Y-o-Y to EGP3.1 billion in 2Q23, backed by positive performance posted by the Investment Bank (EFG Hermes), EFG Finance and aiBANK.

Within EFG Hermes, revenues were bolstered by: (i) higher unrealized gains on seed capital despite flat exchange rate in 2Q23; (ii) higher Egypt Brokerage revenues; (iii) Egypt Asset Management incentive fees; (iv) higher Private Equity AuMs; and (v) higher revenues from regional operations particularly when translated to our reporting currency (EGP). On EFG Finance, the increase in revenues was largely related to valU's securitization and increase in issuances. Meanwhile, aiBANK continued to be on track, since acquisition late 2021, to post higher revenues quarterly.

EFG Holding Group operating expenses rose 53% Y-o-Y to come at EGP2.1 billion, predominantly on higher employee expenses, higher other G&A and provisions & ECL. Meanwhile, Group employee expenses and other G&A expenses rose 47% Y-o-Y to EGP1.8 billion, on higher employee expenses and other G&A expenses.

Employee expenses rose 40% Y-o-Y to EGP1.1 billion, mainly on the back of higher salaries reported by all three verticals to reflect inflation particularly in Egypt and the impact of a weaker EGP on the translation of the non-EGP denominated salaries. Employee expenses/revenues came at 37% in the current quarter, down from 44% in 1Q23, and 40% in 2Q22.

Other G&A expenses rose 62% Y-o-Y to EGP649 million in 2Q23, mainly related to a general increase in Egypt based entities' expenses to mirror inflation and USD denominated expenses, this in addition to regional offices expenses when translated to the Egyptian pound at the

Investment Bank.

Provisions & ECL rose 93% Y-o-Y to EGP320 million, reflecting higher provisions & ECL taken for Brokerage margin book, together with EFG Finance's lines of business and aiBANK as their loan books continue to grow, in addition to the reflection of tougher economic conditions in the ECL models.

Accordingly, EFG Holding Group net operating profit and net profit before tax, rose 46% and 37% Y-o-Y to EGP988 million and EGP842 million, respectively.

Tax expenses rose 76% Y-o-Y to EGP288 million, mainly on higher taxes reported by the Investment Bank lines of business, in addition to higher deferred taxes booked by the Holding, as the quarter included EGP89 million of deferred tax on unrealized gains on seed capital.

EFG Holding Group net profit after tax and minority interest came at EGP405 million, up 20% Y-o-Y; dented by higher taxes.

1H23

A very resilient set of results for EFG Holding Group; with both its top and bottom lines almost doubling Y-o-Y, up 89%. Revenues, which rose 89% Y-o-Y to EGP7.6 billion, was underpinned by significant unrealized gains on seed capital, higher fx-gain, higher Egypt brokerage revenue, higher Private Equity AuMs, generally higher USD revenues when translated to EGP, higher securitization income from valU and outstanding performance reported by aiBANK.

EFG Holding Group operating expenses rose 97% Y-o-Y to come at EGP5.1 billion, predominately on higher employee expenses, followed by higher other G&A and provisions and ECL. Group employee expenses and other G&A rose 86% Y-o-Y to EGP4.4 billion, with employee expenses being the larger contributor to this increase.

Employee expenses rose 94% Y-o-Y to EGP3.1 billion on the back of higher variable component and higher salaries Y-o-Y to reflect inflation particularly in Egypt and the impact of a weaker EGP on the translation of the non-EGP denominated salaries. Employee expenses/revenues came at 41% in 1H23 as compared to 40% in 1H22.

Other G&A expenses rose 68% Y-o-Y to EGP1.3 billion, mainly related to a general increase in Egypt based entities' expenses to reflect inflation and USD denominated expenses; this is in addition to the non-Egypt operations expenses when translated to the Egyptian pound at the Investment Bank.

Provisions & ECL rose to EGP629 million from EGP179 million in 1H22, reflecting higher provisions and ECL taken by aiBANK, EFG Finance business lines, and Brokerage margin book.

Accordingly, EFG Holding Group net operating profit and net profit before tax, each rose 74% to EGP2.5 billion and EGP2.2 billion, respectively.

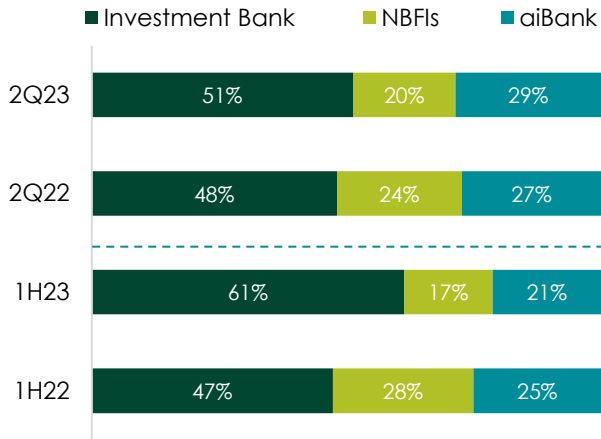
Tax expenses almost doubled up 92% to EGP751 million, mainly on higher deferred taxes booked by the Investment Bank, as 1H23 included EGP65 million of deferred tax on fx-gains and EGP257 million of deferred tax on unrealized gains on investments/seed capital. Moreover, taxes on EFG Hermes' lines of business increased Y-o-Y, together with higher taxes booked by aiBANK as it posted higher profitability.

However, EFG Holding Group net profit after tax and minority interest came at EGP1.3 billion, up 89% Y-o-Y; on higher profitability posted by EFG Hermes and aiBANK

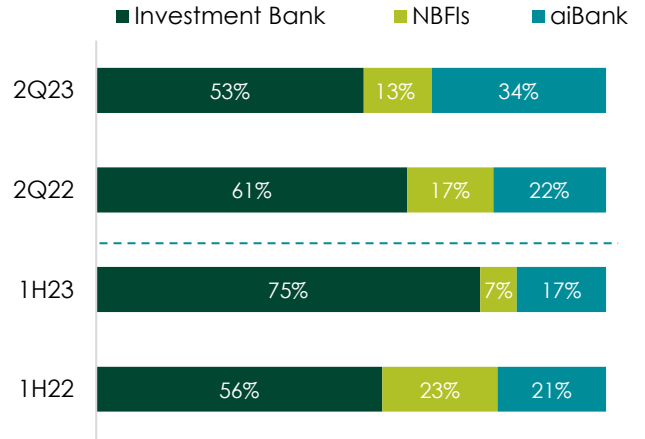


Contribution by Platform

Revenues



NPAT*



*Net Profit After Tax and Minority Interest





EFG Hermes

The Investment Bank



Financial Overview

Performance Overview

in EGP million	Investment Bank Performance Summary							
	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Investment Banking	152	216	293	-30%	-48%	368	357	3%
Brokerage	645	621	410	4%	57%	1,266	841	51%
Sell-Side	797	837	704	-5%	13%	1,633	1,198	36%
Asset Management	194	47	120	314%	61%	241	210	15%
Private Equity	68	67	28	1%	145%	135	51	166%
Buy-Side	262	114	148	130%	77%	377	261	44%
Holding & Treasury Activities	530	2,087	137	-75%	286%	2,617	432	507%
Total Net Operating Revenue	1,589	3,038	989	-48%	61%	4,627	1,891	145%
Employee Expenses	750	1,578	476	-52%	57%	2,328	914	155%
Other Operating Expense	396	377	212	5%	87%	774	342	126%
Total Operating Expenses*	1,146	1,955	688	-41%	67%	3,101	1,257	147%
Net Operating Profit	443	1,083	301	-59%	47%	1,526	634	141%
Net Profit (Loss) Before Tax	405	1,046	278	-61%	45%	1,451	590	146%
Net Profit (Loss) After Tax & Minority Interest	212	759	206	-72%	3%	971	382	154%

*Includes Employee expenses, Other G&A, and Provisions & ECL

2Q23

Another strong quarter for the Investment Bank (EFG Hermes), with the sell-side, buy-side and Holding & Treasury, all posting Y-o-Y growth in the quarter; thus lifting the Investment Bank (EFG Hermes) revenues, up 61% Y-o-Y to EGP1.6 billion in 2Q23.

The Sell-side revenues rose 13% Y-o-Y to EGP797 million in 2Q23, driven by higher Brokerage revenue. Brokerage revenues rose 57% to EGP645 million, to reflect stronger executions in Egypt, together with higher revenues generated by entities outside Egypt, as the EGP devalued against all USD pegged currency. Meanwhile, the Investment Banking revenues declined 48% Y-o-Y to EGP152 million, as the comparable quarter was a very strong quarter.

Buy-side revenues shot up 77% to EGP262 million, lifted by Asset Management and Private Equity revenues. Private Equity revenues rose 145% Y-o-Y to EGP68 million, mainly on higher AuMs Y-o-Y and consequently higher management fees; this in addition to higher EGP translated revenues as the EGP devalued. Asset Management revenues rose 61% Y-o-Y to EGP194 million, on incentive fees booked by Egypt Asset Management and the impact of the devaluation on FIM's management fees which is recognized in USD.

Holding & Treasury Activities revenues spiraled up 286% Y-o-Y to EGP530 million, mainly on the back of strong unrealized gains on seed capital, and despite realized losses on investments and a constant fx during 2Q23, which impacted fx-gains in the quarter. Fx-gains came at EGP72 million during the quarter, down from EGP246 in the comparable period, and realized losses of EGP30 million on Investments (as part of the portfolio rebalancing), as compared to EGP24 million of realized gains in 2Q22. Meanwhile, net interest income came at EGP55 million versus EGP34 million, on higher interest income from time deposits and higher allocation to interest bearing investments.

Total operating expenses rose 67% Y-o-Y to EGP1.1 billion in 2Q23, driven largely by higher employee expense, followed by higher other G&A and ECL booked during the quarter.

Employee expenses, rose 57% Y-o-Y to EGP750 million in 2Q23, mainly on higher salaries Y-o-Y. The increase of the fixed portion of the employee expenses was triggered by higher salaries in Egypt to reflect inflation, in addition to the non-EGP denominated pay, as the Egyptian currency devalued. This was followed by an increase in the variable portion of the employee expenses, in line with higher revenues Y-o-Y.

SG&A expenses, in general, for EFG Hermes continue through the year to be impacted by the EGP devaluation and the elevated inflation levels in Egypt. Accordingly, other G&A expenses rose 71% Y-o-Y to EGP330 million in 2Q23, as expenses almost doubled across almost all expense categories to reflect the impact of the non-Egypt operations/offices expenses, the USD denominated expenses in Egypt and the high inflation levels in Egypt Y-o-Y.

Provisions & ECL reached EGP66 million in 2Q23, up from provision of EGP19 million in 2Q22; as Brokerage booked higher provisions related to its margin books.

EFG Hermes reported decent profitability from its operations in 2Q23, as the Investment Bank net operating profit and net profit before tax, rose 47% Y-o-Y and 45% Y-o-Y to EGP443 million and EGP405 million, respectively.

Taxes and deferred taxes reached EGP175 million up from EGP46 million, predominately on deferred tax which totaled to EGP89 million on unrealized gains on investments/seed capital booked by the Holding. This in addition to higher taxes booked by different lines of business. Pressured by the taxes, EFG Hermes net profit after tax and minority inched up 3% Y-o-Y to EGP212 million.

1H23

With two quarters of strong performance, the Investment Bank revenues shot up 145% Y-o-Y to reach EGP4.6 billion in 1H23, underpinned mainly by unrealized gains on seed capital and fx gains; and followed by higher Brokerage and Private Equity revenues.

Sell-side revenues rose 36% Y-o-Y to EGP1.6 billion, driven by higher Brokerage revenue. Brokerage revenues rose 51% to EGP1.3 billion, to reflect stronger executions in Egypt; meanwhile, revenues from operations outside Egypt, particularly the GCC, reported higher revenues in EGP, as the exchange rate moved significantly Y-o-Y. The Investment Banking revenues came largely flat, inching up 3% Y-o-Y to EGP368 million, supported by the devaluation of the reporting currency, the EGP.

Buy-side revenues rose 44% to EGP377 million, supported by Private Equity and Asset Management revenues. Private Equity revenues rose 166% Y-o-Y to EGP135 million, mainly on higher AuMs Y-o-Y and consequently higher management fees; this in addition to higher EGP revenues as management fees is mainly denominated in USD. Asset Management revenues rose 15% Y-o-Y to EGP241 million, on incentive fees booked by Egypt Asset Management and higher EGP translated revenues for FIM, as its management fees is recognized in USD, which together overshadowed unrealized losses of EGP89 million related to the SPAC warrants and booked on the consolidation level on FIM in 1Q23.

Holding & Treasury Activities reported more than sixfold increase in revenues to reach EGP2.6 billion in 1H23, this was lifted by strong unrealized gains on Investments/seed capital of EGP1.2 billion in 1H23 as opposed to significant realized and unrealized losses on Investments/seed capital in the comparable 1H22 amounting to EGP769 million; thus, resulting in a substantial change in magnitude between the two periods. This in addition to fx-gains of EGP1.2 billion in 1H23 up from EGP1.0 billion in 1H22; with fx-gains mainly related to the revaluation of cash, debt instruments denominated in USD or USD pegged currencies, intercompany balances, and the



revaluation of balance sheet items. Meanwhile, net interest income declined 44% Y-o-Y to EGP124 million, mirroring the complete exit from structured products by the end of 1Q22, and which currently includes interest on investments, current accounts, and time deposits.

Total operating expenses rose 147% Y-o-Y to EGP3.1 billion, driven largely by higher employee expenses, followed by higher other G&A and ECL booked during 1H23.

Employee expenses, rose 155% Y-o-Y to EGP2.3 billion, largely on higher variable portion taken in tandem with stronger revenues, followed by higher salaries Y-o-Y to reflect the non-EGP denominated pay and the higher salaries in Egypt to mirror the elevated inflation rates in Egypt.

Other G&A expenses rose 95% Y-o-Y to EGP633 million, as higher expenses were reported across different expense categories to mirror the impact of the EGP devaluation on expenses booked outside Egypt, and the USD denominated expenses in Egypt; together with the elevated inflation levels in Egypt.

Provisions & ECL reached EGP141 million up from EGP17 million in 1H22; as Brokerage booked EGP119 million related to its margin book, Private Equity booked EGP11 million related mainly to ECP III and Agri Funds and Holding booked EGP9 million of provision & ECL mainly related to its investments.

The Investment Bank net operating profit and net profit before tax, rose 141% Y-o-Y and 146% Y-o-Y to EGP1.53 billion and EGP1.45 billion, respectively. Taxes reached EGP497 million versus EGP148 million in 1H22, pressured by deferred tax totaled to EGP323 million on unrealized gains on investments/seed capital and fx-gain booked by the Holding. This in addition to higher taxes incurred by different lines of business. However, net profit after tax and minority increased 154% Y-o-Y to EGP971 million.



Operational Performance

i. Brokerage

Almost all markets we focus on improved in 2Q23, with some washing-off the macro and political impact particularly at the frontier front. Markets' positive performance was coupled with volumes ending on a mixed note. The MSCI EM ended roughly flat, and the S&P Pan Arab TR added 4.2% Q-o-Q.

EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions slipped 6% Q-o-Q to reach USD18.6 billion in 2Q23, predominantly on lower executions on all our main markets except for KSA. On a Y-o-Y basis, total executions declined 25%, on lower executions in all markets except Egypt (in USD). Brokerage revenues reached EGP645 million in 2Q23, up 4% Q-o-Q and 57% Y-o-Y to reflect higher executions in Egypt (in EGP) and the impact of the fx on revenues generated from different markets which their currencies are pegged to the dollar; as revenues are reported in Egyptian pounds.

In 1H23, Brokerage executions declined 23% Y-o-Y to USD38.4 billion on lower dollar execution from almost all markets. As for revenues, brokerage revenues rose 51% Y-o-Y to EGP1.3 billion, to reflect higher executions in Egypt in EGP terms and the impact of the fx on revenues generated regionally (USD pegged currencies).

in EGP million	Brokerage Revenue*							
	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Egypt	276	271	127	2%	117%	547	266	105%
Other Markets	40	35	53	14%	-24%	75	92	-18%
Total Egypt	316	306	180	3%	76%	622	358	74%
UAE	128	117	80	10%	61%	245	143	71%
KSA	83	66	54	25%	54%	149	98	53%
Kuwait	58	70	57	-17%	1%	128	123	4%
Frontier Markets**	35	40	26	-13%	35%	75	55	36%
Structured Products	9	5	6	64%	62%	14	46	-68%
Fixed Income	2	1	(0)	45%	N/M	4	(0)	N/M
Others***	14	15	8	-5%	65%	29	19	53%
Total Revenues	645	621	410	4%	57%	1,266	841	51%

*Brokerage revenues highlighted above represent operations and not markets

**Frontier Markets include Pakistan, Kenya, Nigeria, and other frontier markets

***Others include Jordan, Oman, and Bahrain

Source: Management Accounts

Commission contribution by market changed slightly in 2Q23, as Egypt remained the largest contributor to pure Brokerage commissions (excluding any other revenue generated including: margin income, research revenue and custody income) in markets where we execute, with a contribution of c.23%; while the UAE markets (which includes Dubai and Abu Dhabi) came in second place, with c.22% contribution. Meanwhile, KSA outpaced Kuwait, to come in third place with a contribution of 18%, while Kuwait landed on fourth place with a 13% contribution.

Commissions Breakdown by Market

Markets	2Q23	1H23
Egypt	23.4%	23.9%
DFM*	9.2%	8.6%
ADX	12.5%	13.1%
KSA	18.0%	16.2%
Kuwait	13.0%	13.5%
Qatar	11.2%	10.4%
Frontier Markets	4.5%	5.5%
Structured Products	0.7%	0.5%
Others**	7.5%	8.3%
Total	100%	100%

*DFM includes Nasdaq Dubai's share of 0.18% in 2Q23 and 0.09% in 1H23

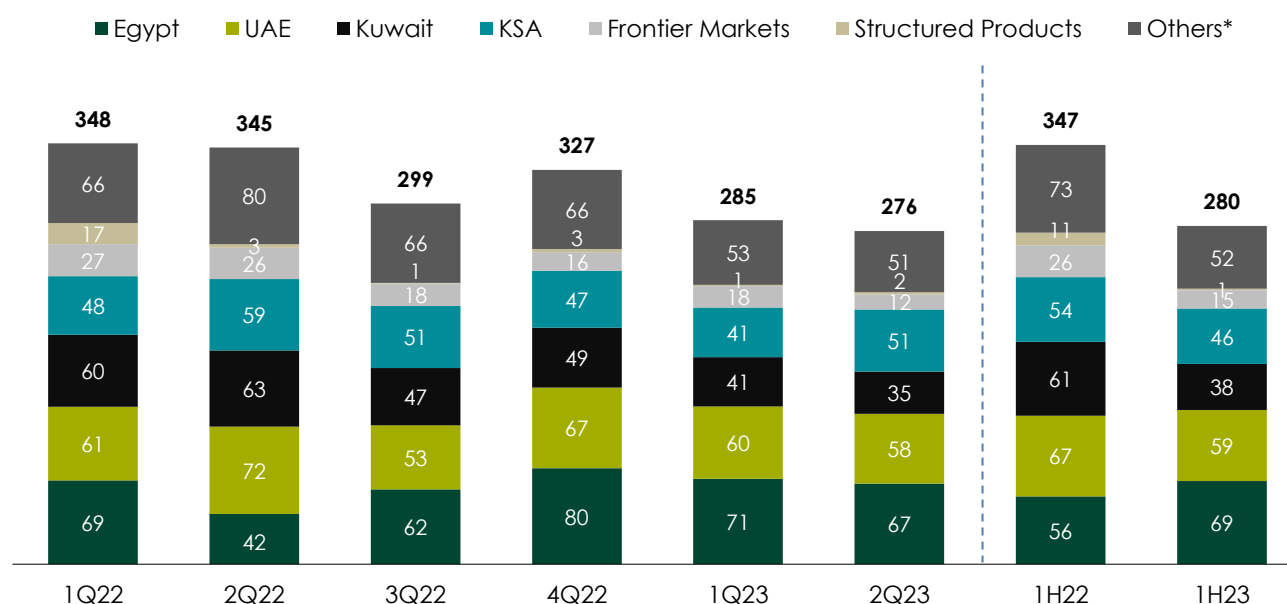
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The below chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate ADC edged down 3% Q-o-Q to USD276 thousand in 2Q23, as lower ADC booked by different markets largely overshadowed higher ADC reported by KSA. On a Y-o-Y, brokerage ADC declined 20% as the increase in Egypt's ADC failed to offset lower UAE, Kuwait, Qatar, KSA and Frontier markets commissions. Furthermore, in 1H23, Brokerage ADC declined 19% to USD280 thousand, on lower commissions generated by all markets except Egypt.

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

Brokerage Market Share & Executions

<i>in USD million</i>	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Egypt*								
Market share	31.2%	36.4%	46.6%	-5.2%	-15.4%	34.0%	44.6%	-10.6%
Executions	1,293	1,817	1,242	-29%	4%	3,110	3,920	-21%
UAE – DFM								
Market share	29.5%	52.3%	44.9%	-22.8%	-15.5%	38.8%	43.8%	-5.0%
Executions	2,220	2,715	3,000	-19%	-26%	4,935	5,443	-9%
UAE – ADX								
Market share	22.0%	15.4%	16.7%	6.6%	5.4%	18.1%	16.5%	1.6%
Executions	4,143	4,312	4,523	-4%	-8%	8,455	9,013	-6%
KSA								
Market share	5.9%	6.4%	4.2%	-0.5%	1.8%	6.2%	3.9%	2.2%
Executions	5,204	4,693	5,578	11%	-7%	9,897	11,037	-10%
Kuwait								
Market share	33.0%	35.7%	32.0%	-2.8%	1.0%	34.4%	31.2%	3.2%
Executions	2,578	3,053	4,694	-16%	-45%	5,631	9,039	-38%
Jordan								
Market share	7.8%	6.9%	6.6%	0.9%	1.2%	7.2%	6.2%	1.0%
Executions	37	53	58	-30%	-36%	90	90	0%
Pakistan								
Market share	4.2%	5.0%	3.8%	-0.8%	0.4%	4.7%	3.7%	1.0%
Executions	48	89	97	-46%	-51%	137	203	-33%
Kenya								
Market share	52.5%	29.7%	77.5%	22.8%	-25.1%	35.2%	73.6%	-38.4%
Executions	55	105	175	-47%	-68%	160	346	-54%
Nigeria								
Market share	6.8%	10.0%	6.9%	-3.2%	-0.1%	8.0%	8.9%	-0.9%
Executions	58	46	58	25%	-1%	104	129	-20%
Frontier								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	273	269	367	1%	-26%	542	718	-25%
Structured Products								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	13	6	35	141%	-62%	19	385	-95%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Oman, Bahrain, Lebanon, UK (GDRs), Bonds, ETFs and others represent an additional 14% of total Brokerage executions in 2Q23 and 1H23

Source: EFG Hermes and Regional Exchanges

Egypt

The EGX stocks gained some ground, pushing the Hermes Financial Index (HFI) further up, adding 11.2% Q-o-Q. However, volumes were stable, inching down 2% Q-o-Q; this was mainly due to uncertainties regarding the currency and partially due to Ramadan and Eid holidays falling in 2Q23.

EFG Hermes continued to dominate the first place ranking on the EGX, with the market share coming at 31.2% in 2Q23, and 34.0% in 1H23.

Local clients dominated the market in 2Q23, with foreign participation remaining at low levels accounting for c.10% of the total market participation in 2Q23 and 1H23, with EFG Hermes capturing 36% and 45%, respectively, of this flow. The decline in EFG Hermes' market share is partially attributed to a decline in foreign flow during the quarter.

#1

Egypt

Market share **34.0%**Executions **EGP93.7bn**

+44% Y-o-Y, 1H23

UAE – Dubai

The DFM had a strong quarter in 2Q23, with the DFMGI gaining 11.3% Q-o-Q, and volumes soaring 44% Q-o-Q over the same period, mainly triggered by strong retail and foreign institutions executions.

The Firm continued to grow its electronic trading business which accordingly improved its retail activity, while foreign activity was boosted by trading in some stocks post the MSCI rebalancing in 1Q23. The Firm held 2nd place on the DFM with a market share of 29.5% in 2Q23 and held 1st place ranking for 1H23 with a market share of 38.8%.

Foreign activity declined Q-o-Q in 2Q23, as 1Q23 included the MSCI rebalancing. Foreign participation in the market came at 26% in 2Q23, of which EFG Hermes executions accounted for 38%. As for 1H23, foreign activity came at 33% of which EFG Hermes captured 44%.

#1

Dubai

Market share **38.8%**Executions **AED18.0bn**

-10% Y-o-Y, 1H23

UAE – ADX

Another weak quarter for the ADX in 2Q23, with the Index posting muted performance, edging up 1.3% Q-o-Q; meanwhile, volumes dropped 33% Q-o-Q. The decline in volumes was mainly due to a shift of interest from retail investors back to DFM listings, together with foreign investors lower engagement with ADX large caps., such as FAB and ALDAR.

EFG Hermes maintain 2nd place ranking in 2Q23 and for 1H23, with a market share of 22.0% and 18.1%, respectively. In terms of foreign participation, the foreign investors represented 29% of the market activity, with the Firm seizing 26% of this flow in 2Q23. For 1H23, foreign investors accounted for 25%, of which the Firm accounted for 27%.

#2

Abu Dhabi

Market share **18.1%**Executions **AED31.0bn**

-6% Y-o-Y, 1H23



Saudi Arabia

It was a good quarter for the Saudi Market, with the Tadawul All Share Index rising 8.2% Q-o-Q; and volumes increasing 20% Q-o-Q in 2Q23.

Local and GCC investors ended 2Q23 as net sellers while foreign investors (QFI and Swaps) ended the quarter as net buyers. The QFI and Swaps volume reached SAR109 billion, accounting for 16.9% of the market turnover (swaps accounted for 0.04%); of which the Firm captured 9% of this business during the quarter. For 1H23, the QFI and Swaps volume accounted for 18.0% of the market turnover; of which the Firm captured 8%.

EFG Hermes' market share came at 5.9% in 2Q23 and 6.2% in 1H23, with a 5th place ranking among non-commercial banks' brokerage firms in 2Q23, and a 6th place for 1H23.

Kuwait

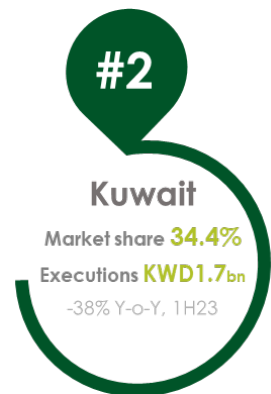
The Kuwaiti market continued its muted performance, with the Kuwaiti market premier index inching down 0.3% Q-o-Q and volumes slipping 9% Q-o-Q in 2Q23. Local investors were net buyers while GCC and foreign investors were net sellers.

EFG Hermes IFA maintained its second place ranking for 2Q23 and 1H23, with a market share of 33.0% in 2Q23, and 34.4% in 1H23. Foreign participation accounted for 12% of the total market executions in 2Q23 and 13% in 1H23, of which EFG Hermes captured 69% and 67%, respectively, of this flow.

Jordan

The Jordanian market reversed 1Q23 momentum, with the Index declining 5.2% Q-o-Q, and volumes retreating 38% Q-o-Q in 2Q23.

The Firm's market share came at 7.8% in 2Q23 and 7.2% in 1H23, with an 8th place and 9th place ranking on the market, respectively. In terms of foreign participation, foreign activity accounted for 3% of the market turnover in 2Q23 and 1H23; whereby EFG Hermes captured 44% and 28%, respectively, of that flow.



Pakistan

The Pakistani market index KSE100 rose 3.3% Q-o-Q, while volumes fell 39% Q-o-Q in 2Q23, amid continued macro and political uncertainty, particularly the delay in reviving the IMF programme, which came through at the end of the quarter.

EFG Hermes Pakistan market share came at 4.2% by the end of 2Q23, and 4.7% in 1H23. Foreign investors continued to be net sellers, together with mutual funds and insurance companies; meanwhile local investors, banks and individuals were net buyers during the quarter.

Thus foreign participation continued to be low, at 9% of the market turnover in 2Q23; with the Firm capturing 10% of that flow. For 1H23, foreign activity came at 8%, of which EFG Hermes Pakistan accounted for 18% of that flow.

N/A

Pakistan

Market share **4.7%**
Executions **PKR37.3bn**
-1% Y-o-Y, 1H23

Kenya

Another lackluster quarter for the Kenyan market, with the NASI losing 5.1% Q-o-Q, and volumes plummeting 41% Q-o-Q in 2Q23. The slowdown in the market came on the back of a deteriorating macro picture, with further currency devaluation and inflationary pressures persisting.

EFG Hermes came back to lead in 2Q23, with a first place ranking and a market share of 52.5%. In 1H23, EFG Hermes came in 2nd place with a market share of 35.2%, as 1Q23 included a one-off transaction executed by another broker.

Foreign participation increased to 44% in 2Q23 of the total market activity, of which EFG Hermes executed 50% of this flow. Meanwhile, in 1H23, foreign activity came at 37%, of which the firm executed 40%.

#2

Kenya

Market share **35.2%**
Executions **KES20.9bn**
-48% Y-o-Y, 1H23

Nigeria

Another strong quarter for the Nigerian market, with hopes that the new elected administration starts delivering on promises. The Index gained 11.1% Q-o-Q, and volumes spiraled up 95% Q-o-Q in 2Q23.

The Firm was ranked 6th in 2Q23, with a market share of 6.8%. For 1H23, the Firm held 5th place ranking with a market share of 8.0%.

#5

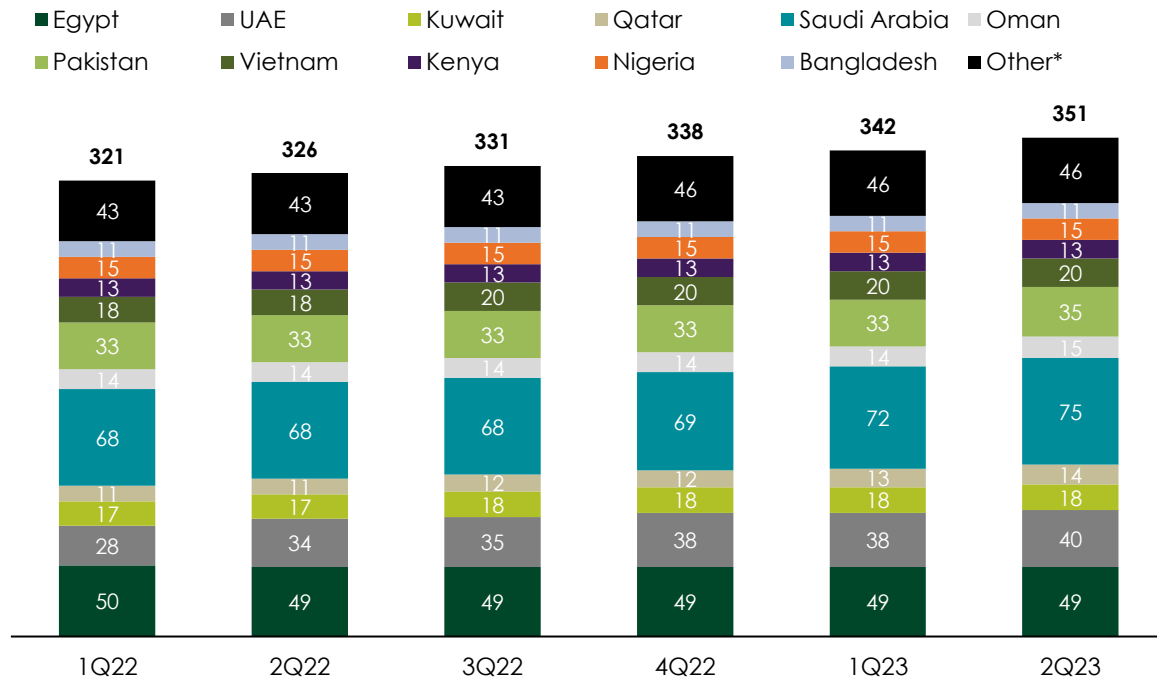
Nigeria

Market share **8.0%**
Executions **NGN57.9bn**
-22% Y-o-Y, 1H23

ii. Research

Research Coverage Universe

Number of Companies



*Others company breakdown: Morocco 7, Jordan 6, Sri Lanka 6, Tanzania 6, Ghana 4, UK 4, Uganda 3, Georgia 2, Kazakhstan 2, Mauritius 2, Slovenia 1, Rwanda 1, Bahrain 1, Netherlands 1

EFG Hermes's Research team initiated coverage of 9 new stocks in 2Q23, and one new sector in Saudi Arabia – the pharma sector, bringing the stocks under coverage to 351 stocks in 25 countries across the MENA and Frontier markets. The team initiated coverage of ADNOC Gas, which is the sole entity in charge of processing Abu Dhabi's enormous gas reserves and owner of some of the world's largest gas processing capacities. Also in the UAE, the team initiated coverage on Al Ansari Financial Services, which is the UAE's leading exchange house.

The team continue to build its Saudi coverage and initiated on the Saudi pharma sector, wherein the team covers the two largest pharmacy players in KSA (Aldawaa and Nahdi), which have a collective value market share of over 50%. We also added Alamar Foods (Domino's and Dunkin' franchise), one of the largest Quick-service restaurant (QSR) operators in MENAP, to our coverage.

In Qatar, the team initiated on Dukhan, a Qatar-focused Sharia compliant bank, which is the fifth largest by assets, and third largest Islamic bank. Moreover, the team added Abraj Energy Services, Oman's leading drilling contractor, which deepens our Energy Equipment & Services coverage in the region.

Lastly, the team initiated on the long steel sector in Pakistan with coverage of Mughal Iron and Industries and Amreli Steel. We expect to see some initiations on SE Asian stocks over the coming quarters.

iii. Investment Banking

In 2Q23, EFG Hermes' Investment Banking division successfully concluded two equity transactions and three debt transactions worth an aggregate value of USD1.1 billion.

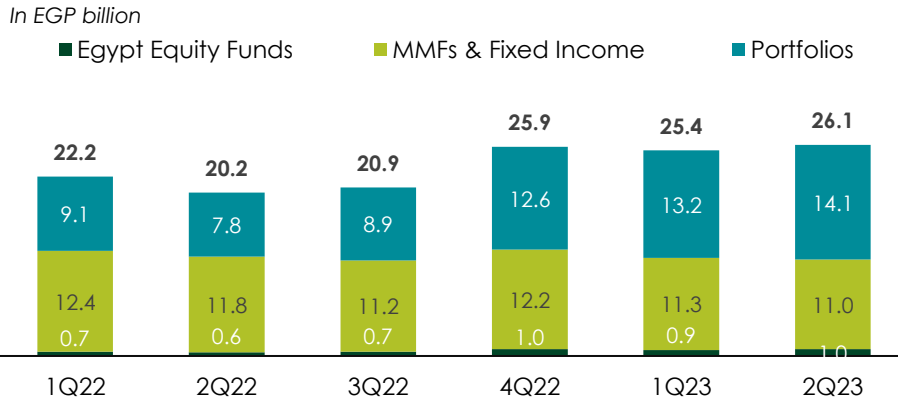
On the equity front, EFG Hermes continued to solidify its position as a leading investment banking franchise in the GCC ECM space. The team successfully acted as a Joint Global Coordinator (JGC) on the IPO of Al Ansari Financial Services, one of the UAE's leading integrated financial services groups specializing in the money transfer and exchange business, on the Dubai Financial Market (DFM) in a USD210.5 million transaction. The IPO garnered significant traction from institutional and retail investors, having been oversubscribed c.22 times. The listing also marks EFG Hermes' fourth JGC role in the last few months, showcasing the firm's spiraling growth and influence across regional equity markets. Building on the successful partnership and series of IPOs completed for UAE integrated energy giant ADNOC, the team also acted as a Joint Bookrunner on the IPO of its marine logistics unit, ADNOC L&S, on the ADX in a USD769 million transaction.

On the debt front, the division successfully concluded advisory on three debt transactions, strengthening the Firm's position in the debt capital market space. The team successfully advised Hermes Securities Brokerage (HSB), a wholly owned subsidiary of EFG Holding on the issuance of its senior unsecured short-term note in a transaction worth USD8 million. Additionally, the team advised one of Egypt's leading real estate developers, Talaat Mostafa Group (TMG), on an EGP1.75 billion financing for its flagship retail project "Open Air Mall". Finally, the firm concluded the advisory on Valu's fifth securitized bond issuance of its EGP 4.0 billion program, in a transaction worth USD 46 million.

EFG Hermes' solid performance in 2Q23, despite the turbulent regional and global market conditions, demonstrates the team's ability to navigate the challenging external environment. With a robust flow of equity, M&A, and debt transactions in the GCC and Egypt, there is a strong potential for the region to emerge as a prominent global investment hub in the near future, with EFG Hermes ideally positioned to seize and capture that growth.

iv. Asset Management

Egypt Assets under Management Evolution

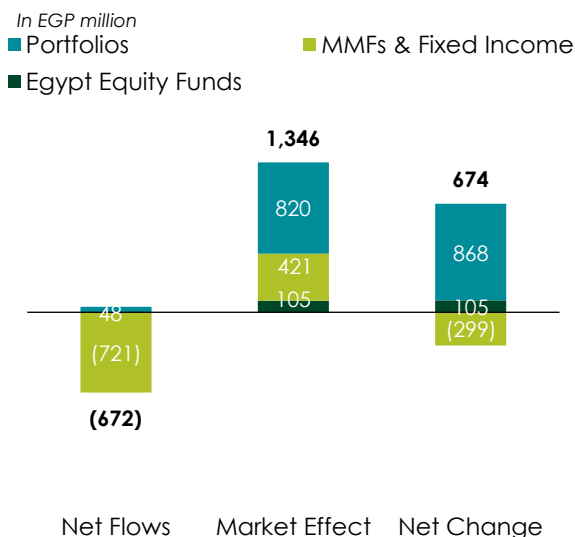


Source: EFG Hermes Asset Management

EFG Hermes Egypt Asset Management AuMs increased 2.6% Q-o-Q to close 2Q23 at EGP26.1 billion. The increase in AuMs was mainly on the back of appreciation recorded by equity portfolios followed by MMFs, which together added 5.3% to total AuMs; meanwhile net outflows from MMFs withdrew 2.6% from the AuMs.

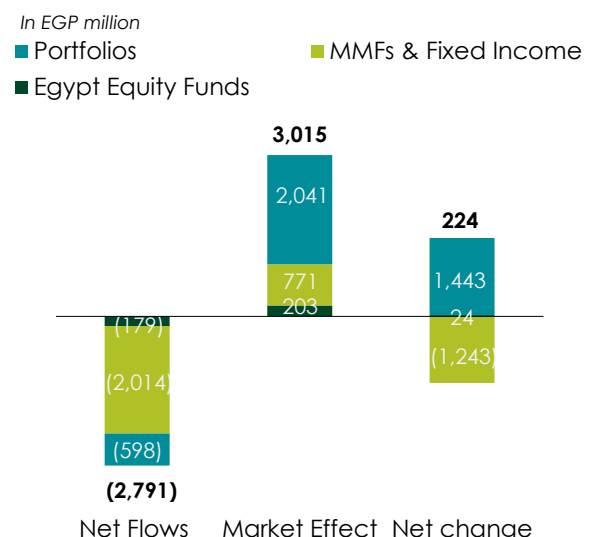
For 1H23, AuMs inched up 0.9% versus end of 2022. Positive performance across all mandates, led by equity portfolios, added 11.7% to the AuMs, meanwhile, net outflows withdrew 10.8% from the AuMs predominantly from MMFs.

Quarterly Change in Egypt Mandates



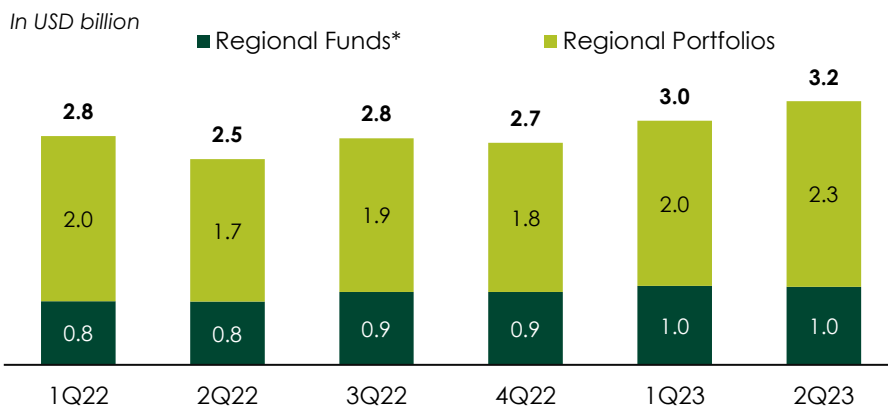
Source: EFG Hermes Asset Management

YTD Change in Egypt Mandates



Source: EFG Hermes Asset Management

Regional Assets under Management “FIM” Evolution



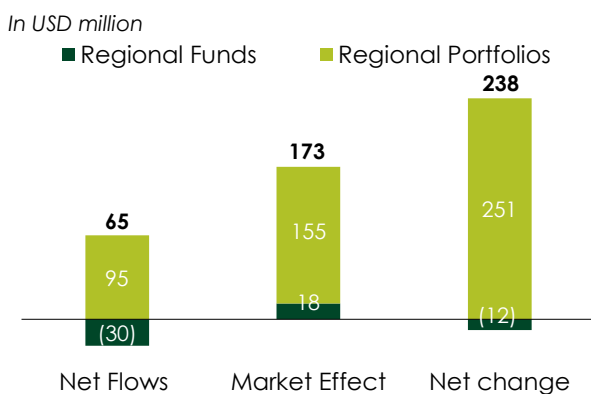
*Includes Equity, Fixed Income, SPAC and Real Estate funds

Source: FIM

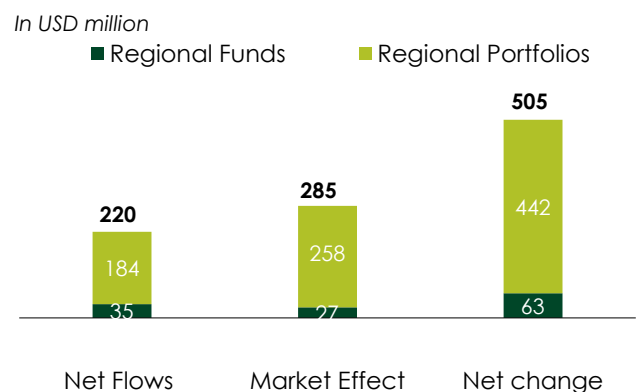
EFG Hermes Regional Asset Management (FIM) AuMs increased 8.0% Q-o-Q to reach USD3.2 billion by the end of 2Q23, boosted by markets' appreciation and net inflows. Positive markets' performance represented 5.8% of the increase in AuMs. While inflows represented the remaining 2.2%, driven by inflows in its different strategies.

FIM's AuMs rose 19% YTD, lifted by markets' appreciation and net inflows. Positive markets' performance represented 10.5% of the increase in AuMs; while inflows represented the remaining 8.1%.

Quarterly Change in Regional Mandates



YTD Change in Regional Mandates



Source: FIM

Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD462.48 at the end of 2Q23 versus a NAV/share of USD421.93 in 1Q23. The Fund gained 9.6% during the quarter versus the S&P Pan Arab Composite Index, which gained 4.2% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,192.84 at the end of 2Q23 versus a NAV/share of USD1,138.40 in 1Q23. The Fund gained 4.8% over the quarter versus the MSCI FEM Index, which gained 0.4% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD2,012.08 at the end of 2Q23 versus a NAV/share of USD1,779.49 at the end of 1Q23. The Fund gained 13.1%



during the quarter versus the TASI Index which gained 8.2% over the same period.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,178.43 at the end of 2Q23 versus a NAV/share of USD1,163.51 in 1Q23. The Fund gained 1.4% during the quarter versus the JPM MECIGCC, which gained 0.4% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,131.35 at the end of 2Q23 versus a NAV/share of USD1,128.04 in 1Q23. The Fund gained 0.0% during the quarter versus the Markit iBoxx Sukuk which gained 0.3% over the same period.

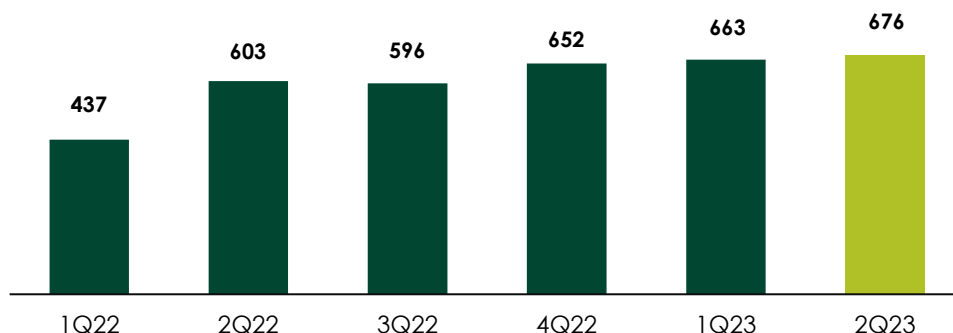
FIM GEM Debt Fund ended the quarter at a NAV/ share of USD985.59 at the end of 2Q23 versus a NAV/share of USD962.16 in 1Q23. The Fund lost 3.0% during the quarter versus a loss of 3.2% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.



v. Private Equity

Assets under Management Evolution

In USD million



Energy Transition

Vortex Energy IV, a global renewable energy platform managed by the private equity arm of EFG Hermes, currently manages two companies, Ignis Energy and EO Charging and spans across two verticals within the energy transition sector, renewable energy and e-mobility, respectively. Vortex Energy has been progressing its fundraising for the Vortex Energy IV, LP while looking to deploy further capital across the Energy Transition landscape.

Education

The Fund's education platform (Egypt Education Platform – EEP) registered a new milestone in its growth track in the Egyptian market in 1Q23 by acquiring a majority stake in Egypt's leading education content developer, Selah El Telmeez ("SET"). The new investment will strongly complement EEP's product offering range while creating access to over 3 million students utilizing SET's learning guides and digital platform. SET offers EEP access to an unmatched education content library that the company embarked on developing since 1960 and serving millions of K-12 students nationwide across all stages of their education journeys.

The platform's education assets owned/managed under EEP currently amount to 18 schools and pre-schools under various stages of development with a combined capacity of c.21k students with over 11k enrolled students. EEP is currently negotiating the addition of 2 more schools in Cairo and Alexandria under management agreement and PropCo/OpCo operating models to expand its footprint by an additional c.3k students.

Healthcare

UpH Revenues were up c.31% Y-o-Y in 1H23. UpH has continued to be the number 1 supplier to the market for life-saving IV solutions in 2Q23, covering the widening market gap left by other market players, and has significantly contributed to stabilizing the hospital pharmaceuticals supply market. UpH increased its total sales of LVP and SVP products, despite substantial raw material shortages in the market and continued currency devaluation outlook. UpH continues to focus on its strategic repricing of key products in its LVP product mix, supporting mitigation of rising FX rates and inflation impacting the overall cost structure of the sector. UpH continues to focus on the development of its products portfolio, with new products currently in its R&D pipeline planned for launches between 2023 and 2024.



In parallel to the ongoing value creation process within UpH, EFG's healthcare PE platform is in advanced stages on a number of highly promising opportunities in different generic pharma segments in Egypt and the GCC, and aims to close 1 to 2 new transactions within the regional pharma space within 2023.





The NBFIs



Financial Overview

Performance Overview

in EGP million	NBFIs Performance Summary					1H23	1H22	Y-o-Y
	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y			
Micro-Finance (Tanmeyah)	297	351	356	-16%	-17%	648	751	-14%
Fatura	8	7	1	9%	765%	15	1	1561%
Consumer Finance (valu)	207	254	71	-18%	193%	461	214	116%
Leasing	66	44	59	52%	11%	110	104	6%
Factoring	27	31	14	-14%	90%	58	32	80%
Finance Holding	16	2	2	815%	814%	17	2	640%
Net Operating Revenue	620	689	503	-10%	23%	1,309	1,104	19%
Employee Expenses	212	239	208	-11%	2%	451	435	4%
Other Operating Expense	265	340	158	-22%	68%	604	353	71%
Operating Expenses*	477	578	366	-18%	30%	1,055	789	34%
Net Operating Profit	143	111	137	30%	4%	254	315	-19%
Net Profit (Loss) Before Tax	86	88	113	-3%	-24%	174	272	-36%
Net Profit (Loss) After Tax & Minority Interest	54	39	57	39%	-5%	93	154	-40%

*Includes Employee Expenses, Other G&A, and Provisions & ECL

*Includes Finance Holding operating expenses and Holding allocated expenses

2Q23

EFG Finance platform revenues added 23% Y-o-Y to EGP620 million, underpinned by higher revenues recorded by all lines of business except Tanmeyah, and predominately on higher revenues posted by valu.

valu revenues more than doubled Y-o-Y, up 193% Y-o-Y to EGP207 million; mainly on securitization gain of EGP75 million, higher loans issued Y-o-Y, and lower comparative quarter which included the reversal of revenues, namely upfront fees (accounting adjustment). Factoring revenues rose 90% Y-o-Y to EGP27 million, on higher net interest income and higher fees & commissions. Leasing revenues was up 11% Y-o-Y to EGP66 million, on higher net interest income. Finance Holding reported EGP16 million versus EGP2 million a year earlier, as its portfolio of associates reported higher revenues, mainly from EFG EV Fintech and Bedaya.

Tanmeyah reported 17% Y-o-Y decline in revenues to EGP297 million, on lower sales Y-o-Y, as top-ups, which contribute c.25% to Tanmeyah's sales, was halted in January in accordance with the FRA issued decree, thus negatively impacting the quarter sales. Moreover, with the ongoing increase in corridor rates, Tanmeyah's spreads continue to fall under pressure as mainly the increase in corridor rates is absorbed by the company. Fatura, the acquired B2B marketplace platform, recorded EGP8 million in revenues.

Operating expenses rose 30% Y-o-Y to EGP477 million, mainly on other G&A expenses and higher provisions & ECL; meanwhile, employee expenses were largely unchanged.

Employee expenses inched up 2% Y-o-Y to EGP212 million, as the increase in employee salaries, in the face of rising inflation, was muted by lower variable component of employee expenses during the quarter.

Other G&A expenses rose 56% Y-o-Y to EGP202 million, largely to reflect inflation and the USD denominated expenses in Egypt.

Provisions & ECL came at EGP63 million versus EGP29 million in 2Q22, as different business lines continue to build up provisions to reflect loan book expansion and the unfavorable macroeconomic picture.

EFG Finance net operating profit added 4% Y-o-Y to EGP143 million, as the increase in revenues slightly outpaced the increase in expenses. However, net profit before tax and minority interest declined 24% Y-o-Y, as the quarter included EGP34 million of goodwill amortization related to Fatura's PPA, which is a requirement within the first anniversary of the acquisition date. However, net profit after tax and minority came at EGP54 million, down only 5% Y-o-Y, on Tanmeyah's lower tax charge and minority interest.

1H23

EFG Finance platform revenues rose 19% Y-o-Y to EGP1.3 billion, lifted by higher revenues recorded by all lines of business, largely on higher revenues reported by valU, yet dented by lower revenues recorded by Tanmeyah.

valU revenues more than doubled, up 116% Y-o-Y to EGP461 million, mainly on securitization gain of EGP170 million, and on higher sales as loans issued rose 33% Y-o-Y. Factoring revenues rose 80% Y-o-Y to EGP58 million, mainly on higher fees & commissions. Leasing revenues added 6% Y-o-Y to EGP110 million, on higher interest income. Finance Holding reported EGP17 million versus EGP2 million in 1H22, on higher income from associates in 2Q23.

Tanmeyah's revenue declined for two consecutive quarters, thus reporting a 14% Y-o-Y decline in revenues to EGP648 million in 1H23. As aforementioned in both quarters, Tanmeyah was impacted by the FRA halting top-ups and the ongoing increase in corridor rates which Tanmeyah does not pass to clients and is taken up by the company. Fatura, the acquired B2B marketplace platform, recorded EGP15 million in revenues.

Operating expenses rose 34% Y-o-Y to EGP1.1 billion, mainly on higher other G&A expenses and provisions & ECL.

Employee expenses added 4% Y-o-Y to EGP451 million, to reflect the addition of Fatura's employee expenses of EGP45 million (versus EGP7 mn in 1H22) and the increase in employee salaries needed to combat inflationary pressures in Egypt. However, this increase was largely muted by lower variable portion of the employee expenses.

Other G&A expenses rose 34% Y-o-Y to EGP426 million largely to reflect inflation in Egypt and the currency devaluation, for USD expenses across the platform.

Provisions & ECL came at EGP179 million as compared to EGP36 million in 1H22, as the macroeconomic indicators used in the ECL models were more rigorous; this, in addition to lower comparative period; as provision coverage was high, due to the strong provisions taken during COVID.

EFG Finance net operating profit declined 19% Y-o-Y to EGP254 million, as the increase in expenses outpaced the increase in revenues. However, net profit before tax and minority interest declined 36% Y-o-Y, as the period included EGP34 million of goodwill amortization related to Fatura's PPA. Meanwhile, net profit after tax and minority reached EGP93 million, down 40% Y-o-Y.

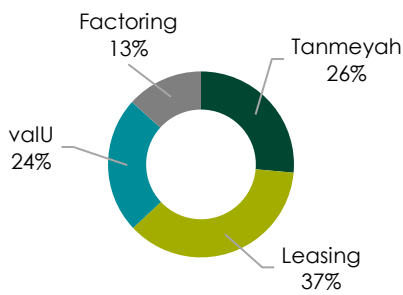


Balance Sheet highlights

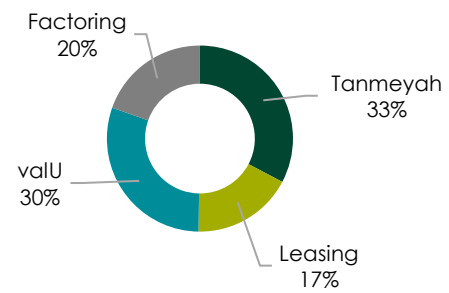
<i>in EGP million</i>	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22	Q-o-Q	Y-o-Y
Portfolio Outstanding*	15,476	15,625	15,198	14,393	15,836	-1%	-2%
Provision Balance	487	434	364	489	473	12%	3%
Total Equity	3,075	3,013	3,061	3,139	3,318	2%	-7%

*Excludes EGP1,938 million of Leasing securitization, and EGP2,153 million of valU securitization

Portfolio Contribution by LoB



Provisions Contribution by LoB



Operational Overview

i. Micro-Finance “Tanmeyah”

Results at a Glance and Performance Overview

	KPIs							
	2Q23	1Q22	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Number of Active Borrowers	347,098	361,543	398,227	-4%	-13%	347,098	398,227	-13%
Number of Processed App.	80,895	100,664	112,003	-20%	-28%	181,559	230,666	-21%
Number of Loans Issued	56,301	68,425	91,700	-18%	-39%	124,726	192,738	-35%
Portfolio Outstanding (EGP mn)	4,088	4,236	4,049	-3%	1%	4,088	4,049	1%
Tanmeyah Staff	4,103	4,280	4,618	-4%	-11%	4,103	4,618	-11%

Source: Tanmeyah

Tanmeyah's portfolio was broadly unchanged Y-o-Y, up a modest 1% Y-o-Y and edging down 3% Q-o-Q to close 2Q23 at EGP4.1 billion; this was mostly driven by the introduction of restrictions on loans top-ups which earlier contributed 25% of sales. Sales or loans issued reached EGP1.1 billion in 2Q23 representing a decline of 15% Q-o-Q and 24% Y-o-Y.

Tanmeyah wrote-off EGP17 million during the quarter; thus, impacting the number of active borrowers, declining 13% in 2Q23 compared to the same period last year and 4% Q-o-Q.

Multiple initiatives are underway to improve business momentum, and that we expect will improve sales and balance sheet numbers, and will overshadow the impact of top-ups on the growth in revenues.

Tanmeyah's MEL average ticket size increased by 36% compared to 2Q22 and 8% Q-o-Q, the significant increase is mainly driven by Tanmeyah's restructuring of its product buckets which was done in 3Q22, where MEL now has a minimum limit of EGP10,000 compared to EGP7,000. While Individual Lending's (Formerly known as WIB) maximum limit has been pushed to EGP10,000 contrary to EGP7,000.

Tanmeyah's digital transformation plan is on track with 99% of cash collection on digital platforms. And before year end, we expect digital disbursement to reach 100%.

Portfolio Quality & Provisions

Tanmeyah booked additional provisions of EGP31 million in 2Q23, and written-off EGP17 million, accordingly, provision balance stood at EGP159 million by the end of 2Q23. The coverage remains well above the PAR 30+ and 90+ indicators.

ii. valU

Business Structure Update

valU has undergone a legal restructuring to allow for planned product expansion and market positioning. The legal name for valU for Consumer Finance changed to U for Consumer Finance. Meanwhile, other services and products will be included under one umbrella, "valU for Payments and Digital Solutions".

This is being coupled with a re-branding initiative with two main objectives: (i) to consolidate the brand's positioning as the go-to solution "for all things money" beyond consumer finance and BNPL; and (ii) to mitigate the effect of the significant growth in valU sub-brands diluting the brand equity of the mother-brand.

Results at a Glance and Performance Overview

	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y	BTD
valU App Customers ⁽²⁾	112	110	152	3%	-26%	222	172	29%	1,158
Limits Activated Value (EGP mn)	1,305	1,409	1,976	-7%	-34%	2,714	4,136	-34%	15,017
Total Loans Issued (EGP mn)	1,829	1,772	1,323	3%	38%	3,601	2,705	33%	10,950
Outstanding Portfolio ⁽³⁾ (EGP mn)	5,818	5,564	3,645	5%	60%	5,818	3,645	60%	5,818
Number of Transactions ⁽²⁾	398	354	271	13%	47%	751	520	44%	2,598
Portfolio Tenor (In months)	15	16	20	-4%	-25%	16	19	-16%	N/A
Number of Merchants	5,163	4,775	3,028	8%	71%	5,163	3,028	71%	5,163

⁽¹⁾ Reflects the number of transacted customers and not the number of transactions made by a single customer

⁽²⁾ Numbers are in "000"

⁽³⁾ Includes securitized portfolio of EGP2,153 mn

Source: valU

Another strong quarter for valU, with its gross merchandise value (GMV) reaching EGP1.9 billion, up 28% Y-o-Y and 4% Q-o-Q and climbing 27% Y-o-Y to EGP3.7 billion in 1H23.

Outstanding portfolios, including securitized portfolio, rose 60% Y-o-Y and 5% Q-o-Q to EGP5.8 billion at the end of 2Q23. In June 2023, valU was able to finalize its fifth wave of securitization worth EGP1,743 million, with a gain of EGP75 million. Moreover, 1Q23 included a securitization amounting to EGP856 million; thus, outstanding portfolio excluding securitized portfolios stood at EGP3,665 million at the end of 2Q23.

In 2Q23, Sha2labaz sales represented 23% of total sales, up from 15% contribution a quarter earlier. In addition, auto loans, which was introduced in 1Q23, increased its contribution to sales, accounting for 8% in 2Q23. valU will continue to grow and diversify its product range, with a plan to continue adding larger ticket sizes, including home improvement loans, which is expected to be launched during 2023.

valU merchant network continues to grow, up 71% Y-o-Y to reach 5,163 merchants in 2Q23, by collaborating with more famous brands and covering more products and service categories to attract new customers while retaining existing ones through expanding our spectrum of products and services to maintain our number 1 position in the market.

valU transacting customers grew 44% Y-o-Y to reach 163K in 2Q23. Meanwhile, transacting clients more than doubled in 1H23, growing 109% to reach 229k. Additionally, the number of transactions grew 47% Y-o-Y to 398k in 2Q23, derived from growth in customers' base and merchant network.

Geographical Presence

2Q23	1Q23	4Q22	3Q22	2Q22
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria	Alexandria
Gharbia	Hurghada	Hurghada	Hurghada	Hurghada
Dakahlia	Tanta	Tanta	Tanta	Tanta
Matruh	Mansoura	Mansoura	Mansoura	Mansoura
Red Sea	Qalyubia	Qalyubia	Qalyubia	Portsaid
Sharqia	Ismailia	Ismailia	Ismailia	Ismailia
Asyut	Assiout	Assyut	Assiout	Assiout
Qalyubia	Sharqia	Sharqia	Sharqia	Monofia
Beheira	Matruh	Matruh	Matruh	Minia
Damietta	Faiyum	Faiyum	Faiyum	Damanhour

Portfolio Quality & Provisions

Provision expenses taken during 2Q23 reached EGP11 million and recoveries came at EGP5.7 million; thus taking provisions balance to EGP147 million in 2Q23. Provision coverage ratio rose to 3.2% in 2Q23 from 2.8% a quarter earlier, as outstanding portfolio decreased on the securitization of EGP1.7 billion the portfolio and on provisions taken during the quarter.

iii. Leasing

Results at a Glance and Performance Overview

	KPIs							
	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Number of new contracts	32	11	13	191%	146%	43	31	39%
Total Outstanding Portfolio ⁽¹⁾ (EGP mn)	7,526	6,820	7,800	10%	-4%	7,526	7,800	-4%
On-books Outstanding Portfolio ^{(1)*} (EGP mn)	5,665	4,904	6,406	16%	-12%	5,665	6,406	-12%
NFA for new contracts (EGP mn)	1,163	796	678	46%	72%	1,959	2,740	-28%
Receivables value of new contracts ^{**} (EGP mn)	1,887	1,480	1,159	28%	63%	3,367	4,059	-17%

(1) Includes VC transactions. Excludes Securitized Portfolio principle amount of EGP1,938 million

* Includes on-balance sheet transactions only

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

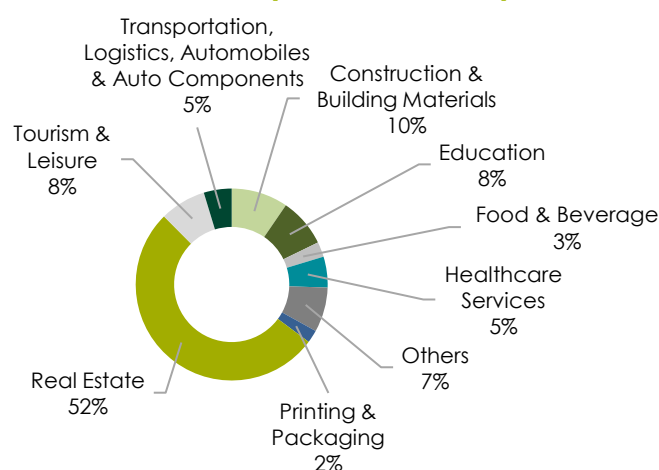
Source: EFG Hermes Leasing

The Leasing arm of EFG Corp-Solutions booked new contracts for a net financed amount of EGP1.2 billion during 2Q23, up 46% Q-o-Q; and distributed over 32 contracts; with the number of contracts higher 191% Q-o-Q.

Total outstanding portfolio, which includes VC and excludes securitized portfolio, decreased 4% Y-o-Y to EGP7.5 billion by the end of 2Q23; pressured by early termination of several contacts totaling to EGP141 million. However, the outstanding portfolio increased 10% Q-o-Q supported by 2Q23 strong bookings of EGP 1.2 billion, which were largely related to the Real Estate and Tourism sectors.

For 2Q23, the leasing business line was able to book 5 large corporate and 5 SME clients. Large corporate clients remain dominant in the leasing portfolio, accounting for 44% of the on-books outstanding portfolios; however, focus on SMEs continues where it currently accounts for 17%.

Portfolio Distribution by Client Industry



Source: EFG Hermes Leasing

Portfolio Quality & Provisions

Provisions balance increased to EGP85 million in 2Q23 versus EGP83 million in 1Q23. Provision coverage slightly declined to 1.5% in 2Q23 versus 1.7% in 1Q23, mainly driven by the increase in the portfolio size of EGP706 million.

iv. Factoring

Results at a Glance and Performance Overview

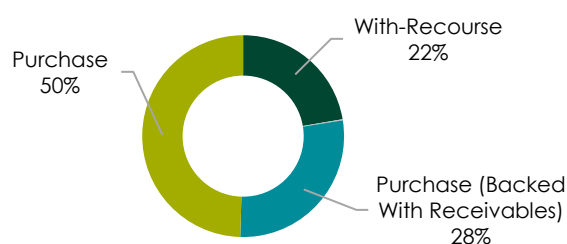
	2Q23	1Q23	2Q22	Q-o-Q	Y-o-Y	1H23	1H22	Y-o-Y
Number of Existing Clients	77	101	89	-24%	-13%	77	89	-13%
Total Outstanding Portfolio (EGP mn)	2,058	2,297	1,767	-10%	16%	2,058	1,767	16%
Average Portfolio Tenor (days)	243	230	233	6%	4%	243	233	4%
Average Ticket Size (EGP mn)	6.0	7.3	3.1	-17%	98%	6.7	3.5	90%
Net Financed Amount (EGP mn)	1,390	1,580	1,024	-12%	36%	2,970	2,097	42%

Source: EFG Hermes Factoring

The Factoring arm of EFG Corp-Solutions' total outstanding portfolio reached EGP2.1 billion by the end of 2Q23, up 16% Y-o-Y; yet, lower 10% Q-o-Q. The Y-o-Y increase in total outstanding portfolio is attributed to bookings made for a number of clients, yet the Q-o-Q decline reflects settlements made during the year.

In terms of the number of clients, one new client was added during 2Q23 with a total limit of EGP3 million. Worth mentioning that, 4 additional clients were approved for new credit limits, with an aggregate limit value of EGP370 million during the same quarter.

Portfolio Analysis

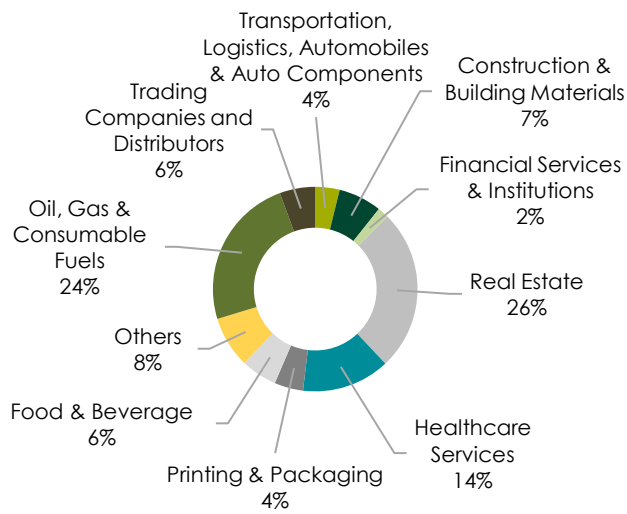


Source: EFG Hermes Factoring

As of 2Q23, the bulk of the Factoring portfolio is represented in the Purchase Factoring, accounting for 50% of the portfolio. Coming second is the Purchase (Backed with Receivables) financing, representing 28% of the outstanding portfolio, and finally, the Receivables with Recourse accounting for 22%.



Portfolio Breakdown by Industry



Source: EFG Hermes Factoring

Portfolio Quality & Provisions

Provision expenses reached EGP14 million during 2Q23. Higher provisions, and a lower outstanding portfolio Q-o-Q, led to higher provision coverage of 4.6% in 2Q23 versus 3.3% in 1Q23.





The Commercial Bank



Financial Overview

I. Performance Overview (P&L)

in EGP million	aiBANK Performance Summary							
	2Q23	1Q23	2Q22*	Q-o-Q	Y-o-Y	1H23	1H22*	Y-o-Y
Net Interest Income	634	534	445	19%	43%	1,168	786	49%
Net Fees and Commissions	187	210	67	-11%	181%	396	113	251%
Other Revenues	67	(16)	52	N/M	27%	50	106	-52%
Total Net Revenues	888	727	564	22%	58%	1,615	1,004	61%
Employee Expenses	179	161	130	11%	37%	339	254	34%
Other Operating Expense	308	268	196	15%	57%	576	275	110%
Operating Expenses**	487	429	327	13%	49%	916	529	73%
Net Operating Profit (Loss)	401	298	237	35%	69%	699	475	47%
Other Expenses	49	33	14	48%	243%	83	51	62%
Net Profit (Loss) Before Tax	352	265	223	33%	58%	616	424	45%
Net Profit (Loss) After Tax	271	171	146	58%	86%	442	283	56%

*1H22 & 2Q22 net profit is restated as a result of the Purchase Price Allocation (PPA) study of aiBANK

** Includes Employee Expenses, Other G&A, and Provisions & ECL

Source: EFG Hermes management accounts

Net interest income: Reached EGP634 million up 19% Q-o-Q and 43% Y-o-Y in 2Q23 derived by the continuous growth in interest earning assets while enhancing interest margins. The bank also allocated more assets towards variable interest rates to benefit from the expected increase in interest rates.

Net fees and commission income: Recorded EGP187 million in 2Q23, down 11% Q-o-Q, derived by the decrease in account maintenance fees by the CDs & TDs breakage fees; meanwhile, it increased 181% Y-o-Y, benefiting from the increase in volumes of trade finance transactions.

Other Revenues: Reached EGP67 million in 2Q23, consisting mainly of fx revaluation, gains on investments and trading portfolio, income from associates, and gain on sale of repossessed assets.

NIMs: increased to 5.2% in 2Q23 compared to 4.4% in 1Q23, thanks to higher asset yields which has been partially offset with increase the cost of renewal short and medium-term deposits.

Employee expenses: Reached EGP179 million in 2Q23 from EGP161 million in 1Q23, up 11% Q-o-Q and 37% Y-o-Y as salaries increased in 2Q23 on the back of promotions and new hiring during the quarter, in addition to the increase in salaries to reflect the inflationary pressure in Egypt.

Other G&A expenses: Reached EGP117 million in 2Q23, down from EGP150 million in 1Q23, as 2Q23 included the reversal of some expense accruals created during 1Q23, in addition to a one-off expense in 1Q23. Meanwhile, G&A rose 51% Y-o-Y in 2Q23, mainly due to inflation and the devaluation impact on USD denominated expenses.

ECL & Provisions: Came at EGP191 million in 2Q23, compared to EGP118 million in 1Q23, to enhance the coverage ratio, this in addition to the new investments, which warrant higher provisions. Meanwhile, the 61% Y-o-Y increase in ECL & provisions reflect the growth of the loan book and the new investments that require higher provisions Y-o-Y.

Cost/Income ratio: Recorded 35.4% in 2Q23 down from 45.3% in 1Q23, due to the increase in revenues is higher than the increase in expenses.

II. Balance Sheet Summary

Balance Sheet*

<i>in EGP million</i>	Jun-23	Mar-23	Dec-22	Q-o-Q	YTD
Cash & Due from Central Bank	4,113	825	2,096	399%	96%
Due from Banks	8,375	13,021	8,094	-36%	3%
Net Loans & Advances	21,966	20,069	19,333	9%	14%
Financial Investments	21,238	20,761	23,103	2%	-8%
Other Assets	2,872	2,796	2,770	3%	4%
Total Assets	58,565	57,471	55,397	2%	6%
Due to Banks	2,675	4,275	786	-37%	240%
Customer Deposits	48,821	46,624	48,202	5%	1%
Other Liabilities	1,291	1,093	1,084	18%	19%
Total Liabilities	52,787	51,992	50,072	2%	5%
Total Shareholders' Equity	5,778	5,479	5,325	5%	9%
Balance Sheet Indicators					
Loans/Deposits	48%	46%	43%		
NPLs	6%	7%	8%		
Coverage Ratio	95%	88%	90%		
Total Capital Adequacy Ratio	15%	16%	20%		

*Standalone B/S

Source: aiBANK accounts

Assets: Total Assets stood at EGP58.6 billion at the end of 2Q23, up from EGP57.5 billion at the end of 1Q23.

The composition of assets changed in the second quarter, as bank placements decreased to 14% of total assets compared to 23%, net loans increased to 38% of total assets compared to 35% while the investments portfolio is stable at 36% of total assets compared to the end of 1Q23.

Loans by Type

<i>in EGP million</i>	Jun-23	Mar-23	Dec-22	Q-o-Q	YTD
Corporate	14,872	13,734	13,829	8%	8%
Retail	6,324	5,767	5,540	10%	14%
SMEs	2,192	1,930	1,487	14%	47%
Total	23,388	21,431	20,857	9%	12%

Loans: Net loans reached EGP22.0 billion, after excluding expected credit losses provisions and unearned interest, while gross loans stood at EGP23.4 billion.

Credit growth: Gross loans grew 9% Q-o-Q, driven by growth in Corporate, Retail and SMEs loans, which increased 8% Q-o-Q and 10% Q-o-Q and 14% Q-o-Q respectively.

Loan quality: NPL ratio declined in 2Q23 compared to 1Q23 to reach 6% from 7%, mainly due to portfolio write-offs, which reached EGP89.2 million in 2Q23. Coverage ratio increased in 2Q23 to 95% compared to 88% in 1Q23, on the back of higher provisions taken and write-offs made during the quarter. However, if associated collateral were included, coverage ratio would increase above 100%.

Loans by currency: Loan book was split 88/12 between local currency and foreign currency at the end of 2Q23.

<i>in EGP million</i>	Deposits by Type				
	Jun-23	Mar-23	Dec-22	Q-o-Q	YTD
Current and Saving Accounts (CASA)	20,783	17,481	16,442	19%	26%
TDs and CDs	27,068	27,898	30,763	-3%	-12%
Other	970	1,245	997	-22%	-3%
Total	48,821	46,624	48,202	5%	1%

Deposits: Deposits increased to EGP48.8 billion at the end of 2Q23, an increase of 5% compared to 1Q23, driven by growth in current and savings accounts.

Deposits contribution by type: Compared to 1Q23 figures, CASA accounts increased by 19% Q-o-Q to reflect efforts exerted to retain clients after the adjustments to current account clients' rates. Meanwhile, term deposits decreased by 3% Q-o-Q to reflect competition offering high interest rate CDs. Other deposits, mainly composed of trade finance margin accounts, witnessed a decrease by 22% Q-o-Q.

Deposits by currency: Deposits were split 74/26 between local currency and foreign currency at the end of 2Q23.

Loans/Deposits ratio: loans to deposits ratio reached 48% in 2Q23 compared to 46% in 1Q23.



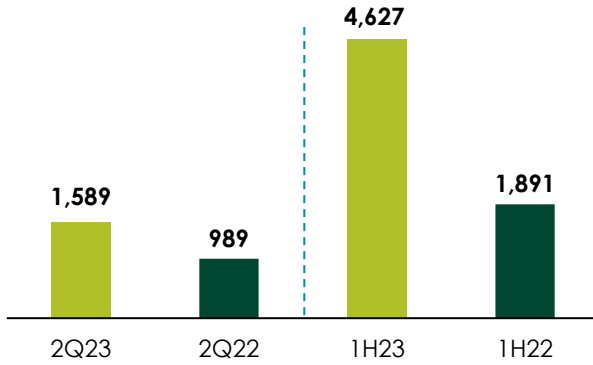
ANNEX I

Contribution by Platform

Revenues

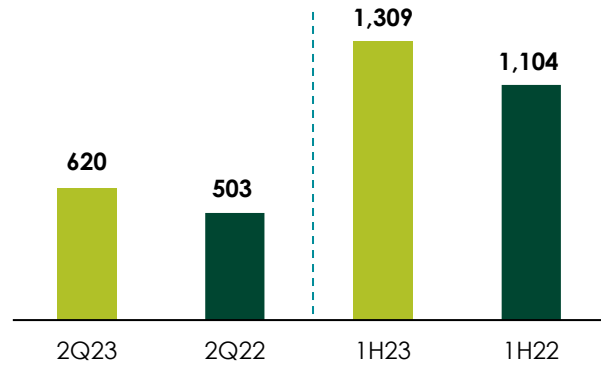
EFG Hermes

In EGP million



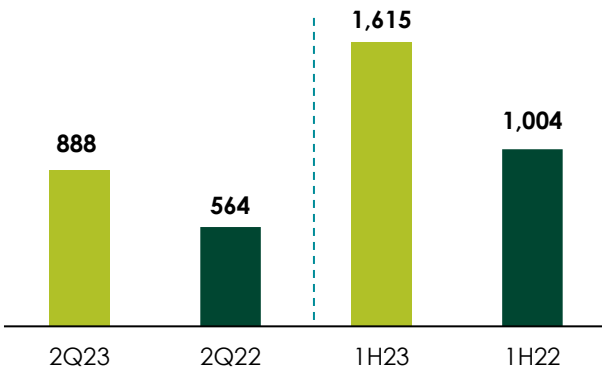
EFG Finance

In EGP million



aiBANK

In EGP million

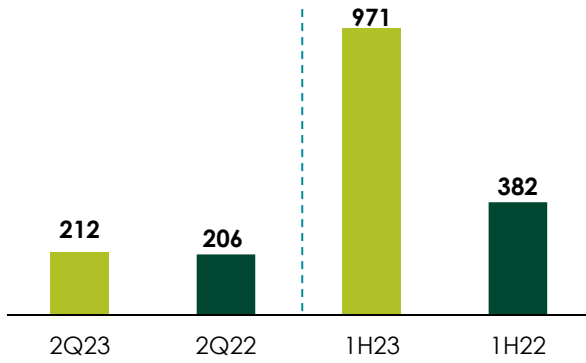




Attributable NPAT

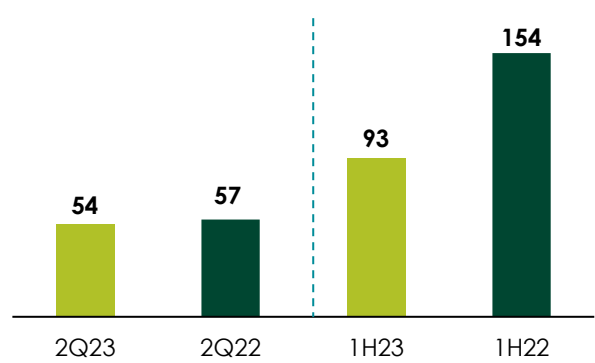
EFG Hermes

In EGP million



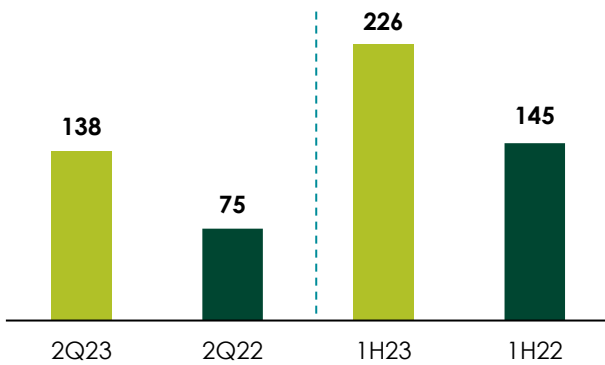
EFG Finance

In EGP million



ciBANK

In EGP million

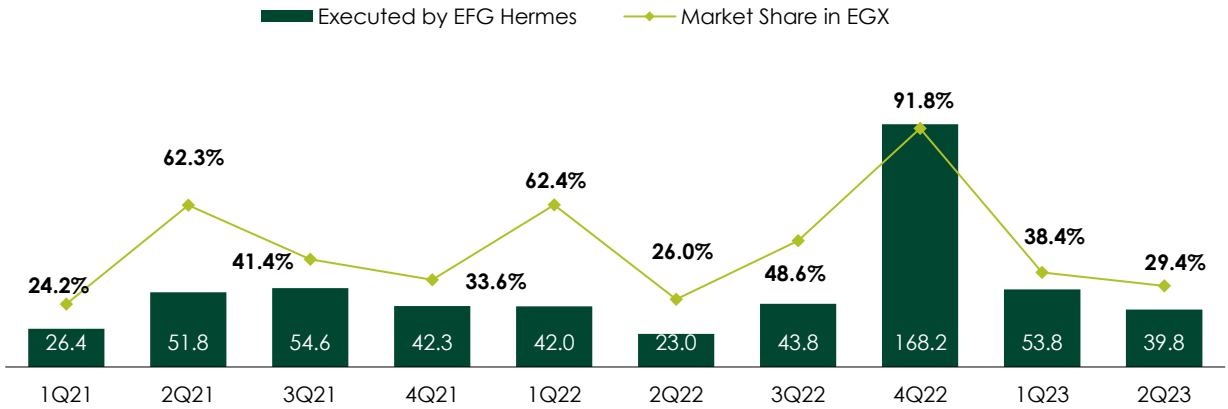


ANNEX II

EFG Hermes Executions & Market Shares

Egypt*:

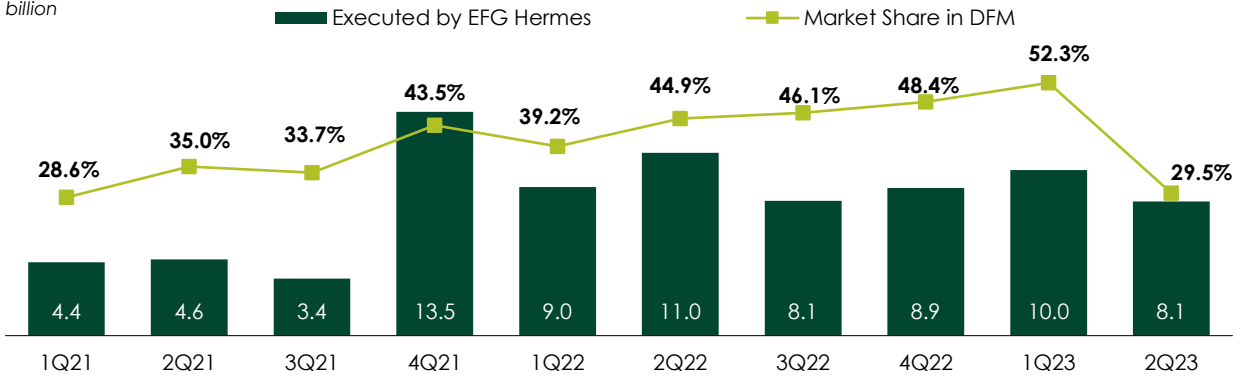
In EGP billion



*Market share calculation includes special transactions

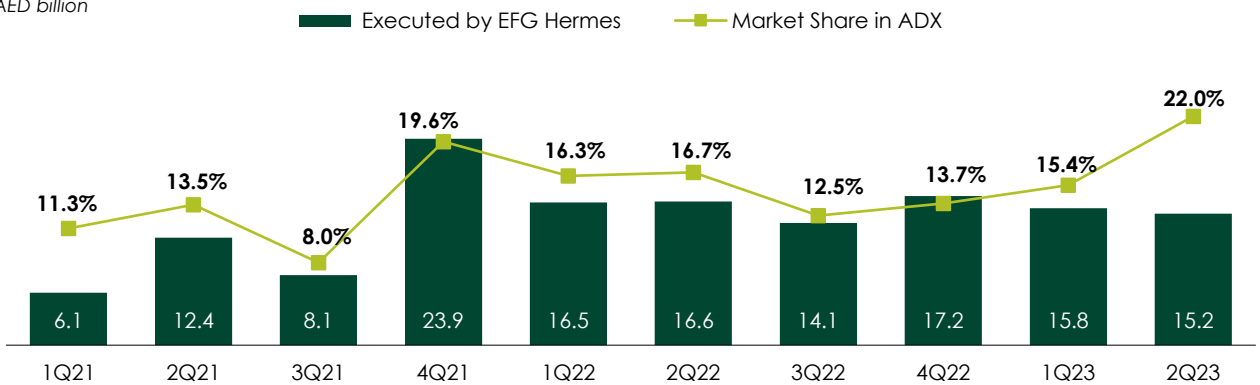
UAE- DFM

In AED billion



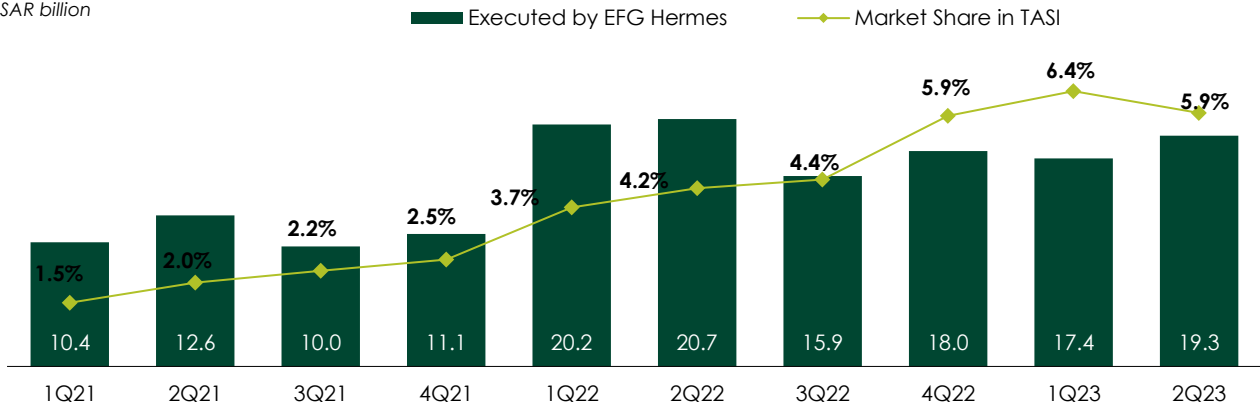
UAE – Abu Dhabi

In AED billion



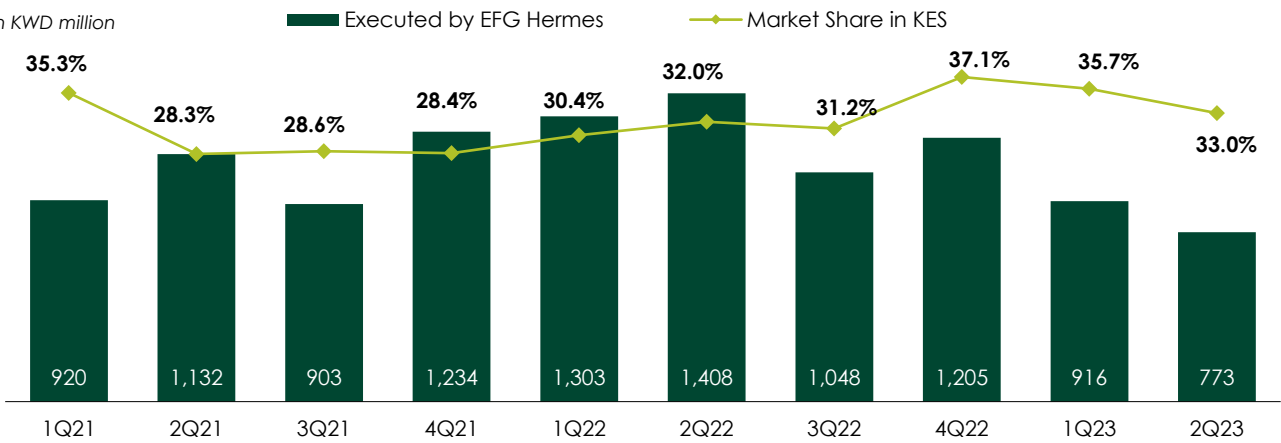
KSA

In SAR billion



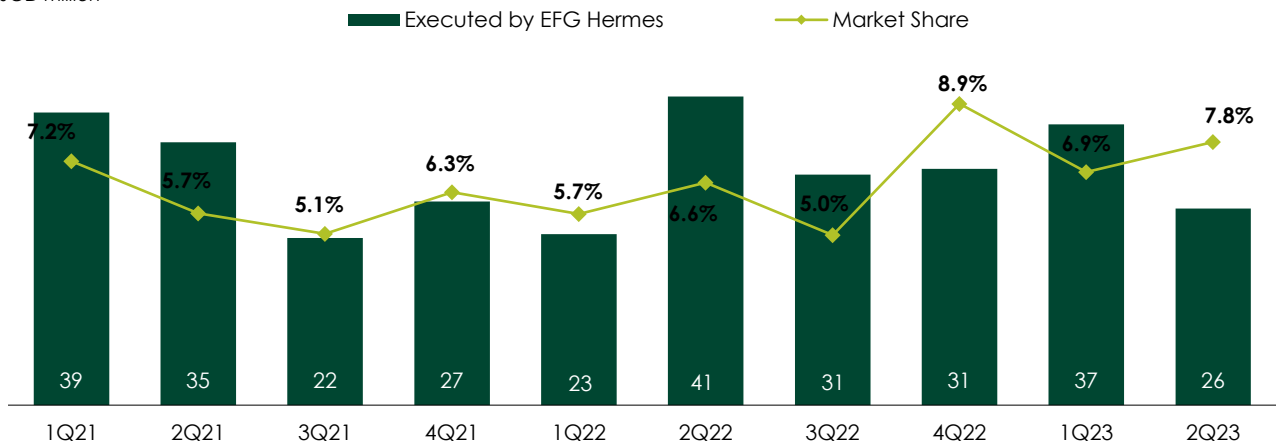
Kuwait

In KWD million



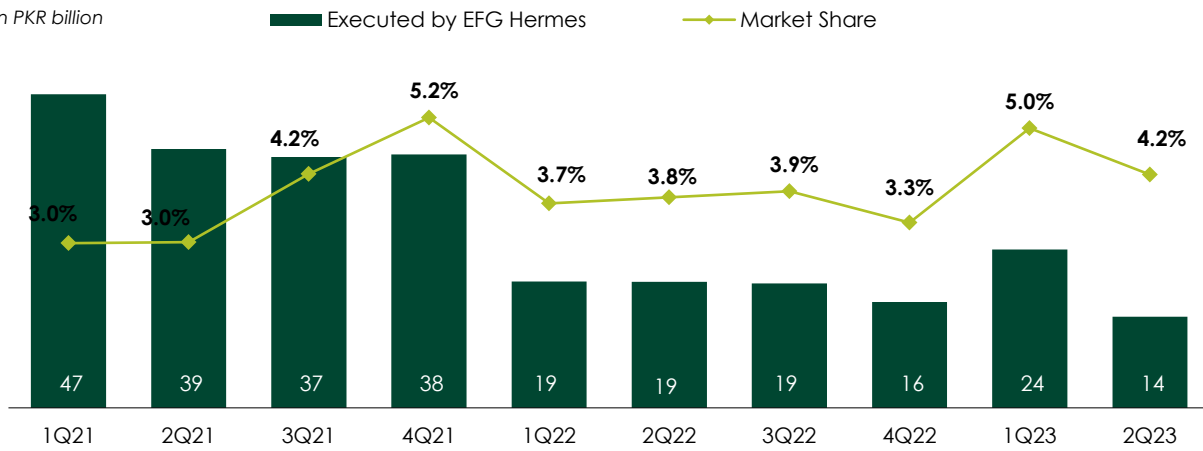
Jordan

In JOD million



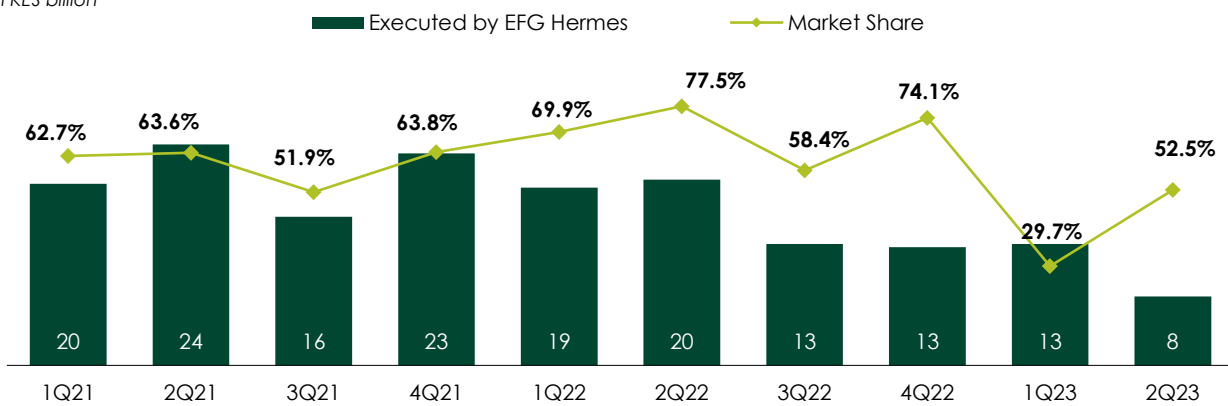
Pakistan

In PKR billion



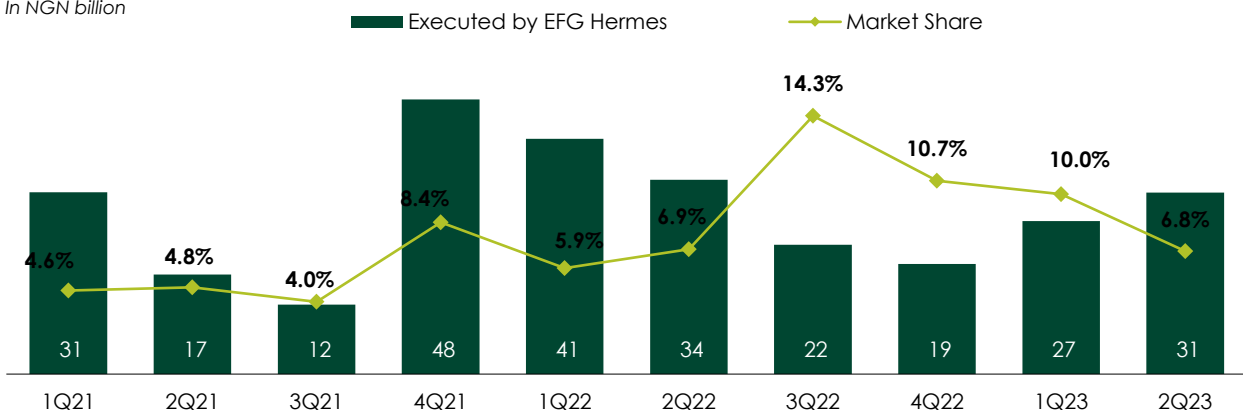
Kenya

In KES billion



Nigeria

In NGN billion





Disclaimer

In this earnings release, EFG Hermes may make forward looking statements, including, for example, statements about future new product launches, future fund raising, investment banking transactions, private equity exits, non-bank finance business outlook and the overall business strategy of the firm. Such forward looking statements by their nature may involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. Examples may include 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. Furthermore, forward looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue. EFG Hermes does not undertake any obligation to update or revise any forward looking statements.

Accordingly, readers are cautioned not to place undue reliance on forward looking statements, which speak only as of the date on which they are made.

This document is provided for informational purposes only. It does not constitute an offer to sell or a solicitation of an offer to buy any securities or interests described within it in any jurisdiction. We strongly advise potential investors to seek financial guidance when determining whether an investment is appropriate to their needs.

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 7,298,030,040.

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

EFG Hermes (Holding Main Office)

Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October Egypt 12577

Tel +20 2 353 56 499

Fax +20 2 353 70 942

www.efghermes.com

