

EFG HERMES EARNINGS RELEASE FY2021

INVESTOR RELATIONS

Cairo, March 24th, 2022

EFG Hermes reports a strong set of results for the full year 2021, with Group earnings of EGP1.5 billion on operating revenues of EGP6.1 billion. The Group's total assets stood at EGP96.6 billion at the end of December 2021.

MOHAMED ABDELKHABIR

Group Chief Financial Officer

mabdelkhabir@efg-hermes.com

Tel: +20 2 3535 6491



HANZADA NESSIM

Group Head of IR, Budgeting & Reporting

hnessim@efg-hermes.com

Tel: +20 2 3535 6502



MOHAB BAKR

IR, Budgeting & Reporting
Associate VP

mbakr@efg-hermes.com

Tel: +20 2 3535 6349



INVESTOR RELATIONS CONTACTS

investor-relations@efg-hermes.com

Tel: +20 2 3535 6710

Fax: +20 2 3535 7017

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

- ≡ Group EFG Hermes' revenues surpassed the six billion mark in FY21, to reach EGP6.1 billion; boosted by an increase in revenues reported by all core operations, in addition to the consolidation of aiBANK's two months of revenues, post the completion of its acquisition in 4Q21. This year's performance is a testament to the Firm's ability to grow revenues, despite the strong realized/unrealized gains on investments and Private Equity's exceptional incentive fees (EGP342 million) booked in the comparable year;
- ≡ Group operating expenses rose 9% Y-o-Y to reach EGP3.9 billion in FY21, with 50% of this increase attributed to aiBANK's operating expenses, which came at EGP156 million. Employee expenses rose 20% Y-o-Y to reflect scaling up of the NBFIs and variable expenses related to higher revenues generated by all core operations. This increase was partially muted by cost containment on the G&A side and lower provisions & ECL taken during the year;
- ≡ Group net profit after tax and minority interest rose 12% Y-o-Y to EGP1.5 billion, driven mainly by the NBFIs strong profitability, as well as a contribution of EGP38 million from aiBANK;
- ≡ Strong revenues generated by Investment Banking, Brokerage and Asset Management failed to off-set the decline in Holding & Treasury Activities and Private Equity revenues. The Investment Bank recorded a solid EGP3.8 billion of revenues, translating into a limited decline of 6% Y-o-Y; despite the large variance in magnitude between realized and unrealized losses on seed capital in the current year compared to gains in FY20, together with Private Equity's non-recurring revenues, (which included EGP342 million of incentive fees related to Vortex III exit) in the comparable year;
- ≡ The Investment Bank net profit after tax and minority interest came at EGP1.1 billion, down 22% Y-o-Y; pressured by Holding's strong revenues generation and Private Equity's non-recurring fees in the comparable year as well as on higher employee expenses, and albeit lower other G&A and ECL & Provisions;
- ≡ A very robust year for the NBFIs, with all its businesses reporting resilient revenues. NBFIs recorded revenues of EGP2.0 billion, up 41% Y-o-Y, and reflecting an aggregate outstanding portfolios* of EGP13 billion, up 39% Y-o-Y. Tanmeyah, which accounts for 72% of the Platform's revenues, was the main driver for revenues growth as the business resumed growth in loans issued and sales in 2H21. valU followed, with stronger sales and higher margins;
- ≡ The NBFIs net profit after tax and minority interest reached EGP344 million, up from a loss of EGP73 million, on higher revenues generated by all the platform's lines of business and lower ECL & Provisions, and despite higher employee expenses and other G&A;
- ≡ EFG Hermes completed the acquisition of 51% of aiBANK shares in 4Q21, and thus the EFG Hermes' consolidated financial statements include two months of the Bank's performance (November and December figures).

*Including securitized portfolio

I. Performance Overview

	Group Performance Summary							
<i>in EGP million</i>	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
Group Net Operating Revenue	2,039	1,197	1,714	70%	19%	6,089	5,432	12%
Investment Bank	1,197	681	1,310	76%	-9%	3,794	4,019	-6%
NBFIs	537	516	404	4%	33%	1,989	1,413	41%
aiBank*	306	0	0	N/M	N/M	306	0	N/M
Group Operating Expenses	1,362	779	1,040	75%	31%	3,920	3,597	9%
Employees Expenses	951	525	632	81%	51%	2,788	2,330	20%
Other Operating Expenses**	411	255	408	61%	1%	1,133	1,266	-11%
Group Net Operating Profit	676	418	674	62%	0%	2,169	1,836	18%
Group Net Operating Margin	33%	35%	39%			36%	34%	
Group Net Profit (Loss) After Tax	451	369	491	22%	-8%	1,575	1,341	17%
Group Net Profit (Loss) After Tax & Minority Interest	402	356	466	13%	-14%	1,456	1,305	12%
Investment Bank	236	228	411	3%	-43%	1,074	1,378	-22%
NBFIs	128	128	54	1%	136%	344	(73)	N/M
aiBank*	38	0	0	N/M	N/M	38	0	N/M

*Revenues and NPAT includes aiBANK' S Nov. & Dec. figures, post the completion of its acquisition

**Includes Other G&A and Provisions & ECL

Source: EFG Hermes Management Accounts

4Q21

Group operating revenues improved 19% Y-o-Y to reach EGP2.0 billion; underpinned by the consolidation of Arab Investment Bank "aiBANK" revenues (starting November 2021), and the growth in revenues generated by all core operations. However, Group revenues were dented by Holding & Treasury Activities revenues, which halved Y-o-Y, as Holding reported realized and unrealized losses on investments/seed capital; compared to strong gains in the comparable quarter.

Group operating expenses rose 31% Y-o-Y to EGP1.4 billion, predominately on higher employee expenses; which rose 51% Y-o-Y, triggered by the consolidation of aiBANK, and higher variable portion of the employee expenses booked during the final quarter of the year in tandem with the growth in revenues generated by all lines of business of the Firm. However, employee expenses/revenues came at 47% in the quarter.

Meanwhile, other G&A rose only 6% Y-o-Y to EGP313 million, on the consolidation of aiBANK together with the increase in the NBFIs operating expenses, as all its operation expanded Y-o-Y; and despite lower Investment Bank expenses Y-o-Y.

Provisions and ECL declined 13% Y-o-Y to EGP98 million; predominately on lower provisions booked by the NBFIs and despite additional ECL charges of EGP35 million booked by aiBANK.

Group net profit after tax and minority interest declined 14% Y-o-Y to EGP402 million, pressured by the Investment Bank lower profitability, as weaker Holding revenues and higher performance based compensation, in line with business lines' higher Y-o-Y revenues, pressured its profitability.

FY21

A stellar performance witnessed across the Group's different business lines together with the consolidation of aiBANK's 2 months of revenues boosted the Group revenues in FY21; which increased 12% Y-o-Y, to surpass the 6 billion mark and reach EGP6.1 billion. This came despite the comparable year including non-recurring incentive fees of EGP342 million from Private Equity's exit and strong realized/unrealized gains booked by the Holding versus the recorded losses in the current year, FY21.

Group operating expenses rose 9% Y-o-Y to reach EGP3.9 billion, with 50% of this increase attributed to the consolidation of aiBANK's operating expenses, which came at EGP156 million on a stand-alone basis.

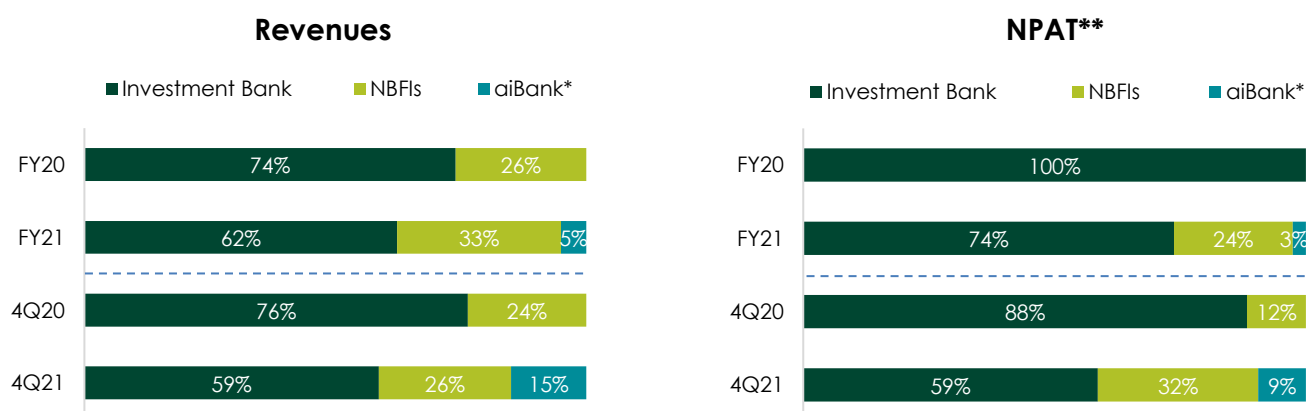
Employee expenses rose 20% Y-o-Y to EGP2.8 billion, on higher salaries, monthly commission and annual performance pay provisions, as the NBFIs scale-up and the Investment Bank's revenue from core operations increased. However, employee expenses/revenues came at 46% for the year.

Other G&A was broadly unchanged, inching up 1% Y-o-Y to come at EGP971 million, as lower Investment Bank expenses largely overshadowed the increase seen in the NBFIs' operating expenses and the consolidation of aiBANK's expenses.

Provisions and ECL declined 48% Y-o-Y to EGP161 million, largely as the NBFi loan book quality improved following a comparable period that included significant provisions taken on the NBFIs book post the outbreak of COVID-19 in 1Q20.

Group net profit after tax and minority interest rose 12% Y-o-Y to EGP1.5 billion, driven mainly by the NBFIs strong profitability, as well as a contribution of EGP38 million from aiBANK. Meanwhile, the Investment Bank bottom line declined 22% Y-o-Y, despite the strong sell-side business performance, to reflect losses on investments held by the Holding in the current year versus the strong non-recurring revenues and gains recognized in the comparable year (Private Equity and Holding).

Contribution by Platform



*Revenues and NPAT includes aiBANK' S Nov. & Dec. figures post the completion of its acquisition

**Net profit after tax and minority interest



Investment Bank



Financial Overview

I. Performance Overview

	Investment Bank Performance Summary							
<i>in EGP million</i>	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
<i>Investment Banking</i>	184	107	124	72%	48%	494	237	108%
<i>Brokerage</i>	419	313	327	34%	28%	1,341	1,039	29%
Sell-Side	603	420	452	44%	34%	1,835	1,276	44%
<i>Asset Management</i>	262	70	201	276%	31%	528	363	45%
<i>Private Equity</i>	33	29	14	13%	140%	109	468	-77%
Buy-Side	295	99	214	198%	38%	636	831	-23%
Holding & Treasury Activities	298	162	644	84%	-54%	1,323	1,912	-31%
Total Net Operating Revenue	1,197	681	1,310	76%	-9%	3,794	4,019	-6%
<i>Employees Expenses</i>	688	329	499	109%	38%	1,866	1,661	12%
<i>Other Operating Expenses*</i>	180	141	231	28%	-22%	552	640	-14%
Total Operating Expenses	868	469	730	85%	19%	2,418	2,302	5%
Net Operating Profit	329	212	580	55%	-43%	1,376	1,718	-20%
Net Profit (Loss) After Tax	271	233	430	16%	-37%	1,156	1,399	-17%
Net Profit (Loss) After Tax & Minority Interest	236	228	411	3%	-43%	1,074	1,378	-22%

*Includes Other G&A and Provisions & ECL

4Q21

A robust quarter for the buy-side and the sell-side, driven by higher revenues generated by all core lines of business. However, the Investment Bank revenues slipped 9% Y-o-Y to EGP1.2 billion, pressured by realized and unrealized losses on investments/seed capital in the current quarter, versus strong gains in the comparable quarter.

For the fourth consecutive quarter, the sell-side continued to post higher revenues, adding 34% Y-o-Y to EGP603 million; boosted by higher Investment Banking and Brokerage revenues. Investment Banking revenues soared 48% Y-o-Y to EGP184 million, on strong executions that included 15 transactions in a single quarter. Brokerage revenues rose 28% Y-o-Y to EGP419 million, mainly on the back of strong executions in the UAE markets, particularly Abu Dhabi (ADX).

Buy-side ended the final quarter of the year on a strong note, with its revenues spiraling up 38% Y-o-Y to EGP295 million, on higher revenues reported by Asset Management and Private Equity. Asset Management revenues rose 31% Y-o-Y to EGP262 million; underpinned largely by FIM's incentive fees. Private Equity revenues gained 140% Y-o-Y to EGP33 million, driven partially by higher management fees as AuMs grew Y-o-Y.

Holding & Treasury Activities declined 54% Y-o-Y to EGP298 million, on Holding booking realized and unrealized losses on seed capital versus strong gains in the comparable 4Q20. And albeit an improvement in treasury activities revenue (Structured Products, treasury Bonds and Eurobonds), coupled with stronger Y-o-Y fx-gains.

Operating expense rose 19% Y-o-Y to EGP868 million, driven by higher employee expenses. Employee expenses rose 38% Y-o-Y to EGP688 million, on higher variable portion of the employee expense that reflects stronger revenues generated by all the Investment Bank's lines

of business.

Meanwhile, other G&A declined 14% Y-o-Y to EGP138 million; largely on managed costs. Provisions & ECL came lower 41% Y-o-Y to EGP42 million, on lower impairments on: Brokerage subsidiaries and management fees related to legacy funds.

The decline in Holding revenues together with higher employee expenses, resulted in the Investment Bank's net profit after tax and minority interest recording EGP236 million, down 43% Y-o-Y.

FY21

Strong revenues generated by Investment Banking, Brokerage and Asset Management failed to off-set the decline in Holding & Treasury Activities and Private Equity revenues, thus the Investment Bank recorded revenues of EGP3.8 billion, down 6% Y-o-Y. Furthermore, there was a large variance in magnitude between realized and unrealized losses on investments/seed capital in the current year and the comparable gains. Moreover, Private Equity's comparable year included EGP342 million of incentive fees related to Vortex III exit.

Sell-side businesses had a very good year, with revenues jumping 44% Y-o-Y to EGP1.8 billion. Investment Banking revenues recorded its life-time high in terms of revenues and deal count in a single year, with its revenues more than doubling, up 108% Y-o-Y to EGP494 million. Brokerage revenues rose 29% Y-o-Y to EGP1.3 billion, on MENA markets stronger execution, especially Abu Dhabi market.

Buy-side revenues declined 23% Y-o-Y to EGP636 million, on lower Private Equity revenues, which overshadowed the increase in revenues reported by Asset Management. Private Equity revenues declined 77% Y-o-Y to EGP109 million, on strong comparable year which included EGP362 million of incentive fees from Vortex III and Veezeta exits. Asset Management revenues rose 45% Y-o-Y to EGP528 million, mainly on FIM's incentive fees booked at year-end. Additionally, Egypt Asset Management and FIM both saw higher management fees, on AuMs growth Y-o-Y.

Holding & Treasury Activities declined 31% Y-o-Y to EGP1.3 billion, on Holding booking realized and unrealized losses on seed capital versus the exceptional gains booked in FY20. Meanwhile, income from treasury activities and fx-gains, supported Holding & Treasury Activities revenues.

Operating expenses rose 5% Y-o-Y to EGP2.4 billion, as the increase in employee expenses was largely overshadowed by lower G&A and Provisions & ECL.

Employee expenses rose 12% Y-o-Y to EGP1.9 billion, mainly on (i) higher variable portion of the employee expenses, in line with revenue growth posted by different lines of business; and (ii) on the annual increase in salaries across the Group, coupled with higher indirect costs which include insurance, allowances and training.

Other G&A declined 11% Y-o-Y to EGP506 million; generally on contained expense across different expense categories. Provisions & ECL came lower 35% Y-o-Y to EGP46 million on lower impairments on: Brokerage subsidiaries and management fees related to legacy funds.

Exceptionally higher Holding and Private Equity revenues in the comparable year, FY20, together with higher employee expenses, resulted in the Investment Bank's net profit after tax and minority interest coming at EGP1.1 billion, down 22% Y-o-Y.

Operational Performance

i. Brokerage

Most of the markets, where we operate, had a good finish for the year; with our main MENA markets ending higher in terms of performance and liquidity. Meanwhile, Frontier markets ended on a mixed note. EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions reached USD23.9 billion in 4Q21, higher 63% Q-o-Q; predominantly on higher executions in Abu Dhabi, Dubai and Kuwait. On a Y-o-Y basis, brokerage executions increased 53% Y-o-Y, largely on higher executions in Abu Dhabi and Dubai.

Overall FY21 was a very strong year for our Brokerage operations, with all our markets closing higher and volumes significantly improving, particularly in Abu Dhabi. For FY21, brokerage executions reached USD71 billion, up 28% Y-o-Y, mainly on higher executions in Abu Dhabi, followed by Qatar, Dubai and Kuwait.

Brokerage revenues increased 34% Q-o-Q in 4Q21 to reach EGP419 million, led mainly by the UAE markets, namely Abu Dhabi. Moreover, almost all our other operations posted an increase in revenues during 4Q21. On a Y-o-Y basis, revenues increased 28% in 4Q21, mainly on stronger revenues generated by UAE Markets, Egypt, followed by Structured Products.

For FY21, revenues increased 29% Y-o-Y, predominantly on higher revenues generated by Egypt, UAE markets (Abu Dhabi), and followed by Structured Products.

<i>in EGP million</i>	Brokerage Revenue*							
	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
Egypt	183	171	156	7%	18%	652	484	35%
UAE	96	28	24	238%	305%	187	123	52%
KSA	24	23	23	7%	4%	97	96	1%
Kuwait	43	39	65	13%	-33%	155	144	8%
Pakistan	6	5	4	4%	29%	24	17	41%
Kenya	30	10	10	206%	193%	66	49	33%
Nigeria	8	0	9	N/M	-1%	17	37	-53%
Frontier Markets	(5)	11	10	N/M	N/M	29	34	-13%
Structured Products	24	21	12	12%	104%	79	59	33%
Fixed Income	1	(1)	6	N/M	-90%	0	(30)	N/M
Others**	9	6	9	38%	-5%	35	26	35%
Total Revenues	419	313	327	34%	28%	1,341	1,039	29%

*Brokerage revenues highlighted above represent operations and not markets

**Others include Jordan, Oman, and Bahrain

Source: Management Accounts

In terms of pure commissions booked in different markets, UAE markets (which includes Dubai and Abu Dhabi) jumped to top brokerage commissions generated during the quarter with a 27.1%. Egypt followed with a 25.2%; meanwhile, Kuwait came in third place with a 15.5%. For FY21, Egypt maintained its top position with 27.2%, while Kuwait and UAE markets (which includes Dubai and Abu Dhabi) both coming in second place with c.17.2%. Frontier markets (which includes Nigeria, Kenya, Pakistan & other Frontier executions) followed with 11.8% contribution.

Commissions Breakdown by Market

Markets	4Q21	FY21
Egypt	25.2%	27.2%
DFM*	12.0%	6.8%
ADX	15.1%	10.3%
KSA	7.6%	9.6%
Kuwait	15.5%	17.2%
Qatar	7.5%	7.9%
Frontier Markets	9.1%	11.8%
Structured Products	3.1%	3.4%
Others**	5.0%	5.7%
Total	100%	100%

*DFM includes Nasdaq Dubai's share of 0.04% in 4Q21 & 0.02% in FY21

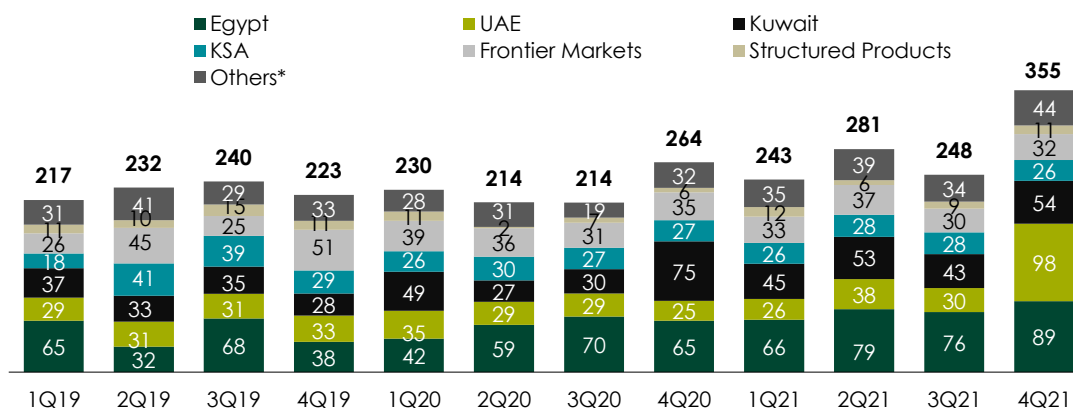
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The below chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate average daily commissions for the Brokerage business increased 43% Q-o-Q to reach USD355 thousand in 4Q21, mainly on higher average daily commissions generated from the UAE, Egypt and Kuwait. On a Y-o-Y, average daily commissions increased 34%, predominantly on higher commissions generated in the UAE and Egypt. For FY21, average daily commissions rose 22% Y-o-Y, driven mainly by higher commissions generated in the UAE and Egypt, followed by Qatar.

Average Daily Commissions

In USD thousand



*Others includes; 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>		4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
Egypt*									
Market share		43.2%	27.6%	28.4%	15.6%	14.8%	33.8%	36.4%	-2.6%
Executions		2,691	3,476	1,899	-22.6%	41.7%	11,151	7,917	40.9%
UAE – DFM									
Market share		43.5%	33.7%	28.0%	9.8%	15.6%	35.8%	32.5%	3.3%
Executions		3,671	934	1,135	293.0%	223.5%	7,059	5,816	21.4%
UAE – ADX									
Market share		19.6%	8.0%	17.7%	11.6%	1.9%	13.7%	27.6%	-13.9%
Executions		6,500	2,208	1,522	194.4%	327.1%	13,744	5,469	151.3%
UAE - Nasdaq Dubai									
Market share		40.3%	71.2%	30.0%	-31.0%	10.3%	34.1%	58.3%	-24.2%
Executions		8	4	1	103.4%	695.5%	15	1,846	-99.2%
KSA									
Market share		2.5%	2.2%	1.2%	0.2%	1.2%	2.0%	2.2%	-0.3%
Executions		2,990	2,705	2,446	10.5%	22.2%	11,897	12,467	-4.6%
Kuwait									
Market share		28.4%	28.6%	40.1%	-0.2%	-11.7%	29.6%	34.1%	-4.5%
Executions		4,112	3,011	5,809	36.5%	-29.2%	13,963	12,571	11.1%
Oman									
Market share		23.3%	21.7%	34.0%	1.6%	-10.8%	16.6%	24.5%	-7.9%
Executions		102	102	97	-0.5%	4.2%	352	279	25.9%
Jordan									
Market share		6.3%	5.1%	6.0%	1.2%	0.2%	6.1%	6.0%	0.1%
Executions		38	31	30	22.0%	27.9%	174	91	90.5%
Pakistan									
Market share		5.2%	4.2%	2.9%	1.0%	2.3%	3.6%	3.8%	-0.2%
Executions		218	228	184	-4.5%	18.1%	996	741	34.4%
Kenya									
Market share		63.8%	51.9%	66.5%	12.0%	-2.6%	60.8%	51.6%	9.2%
Executions		207	149	167	39.0%	24.0%	765	710	7.8%
Nigeria									
Market share		8.4%	4.0%	13.9%	4.4%	-5.5%	5.7%	19.8%	-14.1%
Executions		90	29	157	208.6%	-42.5%	251	577	-56.5%
Frontier									
Market share		N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions		516	261	200	97.7%	157.5%	1,330	826	68.7%
Structured Products									
Market share		N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions		470	96	294	391.2%	59.8%	1,109	870	27.5%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Bahrain, Lebanon, UK(GDRs), Bonds, and others represent an additional 9.6% of total Brokerage executions in 4Q21 and 11% in FY21

Source: EFG Hermes and Regional Exchanges

Egypt

Volumes on the Egyptian market were muted during the final quarter of the year, slipping 2% Q-o-Q; meanwhile, the Hermes Financial Index (HFI) spiraled up 11.2% Q-o-Q. This resulted in a strong FY21, with the HFI adding 13.6% Y-o-Y and volumes increasing 32% Y-o-Y.

EFG Hermes continued to maintain its first place ranking on the EGX, and grow its market share in 4Q21. The Firm's market share (excluding special transactions) came at 43.2% in 4Q21, thus lifting our FY21 market share to 33.8%.

During the quarter, EFG Hermes successfully concluded the follow-on sale of c.USD143 million, of up to c.126.2 million shares of Abu Qir Fertilizers and Chemical Industries Company (ABUK.CA) on the Egyptian Exchange (EGX), representing c.10% of the company's share capital.

Foreign participation accounted for c.14% of the market activity (excluding special transactions) during 4Q21, of which EFG Hermes successfully captured 43% of those flows. Similarly, for FY21, foreign participation averaged around 13%, and EFG Hermes executions accounted for 42% of this flow.



UAE – Dubai

A very buoyant quarter for the DFM, with volumes more than tripling, rising 231% Q-o-Q, and the DFMGI adding 12.3% Q-o-Q in 4Q21, mainly on announcement from the Dubai government related to the IPO pipeline. Accordingly, this lifted the full year performance, with volumes rising 10% Y-o-Y and the DFMGI gaining 28.2% Y-o-Y in FY21.

EFG Hermes maintained its #1 ranking in 4Q21 and FY21, with a market share of 43.5% and 35.8%, respectively; triggered by: i) resurgence of buying interest from retail investors on the back of the government announcement; ii) an increase of interest from foreign institutions which drove some large cap stocks up; and iii) a combination of foreign and GCC institutions participating in a block deal in Aramex.

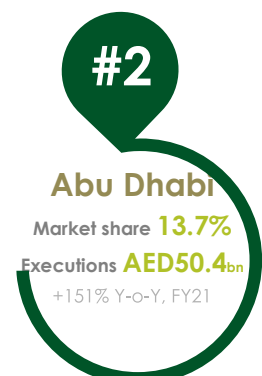
Foreign participation in the market came at 26% in 4Q21 and 31% in FY21; whereas EFG Hermes has successfully captured 47% of the foreign flow during the quarter and 36% during FY21.



UAE – ADX

ADX ended the fourth quarter of 2021 with the same strong performance seen across all quarters of the year; with the ADI adding 10.3% Q-o-Q, and volumes rising 18% Q-o-Q in 4Q21. This took FY21 performance higher, with volumes shooting up 416% Y-o-Y and the ADI gaining 68.2% Y-o-Y. Strong ongoing volumes in FAB, ALDAR, IHC, etc; an increase in Etisalat weight in the MSCI and FTSE indices, coupled with retail interest in new listings underpinned market performance.

The Firm's market shares more than doubled Q-o-Q to reach 19.6% in 4Q21 and came at 13.7% for FY21. The Firm maintained its 2nd place ranking for both periods.



Foreign participation in the market rose to 26% in 4Q21 and averaged around the same levels for the year (c.27%), with EFG Hermes capturing 30% and 20% of those foreign flows, respectively.

Saudi Arabia

The Saudi market was largely muted in 4Q21, with the Tadawul All Share Index losing 1.9% Q-o-Q and volumes inching up 1% Q-o-Q. However, the market performance over FY21 was strong, with the Index gaining 29.8% Y-o-Y. Meanwhile, volumes rose a modest 7% Y-o-Y in FY21.

The QFI and the swaps volumes rose 28% Q-o-Q in 4Q21, reaching a combined amount of SAR84.7 billion, and accounting for 9.4% (of which the swaps accounted for 0.09%) of the total market's turnover during the quarter, with EFG Hermes capturing 4.0% of this business. In FY21, the QFI and the swaps represented 6.3% of the market's volume and EFG Hermes executed 5.0% of this flow.

EFG Hermes market share came at 2.5% in 4Q21, maintaining its 6th place ranking among non-commercial banks brokerage firms. For FY21, the Firm's market share came at 2.0% with 7th place ranking among non-commercial banks brokerage firms.

Kuwait

The Kuwaiti market main index continued its upward direction, adding 2.6% Q-o-Q in 4Q21; on higher volumes, which rose 37% Q-o-Q in 4Q21. This takes FY21 Index performance and volumes up 27% Y-o-Y and 26% Y-o-Y, respectively. Local and foreign investors ended 4Q21 as net buyers, while GCC investors were net sellers. As for FY21, local and GCC investors were net sellers while foreign investors were heavy buyers.

EFG Hermes IFA market share was largely unchanged at 28.4% in 4Q21, with a second place ranking. For FY21, EFG Hermes IFA market share came at 29.6% with a second place ranking.

EFG Hermes IFA maintained its top position in capturing foreign institutional flows. Foreign participation in the market came at 8% of the market turnover, of which the Firm captured a decent 72%. For FY21, foreign participation accounted for 9% of the total market activity, whereby EFG Hermes successfully seized 63% of these flows.

Oman

The Omani market ended the final quarter of the year on a mixed note, with the MSM Index adding 4.7% Q-o-Q in 4Q21, while volumes decreasing 30% Q-o-Q. However, in FY21, the MSM gained 12.9% Y-o-Y and volumes soared 45%. Local and GCC investors ended the year as net sellers while foreigners and Arab investors ended the year as net buyers.

EFG Hermes Oman ranking improved in 4Q21 to reach 3rd place ranking with a market share of 23.3%, mainly as a result of a noticeable increase in foreign institutional activity. As for the FY21,

#7

KSA

Market share **2.0%**
Executions **SAR44.1bn**
-5% Y-o-Y, FY21

#2

Kuwait

Market share **29.6%**
Executions **KWD4.2bn**
+11% Y-o-Y, FY21

#4

Oman

Market share **16.6%**
Executions **OMR136mn**
+26% Y-o-Y, FY21

the Firm was ranked 4th with a market share of 16.6%.

Foreign participation came at 6% of the market turnover in 4Q21 and 7% in FY21, with EFG Hermes capturing 33% and 17% of those flows in 4Q21 and FY21, respectively.

Jordan

A quiet quarter for the Amman Stock Exchange, with its Index adding 2.2% Q-o-Q and volumes inching down 1% Q-o-Q in 4Q21. Despite the muted performance witnessed in 2H21, the Index rose 27.8% Y-o-Y and volumes jumped 86% Y-o-Y in FY21.

The Firm's market share and ranking improved in 4Q21 to reach 6.3%, with a 10th place ranking on the market, and a market share of 6.1% with an 11th place ranking for FY21.

In terms of foreign participation, foreign activity accounted for 4.3% of the market turnover in 4Q21 and 2.8% in FY21; whereby EFG Hermes captured 14% of that flow in 4Q21 and FY21.

Pakistan

Another slow quarter for the Pakistani market, with the KSE100 inching down 0.7% Q-o-Q, and the volumes declining 25% Q-o-Q; driven mainly by Pakistan's downgrade to Frontier Market, and macro concerns including a further currency devaluation and interest rate hikes. However, the KSE100 ended the year up 1.9% Y-o-Y and volumes higher 33% Y-o-Y in FY21.

Foreign investors continued to cut down their exposure and sold USD167 million during the quarter predominately due to Pakistan's market downgrade, taking FY21 cumulative sales to USD359 million. Within the local space, individuals were the major buyers, whereas Mutual funds and brokers were the sellers.

EFG Hermes Pakistan market share for 4Q21 stood at 5.2% up from 4.2% in 3Q21, triggered by higher participation from foreign institutions. For FY21, the Firm's market share stood at 3.6%. Foreign participation increased to 9% in 4Q21 and 7% in FY21, of which EFG Hermes executed 18% and 13% , respectively.

Kenya

The Kenyan market ended on a mixed note, with the NASI declining 6.7% Q-o-Q in 4Q21, while volumes improving 17% Q-o-Q. For FY21, market volumes declined 8% Y-o-Y, while the Index gained 9.4% Y-o-Y.

EFG Hermes market share rose to 63.8% in 4Q21 and 60.8% in FY21, maintaining its 1st place ranking for 4Q21 and FY21; with foreign activity and our strong executions being the main driver.

Foreign participation accounted for 56% of the total market activity in 4Q21 and FY21, of which EFG Hermes executed 49% of this flow in 4Q21 and 47% in FY21.

#11

Jordan

Market share **6.1%**
Executions **JOD123mn**
+90% Y-o-Y, FY21

N/A

Pakistan

Market share **3.6%**
Executions **PKR160.7bn**
+32% Y-o-Y, FY21

#1

Kenya

Market share **60.8%**
Executions **KES83.5bn**
+9% Y-o-Y, FY21



Nigeria

The Nigerian market ended the final quarter of the year on a strong note, with the Index gaining 6.2% Q-o-Q, and volumes soaring 78% Q-o-Q in 4Q21; this was mainly on the back of higher levels of trading on large cap. stocks, led by the heavy weight Telecom sector. For FY21, the Nigerian market recorded lower volumes, down 19% Y-o-Y; meanwhile, the Index closed higher, up 6.1% Y-o-Y.

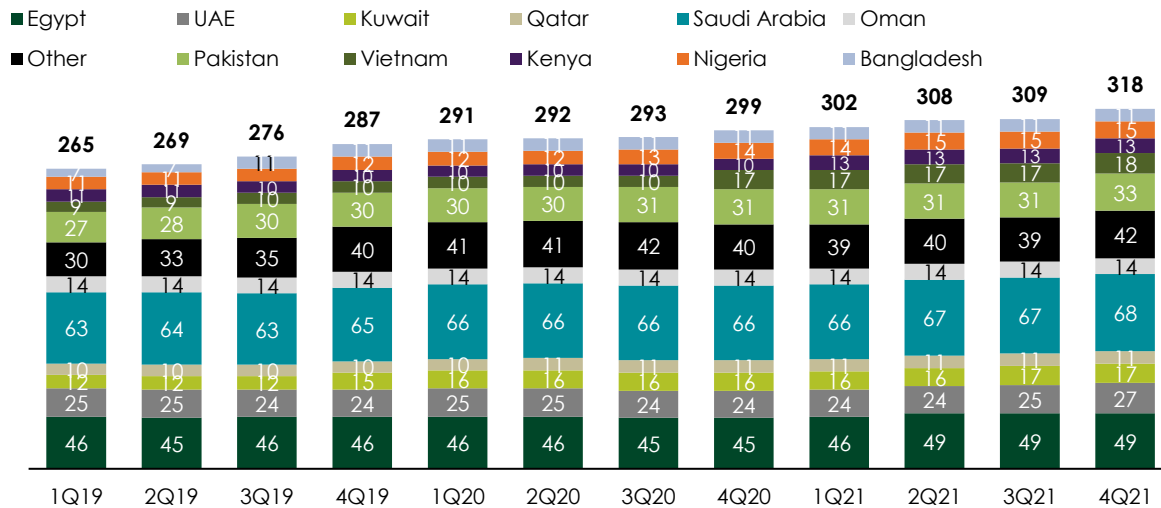
EFG Hermes Nigeria market share and ranking improved in 4Q21, underpinned by higher foreign activity. The Firm's market share reached 8.4% with a fourth place ranking in 4Q21, and foreign participation reached 26%, of which the Firm captured 16%. For FY21, the Firm's market share came at 5.7% and held a fourth place in terms of ranking; while foreign participation accounted for 23% of the total market, of which EFG Hermes Nigeria captured 11%.



ii. Research

Research Coverage Universe

Number of Companies



Source: EFG Hermes Research

EFG Hermes Research team had a successful year covering 318 stocks spread across 26 markets by the end of 2021. Additionally, the team added a new market by initiating coverage on E-commerce play and the largest bank in Kazakhstan, expanded small and mid-cap coverage in GCC, continued to build out its utilities coverage, and initiated coverage on two supermarket chains in Sri Lanka and Morocco.

Moreover, in the 2021 Institutional Investor poll for MENA and Frontier, the team ranked 1st in Frontier and 2nd in MENA, and was awarded the highest ranked international research provider for Pakistan in Asia Money's prestigious poll.

MIFID and CSA payments came higher Y-o-Y in FY21; with this being mirrored in research revenues. Going forward, the team will continue to ramp up its coverage, with a more focus on growth sectors, small and mid-cap coverage, thematic research, and building out its frontier coverage in Vietnam.

iii. Investment Banking

In FY21, EFG Hermes' Investment Banking division successfully concluded a total of 40 equity, M&A and debt transactions worth an aggregate value of USD7.9 billion, marking the department's highest number of transactions in a single year.

In 4Q21, EFG Hermes successfully advised on 15 transactions, including five equity deals, four M&A deals and six debt transactions amounting to a total of USD3.8 billion.

Solidifying its position as the leading MENA ECM advisor, the Investment Banking division successfully advised on several milestone offerings across the regional ECM space. The team successfully concluded the advisory on Fertiglobe's USD795 million initial public offering (IPO) on the Abu Dhabi Exchange (ADX), marking one of the largest listings on the exchange and the first listing of a free zone company onshore in the UAE. The division also acted as joint bookrunner and underwriter on the USD1.2 billion IPO of Saudi-based ACWA Power on the Tadawul Exchange, which marks EFG Hermes' third IPO on the exchange in 2021. Continuing its journey with Theeb Rent a Car and its shareholders following the company's successful IPO earlier in the year, the department acted as joint bookrunner and broker on the sale of a 21% stake in the car rental company through a USD127.6 million accelerated equity offering. Additionally, the team successfully concluded the advisory on the USD143 million follow-on sale of Abu Qir Fertilizers and Chemical Industries Company's shares on the Egyptian Exchange (EGX), underlining EFG Hermes' commitment to spur private investment in key state-owned assets as part of Egypt's economic reform agenda.

In the M&A space, the team successfully concluded the advisory to UAE-based Agthia Group on its strategic acquisition of a 100% stake in UAE health snacks company BMB Group for a total value of USD172 million. The transaction marks the third M&A deal completed for the group in 2021 alone, cementing EFG Hermes' leading role in the MENA M&A space. Building on its longstanding relationship with Sixth of October for Development and Investment Company (SODIC), the team successfully advised the leading real estate developer on the sale of 85.5% of its EGX-listed shares through a mandatory tender offer (MTO) to a consortium comprising UAE real estate Development Company Aldar Properties and Abu Dhabi Developmental Holding Company (ADQ). The landmark transaction worth USD388 million marks the largest foreign direct investment in the Egyptian real estate sector to date. The team also advised EFG Hermes Holding S.A.E on the acquisition of a 51% stake in Arab Investment Bank (aiBANK), transforming the group into a universal banking platform in Egypt offering a full spectrum of financial services. Lastly, the department successfully advised TPG's Evercare Group on the sale of its 50% stake in Islamabad Diagnostic Centre (IDC) to Integrated Diagnostics Holding (IDH) in a deal worth USD72.4 million.

On the debt front, EFG Hermes continued to grow its debt capital markets (DCM) franchise on the back of the successful execution of several milestone transactions comprising diversified financing options. The team successfully concluded a series of securitization issuances, unlocking new opportunities for a multitude of clients. The department concluded the advisory to EFG Hermes Holding's wholly-owned subsidiary, EFG Hermes Corp-Solutions, on the first issuance of its EGP3 billion securitization program, through a bond offering worth USD50.3 million. Additionally, the division successfully advised Misr Italia Properties, one of Egypt's leading real estate developers, on its first securitization issuance, worth USD50.6 million, as part of an EGP2.5 billion securitization program. The department also concluded the USD40 million securitization issuance for Pioneers Development Company. Continuing to expand its service offerings in the ever-growing DCM space, the division also advised on the USD12 million debt arrangement for Mac Beverages Limited as well as the issuance of a senior unsecured short-



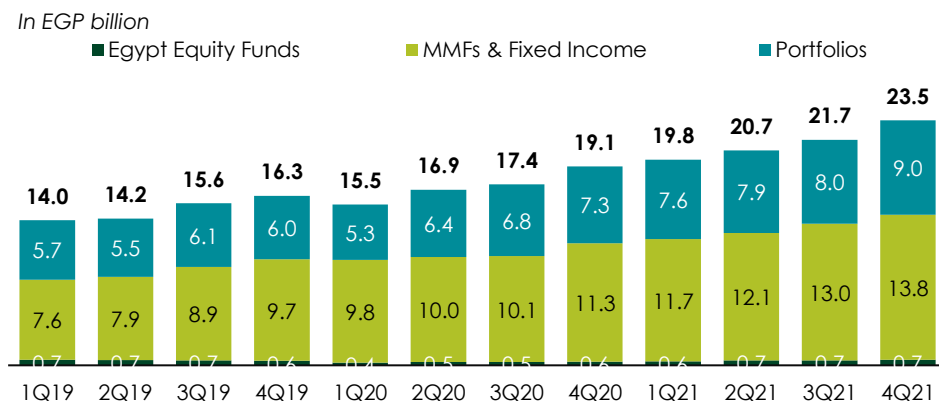
term note for the Hermes Securities Brokerage Company (HSB) worth USD35 million. Lastly, the team acted as financial advisor on the lease financing for real estate development firm Madinet Nasr for Housing and Development (MNHD) worth USD44.6 million.

EFG Hermes' outstanding performance in 2021, despite challenging market conditions, demonstrates the firm's unrivaled ability to advise on and execute key regional transactions across the full spectrum of equity, M&A and debt mandates. Capitalizing on its world-class advisory services and continuously evolving service offerings spanning multiple jurisdictions, the department is well-positioned to sustain its positive performance during the course of 2022, with the division already having lined up a strong transaction pipeline for the coming period.



iv. Asset Management

Egypt Assets under Management Evolution

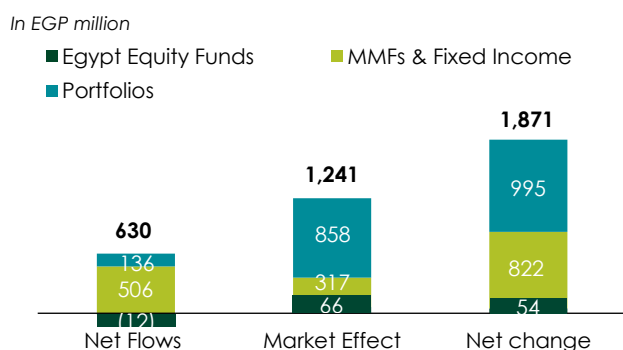


Source: EFG Hermes Asset Management

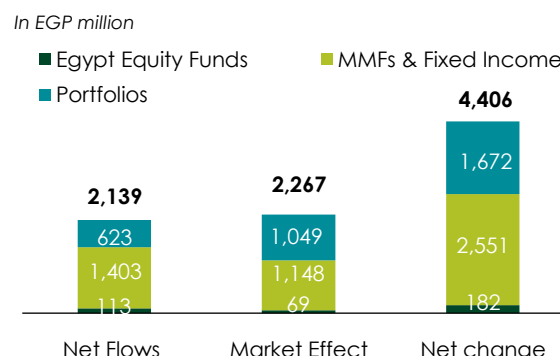
EFG Hermes Egypt Asset Management AuMs ended the final quarter of 2021 on a strong note, adding 9% Q-o-Q to reach EGP23.5 billion at the end of 4Q21. In 4Q21, markets' appreciation represented 6% of the AuMs growth, underpinned by strong equity portfolios performance. Meanwhile, net inflows represented the other 3% of the AuMs increase and was triggered by inflows in the MMFs.

In FY21, AuMs rose 23% Y-o-Y, driven by net inflows and markets' strong performance. Net inflows represented 11% of the increase in AuMs, and was driven by strong inflows in the MMFs, followed by inflows in equity and fixed income portfolios. Markets' appreciation represented the remaining 12% of the increase in total AuMs, and is attributed to MMFs positive performance together with equity/FI/balanced portfolios appreciation during the year; however, equity portfolios strong performance was the key driver.

Quarterly Change in Egypt Mandates

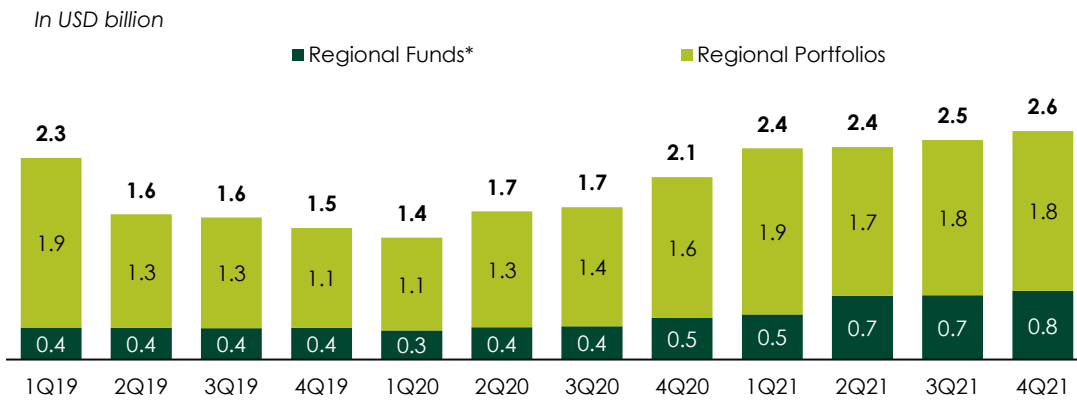


Yearly Change in Egypt Mandates



Source: EFG Hermes Asset Management

Regional Assets under Management “FIM” Evolution



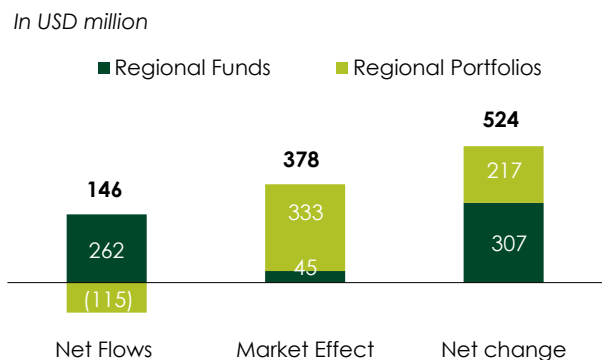
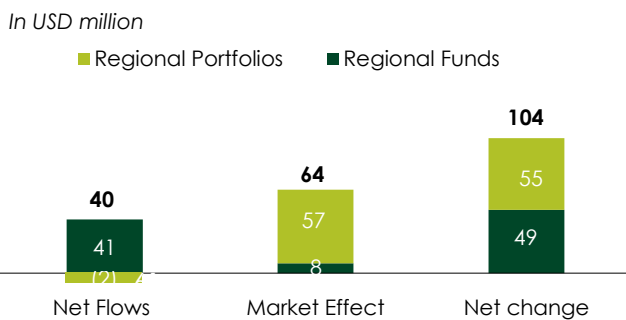
*Includes Equity, Fixed Income, SPAC and Real Estate funds
Source: FIM

EFG Hermes Regional Asset Management (FIM) AuMs added 4% Q-o-Q, closing the quarter at USD2.6 billion, on positive market performance and net inflows. Meanwhile, the increase in AuMs on the back of market performance was mainly attributed to positive equity portfolios performance.

FY21 was a strong year for FIM, with its AuMs rising 25% over the year, triggered by its strong performance and markets' appreciation in part, and net inflows, which reflects largely a SPAC for USD200 million.

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 USD387.3 at the end of 4Q21 versus a NAV/share of USD354.3 in 3Q21. The Fund gained 9.3% during the quarter versus the S&P Pan Arab Composite Index, which gained 2.5% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,346.8 at the end of 4Q21 versus a NAV/share of USD1,315.1 in 3Q21. The Fund gained 2.4% over the quarter versus the MSCI FEM Index, which gained 1.6% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD1,594.0 at the end of 4Q21 versus a NAV/share of USD1,602.5 at the end of 3Q21.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,321.7 at the end of 4Q21 versus a NAV/share of USD1,318.1 in 3Q21. The Fund gained 0.3% during the quarter versus the JPM MECIGCC, which gained 0.8% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,197.0 at the end of 4Q21 versus a NAV/share of USD1,199.5 in 3Q21. The Fund lost -0.2% during the quarter versus the Markit iBoxx Sukuk which gained 0.1% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD1,080.2 at the end of 4Q21 versus a NAV/share of USD1,093.2 in 3Q21. The Fund lost 1.2% during the quarter versus a loss of 1.0% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.

v. Private Equity

Infrastructure

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

Vortex Energy will inject over EUR625 million through its newly launched Vortex Energy IV Fund and its co-investors into Ignis via a series of capital injections, which will be deployed over the coming few years subject to certain conditions. 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.

Education

The Fund's education platform (Egypt Education Platform – EEP) continued expanding in 4Q21 after entering into definitive agreements to acquire a recently built state of the art mega campus located in the city of Sheikh Zayed, West of Cairo. The new campus will host EEP's recently acquired Hayah brand under the name "Hayah West" and will mark Hayah's first expansion into the west side of Cairo. The new campus will be able to house more than 1.7k students.

EEP also executed in 4Q21 its first management agreement with the Sovereign Fund of Egypt and Mobica to manage and operate 2 new premium national schools that will be developed in 6th of October City with a combined capacity of c.5k students. The new schools are expected to start operations in September 2023.

The Fund's education platform is entering 2022 with a diversified portfolio comprising 10 schools spreading across Cairo and Alexandria under various stages of development and with a combined capacity approaching c.20k students.

The platform is continuing to explore potential growth opportunities in the market through future acquisitions or development of new schools and is planning to close at least 2 new investments in 2022.

Healthcare

U Pharma ("UP") has successfully closed financial year 2021 realizing outstanding revenue growth, exceeding its Egyptian market peers. During FY21 UP continued to ramp up its sales, almost doubling its yearly output on an annual basis. The Company has diversified its distribution network, with its largest client segment contributing only c. 30% of total sales; UP successfully increased its market share and market ranking as per IMS estimates and is now a market leader in the Hospital Solutions space. During FY21 UP has almost doubled its sales Y-o-Y, with a realized EBITDA margin, exceeding several established market peers. UP full facility upgrade plan is in its final stages and on track to be finalized in the early months of 2022, setting up the necessary capabilities to drive the company's upcoming growth plans.

UP is capitalizing on the success achieved in FY21 to expand the product portfolio by adding complimentary products serving the hospitals B2B segment (such as anesthetics, and higher value added injectables); synergistic hydro-based products serving the B2C segment; in



addition to enhancing focus on exports to neighboring markets facing shortages in essential medical supplies.

In parallel to the ongoing value creation process within UP, Rx Healthcare platform has progressed with a number of promising acquisition opportunities in the B2B & B2C pharma segments, currently at advanced stages of negotiation & execution, and with potential aggregate deal values exceeding EGP1 billion, supporting EFG Hermes's healthcare platform strategy of expanding its investments in the pharmaceuticals sector.





NBFIs



Financial Overview

I. Performance Overview

in EGP million	NBFIs Performance Summary							
	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
Micro-Finance (Tanmeyah)	372	359	297	4%	25%	1,427	1,092	31%
Consumer Finance (valu)	84	98	45	-14%	89%	302	111	171%
Leasing	67	49	56	37%	20%	215	186	16%
Factoring	27	11	11	151%	152%	58	27	117%
Finance Holding	(13)	0	(4)	N/M	N/M	(13)	(3)	N/M
Net Operating Revenue	537	516	404	4%	33%	1,989	1,413	41%
Employees Expenses	171	196	133	-13%	29%	829	669	24%
Other Operating Expenses*	168	114	177	48%	-5%	518	626	-17%
Total Operating Expenses**	339	310	310	9%	9%	1,347	1,295	4%
Net Operating Profit	198	206	94	-4%	110%	643	118	443%
Net Profit (Loss) After Tax	105	136	61	-22%	72%	344	(58)	N/M
Net Profit (Loss) After Tax & Minority Interest	128	128	54	1%	136%	344	(73)	N/M

*Includes Other G&A and Provisions & ECL

**Includes Finance Holding operating expenses and Holding allocated expenses

4Q21

NBFIs continued its upward trajectory; with the platform's revenues growing 33% Y-o-Y to EGP537 million, with all its lines of business posting Y-o-Y increase. Tanmeyah, which accounts for 69% of the revenues, reported revenues of EGP372 million, up 25% Y-o-Y, on stronger sales. valu continued to outperform, with its revenues growing 89% Y-o-Y to reach EGP84 million, on stronger sales and Y-o-Y portfolio expansion. Leasing and Factoring revenues rose 20% Y-o-Y and 152% Y-o-Y to EGP67 million and EGP27 million respectively, on very strong bookings made by both lines of business.

Operating expenses rose 9% Y-o-Y to EGP339 million, driven by higher employee expenses and other G&A, which together off-set the Y-o-Y decline in Provisions & ECL.

Employee expenses rose 29% Y-o-Y to EGP171 million, mainly on Tanmeyah's higher employee expenses. Moreover, other G&A increased 9% Y-o-Y EGP146 million; on valu's higher marketing, collection, activation and outsourcing fees. On the other hand, Provisions & ECL declined 50% Y-o-Y to EGP22 million, on lower ECL.

The NBFIs net profit after tax and minority interest more than doubled Y-o-Y, up 136% Y-o-Y to EGP128 million, as higher revenues generated by all line of business overshadowed the increase in employee expenses and other G&A.

FY21

A very robust year for the NBFIs, with all its businesses reporting resilient revenues. NBFIs recorded revenues of EGP2.0 billion, up 41% Y-o-Y, and reflecting an aggregate outstanding portfolio* of EGP13 billion, up 39% Y-o-Y. Tanmeyah's revenues rose 31% Y-o-Y to EGP1.4 billion, with strong sales growth, particularly in the second half of the year. valu's revenues rose a buoyant 171% Y-o-Y to EGP302 million, as sales and margins continued to improve. Leasing revenues rose 16% Y-o-Y to EGP215 million, mainly on securitization gain. Factoring revenues reported EGP58 million, up 117% Y-o-Y, on strong bookings and drawdowns.

For the full year, operating expenses were largely flat, inching up 4% Y-o-Y to EGP1.3 billion, as the increase in employee expenses and other G&A, was largely muted by lower Provisions & ECL booked in the current year.

Employee expenses rose 24% Y-o-Y to EGP829 million, mainly on Tanmeyah's higher employee expenses. Moreover, other G&A increased 13% Y-o-Y EGP437 million; on valU's higher marketing, collection, activation and outsourcing fees. On the other hand, Provisions & ECL declined 66% Y-o-Y to EGP80 million, on lower ECL, as provisions throughout the year continued to be lower than significant provisions taken post the outbreak of COVID-19 in the 1Q20.

The NBFIs net profit after tax and minority interest reached EGP344 million, up from a loss of EGP73 million, on higher revenues generated by all lines of business, lower ECL & Provisions and despite higher employee expenses and other G&A.

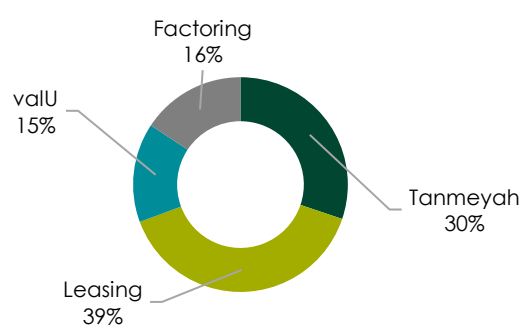
*Including securitized portfolio

II. Balance Sheet highlights

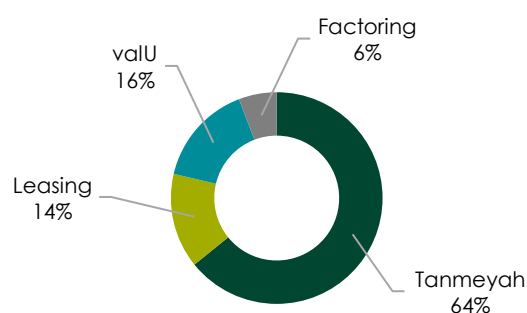
<i>in EGP million</i>	Dec-21	Sep-21	June-21	Dec-20	Q-o-Q	Y-o-Y
Portfolio Outstanding*	12,122	10,850	10,683	9,398	12%	29%
Provision Balance	441	424	415	388	4%	14%
Total Equity	1,959	1,741	1,698	1,338	13%	46%

*Excludes EGP748 million of Leasing securitization, and EGP179 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						FY21	FY20	Y-o-Y
	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y				
Total Number of Active Borrowers	380,555	371,612	335,110	2%	14%	380,555	335,110	14%	
Total Number of Processed Applications	111,285	106,672	96,251	4%	16%	431,548	366,887	18%	
Total Number of Loans Issued	94,715	90,709	81,900	4%	16%	367,294	311,512	18%	
Total Portfolio Outstanding (EGP mn)	3,660	3,487	3,009	5%	22%	3,660	3,009	22%	
Total Number of Employees	4,965	5,123	5,075	-3%	-2%	4,965	5,075	-2%	

Source: Tanmeyah

Tanmeyah ended the final quarter of the year on a strong note, with loans issued during the quarter reaching EGP1.4 billion, up 6% Q-o-Q, and underpinned by sales growth witnessed across its different products. This performance supported FY21 loans issued, which rose 24% Y-o-Y to reach EGP5.2 billion, and was reflected in double digit increase in both active borrowers and processed applications, which grew 14% Y-o-Y and 18% Y-o-Y, respectively. Consequently, outstanding portfolio rose 5% Q-o-Q and 22% Y-o-Y to stand at EGP3.7 billion at the end of FY21.

Tanmeyah changed its MEL product structure to start from EGP7K instead of EGP5K and up to EGP50K, this contributed to the increase in the average ticket size, which reached EGP14.5k in FY21, and further supported the growth of portfolio.

Women In Business (WIB) sales shot up 619% Y-o-Y in FY21, as Tanmeyah rolled out the product across all its branches (versus only 21 branches in FY20), and further enhanced the product pricing to make it more appealing to target audience, with a plan for mega rebranding in FY22.

On branch roll-out, Tanmeyah continues to expand its geographical presence as it hit the 300-branch mark by the end of FY21. The 16 new branches that started operating in 2021 contributed in the increase of sales value by 5% and portfolio outstanding by 6%.

Portfolio Analysis & Productivity KPIs

Delta Region contributed to the increase of the total active borrowers Y-o-Y by 56%. Despite that the number of branches in the Cairo & Giza Region remained unchanged Y-o-Y, the Governorates witnessed an increase of 36% Y-o-Y in its active borrowers.

Female active borrowers accounted for 49% of Tanmeyah's total active borrowers, up from 47% in the previous year. This is in line with Tanmeyah's aim to promote financial inclusion of women as means of empowerment.

Portfolio Quality & Provisions

Tanmeyah did not book any provisions in 4Q21, whereas the provisions booked during the year amounted to EGP10 million (due to recognition of the remaining securitized portfolio on Tanmeyah's on-books portfolio after the contract matured in May 2021). This takes total provision balance to EGP283 million, representing a portfolio coverage of 7.7% at the end of year, well above the PAR 30+ and 90+ indicators.

ii. BNPL “valu”

Results at a Glance and Performance Overview

	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y	BTD
App Business									
valu App Customers ⁽¹⁾	91	39	23	134%	287%	190	91	108%	357
Limits Activated Value (EGP mn)	1,286	615	372	109%	246%	2,693	1,224	120%	4,962
Total Loans Issued (EGP mn)	968	541	325	79%	198%	2,273	952	139%	3,658
Outstanding Portfolio (EGP mn)	1,956	1,345	788	45%	148%	1,956	788	148%	1,956
Number of Transactions ⁽¹⁾	178	113	69	58%	158%	452	196	131%	717
Portfolio Tenor (In months)	18	18	16	3%	15%	18	16	15%	18
Number of Merchants	1,657	1,317	898	26%	85%	1,657	898	85%	1,657
Non-App Business									
Outstanding Portfolio (EGP mn)	34	37	44	-8%	-23%	34	44	-23%	34
Number of Transactions	4	4	2	0%	100%	18	252	-93%	308
Portfolio O/S* (EGP mn)	1,990	1,382	832	44%	139%	1,990	832	139%	1,990

* 4Q21 KPIs includes securitized portfolio of EGP179 million

(1) Numbers are in thousands

Source: valu

Total outstanding portfolio excluding the securitized portfolio came at EGP1,811 million at the end of FY21, of which principal is EGP1,572 million and interest is EGP239 million.

Gross Merchandise Value (GMV) grew 79% Q-o-Q to an all-time high of EGP1.0 billion in 4Q21 from EGP560 million in 3Q21. The driver behind this exceptional performance was valu Friday campaign during November; which lead to a GMV figure of EGP544 million during that month alone (54% of GMV figures during 4Q21). This also created momentum for strong figures in December, despite not having any major promotions or campaigns.

Similarly, the average number of transactions per day came at 1,939 in 4Q21; representing 55% Q-o-Q increase from 1,253 in 3Q21.

This resulted in total number of transactions and GMV more than doubling Y-o-Y in FY21; growing 131% Y-o-Y and 138% Y-o-Y to 452 thousand and EGP2.4 billion, respectively.

valu's network grew to 1,657 merchants in FY21; expanding its market reach, and increasing the potential to attract new customers by offering a wider variety of goods and services from the merchants under our network to satisfy valu customers' different lifestyle needs. The most notable additions of the year were Jumia and Noon, two of the three biggest e-commerce businesses in Egypt.

valu app customers increased significantly by 134% Q-o-Q in 4Q21, and reached 190k in FY21, up 108% Y-o-Y. This pool of potential customers comes as a strong testament to valu's success in increasing its penetration and its leading market share and position in the BNPL market in Egypt.

App Business

Outstanding portfolio increased 45% Q-o-Q and 148% Y-o-Y, reaching EGP1.96 billion at the end of FY21.

The number of transactions and loans issued grew 58% Q-o-Q and 79% Q-o-Q, respectively, in 4Q21; triggered by valU's campaigns and offers done throughout 4Q21. Number of merchants increased 26% Q-o-Q, with valU expanding its network M-o-M, collaborating with the biggest brands in the market and covering more product and service categories.

Non-App Business

BTB outstanding portfolio decreased 8% Q-o-Q and 23% Y-o-Y, as valU is currently focusing on the BTC business growth. Three Auto Loan transactions were booked in 4Q21 as well as one rescheduled auto loan transaction, collectively worth EGP1.3 million.

Geographical Presence

4Q21	3Q21	2Q21	1Q21
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria
Hurghada	Hurghada	Hurghada	Hurghada
Tanta	Tanta	Tanta	Tanta
Mansoura	Mansoura	Mansoura	Mansoura
Portsaid	Portsaid	Portsaid	Portsaid
Ismailia	Ismailia	Ismailia	Ismailia
Assiout	Assiout	Assiout	Assiout
Monofia	Monofia	Monofia	Monofia
Minia	Minia	Minia	
Damanhour	Damanhour	Damanhour	

Source: valU

Portfolio Quality & Provisions

valU implemented 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 took provision charges of EGP40 million during the year, thus taking its provisions coverage to 4.4%, well above the 30+ coin.

Market Share

ValU jumped to second place ranking for FY21, with a market share of 23.8%.

Ranking		
FY21	Company Name	Market Share (%)
1	Contact	45.5%
2	valU	23.8%
3	Premium International	14.0%
4	Abdul Latif Gamil	4.8%
5	Rawaj	3.7%
6	Sky Finance	3.2%
7	Halaan	2.3%
8	Sohoula	1.5%
9	B Link	0.7%
10	BelCash	0.3%

iii. Leasing

Results at a Glance and Performance Overview

	KPIs							
	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y	FY21	FY20	Y-o-Y
Number of New Contracts	21	21	24	0%	-13%	86	78	10%
Total Outstanding Portfolio ⁽¹⁾ (EGP mn)	5,804	6,191	5,102	-6%	14%	5,804	5,102	14%
On-books Outstanding Portfolio ⁽¹⁾ (EGP mn)	4,747	5,168	4,738	-8%	0%	4,747	4,738	0%
NFA for New Contracts (EGP mn)	1,286	955	1,140	35%	13%	3,898	2,388	63%
Rec. Value of New Contracts** (EGP mn)	1,639	1,261	1,120	30%	46%	4,687	2,959	58%

(1) Excludes Securitized Portfolio principle amount of EGP748 million

* Includes on-balance sheet and VC transactions.

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

Source: EFG Hermes Leasing

Another strong quarter for EFG Hermes Leasing, with new bookings rising 35% Q-o-Q to reach EGP1.3 billion in 4Q21; thus taking total bookings made during FY21, up 63% Y-o-Y to reach EGP3.9 billion. These new bookings were spread across 21 contracts in 4Q21, and for FY21 new contracts reached 86 compared to 78 new contacts in FY20.

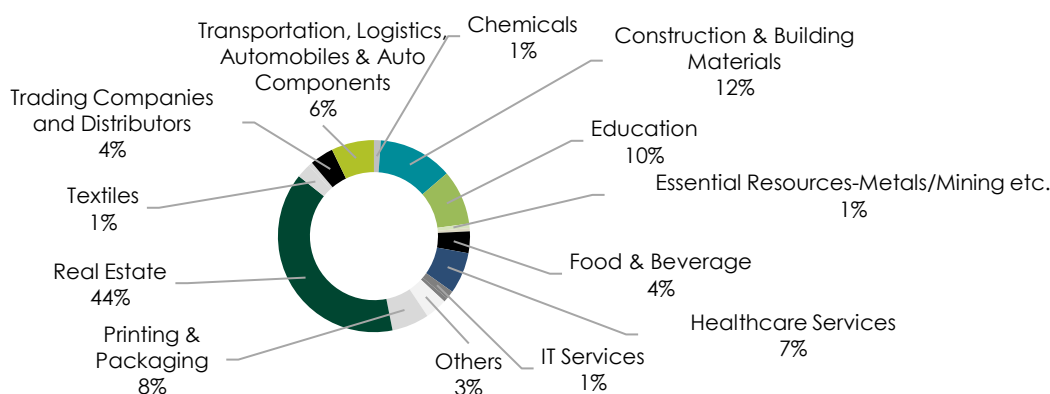
This increase in new bookings was mainly driven by a number of notable bookings in the Real Estate sector. In order to promote for a green economy, the team provided financing for the recycling industry in 4Q21. Additionally, two leasing facilities were provided in the Educational sector.

On-books outstanding portfolio came at EGP4.7 billion at the end of 4Q21, down 8% Q-o-Q and flat Y-o-Y. This decline is attributed to the securitization of EGP780 million of the portfolio and the early termination carried out by a number of clients.

The team continues to capitalize on its cross-selling capabilities to offer bundled financial solutions for its clients. Currently, Corp Solutions has 7 Joint clients utilizing Leasing and Factoring facilities.

In 4Q21, Leasing added 7 corporate clients and 6 SME clients. Corporate clients continue to dominate the leasing portfolio, accounting for 89% of the total outstanding portfolio, while the SMEs accounted for 11%.

Portfolio Distribution by Client Industry



Source: EFG Hermes Leasing

Portfolio distribution by industry witnessed minor changes over 4Q21 to reflect the new bookings made during the quarter and the impact of the securitization. The Real Estate & hospitality continues to account for the lion's share, c.44% in 4Q21, compared to 39% in 3Q21. Construction & Building Materials industry came second in line with a contribution of 12% in 4Q21, compared to 13% in 3Q21. Education industry increased by 1% to account for 10% of total portfolio in 4Q21, on new bookings during the quarter.

Portfolio Quality & Provisions

An amount of EGP18.5 million of provisions was released in 4Q21. Thus, leaving EGP64 million of on-books total provisions, well above the FRA requirement; and which represents a provision coverage of 1.35%.

Market Share

EFG Hermes Leasing was ranked 3rd in FY21, with a market share of 10.4%.

FY21	Ranking	
	Company Name	Market Share (%)
1	BM Lease	16.3%
2	Corplease	12.8%
3	EFG Hermes Leasing	10.4%
4	GB Lease	9.0%
5	Global Corp	7.2%
6	El Tawfiq for Leasing	6.5%
7	Cairo Lease	4.1%
8	Al Ahly Lease	4.0%
9	Others	29.7%

Source: EFG Hermes Leasing

iv. Factoring

Results at a Glance and Performance Overview

	KPIs						FY21	FY20	Y-o-Y
	4Q21	3Q21	4Q20	Q-o-Q	Y-o-Y				
Number of Existing Clients	76	67	44	13%	73%	76	44	73%	
Total Outstanding portfolio (EGP mn)	1,904	814	819	134%	132%	1,904	819	132%	
Net Financed Amount (EGP mn)	1,842	751	726	145%	154%	4,179	1,565	167%	
Average Portfolio Tenor (days)	237	202	177	17%	34%	237	177	34%	
Average Ticket Size (EGP mn)	5.15	2.20	2.33	134%	121%	3.44	2.40	43%	

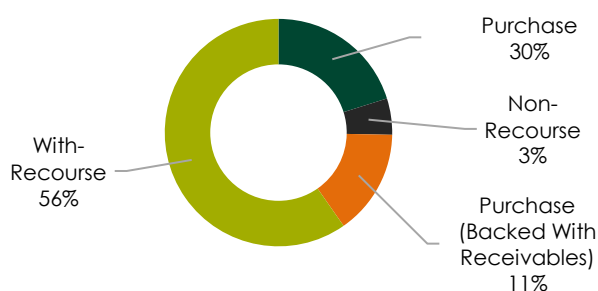
Source: EFG Hermes Factoring

A very buoyant quarter for the Factoring business, with its outstanding portfolio more than doubling, up 134% Q-o-Q in 4Q21, to close the quarter and the year at EGP1.9 billion. This increase was mainly driven by a number of large disbursements.

In terms of number of clients, 9 additional clients have been approved; of which 6 new clients have been booked in 4Q21. Whereas for the year, the number of approved clients increased from 44 clients at the end of FY20 to 76 clients at the end of FY21, reflecting a 73% Y-o-Y hike. In addition, Net Financed Amount grew 145% Q-o-Q to reach EGP1.8 billion in 4Q21, and taking the year's NFAs to EGP4.2 billion.

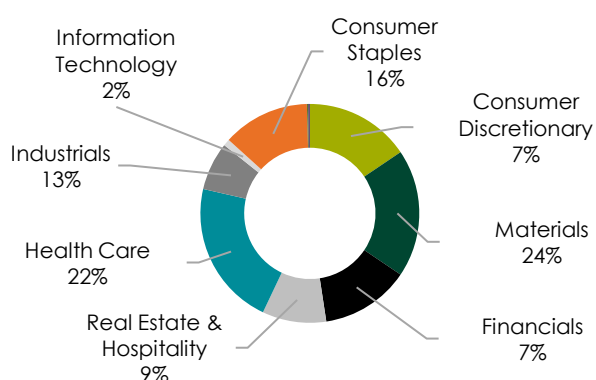
Portfolio Analysis

Domestic Factoring Recourse financing is the main contributor to Factoring outstanding portfolio, representing 56% of the total outstanding portfolio; mostly from the booking of large transactions. Coming second is the Purchase Factoring financing, representing 30% of the total outstanding portfolio as of December 2021. Meanwhile, Purchase (Backed with Receivables) came in third place and accounted for 11%.



Source: EFG Hermes Factoring

Portfolio Breakdown by Industry



Source: EFG Hermes Factoring

Portfolio Quality & Provisions

An additional EGP6.4 million of provisions was booked in 4Q21, to cover the growth seen in the portfolio, which rose 134% Q-o-Q to EGP1.9 billion. Total provisions reached EGP25.6 million, above the FRA requirements.

Market Share

EFG Hermes Factoring topped FRA ranking in FY21, with a market share of 22.8%.

Ranking		
FY21	Company Name	Market Share (%)
1	EFG Hermes Factoring	22.8%
2	Egyptian Factoring Co.	16.3%
3	QNB Al Ahli Factoring	14.4%
4	Drive Factoring	13.9%
5	BM Factoring	8.6%
6	Others	24.0%



Commercial Bank (aiBANK)



Financial Overview

aiBANK's acquisition of 51% was completed in 4Q21, and thus the Group's P&L reflects the Bank's November and December P&L figures.

Below tables, reflect aiBANK's 2 month of performance and the standalone balance sheet as at the end of December 2021.

I. Performance Overview

<i>in EGP million</i>	P&L
	Nov & Dec 21
Net Interest Income	221
Net Fees and Commissions	21
Other Revenues	63
Total Net Revenues	306
Employees Expenses	93
Other Operating Expenses*	63
Total Operating Expenses	156
Net Operating Profit (Loss)	150
Other Expenses	29
Net Profit (Loss) After Tax	75
Net Profit (Loss) After Tax & Minority Interest	38

*Includes Other G&A and Provisions & ECL

II. Balance Sheet Summary

<i>in EGP million</i>	Balance Sheet*
	Dec-21
Cash & Due from Central Bank	1,041
Due from Banks	18,756
Net Loans & Advances	9,567
Financial Investments	14,008
Other Assets	2,089
Total Assets	45,461
Due to Banks	1,056
Customer Deposits	38,730
Other Liabilities	804
Total Liabilities	40,590
Total Shareholder's Equity	4,871

*Standalone B/S

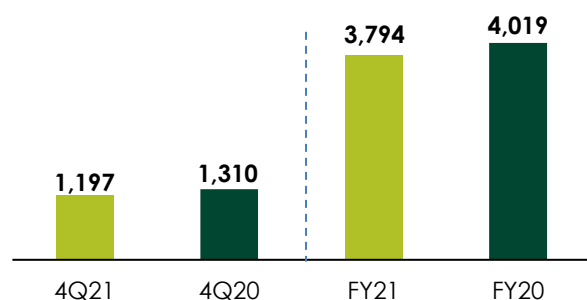
ANNEX

Contribution by Platform

Revenues*

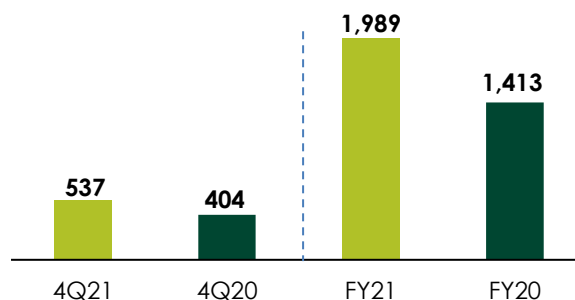
Investment Bank

In EGP million



NBFIs

In EGP million

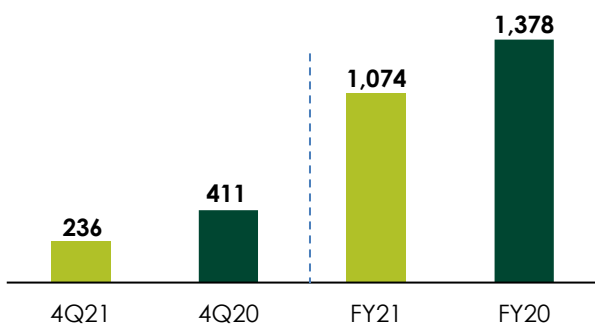


*Excludes aiBank November and December revenues of EGP306 million

NPAT*

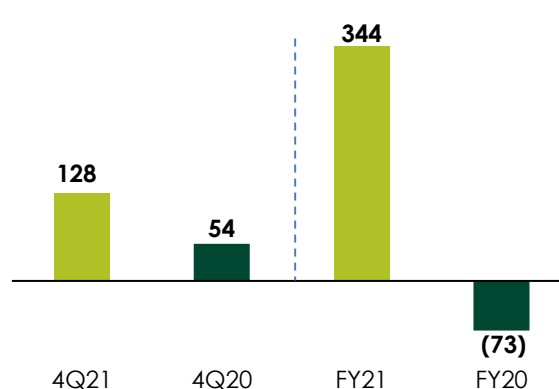
Investment Bank

In EGP million



NBFIs

In EGP million

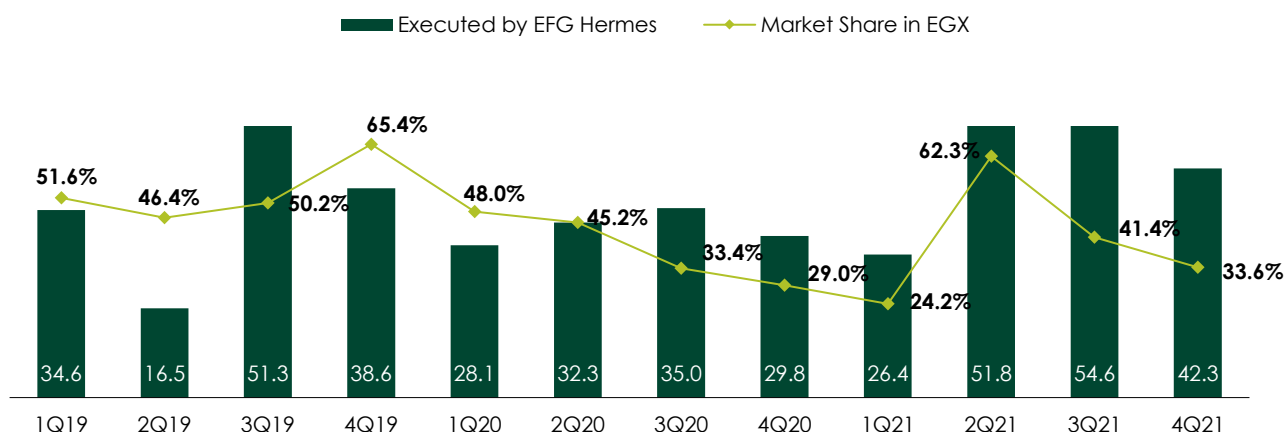


*Excludes aiBank November and December NPAT of EGP38 million

EFG Hermes Executions & Market Shares

Egypt*:

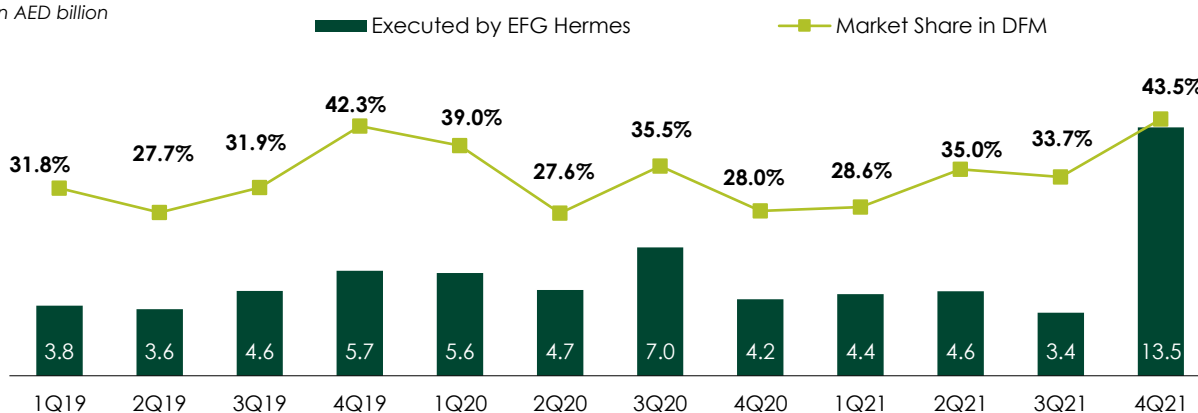
In EGP billion



*Market share calculation includes special transactions

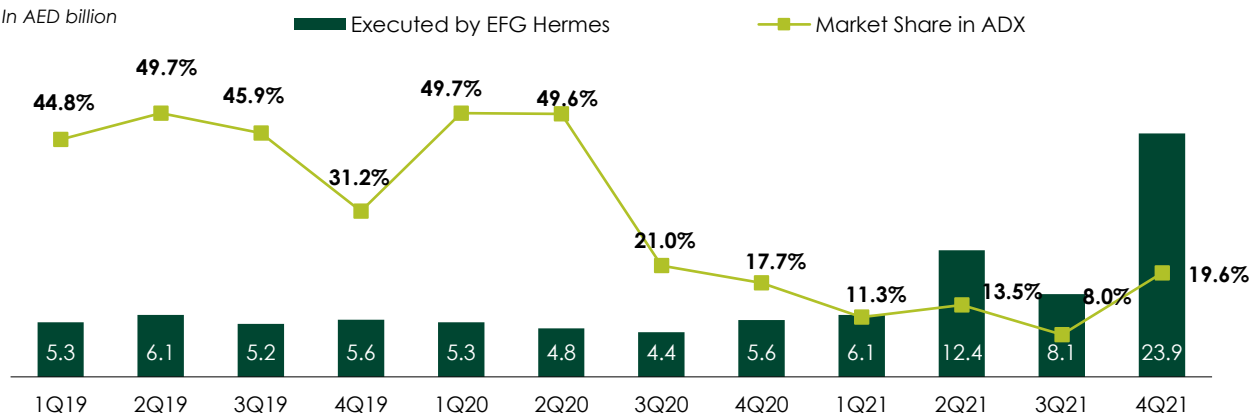
UAE- DFM

In AED billion



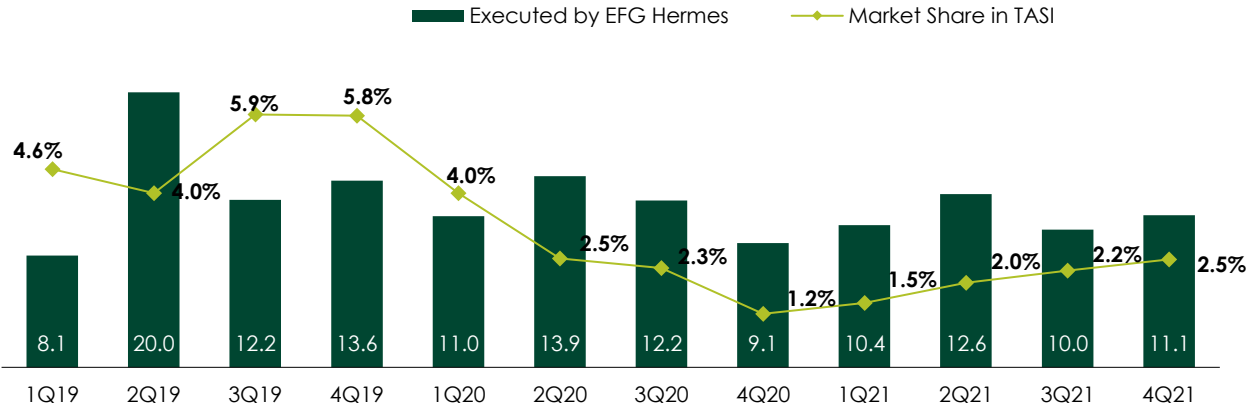
UAE – Abu Dhabi

In AED billion



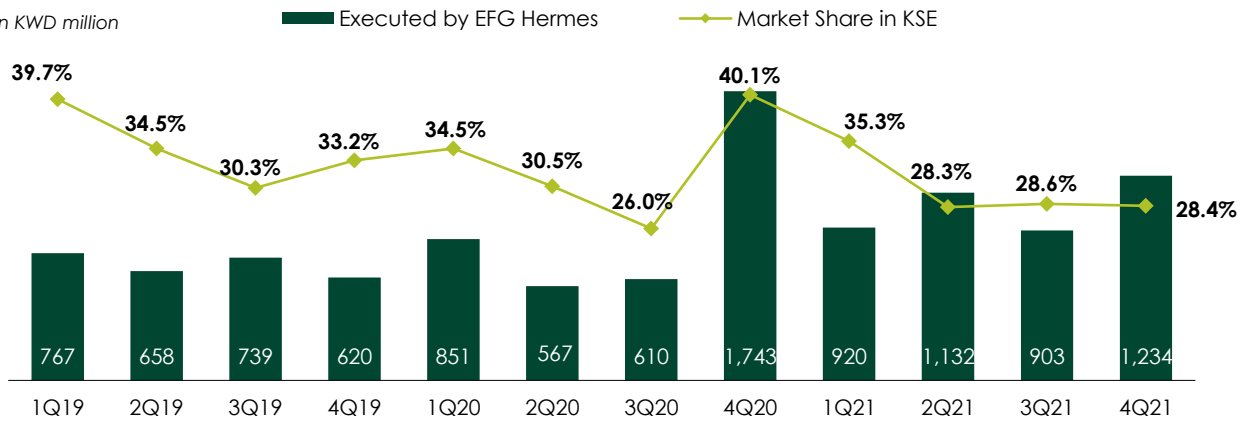
KSA

In SAR billion



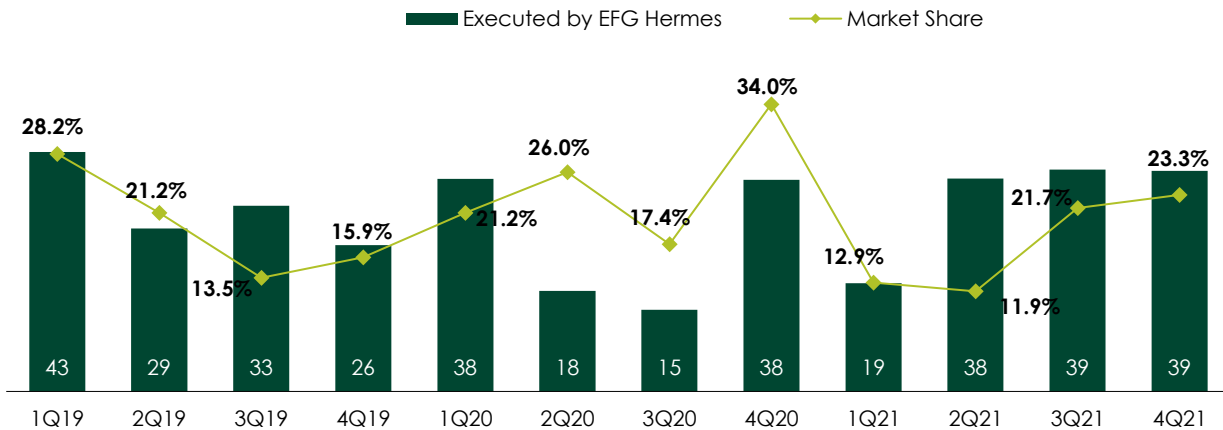
Kuwait

In KWD million



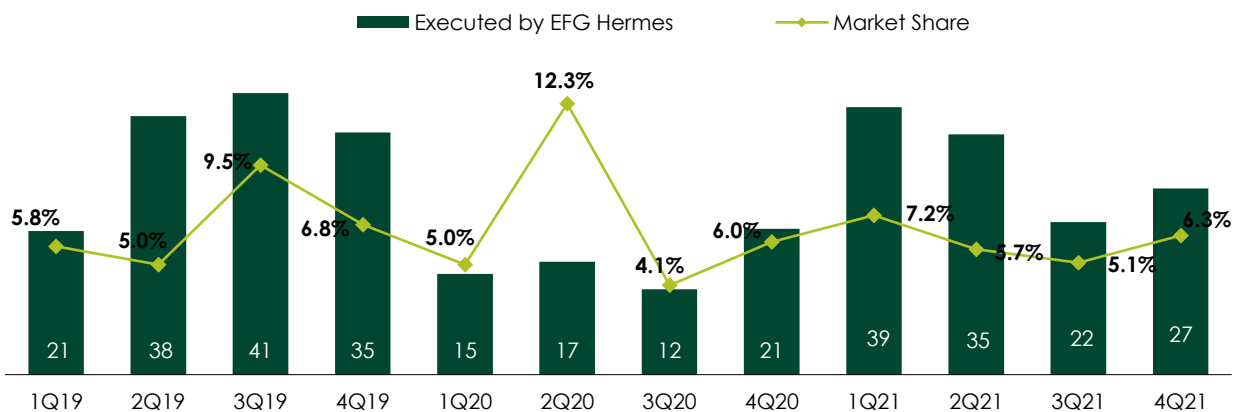
Oman

In OMR million



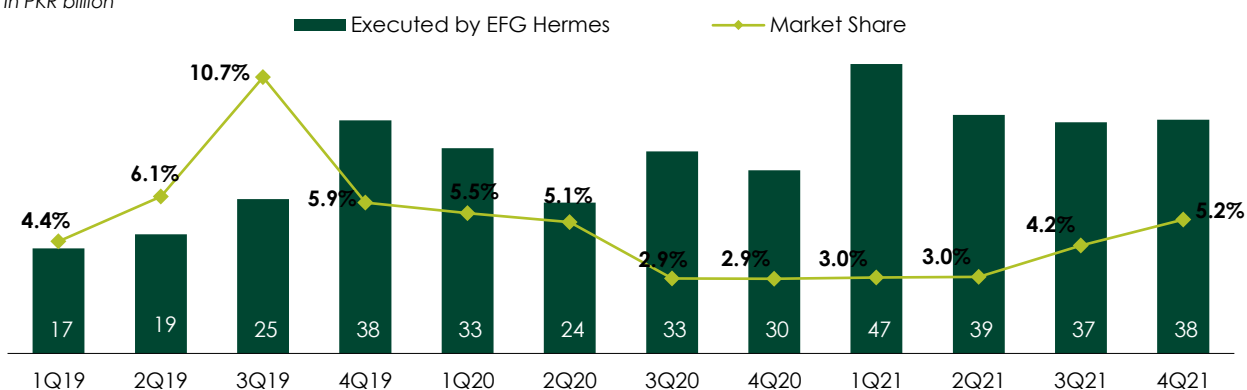
Jordan

In JOD million



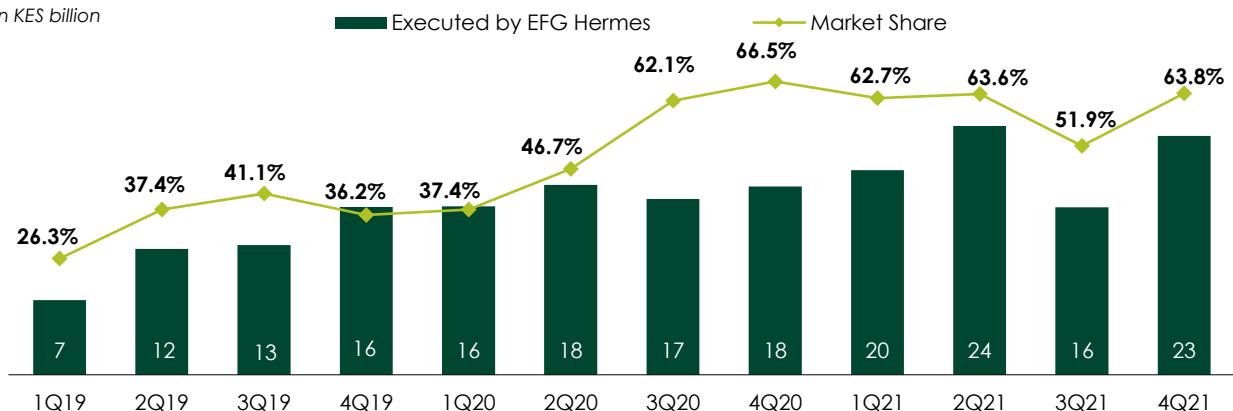
Pakistan

In PKR billion

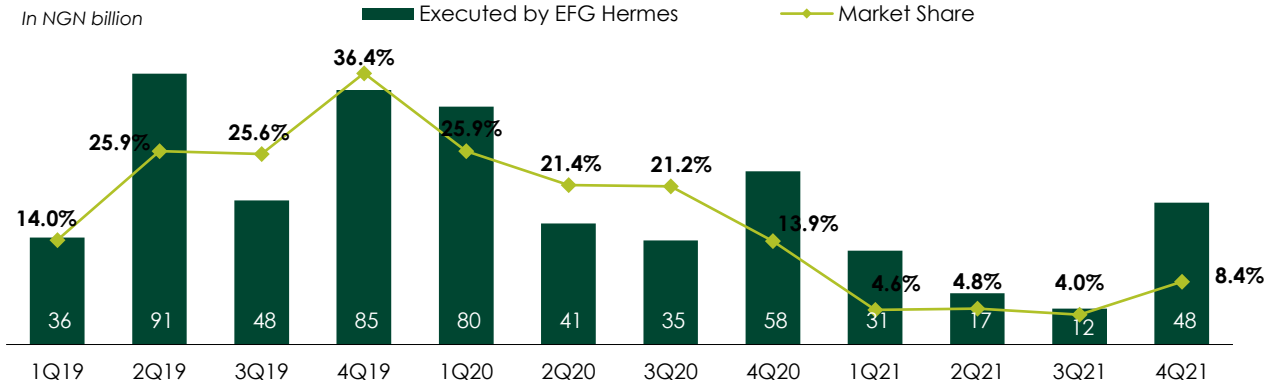


Kenya

In KES billion



Nigeria



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 4,865,353,355

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