

EFG HERMES EARNINGS RELEASE FY2022

INVESTOR RELATIONS

Cairo, March 22nd, 2023

EFG Hermes reports a strong set of results for the full year of 2022, with Group earnings of EGP1.8 billion on operating revenues of EGP11.0 billion. The Group's total assets stood at EGP105.5 billion at the end of December 2022.

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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

Key Financial Highlights

- ≡ As we continue to reap the fruit of our strategy which included diversified products/services and geographical presence, EFG Hermes Group reported a 77% Y-o-Y increase in revenues to reach EGP11 billion in FY22, with the consolidation of the aiBank and improvement in core operations and Holding & Treasury revenues all being the drivers;
- ≡ Group employee expenses and other G&A rose 73% Y-o-Y to EGP6.5 billion, on the consolidation of aiBank's full year's operating expenses (versus two months in FY21), higher salaries and variable portion of the employee expenses at the Investment Bank to account for non-EGP denominated pay at regional offices and inflation, and higher other G&A expenses particularly at valU which saw significant improvement in its operations and portfolio;
- ≡ Provisions & ECL reached EGP767 million, largely on the back of aiBank provision charges. Furthermore, the Investment Bank, booked provisions for its Brokerage margin book, and Private Equity legacy funds;
- ≡ Group net operating profit and Group net profit before tax, each rose 63% Y-o-Y to EGP3.7 billion and EGP3.3 billion, respectively. However, the Group net profit after tax and minority interest rose 18% Y-o-Y to EGP1.8 billion, pressured by higher tax charges particularly at the aiBank and deferred tax of EGP399 million on unrealized gains on investments/seed capital and fx-gains on the Investment Bank side;
- ≡ A resilient year for the Investment Bank with its revenues rising 58% Y-o-Y to EGP6.2 billion, driven primarily by Holding & Treasury Activities, in addition to higher revenues posted by all business lines Y-o-Y, particularly the Sell-side. Total operating expenses rose 75% Y-o-Y to EGP4.2 billion, driven largely by higher employee expense, followed by higher other G&A and ECL booked during the period;
- ≡ The Investment Bank net operating profit and net profit before tax increased 31% Y-o-Y and 28% Y-o-Y to EGP1.9 billion and EGP1.7 billion, respectively. Meanwhile, net profit after tax and minority interest inched down 4% Y-o-Y to EGP1.1 billion, mainly on higher deferred tax booked by the Holding;
- ≡ The NBFIs platform revenues rose 28% Y-o-Y to EGP2.5 billion, lifted by growth in revenues reported by all its lines of business, primarily valU. Operating expenses rose 31% Y-o-Y to EGP1.8 billion, on higher other G&A expenses, as employee expenses inched down 3% Y-o-Y and Provisions & ECL added 5% Y-o-Y. The net operating profit rose 22% to EGP785 million, while the net profit after tax and minority interest increased 30% Y-o-Y to EGP447 million;
- ≡ aiBank reported revenues of EGP2.2 billion in FY22, with net interest income accounting for 80% of the revenues. Provisions and ECL came at EGP482 million on loan book growth, provisions required by the CBE for specific client, and allocation to investments that require ECL. The Bank reported a net profit after tax of EGP515 million (of which EFG Hermes' share is EGP263 million) in FY22. Credit growth came strong, with gross loans increasing 84% Y-o-Y to EGP20.9 billion; thus Loans/Deposits ratio reached 43% at the end of the year.



Group Overview



Income Statement

Performance Overview

in EGP million	Group Performance Summary							
	4Q22	3Q22	4Q21*	Q-o-Q	Y-o-Y	FY22	FY21*	Y-o-Y
Group Net Operating Revenue	4,627	2,334	2,136	98%	117%	10,959	6,187	77%
Investment Bank	3,185	1,090	1,294	192%	146%	6,165	3,892	58%
NBFIs	781	664	537	18%	46%	2,549	1,989	28%
aiBank**	660	580	306	14%	116%	2,245	306	634%
Group Operating Expenses	3,076	1,617	1,365	90%	125%	7,268	3,920	85%
Employee Expenses	2,034	937	954	117%	113%	4,575	2,788	64%
Other Operating Expenses***	1,042	681	411	53%	154%	2,693	1,133	138%
Group Net Operating Profit	1,550	716	771	116%	101%	3,691	2,266	63%
Group Net Operating Margin	34%	31%	36%			34%	37%	
Group Net Profit (Loss) Before Tax	1,348	650	655	108%	106%	3,298	2,021	63%
Group Net Profit (Loss) After Tax & Minority Interest	813	337	499	141%	63%	1,840	1,553	18%
Investment Bank	686	149	334	360%	106%	1,130	1,172	-4%
NBFIs	70	131	128	-46%	-45%	447	344	30%
aiBank**	58	58	37	0%	56%	263	37	610%

Source: EFG Hermes Management Accounts

*FY21 and 4Q21 revenues and net profit are restated as a result of the Purchase Price Allocation (PPA) study of aiBank

** aiBank figures for FY21 and 4Q21 include only Nov. & Dec. figures following the acquisition

*** Includes Other G&A and Provisions & ECL

4Q22

Group operating revenues more than doubled, climbing up 117% Y-o-Y to EGP4.6 billion, underpinned predominately by Holding & Treasury Activities; in addition to higher revenues generated by all three verticals, as core operations excelled Y-o-Y.

Group employee expenses and other G&A rose 111% Y-o-Y to EGP2.7 billion, with employee expenses and the other G&A more than doubling Y-o-Y. Employee expenses rose 113% Y-o-Y to EGP2.0 billion on the back of higher salaries and higher variable portion of the pay in the face of rising inflation, together with the impact of a weaker EGP on the translation of the non-EGP denominated pay. Employee expenses/revenues came at 44% in the current quarter, down from 45% in the comparable quarter.

Other G&A expenses rose 104% Y-o-Y to EGP638 million, on higher Investment Bank and NBFIs operating expenses, mainly as a result of high inflation in Egypt, the impact of USD denominated expenses, and higher activation and operating expenses related to valU.

Provisions & ECL rose 311% to EGP404 million in 4Q22, largely on the back of aiBank provision charges that reached EGP232 million in 4Q22 and that is attributed to loan book growth and allocation of its investment portfolio to corporate bonds that demand ECL calculation. In addition to higher provision & ECL expenses taken by the Investment Bank, predominately for its Brokerage margin book.

Accordingly, the Group net operating profit and Group net profit before tax, rose 101% and 106% Y-o-Y to EGP1.6 billion and EGP1.3 billion, respectively.

Taxes increased to EGP471 million in 4Q22 from EGP108 million a year earlier, mainly on higher

deferred taxes booked by the Investment Bank, as the quarter included EGP202 million of deferred tax on fx-gains and EGP139 million of deferred tax on unrealized gains on investments/seed capital. This in addition to higher taxes booked by aiBank (up 150% Y-o-Y to EGP112 million). Thus, the Group net profit after tax and minority interest came at EGP813 million, up 63% Y-o-Y.

FY22

A strong year for the Group, with its revenues spiraling up 77% Y-o-Y to EGP10,959 million, driven by the consolidation of aiBank's full year revenues of EGP2.2 billion as opposed to two months in FY21 (EGP306 million), stronger Holding & Treasury Activities revenues, and growth in core revenues generated by all lines of business.

Group employee expenses and other G&A rose 73% Y-o-Y to EGP6.5 billion, due to the consolidation of EGP783 million of aiBank's operating expenses (versus EGP121 million in FY21), higher employee expenses at the Investment Bank, and higher G&A expense particularly at the NBFIs.

Group employee expenses rose 64% Y-o-Y to EGP4.6 billion, as aiBank's full year of employee expenses were included in FY22 versus only two months in FY21, higher salaries and variable portion of the employee expenses at the Investment Bank to account for non-EGP denominated pay at regional offices, the inflationary pressures particularly in Egypt and in tandem with the growth in revenues generated from all core business operations. However, employee expenses/revenues came at 42% in the current year, down from 45% in FY21.

Group other G&A expenses rose 98% Y-o-Y to EGP1.9 billion, on aiBank's consolidation, inflation, USD-denominated expenses at the Investment Bank, and a significant increase in valU's operating costs mainly related to client acquisition and growth in loans issued Y-o-Y.

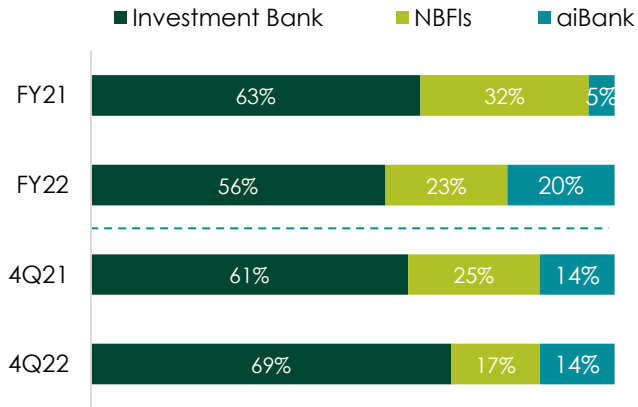
Provisions & ECL reached EGP767 million, largely on the back of aiBank provision charges which reached EGP482 million and is attributed to accelerated loan book growth, provisions required by the Central Bank for a particular client, and an increase in investments that require ECL. Furthermore, the Investment Bank, booked provisions for its Brokerage margin book, and Private Equity legacy funds.

Consequently, the Group net operating profit and Group net profit before tax, each rose 63% Y-o-Y to EGP3.7 billion and EGP3.3 billion, respectively. However, the Group net profit after tax and minority interest rose 18% Y-o-Y to EGP1.8 billion, pressured by higher tax charges particularly at the aiBank and deferred tax of EGP399 million on unrealized gains on investments/seed capital and fx-gains on the Investment Bank side.

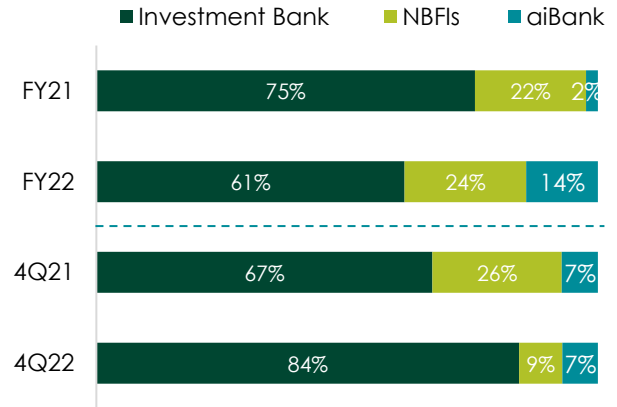


Contribution by Platform

Revenues



NPAT*



*Net Profit After Tax and Minority Interest





Investment Bank



Financial Overview

Performance Overview

	Investment Bank Performance Summary							
<i>in EGP million</i>	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Investment Banking	182	209	184	-13%	-1%	748	494	51%
Brokerage	551	388	419	42%	31%	1,780	1,341	33%
Sell-Side	733	597	603	23%	21%	2,528	1,835	38%
Asset Management	245	97	262	152%	-7%	553	528	5%
Private Equity	87	33	33	168%	165%	171	109	57%
Buy-Side	332	130	295	156%	13%	723	636	14%
Holding & Treasury Activities	2,120	363	395	484%	436%	2,914	1,420	105%
Total Net Operating Revenue	3,185	1,090	1,294	192%	146%	6,165	3,892	58%
Employee Expenses	1,663	598	691	178%	141%	3,262	1,866	75%
Other Operating Expenses*	411	224	180	84%	129%	977	552	77%
Total Operating Expenses	2,075	822	871	152%	138%	4,239	2,418	75%
Net Operating Profit	1,110	268	423	314%	162%	1,926	1,474	31%
Net Profit (Loss) Before Tax	982	242	375	306%	162%	1,728	1,352	28%
Net Profit (Loss) After Tax & Minority Interest	686	149	334	360%	106%	1,130	1,172	-4%

*Includes Other G&A, and Provisions & ECL

4Q22

A buoyant quarter for the Investment Bank, with its revenue rising 146% Y-o-Y to EGP3.2 billion, driven primarily by Holding & Treasury Activities revenue. In addition, brokerage and Private Equity recorded higher revenues Y-o-Y.

The sell-side maintained its positive performance, with its revenues spiraling up 21% Y-o-Y to EGP733 million, lifted by Brokerage revenues. Brokerage revenues rose 31% Y-o-Y to EGP551 million, supported mainly by stronger executions in Egypt and the GCC: Qatar, KSA, Kuwait and the UAE. Meanwhile, the Investment Banking revenues was broadly flat, inching down 1% Y-o-Y to EGP182 million in the quarter.

Buy-side revenues rose 13% Y-o-Y to EGP332 million, on higher Private Equity revenues. Private Equity revenues rose 165% Y-o-Y to EGP87 million, mainly due to the reversal of provisions no longer needed amounting to EGP46 million. Meanwhile, Asset Management revenues slipped 7% Y-o-Y to EGP245 million, on lower incentive fees recorded by FIM.

Holding & Treasury Activities revenues were 5x higher Y-o-Y, shooting up 436% Y-o-Y to EGP2.1 billion, on the devaluation of the EGP during 4Q22. Fx-gains rose 641% Y-o-Y to reach EGP1.2 billion during the quarter, and unrealized gains on seed capital reached EGP858 million in gains; this in addition to a weak comparable quarter which included EGP153 million of unrealized losses. Meanwhile, net interest income declined 78% Y-o-Y to EGP63 million.

Total operating expenses rose 138% Y-o-Y to EGP2.1 billion, driven largely by higher employee expense, followed by higher other G&A and ECL booked during the quarter.

Employee expenses, which represent 80% of total operating expenses, rose 141% Y-o-Y to EGP1.7 billion largely on higher employee compensation (fixed and variable) required to mitigate the EGP devaluation for the non-EGP denominated pay and inflation mainly in Egypt; also to mirror higher revenues recorded by the Investment Bank.

Other G&A expenses rose 92% Y-o-Y to EGP265 million, as higher expenses were reported across

different expense categories to mirror the impact of higher fx and inflation. These expenses include IT, occupancy, and marketing expenses. Moreover, the quarter included higher travel expenses as travel restrictions were largely removed.

Provisions & ECL added 253% Y-o-Y to EGP147 million, as Brokerage booked EGP78 million related to its margin book, Private Equity booked EGP18 million related mainly to ECP III and Agri Funds, and the remaining reflect ECL related to investments and goodwill.

With the increase in revenues exceeding the increase in costs, the Investment Bank net operating profit and net profit before tax each rose 162% Y-o-Y to EGP1.1 billion and EGP982 million, respectively.

Meanwhile, net profit after tax and minority doubled, up 106% Y-o-Y to EGP686 million, pressured by deferred tax which totaled to EGP298 million on unrealized gains on investments/seed capital and fx-gain booked by the Holding.

FY22

A strong year for the Investment Bank, with its revenues rising 58% Y-o-Y to EGP6.2 billion, driven primarily by Holding & Treasury Activities revenues, in addition to higher revenues posted by all business lines Y-o-Y, particularly the sell-side.

Sell-side revenues rose 38% Y-o-Y to EGP2.5 billion, as both the Investment Banking and Brokerage recorded stronger revenues Y-o-Y. Brokerage revenues rose 33% Y-o-Y to EGP1.8 billion, on stronger executions in the MENA markets. Investment Banking revenues rose 51% Y-o-Y to EGP748 million, on higher deal count, strong ECM activities, and higher advisory fees.

Buy-side revenues climbed 14% Y-o-Y to EGP723 million, mainly on higher Private Equity revenues. Private Equity revenues added 57% Y-o-Y to EGP171 million, mainly on reversal of provisions no longer needed and fx translation of management fees. Asset Management revenues added 5% Y-o-Y to EGP553 million, on FIM's higher management fees and despite lower incentive fees Y-o-Y.

Holding & Treasury Activities revenues doubled, up 105% Y-o-Y to EGP2.9 billion, mainly on higher fx-gains derived from the revaluation of balance sheet assets including Cash, Eurobonds and intercompany balances, and the distribution of dividends to the Holding company. Realized/unrealized gains on investments/seed capital reached EGP71 million as unrealized gains on seed capital in 4Q22 overshadowed realized losses on Investments recognized in 1Q22 from structured products exit. Meanwhile, net interest income declined 71% Y-o-Y to EGP320 million, as our Structured Products position was exited earlier in March.

Total operating expenses rose 75% Y-o-Y to EGP4.2 billion, driven largely by higher employee expense, followed by higher other G&A and ECL booked during the period.

Employee expenses added 75% Y-o-Y to EGP3.3 billion, primarily on higher variable portion of the employee compensation that is required to offset the impact of the USD pegged pay translation into our reporting currency, the EGP, and inflationary pressures particularly in Egypt. However, the increase in employee expenses came in line with the increase in revenues. Moreover, salaries came higher Y-o-Y mirroring inflation in Egypt and the impact of the non-EGP denominated salaries.

Other G&A expenses rose 53% Y-o-Y to EGP777 million, generally with all different expense categories reporting an increase to reflect inflation mainly in Egypt, USD denominated expenses in Egypt and all the non-Egypt expenses as the EGP continued to devalue throughout



the current year.

Provisions & ECL came at EGP201 million, mainly as Brokerage booked EGP130 million related to its margin book and Private Equity booked EGP33 million related to ECPIII and Agri Fund, this in addition to ECL related to investments and goodwill.

The Investment Bank net operating profit and net profit before tax increased 31% Y-o-Y and 28% Y-o-Y to EGP1.9 billion and EGP1.7 billion, respectively; as the increase in total operating expenses overshadowed the increase in net operating revenues. Meanwhile, net profit after tax and minority interest inched down 4% Y-o-Y to EGP1.1 billion, mainly on higher deferred tax booked by the Holding, which amounted to EGP361 million, resulting from unrealized gains on investments/seed capital and fx-gains.



Operational Performance

i. Brokerage

A strong performance and higher liquidity was witnessed in the Egyptian market during 4Q22, post the devaluation of its currency. Meanwhile, other markets, where we operate in, ended the final quarter on a mixed note in terms of performance and liquidity. The MSCI EM gained 9.2% Q-o-Q, while the S&P Pan Arab TR slipped 5.7% Q-o-Q.

For FY22, it was a mixed performance, with the UAE markets and Kuwait ending the year on a positive note and higher liquidity, while KSA retreated; meanwhile Qatar volumes improved, and the EGX ended on a stronger note on lower volumes.

EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions increased 31% Q-o-Q to reach USD26.5 billion in 4Q22, predominantly on strong executions in Egypt, the UAE markets, KSA and Kuwait. On a Y-o-Y basis, total executions increased 11% Y-o-Y, largely on higher executions in Egypt and KSA, and despite weaker executions in the UAE markets.

For FY22, total executions reached USD96.3 billion, up 36% Y-o-Y, triggered by higher executions in all of our MENA operations, largely KSA, Qatar, and the UAE markets.

Brokerage revenues reached EGP551 million in 4Q22, up 31% Y-o-Y to reflect higher executions mainly in Egypt and KSA. Meanwhile, Brokerage revenues increased 42% Q-o-Q, mainly driven by higher executions in Egypt, the UAE markets, and Kuwait. For FY22, revenues increased 33% Y-o-Y, mainly on stronger revenues generated by the UAE markets, KSA, Kuwait, Egypt and Qatar (booked in Egypt's other markets revenue).

in EGP million	Brokerage Revenue*							
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Egypt	236	164	161	44%	47%	666	601	11%
Other Markets	26	28	22	-6%	18%	146	50	191%
Total Egypt	262	192	183	37%	43%	812	652	25%
UAE	105	67	96	56%	10%	316	187	69%
KSA	53	47	24	14%	119%	198	97	105%
Kuwait	64	39	43	65%	47%	225	155	45%
Frontier Markets**	33	25	39	31%	-17%	112	136	-18%
Structured Products	8	6	24	33%	-67%	60	79	-25%
Fixed Income	12	4	1	197%	1860%	16	0	N/M
Others***	14	9	9	62%	56%	41	35	18%
Total Revenues	551	388	419	42%	31%	1,780	1,341	33%

*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

In 4Q22, Egypt remained the largest contributor to the pure Brokerage commissions (excluding any other revenue generated: margin income, research revenue and custody income) in markets where we execute, with a contribution of c.25%; while the UAE markets (which includes Dubai and Abu Dhabi) came in second place, with c.20% contribution. Meanwhile, Kuwait and KSA came in third place with c.15% contribution each. For FY22, Egypt and the UAE markets shared the first place with c.19% contribution each, followed by KSA and Kuwait with c.16% contribution each.

Commissions Breakdown by Market

Markets	4Q22	FY22
Egypt	24.5%	19.1%
DFM*	7.1%	7.4%
ADX	13.2%	11.9%
KSA	14.5%	15.6%
Kuwait	15.2%	16.4%
Qatar	9.3%	13.4%
Frontier Markets	4.6%	6.5%
Structured Products	0.8%	1.8%
Others**	10.7%	7.7%
Total	100%	100%

*DFM includes Nasdaq Dubai's share of 0.01% in 4Q22 and FY22

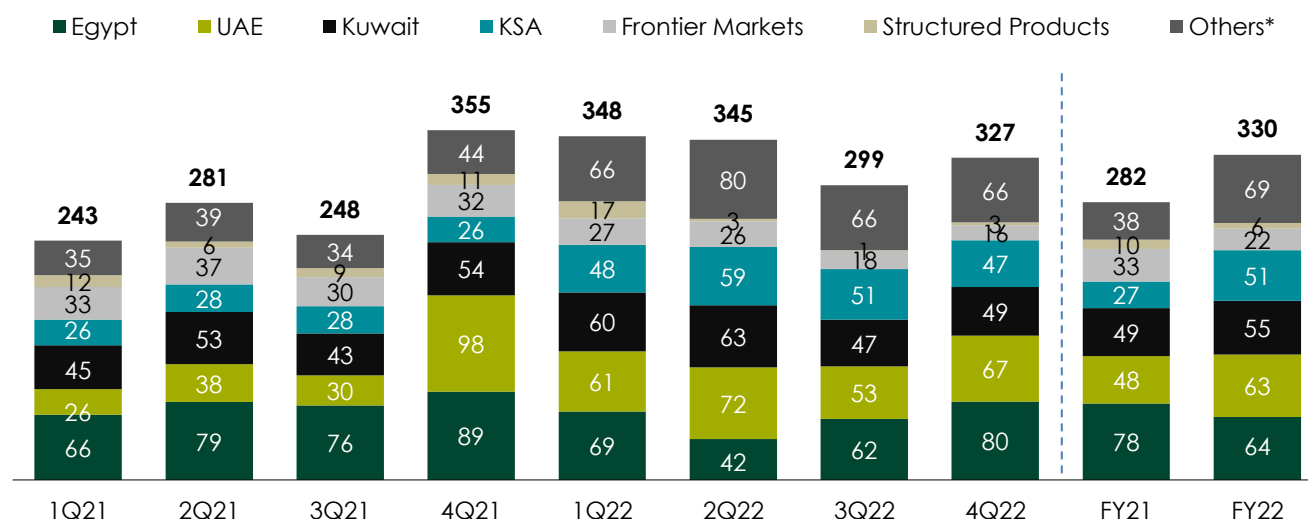
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The below chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate ADC increased 9% Q-o-Q to USD327 thousand in 4Q22, on the back of higher commissions generated in Egypt and the UAE markets. On a Y-o-Y basis, ADC declined 8%, pressured by lower commissions generated in the UAE markets and Egypt, despite higher commissions generated in KSA. For FY22, ADC rose 17% Y-o-Y to reach USD330 thousand, driven primarily by KSA, Qatar, and the UAE markets.

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							
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Egypt*								
Market share	39.1%	35.8%	43.2%	3.3%	-4.1%	40.2%	33.8%	6.4%
Executions	6,945	2,288	2,691	204%	158%	13,153	11,151	18%
UAE – DFM								
Market share	48.4%	46.1%	43.5%	2.2%	4.8%	41.1%	35.8%	5.2%
Executions	2,423	2,213	3,679	9%	-34%	10,079	7,074	42%
UAE – ADX								
Market share	13.7%	12.5%	19.6%	1.2%	-5.9%	14.7%	13.7%	1.0%
Executions	4,696	3,846	6,500	22%	-28%	17,554	13,744	28%
KSA								
Market share	5.9%	4.4%	2.5%	1.5%	3.4%	4.4%	2.0%	2.4%
Executions	4,861	4,294	2,990	13%	63%	20,191	11,897	70%
Kuwait								
Market share	37.1%	31.2%	28.4%	5.9%	8.7%	32.8%	29.6%	3.2%
Executions	4,016	3,493	4,112	15%	-2%	16,548	13,963	19%
Oman								
Market share	24.5%	17.1%	23.3%	7.4%	1.2%	17.3%	16.6%	0.7%
Executions	118	80	102	48%	16%	421	352	20%
Jordan								
Market share	8.9%	5.0%	6.3%	3.9%	2.7%	6.3%	6.1%	0.3%
Executions	44	43	38	3%	16%	178	174	2%
Pakistan								
Market share	3.3%	3.9%	5.2%	-0.6%	-1.9%	3.7%	3.6%	0.1%
Executions	58	76	218	-24%	-74%	336	996	-66%
Kenya								
Market share	74.1%	58.4%	63.8%	15.7%	10.3%	70.0%	60.8%	9.2%
Executions	106	111	207	-5%	-49%	563	765	-26%
Nigeria								
Market share	10.7%	14.3%	8.4%	-3.6%	2.4%	9.9%	5.7%	4.2%
Executions	38	45	90	-15%	-58%	212	251	-15%
Frontier								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	231	342	516	-32%	-55%	1,292	1,330	-3%
Structured Products								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	17	3	470	517%	-96%	406	1,109	-63%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Bahrain, Lebanon, UK (GDRs), Bonds, ETFs and others represent an additional 11% of total Brokerage executions in 4Q22 and 16% in FY22

Source: EFG Hermes and Regional Exchanges



Egypt

The EGX continued its positive performance in 4Q22, with the Hermes Financial Index (HFI) adding 46.6% Q-o-Q, and volumes rising 19% Q-o-Q. The market's positive performance was driven by the EGP devaluation and supported the HFI which added 27.5% Y-o-Y in FY22. However, volumes declined 8% Y-o-Y in FY22.

EFG Hermes successfully executed Vodacom's acquisition of a 55% stake in Vodafone Egypt worth EGP59.7 billion during 4Q22.

EFG Hermes continued to dominate the first place ranking on the EGX, with a market share of 39.1% in 4Q22, and a market share of 40.2% in FY22. Foreign participation increased to 40.4% of the total market participation including special transactions in 4Q22 and 25.8% in FY22, with EFG Hermes successfully capturing over 89% of this flow during the quarter and over 78% in FY22.

On the retail front, the market remained dominated by retail investors whom captured over 66% of the market volume. EFG Hermes maintained its strong footing and successfully captured around 12.2% of the retail business during the quarter.



UAE – Dubai

The DFM performance was largely flat Q-o-Q in 4Q22, with the DFMGI inching down 0.1% Q-o-Q, while volumes increased 4% Q-o-Q over the same period. For FY22, the DFMGI increased 4.4% Y-o-Y, and volumes rose 24% Y-o-Y.

Foreign participation came at 40% in 4Q22 and in FY22, of which EFG Hermes seized 51% and 43%, respectively.

EFG Hermes maintained its leading position on the DFM during 4Q22 and FY22, with a market share of 48.4% and 41.1%, respectively.

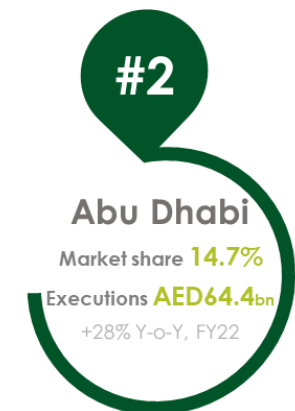


UAE – ADX

A good quarter for the ADX, with the ADI adding 4.7% Q-o-Q in 4Q22, and volumes rising 13% Q-o-Q. For FY22, the ADI added 20.3% Y-o-Y, while volumes increased 22% Y-o-Y. The increase in volumes was largely attributed to the market's new additions, up-weights to both MSCI and FTSE over the quarter and November's MSCI rebalancing.

The Firm managed to maintain its 2nd place ranking in 4Q22 and FY22, with a market share of 13.7% and 14.7%, respectively.

Foreign participation in the market came at 17% in 4Q22 and 18% in FY22, of which EFG Hermes accounted for 28% and 32% of those foreign flows, respectively.



Saudi Arabia

A slow quarter for the Saudi market, with the Tadawul All Share Index slipping 8.1% Q-o-Q, and volumes declining 15% Q-o-Q in 4Q22. For FY22, the index decreased 7.1% Y-o-Y, and volumes decreased 23% Y-o-Y.

Local investors ended 4Q22 as net sellers while GCC and foreign investors (QFI and Swaps) ended the quarter as net buyers. The QFI and Swaps volume reached SAR120.3 billion in 4Q22, accounting for 19.6% of the market turnover (of which the swaps accounted for 0.07%); of which the Firm captured 9% of this business during the quarter. For the FY22, the QFI and Swaps combined volume accounted for 15.6% of the market's turnover as it reached SAR534 billion, higher 90% Y-o-Y. The Firm seized 6.7% of that flow.

EFG Hermes market share continued to improve to reach 5.9% in 4Q22 and 4.4% in FY22; retaining its 6th place ranking among non-commercial banks' brokerage firms in 4Q22 and during FY22.

Kuwait

The Kuwaiti market retrieved some of its losses, with the Kuwaiti market main index adding 2.6% Q-o-Q and volumes increasing 4% Q-o-Q in 4Q22. For FY22, the market's main index added 3.5% Y-o-Y and volumes added 8% Y-o-Y. Local and GCC investors were net sellers while foreigners remained net buyers.

EFG Hermes IFA maintained its second place ranking, with a market share of 37.1% in 4Q22 and 32.8% in FY22, as foreign participation improved in 4Q22, accounting for 18% of the total market executions, of which EFG Hermes captured 61% of this flow. In FY22, foreign participation came at 14% of which EFG Hermes accounted for 60%.

Oman

The Omani market saw a strong quarter in terms of performance, with the MSM Index adding 7.3% Q-o-Q in 4Q22. However, market volumes inched down 2% Q-o-Q. For FY22, the index added 17.6% Y-o-Y, while volumes increased 35% Y-o-Y. The off-market transactions accounted for 7% of the total market's turnover during the quarter.

Meanwhile, GCC and foreign investors ended the quarter as net buyers while local investors ended the quarter as net sellers.

EFG Hermes Oman ranking improved to 3rd place in 4Q22, with a market share of 24.5%. In FY22, the Firm held a 5th place, with a market share of 17.3%.

Foreign activity represented 8% of the market turnover in 4Q22 and 5% in FY22; of which the Firm captured 39% and 21%, respectively.

#6

KSA

Market share 4.4%

Executions SAR74.8bn

+70% Y-o-Y, FY22

#2

Kuwait

Market share 32.8%

Executions KWD5.0bn

+19% Y-o-Y, FY22

#5

Oman

Market share 17.3%

Executions OMR162mn

+20% Y-o-Y, FY22



Jordan

A muted quarter for Jordan, with its Index largely flat, up 0.7% Q-o-Q, and volumes down 44% Q-o-Q in 4Q22. For FY22, the index increased 18.1% Y-o-Y, and volumes inched down 2% Y-o-Y

The Firm's market share improved to 8.9%, ranking 5th on the market in 4Q22. For the FY22, the Firm's market share came at 6.3% with a 12th place ranking.

In terms of foreign participation, foreign activity accounted for 4% of the market turnover in 4Q22 and 3% in FY22, whereby EFG Hermes captured 35% and 24% of that flow, respectively.



Pakistan

A quiet quarter for the Pakistani market with the KSE100 inching down 1.7% Q-o-Q, and volumes decreasing 5% Q-o-Q in 4Q22. In FY22, the market index decreased 9.4% Y-o-Y, and volumes decreased 58% Y-o-Y.

Foreign investors were net sellers, while banks and individuals were the largest buyers among local participants; whereas, mutual funds and insurance companies were net sellers. However, foreign activity continued to be low, representing 8% of the market turnover in 4Q22 and 7% in FY22; of which the Firm captured 10% and 12% in 4Q22 and FY22, respectively.

EFG Hermes Pakistan market share came at 3.3% in 4Q22, and stood at 3.7% in FY22.

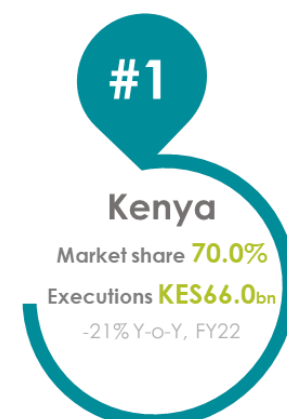


Kenya

A muted quarter for the Kenyan market, with the NASI inching down 0.7% Q-o-Q, and volumes declining 13% Q-o-Q in 4Q22. In FY22, the NASI declined 23.4% Y-o-Y, and volumes decreased 37% Y-o-Y, driven by foreign investors' outflows.

EFG Hermes maintained its 1st place ranking, with a market share of 74.1% in 4Q22 and 70.0% in FY22; with increasing share of foreign execution being the main driver.

Foreign participation came at 54% in 4Q22 and 53% in FY22 of the total market activity, of which EFG Hermes executed 56% in 4Q22 and FY22 of this flow.





Nigeria

The Nigerian market reversed direction, with the Index gaining 4.5% Q-o-Q, and volumes inching down 1% Q-o-Q in 4Q22. For FY22, the index gained 20.0% Y-o-Y; meanwhile, volumes declined 12% Y-o-Y. This was mainly on the back of very challenging macro-economic backdrop, with very high inflationary pressures and a weakening currency. The market participation was dominated by local investors.

The Firm's ranked 7th for 4Q22 and 5th place in FY22, with a market share of 10.7% and 9.9%, respectively.

#5

Nigeria

Market share **9.9%**

Executions **NGN115.8bn**

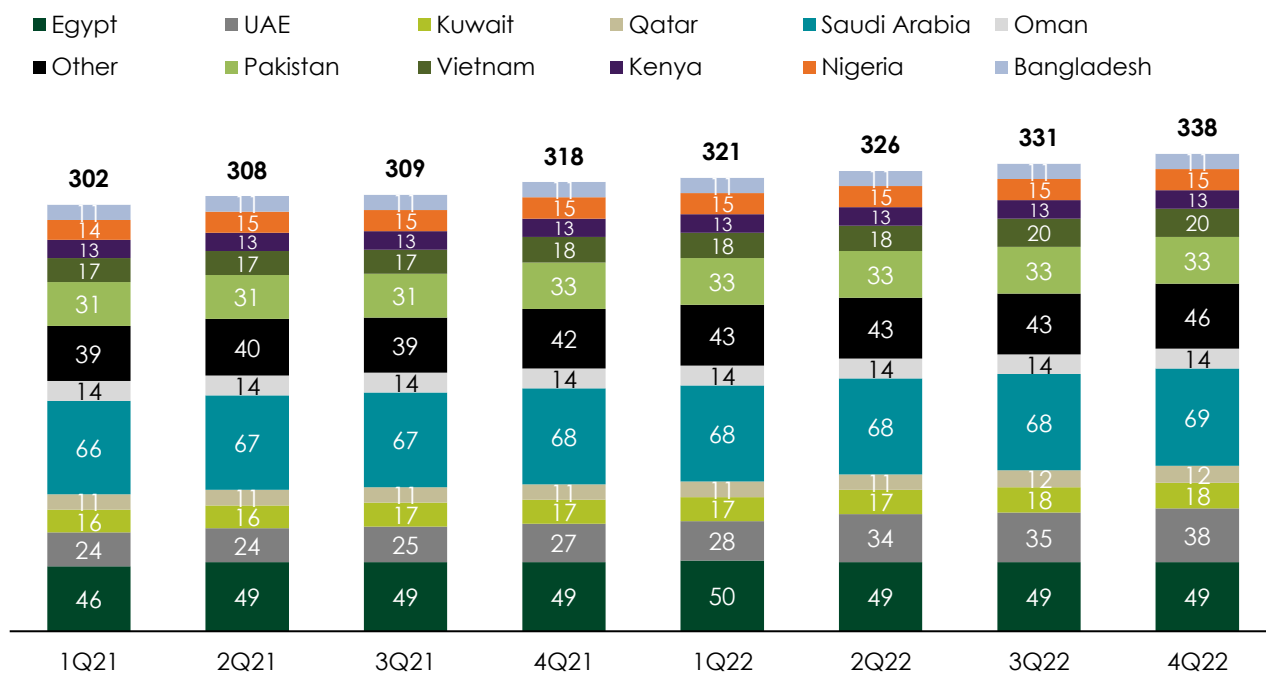
+7% Y-o-Y, FY22



ii. Research

Research Coverage Universe

Number of Companies



Source: EFG Hermes Research

EFG Hermes's Research team initiated coverage of 22 new stocks in 2022, with 12 of these initiations for UAE companies after a wave of IPOs in the country and increased interest in the UAE market in general. We now cover 338 stocks in 25 countries across the MENA and Frontier markets.

In 4Q22, we initiated coverage on seven new stocks, which included NLB Group (a bank in Slovenia, which is our first stock coverage in Slovenia), Grit Real Estate Income Group (a specialized African real estate company), three UAE stocks – Salik (Dubai's toll operator), Empower (a district cooling provider), and Taleem Holdings (a premium school operator in the UAE) – one in Saudi Arabia (Riyadh Cables Group), and lastly Airtel Africa (a Pan-African telco). The department published the EFG Hermes research annual yearbook 'FEM on Sale, GCC in focus' in December.

For 2023, our MENA-based research is set to deepen further, while adding new countries to our Asian coverage during the next quarter. Asia will be a core focus for our frontier research going forward given the growth opportunities there.

iii. Investment Banking

In 4Q22, EFG Hermes' Investment Banking division successfully concluded six equity transactions, four debt transactions and one M&A transaction worth an aggregate value of USD3.4 billion, bringing the total number of equity, M&A and debt deals executed this year to 32 with an aggregate value of USD14.3 billion.

On the equity front, the team continued to solidify its presence in the GCC ECM space, by successfully closing several landmark transactions, despite the turbulent global macroeconomic conditions. EFG Hermes acted as joint bookrunner on the USD1.8 billion initial public offering (IPO) and dual listing of Americana Restaurants International, the region's leading out-of-home dining and quick-service restaurant operator on both the Saudi Stock Exchange (Tadawul) and the Abu Dhabi Securities Exchange (ADX). The monumental transaction, which was oversubscribed c.58x, is considered the first-ever dual listing on Tadawul and ADX. The firm also acted as joint lead arranger and global coordinator on the IPO of Dubai-based education platform operator, Taaleem, on the Dubai Financial Market (DFM) in a USD204 million transaction, which is considered the first private sector IPO on the DFM in the past few years. Moreover, the team advised on the USD724 million IPO of Emirates Central Cooling Systems Corporation (Empower) on the DFM, building on the series of privatizations, which the Dubai government is currently embarking on. Building on EFG Hermes' strategy to expand its Saudi presence, the team acted as joint bookrunner on the IPO of Riyadh Cables Group, MENA's largest cables manufacturer, on the Tadawul exchange in an offering worth USD 378 million. The transaction garnered significant traction from regional and global investors, being c.72x oversubscribed on the institutional tranche. Lastly, EFG Hermes also advised on the successful listing of The Pearl Real Estate Investment Fund on the Muscat Stock Exchange (MSX), marking the largest listing on the exchange in the past 7 years.

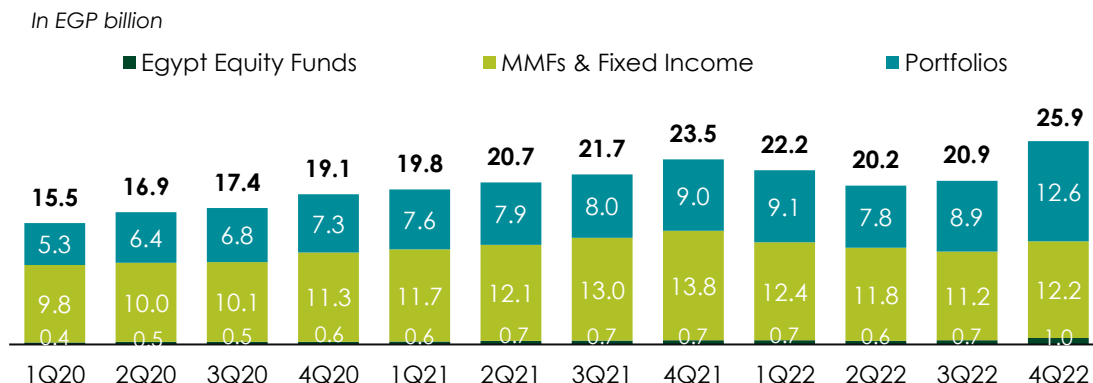
On the debt front, the division continued to provide innovative, diverse, and value-accretive financial solutions serving the needs of its prominent client base. The team successfully advised Cairo for Investment and Real Estate Development (CIRA) on Egypt's first future flow securitized bond worth USD33 million. The transaction marks the first issuance of an approved EGP2.0 billion bond program for CIRA. Additionally, the team advised on a series of securitized bond issuances reflecting EFG Hermes' commitment to unlocking opportunities in the ever-growing DCM space. The team advised Premium International for Credit Services, Valu and Pioneers Properties for Urban Development on their securitized bond issuances worth USD8 million, USD35 million and USD12 million, respectively.

In the M&A space, EFG Hermes successfully concluded the advisory on the acquisition of a 60% stake in Auf Group, Egypt's largest healthy snacks retailer, by leading UAE-based food company Agthia.

EFG Hermes' remarkable performance in 4Q22, despite the turbulent local and global market conditions, demonstrates the team's resilience and ability to navigate through a challenging external environment, utilizing its proven track record and world-class advisory services. With a healthy pipeline of deals in both Egypt and the region, the division is expected to grow its deal flow throughout 2023 capitalizing on arising opportunities on the equity, M&A and debt fronts.

iv. Asset Management

Egypt Assets under Management Evolution

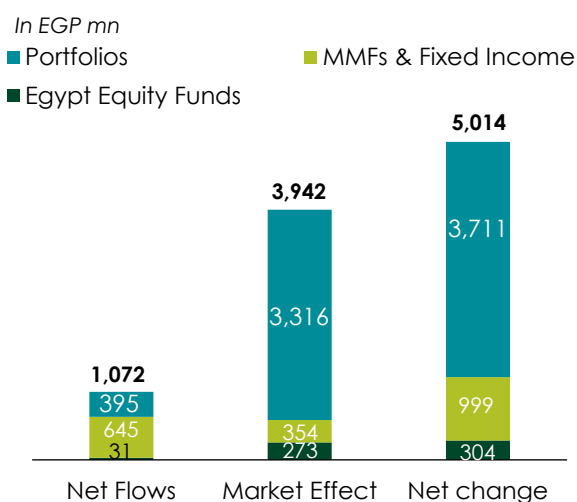


Source: EFG Hermes Asset Management

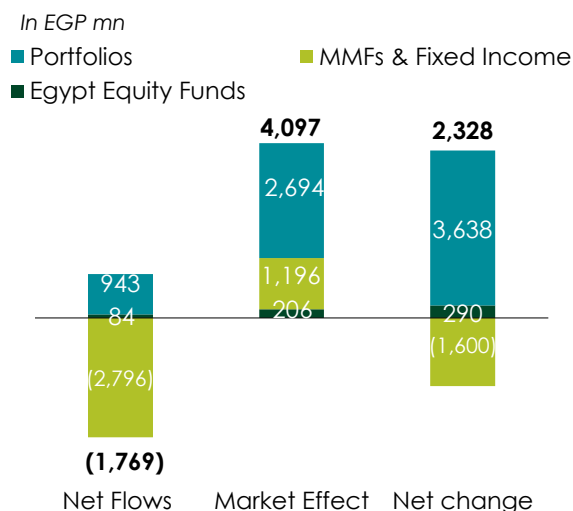
EFG Hermes Egypt Asset Management AuMs came at EGP25.9 billion at the end of 4Q22, up 24.0% Q-o-Q. Good performance predominantly from equity portfolios, followed by MMFs added 19% to the AuMs. Meanwhile, net inflows into MMFs and equity portfolios added 5.1% to the AuMs.

On a Y-o-Y basis, AuMs increased 10% Y-o-Y, as positive performance predominantly from equity portfolios followed by MMFs added 17% to the AuMs; that was partially overshadowed by net outflows from MMFs, which withdrew 8% from the AuMs.

Quarterly Change in Egypt Mandates

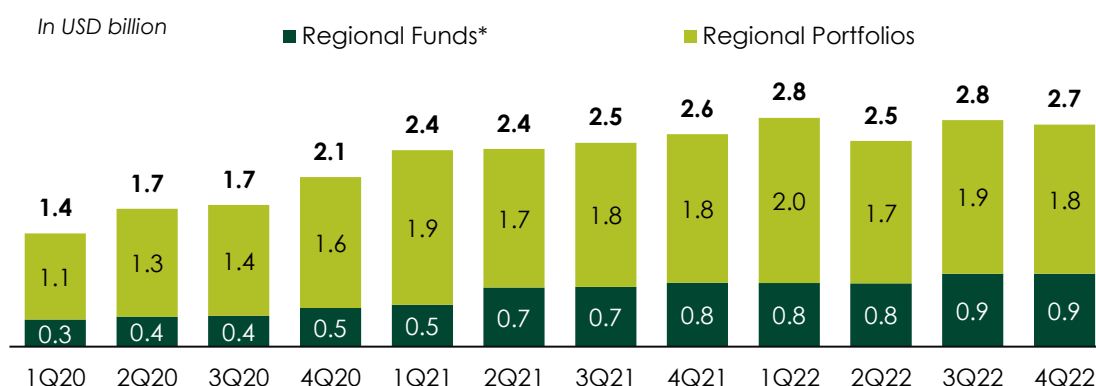


Yearly Change in Egypt Mandates



Source: EFG Hermes Asset Management

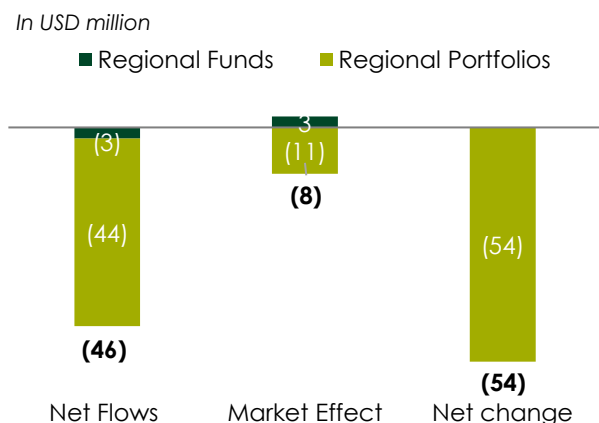
Regional Assets under Management “FIM” Evolution



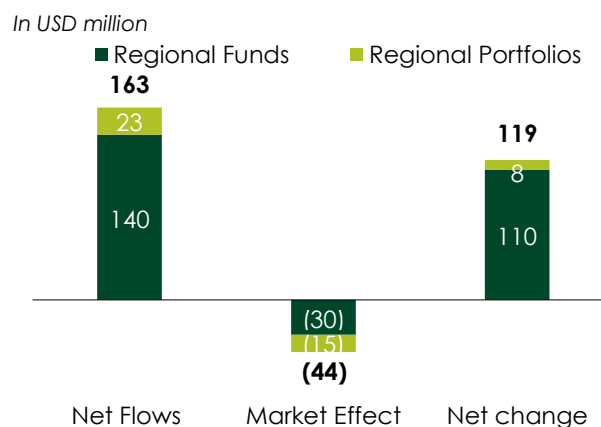
*Includes Equity, Fixed Income, SPAC and Real Estate funds
Source: FIM

EFG Hermes Regional Asset Management (FIM) AuMs inched down 2.0% Q-o-Q to close the quarter at USD2.7 billion; however 4Q22 represented another solid quarter for FIM, as the Firm continued to receive significant support from its deep institutional client base. On a Y-o-Y basis, AuMs increased 5.2% Y-o-Y, as net inflows added 6.3%, meanwhile weaker markets' performance withdrew 1.7% from the total AuMs.

Quarterly Change in Regional Mandates



Yearly Change in Regional Mandates



Source: FIM

Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD417.38 at the end of 4Q22 versus a NAV/share of USD438.98 in 3Q22. The Fund lost 4.9% during the quarter versus the S&P Pan Arab Composite Index, which lost 5.7% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,157.49 at the end of 4Q22 versus a NAV/share of USD1,126.17 in 3Q22. The Fund gained 2.8% over the quarter versus the MSCI FEM Index, which gained 8.6% over the same period.



FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD1,630.33 at the end of 4Q22 versus a NAV/share of USD1,708.40 at the end of 3Q22. The Fund lost 4.6% during the quarter versus the TASI Index which lost 8.1% over the same period.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,137.20 at the end of 4Q22 versus a NAV/share of USD1,069.53 in 3Q22. The Fund gained 6.3% during the quarter versus the JPM MECIGCC, which gained 3.8% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,106.82 at the end of 4Q22 versus a NAV/share of USD1,084.28 in 3Q22. The Fund gained 2.1% during the quarter versus the Markit iBoxx Sukuk which gained 2.0% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD929.92 at the end of 4Q22 versus a NAV/share of USD884.93 in 3Q22. The Fund gained 5.1% during the quarter versus a gain of 8.2% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.

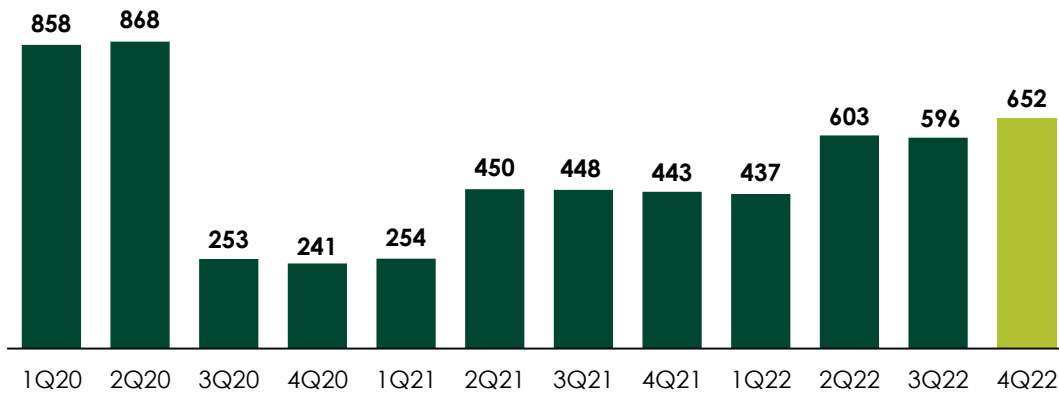




v. Private Equity

Assets under Management Evolution

In USD million



Infrastructure

Vortex Energy IV, a global renewable energy platform managed by the private equity arm of EFG Hermes, has injected its second tranche in relation to its investment in Ignis Energy Holdings, parent company of Spanish independent integrated renewable player Ignis Group.

Vortex Energy has invested EUR300 million to date through its newly launched Vortex Energy IV fund and its co-investors into Ignis via a series of capital injections. Furthermore, Vortex Energy is seeking to invest a discretionary amount of EUR176 million, to reach a total of EUR476 million, this will allow Ignis to fund its growth plans and transform into a fully integrated renewable independent power producer (IPP) in Spain and other geographies. This capital contribution from Vortex Energy IV and its co-investors will allow Ignis to own and operate a growing share of the projects that it develops.

Vortex Energy has been progressing its fundraising for the Vortex Energy IV, 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 4Q22 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

United Pharma (UpH) Revenues were up by +85% Y-o-Y in FY22. UpH success in sustaining and expanding its supply of life saving IV solutions to cover the market gap left by other market players has significantly helped stabilize the hospital pharmaceuticals supply market and cemented the company's position as the number 1 supplier of injectable LVP hospital essentials in Egypt. UpH realized a positive EBITDA growth of +72%, despite substantial raw material hikes during the year on the back of the EGP devaluation and domestic inflation. UpH continues to focus on its products' portfolio development initiatives, with newly licensed products completed in 3Q and 4Q22, expected to launch commercially in 1H23. The company is well on track to achieve its FY23 targets, notwithstanding the continued challenges in the global/local macro environment and global supply chain challenges.

In parallel to the ongoing value creation process within UpH, Rx Healthcare platform is in advanced stages on a number of highly promising opportunities in the injectables and other generics pharma segments, supporting EFG Hermes's healthcare platform strategy of expanding its investments in the pharmaceuticals sector, and capitalizing on the track record achieved in UpH.





NBFIs



Financial Overview

I. Performance Overview

in EGP million	NBFIs Performance Summary							
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Micro-Finance (Tanmeyah)	382	366	372	4%	3%	1,499	1,427	5%
Consumer Finance (valu)	283	153	84	84%	235%	650	302	115%
Leasing	80	110	67	-27%	20%	294	215	37%
Factoring	34	17	27	102%	26%	83	58	43%
Finance Holding	3	18	(13)	-84%	N/M	23	(13)	N/M
Net Operating Revenue	781	664	537	18%	46%	2,549	1,989	28%
Employee Expenses*	250	205	171	22%	46%	803	829	-3%
Other Operating Expenses*	362	246	168	47%	115%	961	518	86%
Total Operating Expenses*	611	451	339	36%	80%	1,764	1,347	31%
Net Operating Profit	170	213	198	-20%	-14%	785	643	22%
Net Profit (Loss) Before Tax	141	193	162	-27%	-13%	698	551	27%
Net Profit (Loss) After Tax & Minority Interest	70	131	128	-46%	-45%	447	344	30%

*Includes Other G&A, and Provisions & ECL

*Includes Finance Holding operating expenses and Holding allocated expenses

4Q22

The NBFIs platform revenues rose 46% Y-o-Y to EGP781 million, supported by higher revenues generated mainly from valu.

valu revenues rose more than three times, up 235% Y-o-Y to EGP283 million, on strong loans issued as the quarter included a number of promotions. Leasing revenues added 20% Y-o-Y to EGP80 million, on a larger portfolio Y-o-Y. Factoring revenues rose 26% Y-o-Y to EGP34 million, on higher fees & commissions. Tanmeyah reported revenues of EGP382 million, edging up 3% Y-o-Y despite stronger sales, on higher interest expense which pressured the net interest income. Moreover, Tanmeyah's revenues included EGP15 million of revenues attributed to "Fatura", the recently acquired retail marketplace platform.

Operating expenses rose 80% Y-o-Y to EGP611 million, mainly on higher other G&A expenses, followed by higher employee expenses. It is important to note that operating expenses included EGP48 million of expenses related to Fatura that was not included in the comparable quarter.

Employee expenses added 46% Y-o-Y to EGP250 million, on higher total employee compensation to reflect inflation in Egypt.

Other G&A expenses for the Platform more than doubled Y-o-Y, up 129% to EGP336 million; on higher other G&A across the platform, particularly valu which saw its operating expenses more than triple Y-o-Y. valu expenses included marketing (cashback expenses), collection, outsourcing, and activation expenses which are related to sales growth.

Provisions & ECL increased 18% to EGP26 million; on higher ECL & provisions booked by Tanmeyah and Factoring Y-o-Y, and despite valu reversing EGP24 million of provisions related to the securitized portfolio.

The NBFIs net operating profit and net profit before tax and minority interest declined 14% Y-o-Y and 13% Y-o-Y to EGP170 million and EGP141 million, respectively; as the increase in operating

expenses overshadowed the increase in revenues. With most of the increase in operating expenses attributed to valU's operations.

Meanwhile, net profit after tax and minority reached EGP70 million, down 45% Y-o-Y, predominately on higher taxes and minority interest (Tanmeyah).

FY22

The NBFIs platform revenues rose 28% Y-o-Y to EGP2.5 billion, lifted by growth in revenues reported by all its lines of business, primarily valU.

valU revenues more than doubled up 115% Y-o-Y to EGP650 million, underpinned by strong Y-o-Y loans issued and portfolio growth. Tanmeyah revenues added 5% Y-o-Y to EGP1.5 billion, on higher fees & commissions. Leasing revenues increased 37% Y-o-Y to EGP294 million on higher portfolio and securitization gain. Factoring revenues rose 43% Y-o-Y to EGP83 million, on higher net interest income and fees & commissions.

Operating expenses rose 31% Y-o-Y to EGP1.8 billion, on higher other G&A expenses.

Employee expenses inched down 3% Y-o-Y to EGP803 million, as higher salaries Y-o-Y were offset by lower variable portion of the employee expenses Y-o-Y.

Other G&A expenses increased 101% Y-o-Y to EGP877 million; on higher operating expenses particularly at valU. Excluding valU's operating expenses, the NBFIs G&A expenses would be up 35% Y-o-Y to reflect inflation in Egypt and growth in operations.

Provisions & ECL added 5% Y-o-Y to EGP84 million, as higher provisions booked by Tanmeyah, Leasing and Factoring were largely overshadowed by reversal of provisions taken by valU, as it continues to securitize its portfolio.

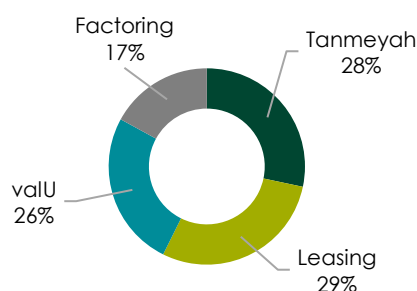
The net operating profit rose 22% to EGP785 million, while the net profit after tax and minority interest increased 30% Y-o-Y to EGP447 million.

II. Balance Sheet highlights

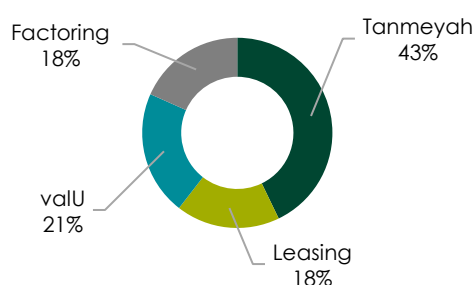
<i>in EGP million</i>	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	Q-o-Q	Y-o-Y
Portfolio Outstanding*	15,198	14,393	15,836	15,207	12,122	6%	25%
Provision Balance	354	489	473	446	441	-27%	-20%
Total Equity	3,061	3,139	3,318	2,419	2,324	-2%	32%

*Excludes EGP2,137 million of Leasing securitization, and EGP946 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					FY22	FY21	Y-o-Y
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y			
Number of Active Borrowers	378,645	401,217	380,555	-6%	-1%	378,645	380,555	-1%
Number of Processed Applications	122,627	126,616	111,285	-3%	10%	479,909	431,548	11%
Number of Loans Issued	86,937	91,432	94,715	-5%	-8%	371,107	367,294	1%
Portfolio Outstanding (EGP mn)	4,304	4,242	3,660	1%	18%	4,304	3,660	18%
Tanmeyah Staff	4,375	4,436	4,965	-1%	-12%	4,375	4,965	-12%

Source: Tanmeyah

Tanmeyah's outstanding portfolio reached EGP4.3 billion at the end of 4Q22, up 18% Y-o-Y and 1% Q-o-Q. Meanwhile, active borrowers inched down 1% Y-o-Y, and 6% Q-o-Q to close the quarter at c.379 thousand customers. This was mainly due to Tanmeyah writing-off clients worth EGP116 million, thus impacting its outstanding portfolio and active borrowers.

Value of loans issued remained strong in 4Q22, as it reached EGP1.6 billion for the second consecutive quarter, representing an increase of 17% Y-o-Y, and 2% Q-o-Q.

In FY22, Tanmeyah's sales reached EGP6.1 billion, up 18% Y-o-Y, from EGP5.2 billion a year earlier, despite having a lower number of loan officers during 2022 as opposed to 2021, thus indicating an improvement in Tanmeyah's efficiency metrics.

Tanmeyah's MEL average ticket size increased 32% Y-o-Y and came flat Q-o-Q at EGP19.7 thousand as Tanmeyah restructured its product buckets. MEL now has a minimum limit of EGP10,000 compared to EGP7,000. Meanwhile, Individual Lending's (formerly known as WIB) maximum limit has been pushed to EGP10,000 versus EGP7,000.

Tanmeyah managed to successfully implement its digital collection plan, which was initiated in 3Q22 as a pilot phase covering only 5 branches. As of today, all of Tanmeyah's 306 branches use digital collection platforms as a mean of collection. Digital collection represented 35% of Tanmeyah's 4Q22 collections.

Portfolio Quality & Provisions

Tanmeyah booked additional provisions of EGP19 million in 4Q22, and written-off EGP116 million, accordingly provision balance closed 2022 at EGP152 million. The coverage remains well above the PAR 30+ and 90+ indicators.

ii. BNPL “valu”

Results at a Glance and Performance Overview

	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y	BTD
App Business									
valu App Customers ⁽¹⁾	122	107	91	14%	35%	568	190	199%	935
Limits Activated Value(EGP mn)	1,457	1,383	1,286	5%	13%	6,893	2,693	156%	11,819
Total Loans Issued (EGP mn)	1,675	1,219	968	37%	73%	5,571	2,273	145%	9,199
Outstanding Portfolio ⁽²⁾ (EGP mn)	4,820	4,091	1,956	18%	146%	4,820	1,956	146%	4,820
Number of Transactions ⁽¹⁾	356	255	178	40%	100%	1,119	452	147%	1,839
Portfolio Tenor (In months)	17	17	18	-1%	-10%	17	18	-5%	22
Number of Merchants	3,628	3,190	1,657	14%	119%	3,628	1,657	119%	3,628
Non-App Business									
Outstanding Portfolio (EGP mn)	22	26	34	-16%	-35%	22	34	-35%	22
Number of Transactions	0	4	4	-100%	-100%	10	18	-44%	318
Portfolio O/S⁽²⁾ (EGP mn)	4,842	4,118	1,990	18%	143%	4,842	1,990	143%	4,842

(1) Numbers are in “000”

(2) Includes securitized portfolio of EGP946 mn

Source: valu

A strong fourth quarter for valu, whereby gross merchandise value increased 71% Y-o-Y, value of loans issued was up 73%, and number of transactions doubling Y-o-Y; driven by a number of promotional campaigns.

In FY22, almost all KPIs more than doubled Y-o-Y; particularly, gross merchandise value, value of loans issued, number of transactions, customer base and activated limits, which came despite challenging macroeconomic environment and the 8% hike in CBE lending corridor during the year.

valu transacting customers grew 109% Y-o-Y to reach 146k in 4Q22 compared to 70k in 4Q21, capitalizing on the strong branding, promotional offers and expansion plans to meet customers' needs.

The number of transactions doubled Y-o-Y to 356k in 4Q22, as loans issued improved, reflecting an increase in customers' loyalty to the app. and a wider merchant network.

Portfolio more than doubled Y-o-Y, as total outstanding portfolio came at EGP4,842 million at the end of 4Q22, including a securitized portfolio of EGP946 million. Thus, outstanding portfolio excluding securitized portfolio stood at EGP3,895 million at the end of 4Q22, of which the principal stood at EGP3,175 million and interest reached EGP720 million.

valu's merchant network continued to grow, up 14% Q-o-Q and 119% Y-o-Y, to reach 3,628 merchants by the end of the year, through its collaboration with more brands and covering more products and service categories.

Portfolio tenor remains at an average of 17 months in 4Q22; and over the full year of 2022.

Geographical Presence

4Q22	3Q22	2Q22	1Q22
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria
Faiyum	Hurghada	Hurghada	Hurghada
Hurghada	Tanta	Tanta	Tanta
Tanta	Mansoura	Mansoura	Mansoura
Ismailia	Qalyubia	Portsaid	Portsaid
Qalyubia	Ismailia	Ismailia	Ismailia
Mansoura	Assiout	Assiout	Assiout
Sharqia	Sharqia	Monofia	Monofia
Assiout	Matruh	Minia	Minia
Portsaid	Faiyum	Damanhour	Damanhour

Source: valU

Portfolio Quality & Provisions

valU started the implementation of the ECL provisions calculation method in 4Q21 to comply with IFRS 9 impairment requirements; however, it ensures at all times, that provisions booked are higher than what is required by the FRA. Accordingly, provision figures will be the higher of the two methodologies.

valU released EGP24 million of provisions in 4Q22, on securitizing EGP875 million of the portfolio during the quarter and has written-off EGP19 million, bringing provision balance to EGP63 million by end of 2022.

iii. Leasing

Results at a Glance and Performance Overview

	KPIs							
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Number of new contracts	6	15	21	-60%	-71%	52	86	-40%
Total Outstanding Portfolio ⁽¹⁾ (EGP mn)	6,338	6,787	5,804	-7%	9%	6,338	5,804	9%
On-books Outstanding Portfolio ^{(1)*} (EGP mn)	4,411	4,792	4,747	-8%	-7%	4,411	4,747	-7%
NFA for new contracts (EGP mn)	545	1,087	1,286	-50%	-58%	4,372	3,898	12%
Receivables value of new contracts** (EGP mn)	988	1,189	1,639	-17%	-40%	4,815	4,687	3%

(1) Includes VC transactions. Excludes Securitized Portfolio principle amount of EGP2,137 million

* Includes on-balance sheet transactions only

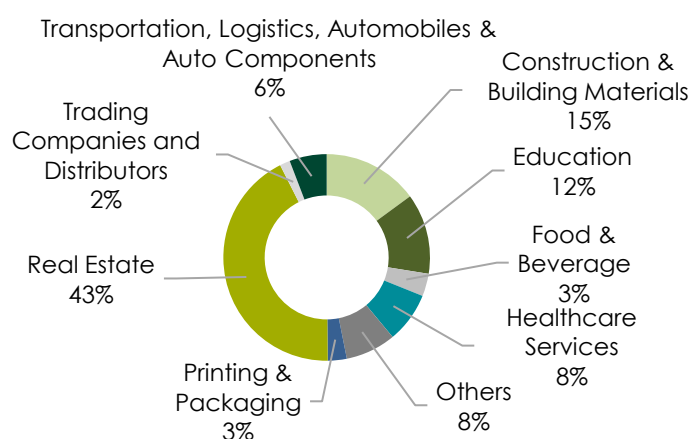
** The receivables value of the new contracts (contract value + future interest payments)

Source: EFG Hermes Leasing

New bookings came at EGP545 million in 4Q22, spread over 6 contracts, down 50% Q-o-Q and 58% Y-o-Y. However, for FY22, new bookings increased 12% Y-o-Y to reach EGP4.4 billion, spread over 52 contracts.

Total outstanding portfolio (which includes VC and excludes securitized portfolio) declined 7% Q-o-Q, meanwhile, the on-books outstanding portfolio decreased 8% Q-o-Q and 7% Y-o-Y to reach EGP4.4 billion at the end of 4Q22; with the decline mainly driven by the early termination and offloading of some contracts across various industries.

Portfolio Distribution by Client Industry



Source: EFG Hermes Leasing

Portfolio Quality & Provisions

Provision balance increased to EGP75 million by end of 4Q22 versus EGP69 million in 3Q22, on the back of a new ECL financial model deployed as recommended by the company's auditor and increasing provisioning level required for some clients.

iv. Factoring

Results at a Glance and Performance Overview

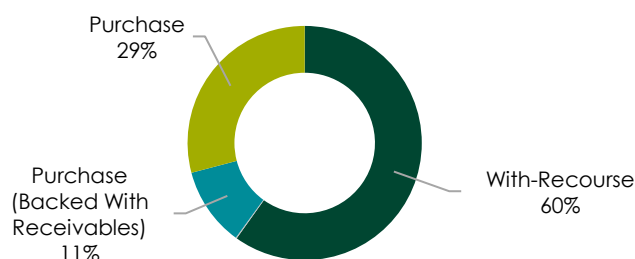
	4Q22	3Q22	4Q21	Q-o-Q	Y-o-Y	FY22	FY21	Y-o-Y
Number of Existing Clients	99	90	76	10%	30%	99	76	30%
Total Outstanding Portfolio (EGP mn)	2,588	1,663	1,904	56%	36%	2,588	1,904	36%
Average Portfolio Tenor (days)	167	211	237	-21%	-30%	167	237	-30%
Average Ticket Size (EGP mn)	7.44	3.94	5.15	89%	45%	4.62	3.44	34%
Net Financed Amount (EGP mn)	2,211	969	1,842	128%	20%	5,276	4,179	26%

Source: EFG Hermes Factoring

Factoring total outstanding portfolio came at EGP2.6 billion by the end of 4Q22, a strong increase of 56% Q-o-Q and 36% Y-o-Y, driven by EGP1.1 billion of new bookings. Meanwhile, the settlements came at EGP102.7 million in 4Q22.

In terms of the number of clients, 9 additional clients were approved during the quarter, with new credit limits aggregating to EGP1.2 billion; with EGP569 million being disbursed to 4 clients during 4Q22.

Portfolio Analysis

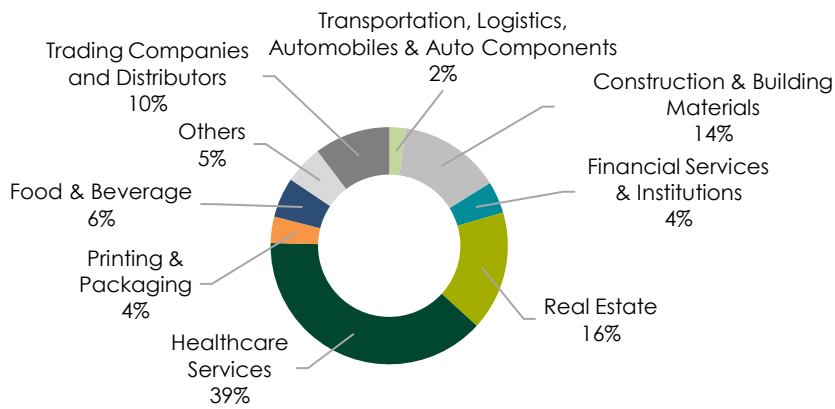


Source: EFG Hermes Factoring

The bulk of the Factoring portfolio is represented in the Domestic Factoring Recourse, accounting for 60% of the portfolio in 4Q22, followed by Purchase Factoring financing, which represents 29% of the outstanding portfolio.



Portfolio Breakdown by Industry



Source: EFG Hermes Factoring

Portfolio Quality & Provisions

An additional provision of EGP21 million was booked in 4Q22, thus taking provision balance to EGP75 million at the end of 2022.





Commercial Bank (aiBank)



Financial Overview

I. Performance Overview (P&L)

in EGP million	aiBank Performance Summary							
	4Q22	3Q22	4Q21**	Q-o-Q	Y-o-Y	FY22	FY21**	Y-o-Y
Net Interest Income	509	496	221	3%	130%	1,791	221	710%
Net Fees and Commissions	118	63	21	87%	455%	295	21	1280%
Other Revenues	32	21	63	57%	-49%	159	63	151%
Total Net Revenues	660	580	306	14%	116%	2,245	306	14%
Employees Expenses	121	134	93	-9%	31%	509	93	449%
Other Operating Expense*	269	210	63	28%	327%	755	63	879%
Total Operating Expenses	390	344	156	13%	151%	1,264	156	13%
Net Operating Profit (Loss)	270	236	150	15%	80%	981	150	15%
Other Expenses	45	21	32	117%	39%	108	32	238%
Net Profit (Loss)	225	215	118	5%	91%	872	118	640%
Net Profit (Loss) After Tax	113	113	73	0%	55%	515	73	608%

*Includes Other G&A, and Provisions & ECL

**4Q21 and FY21 figures include only Nov-21 and Dec-21 figures following the acquisition of aiBank.

Source: EFG Hermes management accounts

Net interest income: Reached EGP509 million in 4Q22, up 3% Q-o-Q; derived mainly by growth in interest earning assets accompanied by enhanced interest margins. The bank also allocated more assets towards sovereign investments to benefit from higher yields.

Net fees and commission income: Recorded EGP118 million in 4Q22, a strong growth of 87% Q-o-Q, driven by the increase in trade finance transactions, accelerated bookings of retail loans, in addition to higher fees for accounts maintenance and higher participation fees due to the purchase of new corporate bonds.

Other Revenues: Reached EGP32 million in 4Q22, mainly consisting of: EGP22 million of gains on investments and trading portfolio, EGP23 million of income from associates and fx-losses of EGP22 million.

NIMs: Inched down to 4.3% in 4Q22 compared to 4.5% in 3Q22, driven by increase in the cost of renewal for short and medium term deposits, in addition to the increase in average earning assets.

Operating expenses: Employee expenses came at EGP121 million in 4Q22, down 9% Q-o-Q, mainly due to the reversal of accruals formed during the year.

Other G&A expenses came at EGP37 million in 4Q22 versus EGP86 million a quarter earlier, mainly due to the reversal of accruals formed during the year.

ECL & Provisions increased 87% Q-o-Q in 4Q22 to EGP232 million, mainly due to growth in the loan portfolio and new corporate bonds, with both subject to ECL.

Cost/Income ratio recorded 26.5% in 4Q22 down from 41.3% in 3Q22.

II. Balance Sheet Summary

Balance Sheet*

<i>in EGP million</i>	Dec-22	Sep-22	Dec-21	Q-o-Q	YTD
Cash & Due from Central Bank	2,096	4,641	1,061	-55%	97%
Due from Banks	8,094	7,304	18,736	11%	-57%
Net Loans & Advances	19,333	18,660	9,567	4%	102%
Financial Investments	23,103	19,662	14,008	18%	65%
Other Assets	2,770	2,319	2,084	19%	33%
Total Assets	55,397	52,586	45,457	5%	22%
Due to Banks	786	1,499	1,056	-48%	-26%
Customer Deposits	48,202	44,942	38,730	7%	24%
Other Liabilities	1,084	1,021	801	6%	35%
Total Liabilities	50,072	47,462	40,587	5%	23%
Total Shareholders' Equity	5,325	5,123	4,870	4%	9%
Balance Sheet Indicators					
Loans/Deposits	43%	46%	29%		
NPLs	8%	11%	16%		
Coverage Ratio	90%	86%	85%		
Total Capital Adequacy Ratio	20%	22%	34%		

*Standalone B/S

Source: aiBank accounts

Assets: Total Assets stood at EGP55.4 billion at the end of 4Q22, up from EGP52.6 billion at the end of 3Q22, and EGP45.4 billion at the end of 4Q21.

Composition of assets changed Q-o-Q in 4Q22, as bank placements increased to 15% of total assets compared to 14%, net loans remained at 35%, while the investments portfolio increased to 42% of total assets compared to 37% at the end of 3Q22.

On a Y-o-Y basis, bank placements decreased to 15% of total assets by end of December 2022 compared to 41% a year earlier, net loans increased to reach 35% compared to 21%, while the investments portfolio increased to 42% of total assets compared to 31% at the end of 2021.

Loans by Type

<i>in EGP million</i>	Dec-22	Sep-22	Dec-21	Q-o-Q	Y-o-Y
Corporate	13,829	14,460	7,198	-4%	92%
Retail	5,540	5,314	3,693	4%	50%
SMEs	1,487	936	414	59%	260%
Total	20,857	20,710	11,305	1%	84%

Loans: Net loans reached EGP19.3 billion, after excluding expected credit losses provisions and unearned interest, up 4% Q-o-Q, and more than doubled Y-o-Y, while gross loans stood at EGP20.9 billion, broadly flat Q-o-Q, up 1%, and increased 84% Y-o-Y.

Credit growth: Gross loans inched up 1% Q-o-Q, as growth from retail and SMEs loans, which increased 4% Q-o-Q and 59% Q-o-Q; respectively, was muted by 4% Q-o-Q decline in corporate loans. Meanwhile, all loan types witnessed a strong growth Y-o-Y, with corporate, retail, and SMEs loans increasing 92% Y-o-Y, 50% Y-o-Y, and 260% Y-o-Y, respectively.

Loan quality: NPL ratio declined to 8% by the end of 4Q22 compared to 11% by the end of 3Q22, due to the write-off of loans worth EGP791.7 million during the quarter. Coverage ratio increased to 90% in 4Q22 compared to 86% in 3Q22, however, if collaterals were included, coverage ratio would be above 100%.

Loans by currency: Loan book was split 90/10 between local currency and foreign currency respectively at the end of 4Q22.

<i>in EGP million</i>	Deposits by Type				
	Dec-22	Sep-22	Dec-21	Q-o-Q	Y-o-Y
Current and Saving Accounts (CASA)	16,442	17,299	15,070	-5%	9%
TDs and CDs	30,763	26,930	22,427	14%	37%
Other	997	713	1,233	40%	-19%
Total	48,202	44,942	38,730	7%	24%

Deposits: Deposits rose to EGP48.2 billion at end of 4Q22, an increase of 7% Q-o-Q, and 24% compared to 4Q21.

Deposits contribution by type: CASA accounts decreased 5% Q-o-Q yet up 9% Y-o-Y; while term deposits increased 14% Q-o-Q and 37% Y-o-Y; meanwhile other deposits, mainly composed of trade finance margin accounts, increased 40% Q-o-Q and decreased 19% Y-o-Y.

Deposits by currency: Deposits were split 83/17 between local currency and foreign currency at the end of 4Q22, compared to 90/10, respectively at the end of 4Q21.

Loans/Deposits ratio: loans to deposits ratio increased to 43% by the end of 4Q22 compared to 46% by the end of 3Q22, as deposits grew faster than loan book growth.



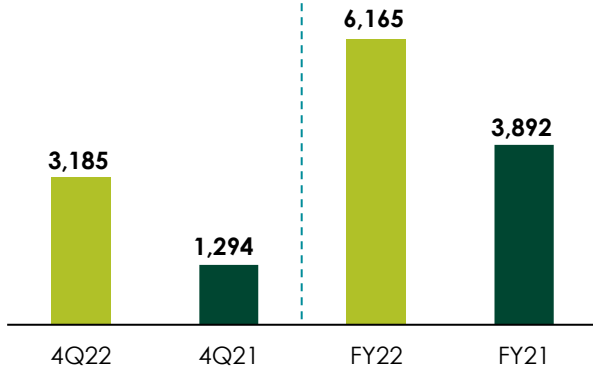
ANNEX II

Contribution by Platform

Revenues

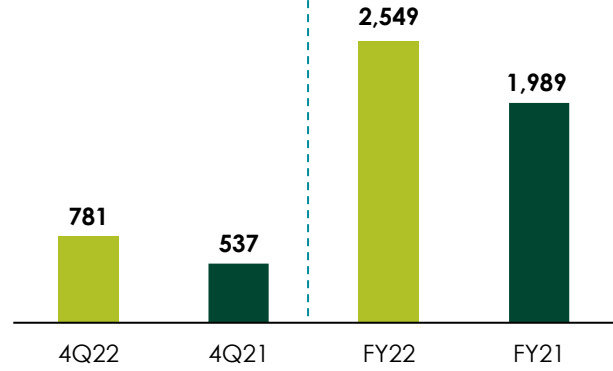
Investment Bank

In EGP million



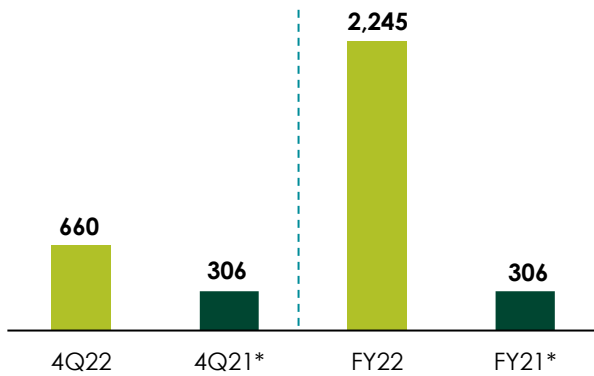
NBFIs

In EGP million



aiBank

In EGP million



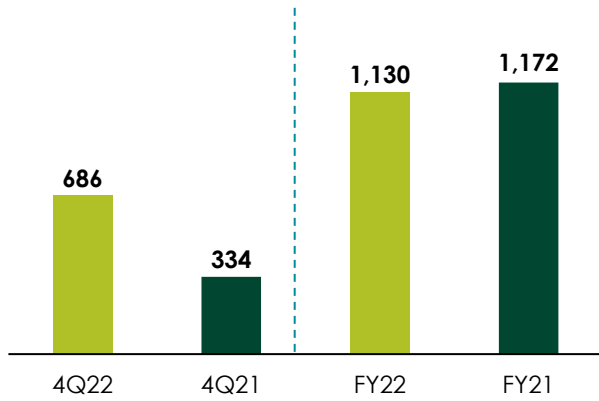
*4Q21 and FY21 figures include only Nov-21 and Dec-21 figures following the acquisition of aiBank.



Attributable NPAT

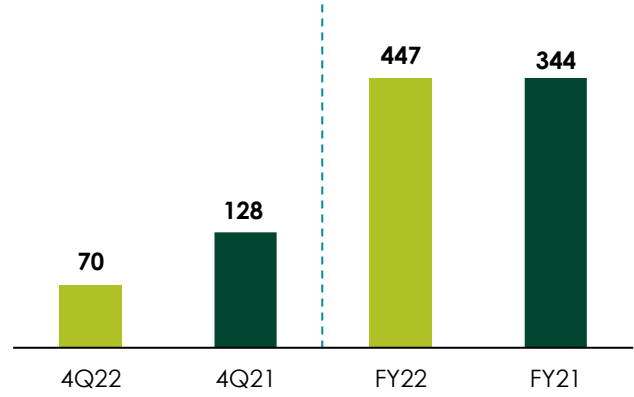
Investment Bank

In EGP million



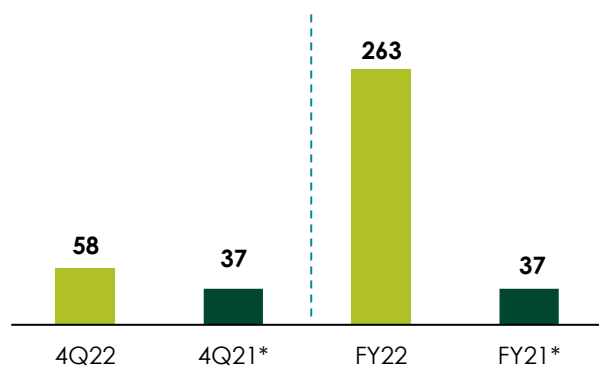
NBFIs

In EGP million



aiBank

In EGP million



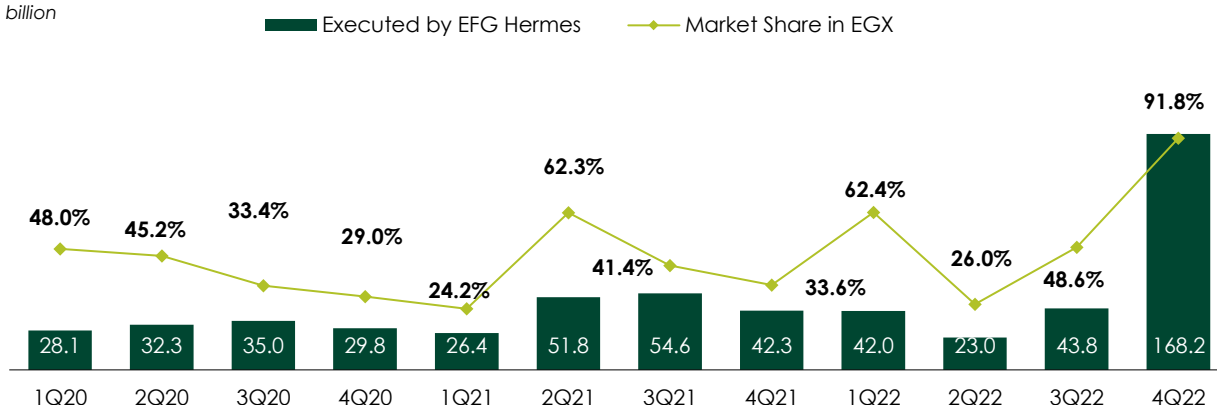
*4Q21 and FY21 figures include only Nov-21 and Dec-21 figures following the acquisition of aiBank.

ANNEX III

EFG Hermes Executions & Market Shares

Egypt*:

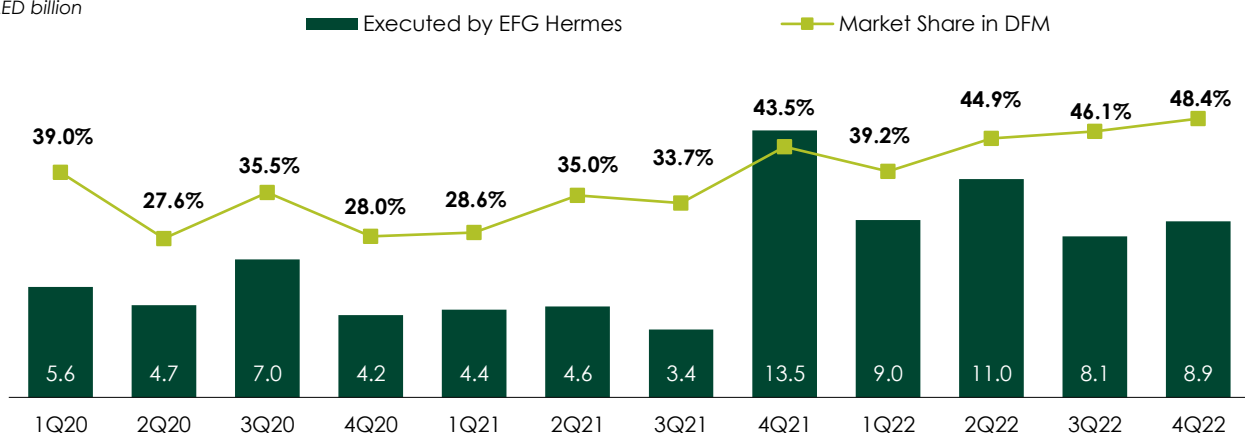
In EGP billion



*Market share calculation includes special transactions

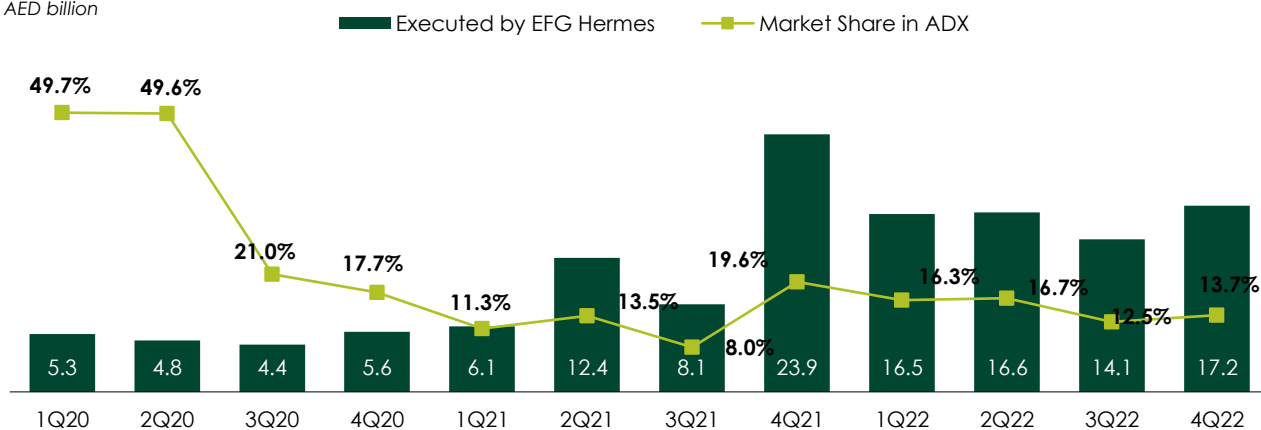
UAE- DFM

In AED billion



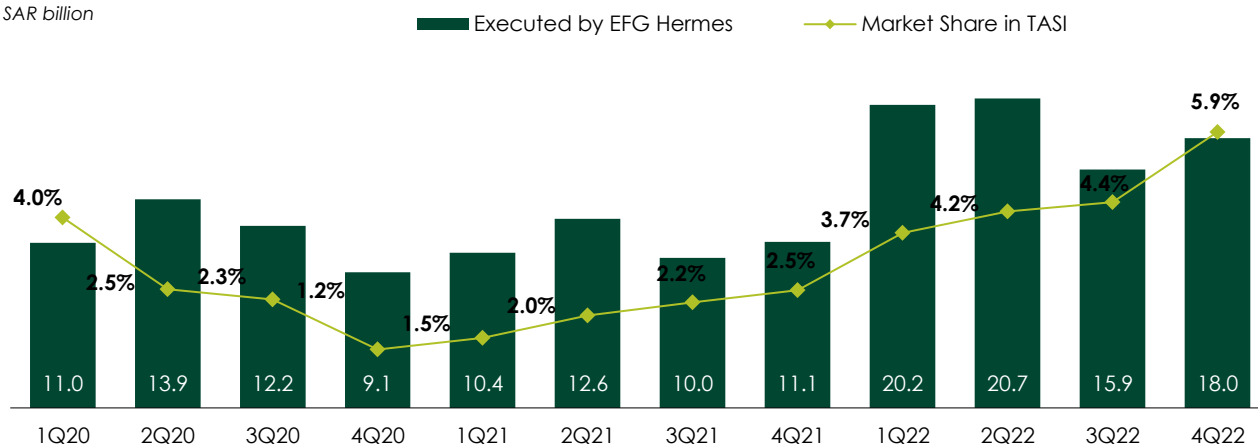
UAE – Abu Dhabi

In AED billion



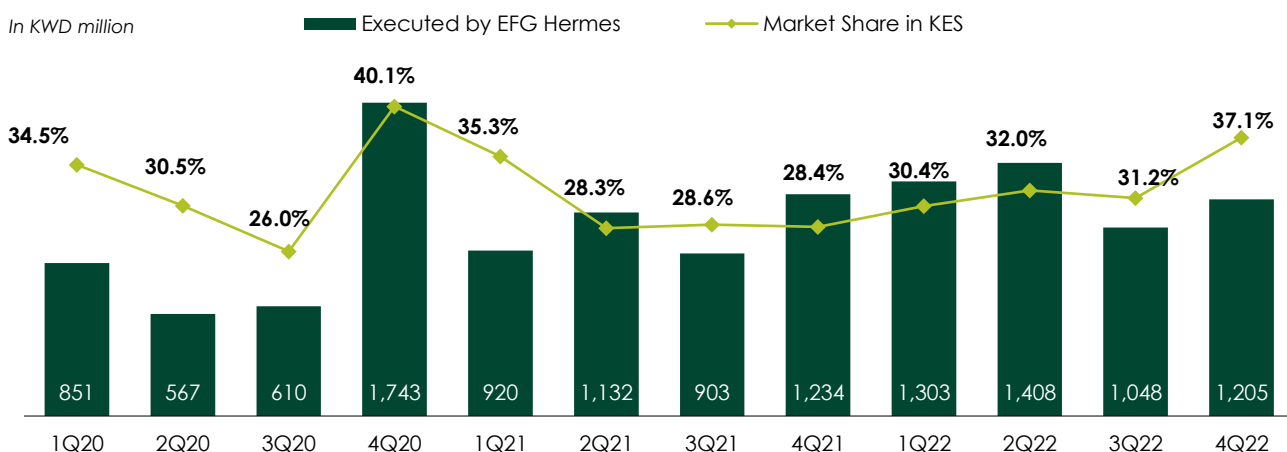
KSA

In SAR billion



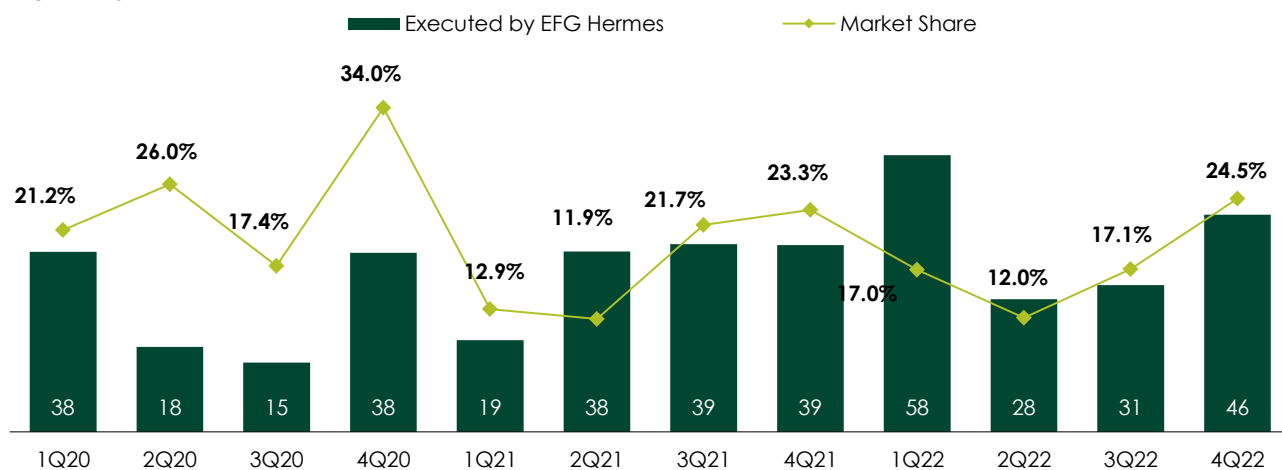
Kuwait

In KWD million



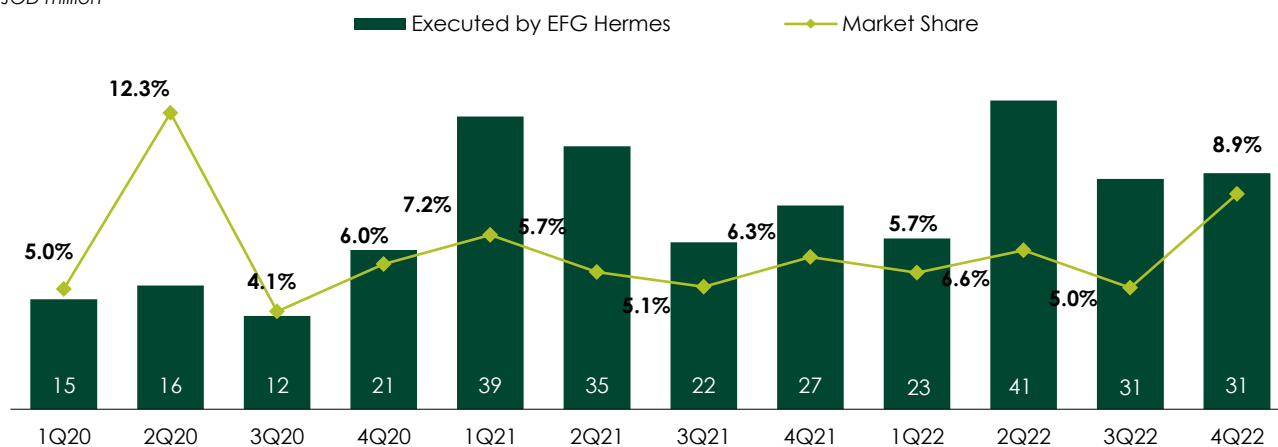
Oman

In OMR million



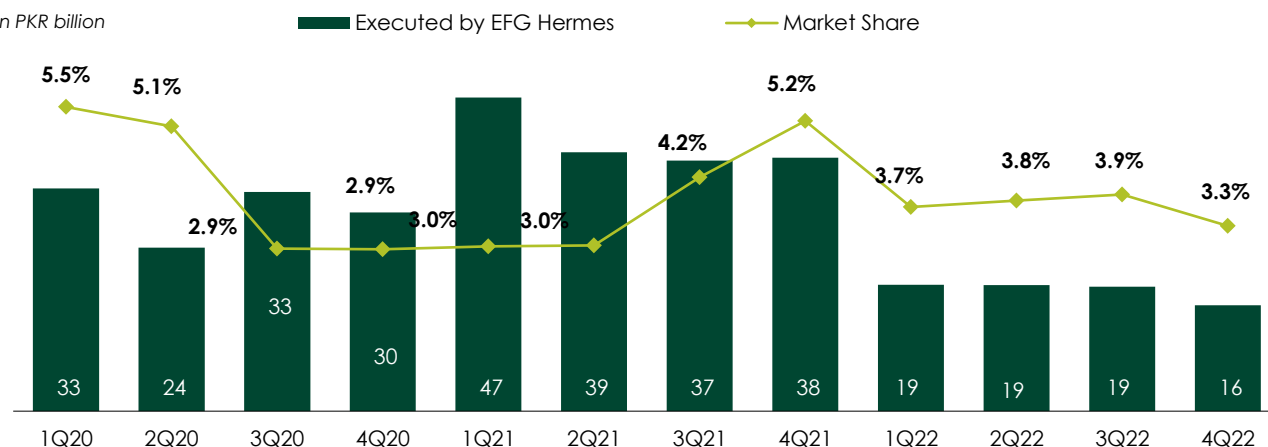
Jordan

In JOD million



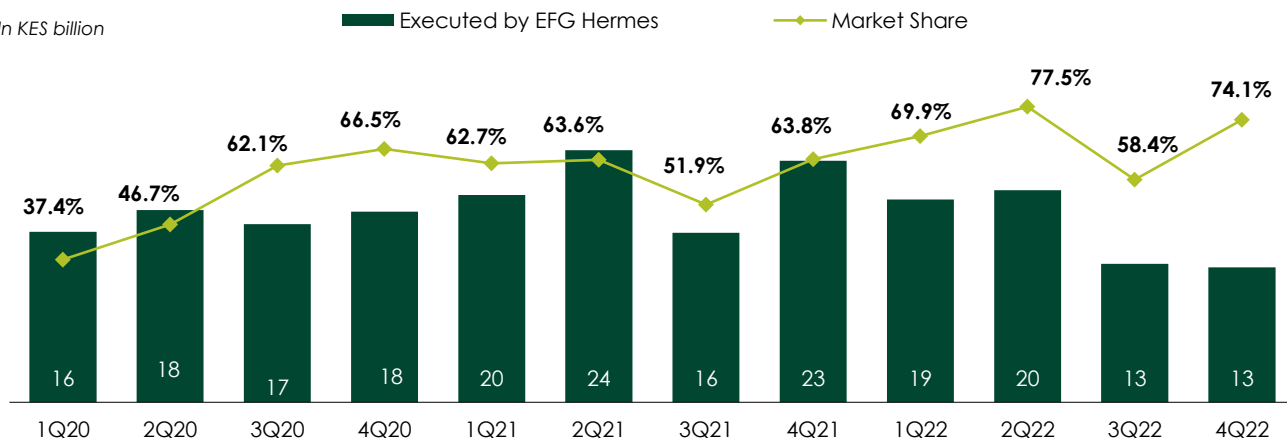
Pakistan

In PKR billion



Kenya

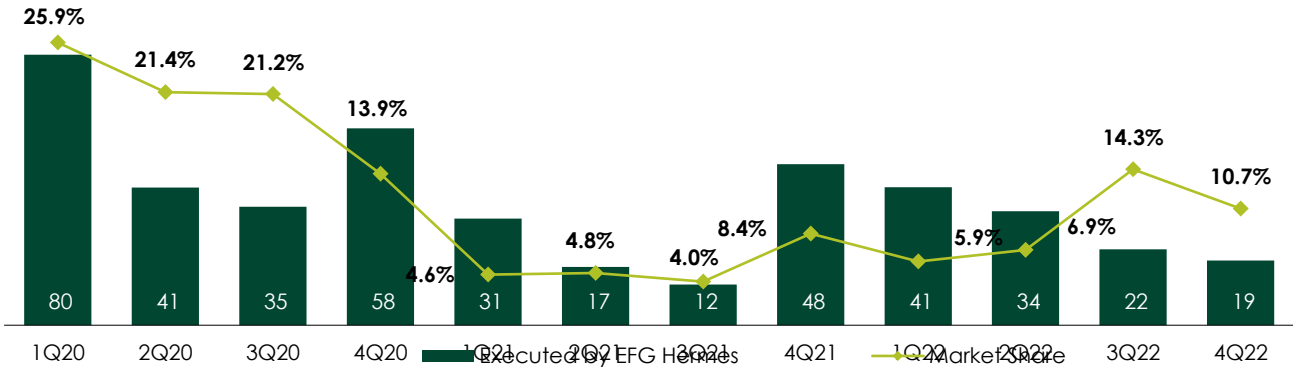
In KES billion





Nigeria

In NGN billion





Disclaimer

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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 5,838,424,030

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

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