

EFG HERMES EARNINGS RELEASE 3Q2021

INVESTOR RELATIONS

Cairo, November 17th, 2021

EFG Hermes reports a strong set of results for the third quarter of 2021, with Group earnings of EGP356 million on operating revenues of EGP1.2 billion. The Group's total assets stood at EGP49.6 billion at the end of September 2021.

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LISTINGS & SYMBOLS

The Egyptian Exchange

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

London Stock Exchange (GDRs)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

FINANCIAL PERFORMANCE

i. Key Financial Highlights

- ≡ Third quarter denotes a significant improvement in the operational performance of the Group's business lines; despite Group headline revenues retreating 17% Y-o-Y to EGP1.2 billion in 3Q21, as the comparable quarter included strong incentive fees from Private Equity's Vortex III exit of EGP349 million and included strong unrealized gains on seed capital revaluation;
- ≡ The strong operational performance in the three quarters of 2021, underpinned the Group revenues, which rose 8% Y-o-Y to EGP4.0 billion in 9M21; an outstanding performance given that the comparable period included Private Equity's exit of Vortex III and strong unrealized and realized gains on investments booked in 9M20;
- ≡ With Group expenses broadly flat in 9M21, inching down 1% Y-o-Y to EGP2.5 billion; the Group reported in 9M21 a net operating profit and a net profit after tax and minority interest up 30% Y-o-Y and 26% Y-o-Y to EGP1.5 billion and EGP1.1 billion, respectively;
- ≡ Sell-side revenues rose 45% Y-o-Y to EGP406 million in 3Q21, on strong revenues booked by Investment Banking and Brokerage. Investment Banking revenues almost tripled rising 184% to reach EGP107 million, on stronger advisory fees and higher deal count. Brokerage revenues gained 23% Y-o-Y to EGP299 million, on higher revenues reported particularly by Egypt operations, followed by Kuwait and the Structured Product desk;
- ≡ The buy-side revenues declined 74% Y-o-Y to EGP115 million in 3Q21, albeit Asset Management revenues increasing Y-o-Y, as the comparable quarter included EGP349 million of Private Equity incentive fees from Vortex III exit. Asset Management revenues added 32% Y-o-Y to EGP86 million in 3Q21; largely due to higher management fees reported by FIM. Private Equity revenues came at EGP29 million in 3Q21 versus EGP381 million in 3Q20;
- ≡ NBFIs revenue grew 52% Y-o-Y to EGP507 million in 3Q21 as Tanmeyah and valU added another quarter of strong performance. Tanmeyah reported revenues of EGP355 million, up 36% Y-o-Y, on stronger sales and enhanced margins. valU continued to outperform, with its revenues growing more than threefold Y-o-Y to reach EGP97 million, on Y-o-Y portfolio expansion and better margins. Leasing and Factoring revenues gained 17% Y-o-Y and 28% Y-o-Y to EGP44 million and EGP10 million respectively, on larger portfolio;
- ≡ Capital markets & treasury operations reported a weak quarter, with its revenues losing 58% Y-o-Y to reach EGP156 million in 3Q21; mainly on unrealized losses related to seed capital revaluation, while the comparable quarter included strong unrealized gains related to seed capital revaluation;
- ≡ Group operating expenses declined 14% Y-o-Y to EGP760 million in 3Q21; predominately on lower employee expenses, which came on the back of lower bonus provisions Y-o-Y. Thus, employee expenses/ revenues came at 44% in 3Q21, lower Y-o-Y and Q-o-Q;

- Group reported a net operating profit and a net profit after tax and minority interest of EGP424 million and EGP356 million in 3Q21, respectively. If we normalized earnings by excluding the exceptional Private Equity's incentive fees booked in the comparable quarter, the Group net operating profit and net profit after tax and minority interest would be up 108% Y-o-Y and 387% Y-o-Y, respectively.

ii. Group Financial Performance

in EGP million	Group Financial Highlights							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Group Operating Revenue	1,184	1,609	1,433	-26%	-17%	4,046	3,733	8%
Investment Bank	677	1,127	1,099	-40%	-38%	2,618	2,741	-4%
NBFIs	507	482	334	5%	52%	1,428	992	44%
Group Operating Expenses	760	979	880	-22%	-14%	2,540	2,572	-1%
Group Net Operating Profit	424	629	553	-33%	-23%	1,506	1,162	30%
Group Net Operating Margin	36%	39%	39%			37%	31%	
Group Net Profit Before Tax	383	577	506	-34%	-24%	1,366	1,037	32%
Group Net Profit (Loss) After Tax & Minority Interest	356	406	422	-12%	-16%	1,054	840	26%
Investment Bank	188	295	364	-36%	-48%	663	773	-14%
NBFIs	168	112	58	51%	189%	391	67	485%

Source: EFG Hermes Management Accounts

3Q21

Another strong operational quarter for EFG Hermes with almost all its business lines posting strong Y-o-Y growth in revenues. However, Group revenue declined 17% Y-o-Y to EGP1.2 billion in 3Q21, as the comparable quarter included EGP349 million of Private Equity incentive fees related to Vortex III exit, and on strong unrealized losses on seed capital revaluation booked in 3Q21 versus strong unrealized gains on seed capital revaluation in the comparable 3Q20.

Group operating expenses retreated 14% Y-o-Y to EGP760 million in 3Q21, despite higher fixed employee costs, particularly at Tanmeyah; as the variable portion of the employee expenses declined with the decline in Group revenues.

The Group reported a net operating profit and a Group net profits after tax and minority interest of EGP424 million and EGP356 million in 3Q21, down 23% Y-o-Y and 16% Y-o-Y, respectively. Excluding Private Equity exceptional incentive fees realized in 3Q20, normalized Group net profits after tax and minority interest would be up a buoyant 387% Y-o-Y in 3Q21.

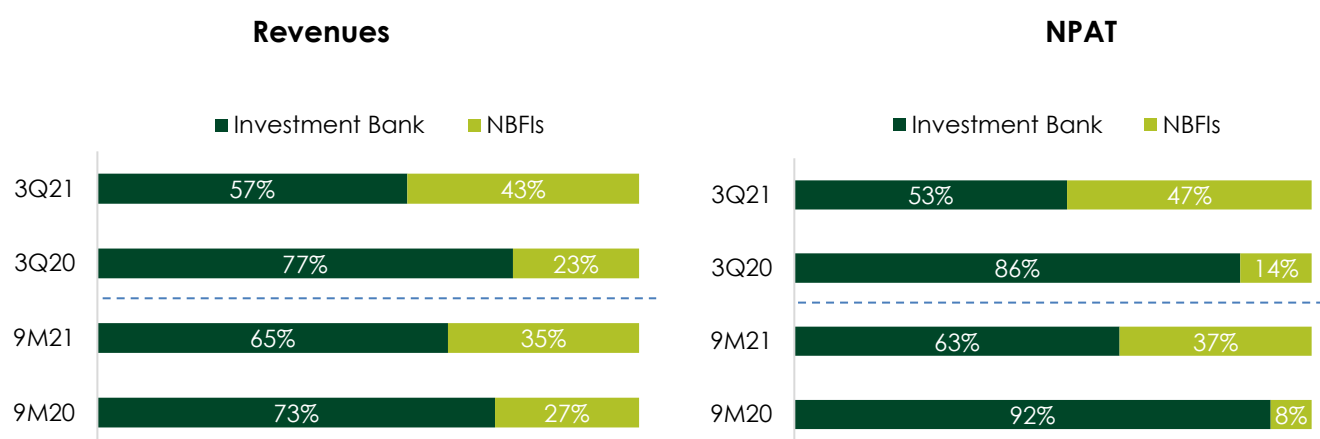
9M21

Group EFG Hermes revenues grew 8% Y-o-Y to EGP4.0 billion in 9M21, an outstanding performance given that the comparable period included exceptionally strong revenues booked from Private Equity's exit of Vortex III and from the strong unrealized and realized gains on investments booked in 9M20.

Group expenses were muted, inching down 1% Y-o-Y to EGP2.5 billion in 9M21; as the Y-o-Y increase in the fixed employee expenses was compensated for by lower loan loss provisions on the NBFIs portfolio, and muted other operating expenses.

With revenue growth and muted expenses in 9M21, the Group reported a net operating profit and a net profit after tax and minority interest up 30% Y-o-Y and 26% Y-o-Y to EGP1.5 billion and EGP1.1 billion, respectively.

Contribution by Platform



The NBFs contribution to the Group's revenues and NPAT grew in 3Q21 to reach 43% and 47%, respectively; thus taking the NBFs contribution in 9M21 to 35% of the revenues and 37% of the net profits.

iii. Business Lines Financial Performance

in EGP million	Group Revenue by Platform							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Brokerage	299	333	243	-10%	23%	887	690	29%
Investment Banking	107	161	38	-34%	184%	309	112	175%
Sell-Side	406	493	281	-18%	45%	1,196	802	49%
Asset Management	86	142	65	-39%	32%	327	191	71%
Private Equity	29	17	381	69%	-92%	76	454	-83%
Buy-Side	115	159	446	-28%	-74%	402	645	-38%
Capital Markets & Treasury Operations	156	475	372	-67%	-58%	1,020	1,293	-21%
Total Investment Bank	677	1,127	1,099	-40%	-38%	2,618	2,741	-4%
Micro - Finance "Tanmeyah"	355	367	261	-3%	36%	1,044	785	33%
BNPL "valu"	97	63	27	54%	257%	217	66	227%
Leasing	44	40	38	10%	17%	138	125	10%
Factoring	10	11	8	-12%	28%	29	15	90%
Total NBFs	507	482	334	5%	52%	1,428	992	44%
Group Operating Revenue	1,184	1,609	1,433	-26%	-17%	4,046	3,733	8%
<i>Of Which:</i>								
Fee and Commission Revenue	1,028	1,134	1,061	-9%	-3%	3,026	2,440	24%
Capital Markets & Treasury Operations	156	475	372	-67%	-58%	1,020	1,293	-21%

Source: EFG Hermes Management Accounts

3Q21

Group revenues came at EGP1.2 billion in 3Q21, down 17% Y-o-Y; on weaker capital markets & treasury operations and Private Equity revenues. However, the sell-side, the NBFIs and the Asset Management revenues all saw robust revenue growth Y-o-Y.

Sell-side revenues rose 45% Y-o-Y to EGP406 million in 3Q21, on strong revenues booked by Investment Banking and Brokerage. Investment Banking revenues almost tripled rising 184% to reach EGP107 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 23% Y-o-Y to EGP299 million, on higher revenues reported particularly by Egypt operations, followed by Kuwait and the Structured Product desk.

The buy-side revenues declined 74% Y-o-Y to EGP115 million in 3Q21, despite Asset Management revenue increasing Y-o-Y, as the comparable quarter included EGP349 million of Private Equity incentive fees from Vortex III exit. Asset Management revenues added 32% Y-o-Y to EGP86 million in 3Q21; largely due to higher management fees reported by FIM. On the other side, Private Equity revenues came at EGP29 million in 3Q21 versus EGP381 million in 3Q20, on Vortex III exit in the comparable quarter.

NBFIs continued its upwards trajectory; with the platform's revenue growing 52% Y-o-Y to EGP507 million in 3Q21 on another quarter of higher revenues generated predominately by Tanmeyah and valU. Tanmeyah reported revenues of EGP355 million, up 36% Y-o-Y, on stronger sales and enhanced margins as the cost of funding remained low on strong cash position. valU continued to outperform, with its revenues growing more than threefold Y-o-Y to reach EGP97 million, on Y-o-Y portfolio expansion and better margins. Leasing and Factoring revenues gained 17% Y-o-Y and 28% Y-o-Y to EGP44 million and EGP10 million respectively, on larger portfolio.

A very weak quarter for capital markets & treasury operations, with its revenues losing 58% Y-o-Y to reach EGP156 million in 3Q21; as the current quarter included unrealized losses related to seed capital revaluation, while the comparable quarter included strong unrealized gains related to seed capital revaluation. This came despite the Group booking stronger interest income and fx-gain in 3Q21, as compared to lower interest income and fx-losses in 3Q20.

9M21

Group revenues increased 8% Y-o-Y to EGP4.0 billion in 9M21, on stronger fees and commissions revenue, which rose 24% Y-o-Y to reach EGP3.0 billion in 9M21; underpinned by higher revenues posted by all lines of business, with the exception of Private Equity.

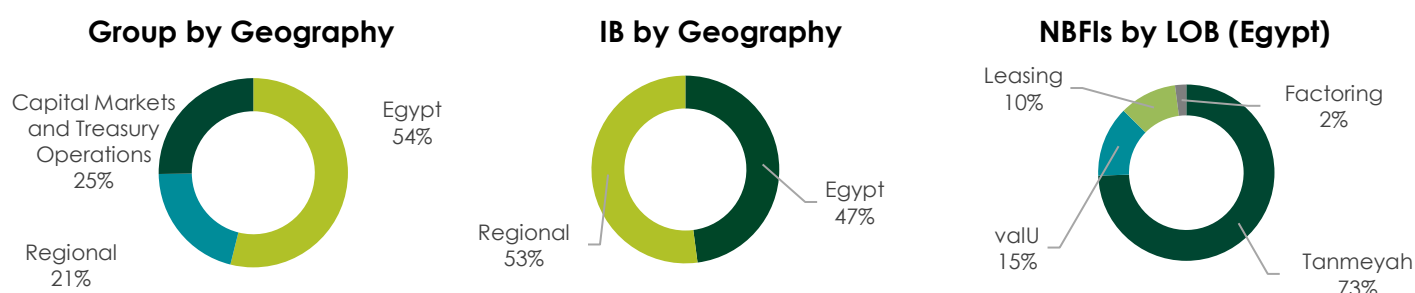
Sell-side revenues added a solid 49% Y-o-Y to EGP1.2 billion in 9M21, supported by strong Brokerage and Investment Banking revenues. Investment Banking revenues almost tripled, rising 175% Y-o-Y EGP309 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 29% Y-o-Y to EGP887 million, with Egypt being the most significant contributor to the increase.

Buy-side revenues decreased 38% Y-o-Y to EGP402 million in 9M21, on weaker Private Equity revenues; and albeit higher Asset Management revenues. Asset Management revenues rose 71% Y-o-Y to EGP327 million; largely due to higher management and incentive fees reported by FIM. On the other side, Private Equity revenues slipped 83% Y-o-Y to EGP76 million; as the comparable period included EGP349 million of incentive fees from Vortex III exit in September 2020.

NBFIs revenues rose 44% to EGP1.4 billion in 9M21, as Tanmeyah and valU added another quarter of strong performance. Tanmeyah's revenues rose 33% Y-o-Y to EGP1.0 billion, on stronger sales and enhanced margins. valU continued to outperform, with its revenues more than tripling Y-o-Y to reach EGP217 million, on Y-o-Y portfolio expansion and better margins. Leasing revenues added 10% Y-o-Y to EGP138 million, as the comparative period included securitization gain of EGP6.7 million, thus limiting the Y-o-Y increase. Factoring revenues almost doubled up 90% to EGP29 million, on higher sales and drawdown fees.

Capital markets & treasury operations revenue declined 21% Y-o-Y to EGP1.0 billion in 9M21, as the comparable 9M20 included exceptionally strong unrealized and realized gains on investments. However, interest income from financial investments rose in 9M21. And the Group reported an overall fx-gains in 9M21 as opposed to fx-losses in 9M20.

Revenues Contribution



*The above charts reflect 9M21 revenue figures

iv. Group Operating Expenses

in EGP million	Group Operating Expenses							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Employees Expense	517	724	644	-29%	-20%	1,822	1,698	7%
Employees Expense/Operating Revenues	44%	45%	45%			45%	45%	
Employees Expense/Operating Expenses	68%	74%	73%			72%	66%	
Other Operating Expenses	228	227	209	1%	9%	655	679	-3%
Other Operating Expenses/Operating Revenues	21%	16%	16%			16%	18%	
Other Operating Expenses/Operating Expenses	32%	26%	27%			28%	34%	
Provisions and ECL	15	29	27	-49%	-44%	62	195	-68%
Total Operating Expenses	760	979	880	-22%	-14%	2,540	2,572	-1%

Source: EFG Hermes Management Accounts

3Q21

Group operating expenses declined 14% Y-o-Y to EGP760 million in 3Q21; predominately on lower employee expenses. With employee expenses/ revenues coming at 44% in 3Q21, lower Y-o-Y and Q-o-Q.

Employee expenses declined 20% Y-o-Y to EGP517 million in 3Q21, on lower variable portion of the employee expenses, and despite Tanmeyah's higher employee expenses.

Other operating expenses rose 9% Y-o-Y to EGP228 million in 3Q21, mainly on higher

promotional and advertising expenses, third party fees, and IT spend. Promotional and advertising expenses rose 70% Y-o-Y to EGP30 million in 3Q21, on valU's higher marketing activities. Third party fees rose 16% Y-o-Y to EGP52 million on FIM's higher loyalty fees, and valU's higher operating expenses. Data communication expenses added 10% Y-o-Y to EGP55 million on higher IT spending mainly on Brokerage.

Meanwhile, other expenses categories did not see significant moves or were lower Y-o-Y. Occupancy expense was largely unchanged Y-o-Y, up 4% at EGP42 million in 3Q21, Tel. & Mobile expenses added 8% Y-o-Y to EGP4 million, and travel expenses gained 15% Y-o-Y to EGP1 million. Office expenses rose 29% Y-o-Y to EGP4 million. Additionally, general expenses lost 14% Y-o-Y to EGP29 million, on lower taxes on t-bills and sale and lease back expense. Provisions and ECL declined 44% Y-o-Y to EGP15 million in 3Q21, on lower provisions required by the NBFIs businesses.

9M21

Group operating expenses was flat Y-o-Y, inching down 1% to EGP2.5 billion in 9M21; as the increase seen in the fixed portion of the employee expenses was overshadowed by much lower loan loss provisions taken by the NBFIs and largely unchanged other operating expenses. However, employee expense/ revenues came at 45% in 9M21 in line with the previous period.

Other operating expenses inched down 3% Y-o-Y EGP655 million in 9M21; with the increase seen in some expense categories similar to promotional and advertising and third party fees, were off-set by lower travel, donations provisions, sale & lease back and taxes on t-bills. Loan loss provisions and ECL declined 68% Y-o-Y to EGP62 million in 9M21; as provisions taken by the NBFIs portfolios during the three quarters of the current year continued to be lower than significant provisions taken post the outbreak of COVID-19 in the 1Q20.

OPERATIONAL PERFORMANCE

i. Brokerage

Operational Performance Update

Markets, which we operate on ground in, ended the quarter on a mixed note, in terms of both performance and liquidity. EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions reached USD14.7 billion in 3Q21, lower 21% Q-o-Q; predominantly on lower executions in Abu Dhabi followed by Kuwait and KSA. On a Y-o-Y basis, brokerage executions increased 19% Y-o-Y, largely on higher executions in Egypt, Kuwait and Abu Dhabi. For 9M21, brokerage executions reached USD47 billion, up 18% Y-o-Y, mainly on higher executions in Abu Dhabi, Kuwait, Egypt and Qatar.

Brokerage revenues decreased 10% Q-o-Q in 3Q21 to reach EGP299 million, mainly on lower revenues generated from Kuwait, followed by UAE, and Frontier. Moreover, all other markets that we trade posted lower revenues Q-o-Q with the exception of Structured Products and Egypt. On a Y-o-Y basis, revenues increased 23% in 3Q21, mainly on stronger revenues generated by Egypt, followed by Kuwait and Structured Products. For 9M21, revenues increased 29% Y-o-Y, predominantly on higher revenues generated by Egypt and Kuwait.

in EGP million	Brokerage Revenue*							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Egypt	166	162	120	2%	38%	453	323	40%
UAE	23	33	26	-31%	-13%	82	92	-11%
KSA	21	23	21	-9%	3%	67	68	-1%
Kuwait	38	50	25	-24%	54%	111	78	43%
Pakistan	5	6	4	-13%	25%	17	11	45%
Kenya	10	15	16	-34%	-41%	36	39	-8%
Nigeria	0	4	5	-95%	-95%	9	28	-69%
Frontier Markets	11	11	7	-6%	40%	33	23	43%
Structured Products	21	13	11	60%	93%	55	48	16%
Fixed Income	(1)	4	3	N/M	N/M	(1)	-36	N/M
Others**	6	11	4	-47%	36%	25	16	62%
Total Revenue	299	333	243	-10%	23%	887	690	29%

Source: Management Accounts

*Brokerage revenue highlighted above represents entities and not markets

**Others include Jordan, Oman, and Bahrain

In terms of pure commissions booked in different markets, Egypt was the top contributor to Brokerage commissions in 3Q21, with a 30.2%; meanwhile, Kuwait came in second place with a 16.8%; followed by UAE markets (which includes Dubai and Abu Dhabi) in the third place with a 12.4% contribution. For 9M21, Egypt came in the top position with 28.2%, while Kuwait came in the second place with 18.0%, followed by Frontier markets (which includes Nigeria, Kenya, Pakistan & other Frontier executions) with 13.0% contribution.

Commissions Breakdown by Market

Markets	3Q21	9M21
Egypt	30.2%	28.2%
DFM*	4.0%	4.4%
ADX	8.4%	8.1%
KSA	11.0%	10.6%
Kuwait	16.8%	18.0%
Qatar	7.4%	8.1%
Frontier Markets	12.3%	13.0%
Structured Products	3.6%	3.5%
Others**	6.4%	6.0%
Total	100%	100%

*DFM includes Nasdaq Dubai's share of 0.01% in 3Q21 & in 9M21

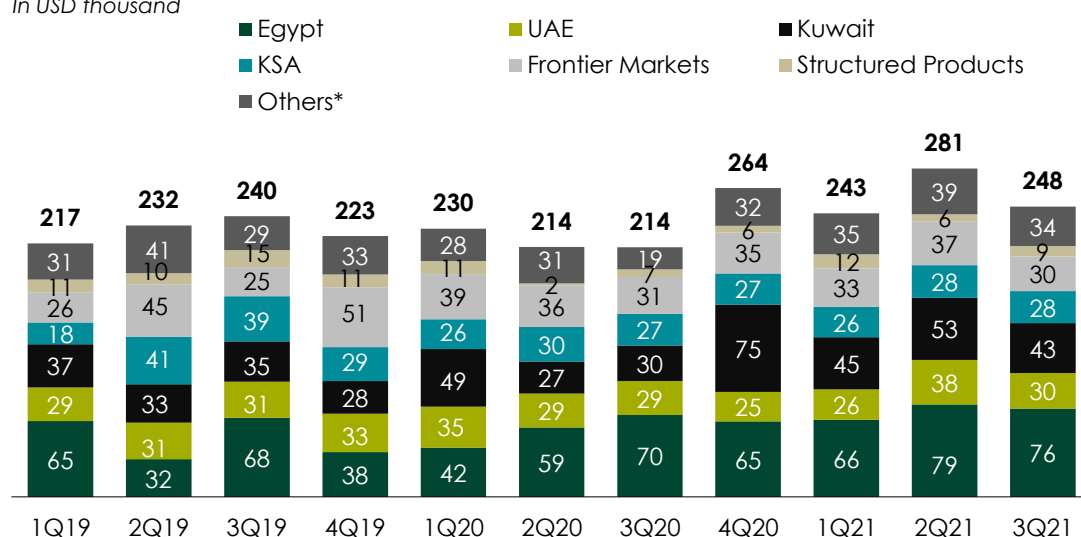
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

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 decreased 12% Q-o-Q to reach USD248 thousand in 3Q21, mainly on lower average daily commissions generated from Kuwait, Frontier markets and the UAE. On a Y-o-Y, average daily commissions increased 14%, predominantly on higher commissions generated in Kuwait, followed by Egypt and Qatar.

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							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Egypt*								
Market share	27.6%	37.4%	33.4%	-9.8%	-5.8%	31.2%	40.6%	-9.4%
Executions	3,476	3,303	2,197	5.2%	58.2%	8,460	6,018	40.6%
UAE – DFM								
Market share	33.7%	35.0%	35.5%	-1.3%	-1.8%	32.1%	33.9%	-1.7%
Executions	934	1,250	1,895	-25.3%	-50.7%	3,389	4,682	-27.6%
UAE – ADX								
Market share	8.0%	13.5%	21.0%	-5.6%	-13.0%	10.7%	35.1%	-24.4%
Executions	2,208	3,383	1,195	-34.7%	84.8%	7,244	3,947	83.5%
UAE - Nasdaq Dubai								
Market share	71.2%	5.2%	26.9%	66.0%	44.3%	28.8%	58.4%	-29.6%
Executions	4	1	22	610.4%	-82.6%	7	1,845	-99.6%
KSA								
Market share	2.2%	2.0%	2.3%	0.3%	-0.1%	1.9%	3.0%	-1.1%
Executions	2,705	3,405	3,283	-20.5%	-17.6%	8,907	10,021	-11.1%
Kuwait								
Market share	28.6%	28.3%	26.0%	0.3%	2.6%	30.3%	30.3%	-0.1%
Executions	3,011	3,772	2,034	-20.2%	48.0%	9,851	6,761	45.7%
Oman								
Market share	21.7%	11.9%	17.4%	9.9%	4.3%	14.9%	21.2%	-6.4%
Executions	102	98	38	4.1%	171.2%	250	182	37.5%
Jordan								
Market share	5.1%	5.7%	4.1%	-0.6%	1.0%	6.0%	5.9%	0.1%
Executions	31	49	18	-36.4%	79.3%	136	61	121.0%
Pakistan								
Market share	4.2%	3.0%	2.9%	1.2%	1.3%	3.3%	4.2%	-0.9%
Executions	228	244	211	-6.6%	7.8%	778	557	39.8%
Kenya								
Market share	51.9%	63.6%	62.1%	-11.8%	-10.2%	59.7%	48.2%	11.5%
Executions	149	224	157	-33.5%	-5.4%	558	483	15.5%
Nigeria								
Market share	4.0%	4.8%	21.2%	-0.8%	-17.2%	4.5%	23.5%	-18.9%
Executions	29	47	94	-37.2%	-69.0%	161	420	-61.7%
Frontier								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	261	283	214	-7.7%	22.1%	814	625	30.2%
Structured Products								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	96	327	157	-70.8%	-39.1%	639	576	11.1%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Bahrain, Lebanon, UK(GDRs), Bonds, and others represent an additional 10% of total Brokerage executions in 3Q21 and 12% in 9M21

Source: EFG Hermes and Regional Exchanges

Egypt

A strong quarter for the Egyptian market, with volumes rising 29% Q-o-Q and the Hermes Financial Index (HFI) adding a buoyant 3.0% Q-o-Q in 3Q21.

EFG Hermes continued to dominate its first place ranking on the EGX, with the Firm's market share (excluding special transactions) coming at 27.6% in 3Q21 and 31.2% in 9M21. Moreover, EFG Hermes was the top broker for different categories on the EGX including retail, institutions, foreign institutions and Arabs.

During the quarter, EFG Hermes successfully concluded advisory on the follow-on sale of c.80 million (c.4.3%) shares of Fawry for Banking Technology and Electronic Payments SAE (FWRY.CA) on the Egyptian Stock Exchange in a c.USD80 million transaction.

Furthermore, EFG Hermes held its 4th Virtual conference, participants include executives from 215 companies representing 35 countries as well as over 720 investors from over 260 institutions and hosted over 14,500 meetings between investors and senior management.

Foreign participation accounted for c.13% of the market activity (excluding special transactions) during the second quarter, and EFG Hermes successfully captured 57% of those flows. Moreover, the Firm maintained its strong footing in the retail business, with c.10% of the retail executions during 3Q21.



UAE – Dubai

The Dubai market saw another quarter where volumes and index moved in opposite directions, as the DFMGI added 1.2% Q-o-Q, and volumes decreasing 22% during the quarter, due to the absence of any new issuance and continued retail migration to ADX. Local investors ended 3Q21 as net sellers while foreign and GCC investors ended the quarter as net buyers.

During the quarter, EFG Hermes maintained its number one ranking by capturing the majority of international flows on both MSCI and FTSE rebalancing events in August and September. The Firm held the first place ranking for 3Q21 and 9M21 with a market share of 33.7% and 32.1%, respectively.

Foreign participation came at 54% in 3Q21 and 36% in 9M21, whereas EFG Hermes has successfully captured 22% of the foreign flow during the quarter and 30% during 9M21.



UAE – ADX

A third consecutive quarter of strong performance, with the ADI adding 12.6% Q-o-Q in 3Q21, and volumes rising 13% Q-o-Q, mainly due to ongoing volumes in FAB, ALDAR, IHC, and the listing of several new entities in the quarter (the highlight being YAHSAT) which attracted additional flows. Moreover, the re-admittance of certain stocks like ADNOC DIS to the FTSE EM index increased activity as well. The Firm's market shares came at 8.0% in 3Q21 and 10.7% in 9M21. However, the Firm maintained its 2nd place ranking for both periods.

Foreign participation in the market almost halved in 3Q21, coming in at 17% in 3Q21 and 27% for the 9M21, with EFG Hermes capturing 18% and 15% of those foreign flows, respectively.

Saudi Arabia

2Q21 trend continued in 3Q21, with the Tadawul All Share Index gaining ground yet on slimmer volumes, as the Index added 4.7% Q-o-Q, supported by foreign investors who ended the quarter as net buyers; while, volumes declined 30% Q-o-Q in 3Q21.

The QFI and the swaps volumes combined reached SAR66.0 billion in 3Q21 to account for 7.4% (of which the swaps accounted for 0.04%) of the total market's turnover during the quarter, with EFG Hermes capturing 5.9% of this business in 3Q21.

EFG Hermes market share came at 2.2% in 3Q21, with a 6th place ranking among non-commercial banks brokerage firms, up from 7th place ranking in 2Q21. For 9M21, the Firm's market share came at 1.9% with 7th place ranking among non-commercial banks brokerage firms.

Moreover, in the Sukuk & Bonds market, EFG Hermes KSA's market share rose to 19.7% with a 3rd place ranking among the general brokers' ranking in 3Q21, up from 14.3% and a 4th place ranking in 2Q21.

Kuwait

The Kuwaiti market main index continued its upward direction, adding 7.5% Q-o-Q in 3Q21; however, market volumes declined, losing 36% Q-o-Q in 3Q21. During the quarter, foreign investors were net buyers, while local and GCC investors came as net sellers.

EFG Hermes IFA market share came at 28.6% in 3Q21 with a second place ranking. For the 9M21, EFG Hermes IFA market share came at 30.3% with a third place ranking.

However, EFG Hermes IFA maintained its top position in capturing foreign institutional flows. Foreign participation in the market came at 8.3% of the market turnover, of which the Firm captured a decent 70.4% of this foreign flow. For 9M21, foreign participation accounted for 9.6% of the total

#2

Abu Dhabi

Market share **10.7%**
Executions **AED26.6bn**
+84% Y-o-Y, 9M21

#7

KSA

Market share **1.9%**
Executions **SAR33.0bn**
-11% Y-o-Y, 9M21

#3

Kuwait

Market share **30.3%**
Executions **KWD3.0bn**
+46% Y-o-Y, 9M21

market activity, whereby EFG Hermes successfully seized 59.4% of these flows.

Oman

The Omani market lost some of the ground gained in 2Q21, with the MSM Index declining 3.1% Q-o-Q in 3Q21, and volumes decreasing 18% Q-o-Q. Local and GCC investors ended 3Q21 as net sellers, while foreign and Arab investors ended the quarter as net buyers.

In terms of performance, EFG Hermes Oman was ranked 4th in 3Q21 with a market share of 21.7%, up from a market share of 11.9% in 2Q21 mainly as a result of a noticeable increase in local and GCC investors activity. As for the 9M21 performance, the Firm was ranked 5th with a market share of 14.9%.

Foreign participation came at 6.9% of the market turnover in 3Q21 and 9M21, with EFG Hermes capturing 14.3% and 12.8% of those flows in 3Q21 and 9M21, respectively.

Jordan

The Amman Stock Exchange Index was largely muted, giving up a mere 1.2% Q-o-Q in 3Q21, while volumes dropped 29% Q-o-Q, as the market took a breather after the high trading volumes seen in the first half of the year.

The Firm's market share came at 5.1%, with a 13th place ranking on the market for 3Q21, and 6.0% with an 11th place ranking for 9M21. The decline in ranking was attributed to a decline in the foreign institutional investors from the market.

In terms of foreign participation, foreign activity accounted for 1.5% of the market turnover in 3Q21 and 2.4% in 9M21; whereby EFG Hermes captured 37.7% of that flow in 3Q21 and 13.7% in 9M21.

Pakistan

The Pakistani market took the back seat during 3Q21, with the KSE100 losing 5.2% Q-o-Q, and the volumes declining 30% Q-o-Q; driven by macro concerns including a further currency devaluation of roughly 10%, interest rate hikes by 25bps, delays in IMF program resumption, this in addition to geopolitical concerns with regards to Afghanistan.

Foreign investors continued to cut down their exposure and sold USD83 million during the quarter, taking 9M21 cumulative sales to USD192 million. Within the local space, individuals were the major buyers.

EFG Hermes Pakistan market share rose to 4.2% in 3Q21 from 3.0% in 2Q21, thus taking its 9M21 market share to 3.3%. This increase in the Firm's market share during 3Q21 is attributed to higher foreign institutional executions. Foreign participation came at 6.9% in 3Q21 and 6.4% in 9M21, of which EFG Hermes executed 13.7% in 3Q21 and

#5

Oman

Market share **14.9%**
Executions **OMR97mn**
+37% Y-o-Y, 9M21

#11

Jordan

Market share **6.0%**
Executions **JOD96mn**
+121% Y-o-Y, 9M21

N/A

Pakistan

Market share **3.3%**
Executions **PKR122.9bn**
+36% Y-o-Y, 9M21



11.5% of 9M21.

Kenya

The Kenyan market saw the NASI rise 2.8% Q-o-Q in 3Q21, driven by gains recorded by some large cap stocks. Meanwhile, volumes declined 17% Q-o-Q in 3Q21.

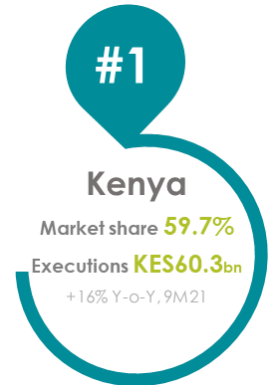
EFG Hermes market share came at 51.9% in 3Q21 and 59.7% in 9M21, maintaining its 1st place ranking for 3Q21 and 9M21; with foreign activity being the main driver.

Foreign participation accounted for 50.9% of the total market activity in 3Q21 and 56.1% in 9M21, of which EFG Hermes executed 44.6% of this flow in 3Q21 and 46.8% in 9M21.

Nigeria

The Nigerian Index gained 6.1% Q-o-Q in 3Q21, while volumes continued to decline for a second quarter, losing 26% Q-o-Q in 3Q21, with the decline in liquidity attributed to a generally weak macro environment with the currency at the forefront, and the allocation of flows from equities towards the fixed income market.

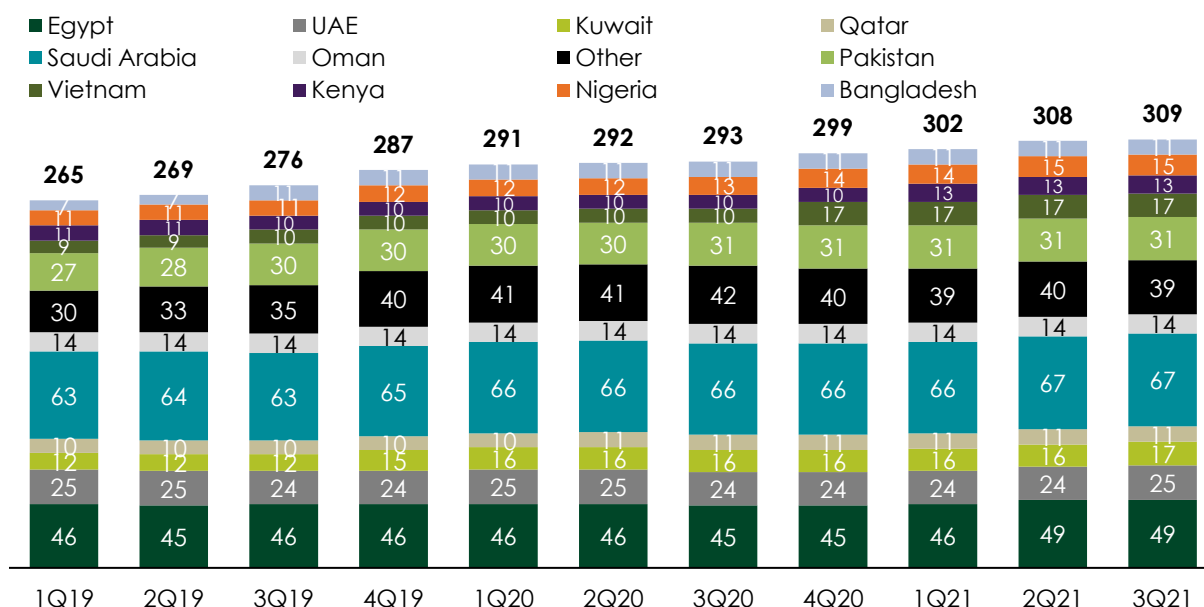
EFG Hermes Nigeria held the sixth place ranking in 3Q21 and 9M21, with a market share of 4.0% and 4.5%, respectively.



ii. Research

Research Coverage Universe

Number of Companies



Source: EFG Hermes Research

EFG Hermes Research team initiated coverage on four stocks in 3Q21, two in MENA: i) Al Yah Satellite Communications, a UAE based satellite company; ii) Boursa Kuwait, the Kuwait stock exchange, and two additional stocks in Frontier: i) Ceylon Cold Stores, a supermarket chain in Sri Lanka; and ii) MTN Nigeria, the leading telecommunications stock in Nigeria.

The research team helped host the 4th EFG Hermes virtual investor conference – after refraction - FEMS in 2022, which was well received by our clients and the corporates that attended. We now cover 309 stocks, spread across 22 countries and 40 industries – we expect to see a push in initiations over the next six months in frontier and we are looking to expand our small to mid-cap coverage in the UAE. In terms of MIFID, we have seen no material changes.

iii. Investment Banking

In 3Q21, EFG Hermes' Investment Banking division successfully concluded nine transactions, marking the division's highest number of concluded transactions in a single quarter to date. The transactions amounted to USD2.6 billion bringing the total number of equity, M&A and debt deals executed this year to 25 with an aggregate value of USD4.1 billion.

On the equity front, EFG Hermes successfully advised on two subsequent landmark initial public offerings (IPOs) on the Abu Dhabi Securities Exchange (ADX), solidifying its position in the GCC ECM space. The division advised ADNOC Drilling, the largest national drilling company in the Middle East, on its USD1.1 billion listing, marking the largest IPO in the UAE in at least four years. This comes on the heels of the successful advisory on the USD731 million IPO of Mubadala-owned Al Yah Satellite Communications (Yahsat), a leading UAE-based fixed and mobile satellite services operator, representing the first IPO on the exchange since 2017. Building on its long-standing relationship with Fawry for Banking and Payment Technology Services, the department also successfully concluded the fifth transaction for the company, acting as Sole Financial Advisor and Joint Bookrunner on the USD80 million Accelerated Equity Offering of a 4.3% stake on the EGX.

In the M&A space, the division successfully concluded a series of cross-border deals, in line with EFG Hermes' strategy to expand its foothold and drive growth across different geographies. Capitalizing on its established relationship with UAE-based Agthia Group, the division advised the group on the acquisition of a majority stake in Egyptian processed meat producer Ismailia Investments (Atyab) for a total value of USD154 million. The team also acted as buy-side advisor to Raya Contact Center on the acquisition of an 85% stake of Bahrain-based call center company Gulf Customer Experience (Gulf CX) in a deal worth USD12.2 million. Lastly, the department successfully advised China Three Gorges South Asia Investment Ltd on the acquisition of UAE-based wind and solar developer Alcazar Energy for a total value of USD485 million, enabling the Chinese company to expand its presence in the MENA region.

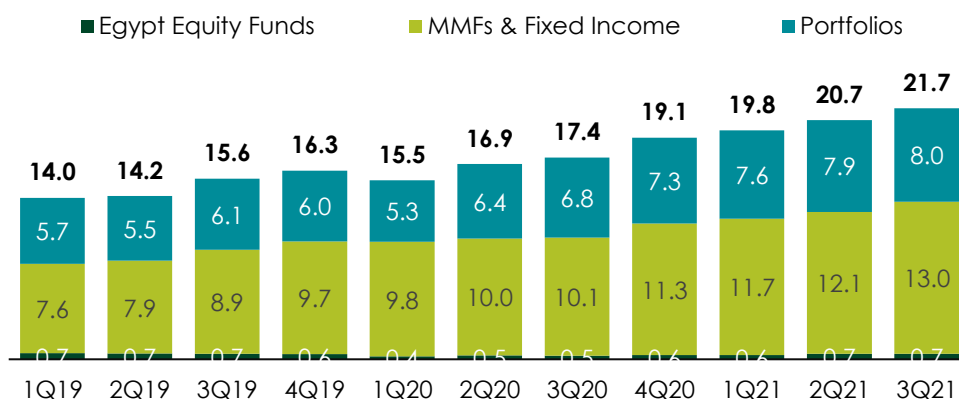
On the debt front, the Investment Banking division continued to find tailored solutions for its clients, building on its superior debt raising capabilities. The team successfully closed the first securitization issuance for valU, Egypt's leading Buy-Now, Pay-Later fintech platform, worth USD20.5 million as part of a wider EGP2 billion securitization program. Additionally, the division successfully advised Premium International for Credit Services on the fifth issuance of its EGP2 billion short-term securitization program, in a transaction worth USD13.4 million. The team also acted as sole arranger on the USD21.8 million issuance for leading Egyptian real estate developer SODIC, which is the first in an EGP1 billion securitization program for the company.

EFG Hermes' remarkable performance in 3Q21, across the full spectrum of equity, M&A and debt mandates, demonstrates the firm's expertise in effectively advising, book building and transacting across multiple jurisdictions through its extensive client and investor network. Capitalizing on its world-class advisory services, the division is well-positioned to continue to withstand the challenging external environment in the last quarter of 2021, on the back of a solid pipeline of M&A, equity and debt deals secured in Egypt and the region.

iv. Asset Management

Egypt Assets under Management Evolution

In EGP billion

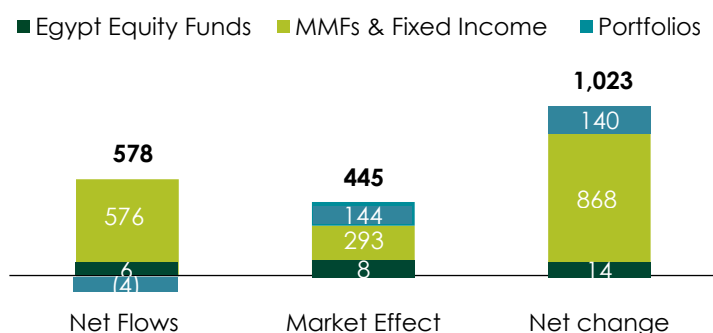


Source: EFG Hermes Asset Management

EFG Hermes Egypt Asset Management AUMs inched up 5% Q-o-Q to reach EGP21.7 billion at the end of 3Q21. Net inflows contributed 3% to the total increase in AuMs, on the back of net inflows in money market funds. Meanwhile, markets appreciation represented the remaining 2% of the increase in total AUMs, and is attributed to MMFs positive performance together with equity/FI/balanced portfolios appreciation during the quarter. It is worth noting that the team is maintaining a top ranking for all equity portfolios managed for large government entities.

Quarterly Change in Egypt Mandates

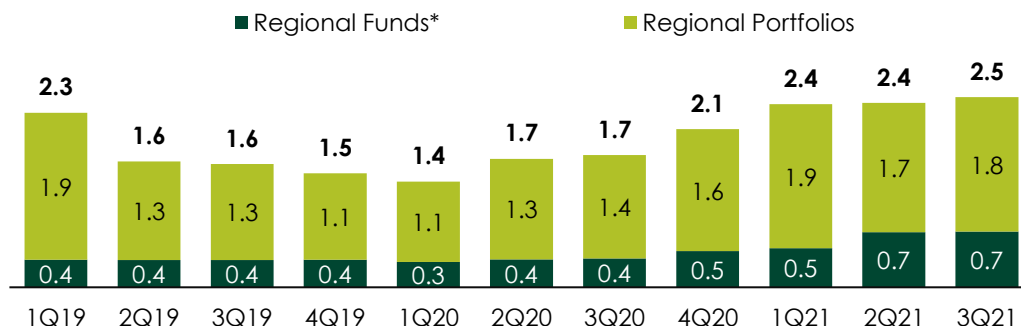
In EGP million



Source: EFG Hermes Asset Management

Regional Assets under Management “FIM” Evolution

In USD billion



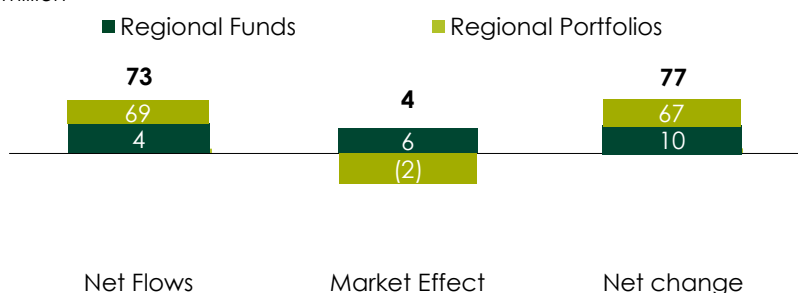
*Includes SPAC and real estate

Source: FIM

EFG Hermes Regional Asset Management (FIM) AuMs inched up 3% Q-o-Q, closing the quarter at USD2.5 billion, on net flows in the equity portfolios. Meanwhile, the change in AuMs on the back of market performance was minor during the quarter.

Quarterly Change in Regional Mandates

In USD million



Source: FIM

Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD354.34 at the end of 3Q21 versus a NAV/share of USD336.44 in 2Q21. The Fund gained 5.3% during the quarter versus the S&P Pan Arab Composite Index, which gained 8.1% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,315.08 at the end of 3Q21 versus a NAV/share of USD1,272.61 in 2Q21. The Fund gained 3.3% over the quarter versus the MSCI FEM Index, which gained 1.0% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD1,602.48 at the end of 3Q21 versus a NAV/share of USD1,475.10 at the end of 2Q21.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,318.08 at the end of 3Q21 versus a NAV/share of USD1,311.90 in 2Q21. The Fund gained 0.5% during the quarter versus the JPM MECIGCC, which gained 0.2% over the same period.



FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,199.46 at the end of 3Q21 versus a NAV/share of USD1,187.43 in 2Q21. The Fund gained 1.0% during the quarter versus the Markit iBoxx Sukuk which gained 0.4% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD1,093.20 at the end of 3Q21 versus a NAV/share of USD1,093.71 in 2Q21. The Fund lost 0.05% during the quarter versus a loss of 1.3% 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 entered into a definite agreement with Ignis Energy Holdings. 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. Vortex Energy IV is managed by Beaufort Management Limited, a company based in ADGM and owned by EFG Hermes. 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 entered into definitive agreements in 3Q21 with the founders of AIA, an international school located in Alexandria, to acquire and operate the school's management company. The transaction marks the Fund's first investment out of Cairo and adds c.1k student capacity to the platform.

The Fund's education platform currently holds a diversified portfolio comprising 7 schools housing +8k students in addition to a majority stake in Option Travel, the leading transport provider in Egypt.

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 1 new investment in 2021.

Healthcare

Following a year of hands on management under the Rx Health Management's "RxHM" team, United Pharma "UP" has successfully closed financial year 2020 achieving its budget targets, and realizing a full successful turnaround of the Company within 12 months of "RxHM" taking control of UP. During 1H21, "UP" has expanded supply relationships across Egypt and further diversified its distribution network. The Company successfully increased its market share and market ranking as per IMS estimates. A sales growth of 1.8x was achieved in 1H21 compared to 1H20, with a realized EBITDA margin, exceeding several established market peers.

UP plans to capitalize on the success achieved in 2020 and 1H21 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.

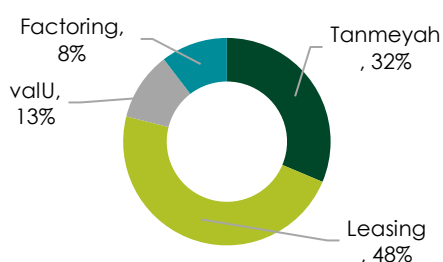
In parallel to the ongoing value creation process within UP, Rx Healthcare platform has commenced transaction processes on a number of highly promising opportunities in the injectables and generics pharma segments, currently at different stages of negotiation & execution, and with potential aggregate deal values exceeding EGP1 billion, supporting EFG Hermes's healthcare platform strategy of expanding its investments in the pharmaceuticals sector, and capitalizing on the track record achieved in United Pharma.

NBFIs Financial Performance

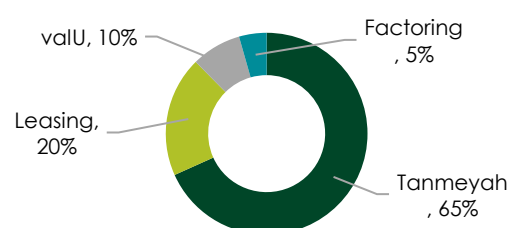
NBFIs Balance Sheet Highlights

<i>in EGP million</i>	Sep-21	June-21	Dec-20	Sep-20	Q-o-Q	YTD	Y-o-Y
Portfolio Outstanding	10,850	10,683	9,036	8,345	2%	20%	30%
Provision Balance	424	415	388	353	2%	9%	20%
Total Equity	2,106	2,063	1,703	1,513	2%	24%	39%

Portfolio Contribution by LoB



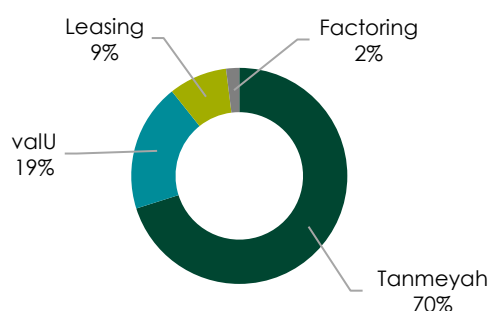
Provisions Contribution by LoB



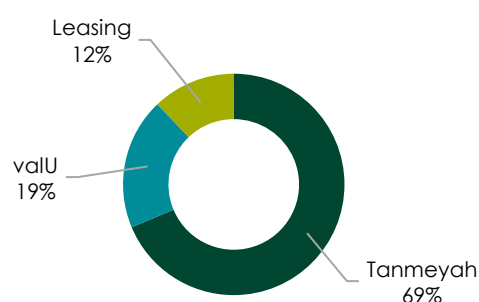
NBFIs Financial Highlights

<i>in EGP million</i>	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Operating Revenue	507	482	334	5%	52%	1,428	992	44%
Operating Expenses	263	298	222	-1.2%	18%	816	778	5%
Net Operating Profit	244	184	112	33%	118%	612	215	185%
Net Operating Margin	48%	38%	34%			43%	22%	
Net Profit (Loss) After Tax & Minority Interest	168	112	58	51%	189%	391	67	485%

Revenue Contribution by LoB



NPAT Contribution by LoB



vi. Micro-Finance "Tanmeyah"

Another strong quarter for Tanmeyah; with its portfolio reaching EGP3.5 billion, the highest level since its inception. Sales or value of loans issued showed an improvement on a Q-o-Q and Y-o-Y, despite 3Q21 included a one week of Eid Holiday.

Branch outreach remains a priority to increase Tanmeyah's customer base as Tanmeyah opened 12 fully operating branches in 3Q21, thus taking the total number of branches to 298.

Results at a Glance and Performance Overview

	KPIs							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Total Number of Active Borrowers	371,612	362,805	321,867	2%	15%	371,612	321,867	15%
Total Number of Processed Applications	106,672	105,788	87,781	1%	22%	320,263	270,636	18%
Total Number of Loans Issued	90,709	90,167	75,069	1%	21%	272,579	229,608	19%
Total Portfolio Outstanding (EGP mn)	3,487	3,347	2,929	4%	19%	3,487	2,929	19%
Total Number of Employees	5,123	4,919	4,727	4%	8%	5,123	4,727	8%

* Total Sales by Product in 2020 includes Special offer and Group lending products
Source: Tanmeyah

Sales reached EGP1.3 billion in 3Q21, up 30% Y-o-Y and 2% Q-o-Q; on strong sales throughout the 3 months of the quarter. This also translates to higher number of active customers, which rose by 15% Y-o-Y to reach 372 thousand by the end of 3Q21.

Tanmeyah's average MEL ticket size decreased Q-o-Q. This is because of Ramadan & Eid offers in 2Q21 that boosted sales in higher ticket size tranches in MEL.

It is worth noting that the new 12 branches that started operating in 3Q21 contributed to 33% of the increase in the sales value Q-o-Q. Accordingly, Tanmeyah's total staff increased by 4% including a 6% increase in loan officers Q-o-Q.

Female active borrowers constitute 49% of Tanmeyah's total active borrowers, up from 47% in the previous year. This is in line with Tanmeyah's focus on financial inclusion and empowering women.

Portfolio Quality & Provisions

Tanmeyah did not book any provisions in 3Q21, whereas the provisions booked during the year are due to recognition of the remaining securitized portfolio on Tanmeyah's on-books portfolio after the contract matured in May 2021. Total provision balance stood at EGP283 million, representing a portfolio coverage of 8.1% at the end of 3Q21.

vii. BNPL “valU”

Results at a Glance and Performance Overview

	3Q21*	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y	BTB
App Business									
valU App Customers ⁽¹⁾	39	37	21	4%	85%	99	67	47%	266
Limits Activated Value(EGP mn)	615	440	294	40%	109%	1,429	855	67%	3,611
Total Loans Issued (EGP mn)	541	407	234	33%	131%	1,307	629	108%	2,693
Outstanding Portfolio (EGP mn)	1,345	1,105	625	22%	115%	1,345	625	115%	1,345
Number of Transactions ⁽¹⁾	113	83	50	36%	126%	274	127	115%	539
Portfolio Tenor (In months)	18	18	17	-1%	3%	18	17	3%	18
Number of Merchants	1,317	1,043	843	26%	56%	1,317	843	56%	1,317
Non-App Business									
Outstanding Portfolio (EGP mn)	37	38	47	-3%	-22%	37	47	-22%	37
Number of Transactions	4	5	7	-20%	-43%	13	13	0%	300
Portfolio O/S (EGP mn)	1,382	1,143	672	21%	106%	1,382	672	106%	1,382
Principle	1,167	955	563	22%	70%	1,167	563	107%	1,167
Interest	215	189	109	14%	73%	215	109	97%	215

* 3Q21 KPIs includes securitized portfolio

(1) Numbers are in thousands
Source: valU

Total outstanding portfolio excluding the securitized portfolio came at EGP1,060 million at the end of 3Q21, of which principal is EGP894 million and interest is EGP167 million.

App Business

App business outstanding portfolio increased by 22% Q-o-Q and 115% Y-o-Y, reaching EGP1,345 million as of 3Q21; underpinned by a very buoyant 3Q21 and strong growth Y-o-Y.

valU recorded the highest loans issued figure in a single month since its launch during the month of August, as loans issued reached roughly EGP200 million. This took the value of loans issued up 33% Q-o-Q and the numbers of transactions up 36% Q-o-Q, to reflect valU's campaigns and offers done during the quarter.

The number of merchants increased by 26% Q-o-Q, with valU expanding its network and partnering with the biggest brands in the market to cover more product & service categories.

Non-App Business

BTB outstanding portfolio decreased by 3% Q-o-Q and 22% Y-o-Y. One auto loan transaction was booked in 3Q21, as well as three home improvement transactions, all totalling to EGP2.7 million.

Portfolio Quality & Provisions

Provision figures are taken as the higher of the probability default & FRA methods to ensure at all times that provision levels do not fall beneath FRA requirements. valU ended 3Q21 with a total provision balance of EGP39.3 million representing a coverage ratio of 4.4%.

Geographical Presence

3Q21	2Q21	3Q20
Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria
Hurghada	Hurghada	Hurghada
Tanta	Tanta	Tanta
Mansoura	Mansoura	Mansoura
Portsaid	Portsaid	Portsaid
Ismailia	Ismailia	Ismailia
Assiout	Assiout	
Monofia	Monofia	
Menia	Menia	
Damanhour	Damanhour	

Source: valU

Market Share

FRA has not yet released 3Q21 market share data. However, valU came in 3rd place in the first 8 months of the year with a market share of 11.3%.

Ranking

8M21	Company Name	Market Share (%)
1	Contact	26.5%
2	B Tech	19.2%
3	valU	11.3%
4	Aman	9.6%
5	Maashroey	8.6%
6	Premium International	7.5%
7	Abdul Latif Gamil	3.1%
8	Rawaj	2.7%
9	Mansour	2.5%
10	Sky Finance	2.3%
11	Others	6.8%

viii. Leasing

Results at a Glance and Performance Overview

	KPIs							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Number of New Contracts	21	26	18	-19%	17%	65	54	20%
Total Outstanding Portfolio (EGP mn)	6,191	5,827	4,322	6%	43%	6,191	4,322	43%
On-books Outstanding Portfolio* (EGP mn)	5,168	5,083	4,220	2%	22%	5,168	4,220	22%
NFA for New Contracts (EGP mn)	955	802	476	19%	101%	2,613	1,243	110%
Rec. Value of New Contracts** (EGP mn)	1,261	816	750	54%	68%	3,048	1,839	66%

* Includes on-balance sheet and VC transactions

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

Source: EFG Hermes Leasing

The leasing successfully booked EGP955 million of NFAs during 3Q21; representing a robust growth of 101% Y-o-Y. Accordingly, total outstanding portfolio increased by 43% Y-o-Y and 6% Q-o-Q in 3Q21 to reach EGP6.2 billion by the end of 3Q21. On a Q-o-Q, on-books outstanding portfolio inched up 2%, partially due to early termination of contracts which slowed down portfolio growth.

The team continues to capitalize on its cross-selling capabilities, offering bundled financial solutions for its clients. Currently, Corp Solutions has 12 joint clients utilizing Leasing and Factoring facilities.

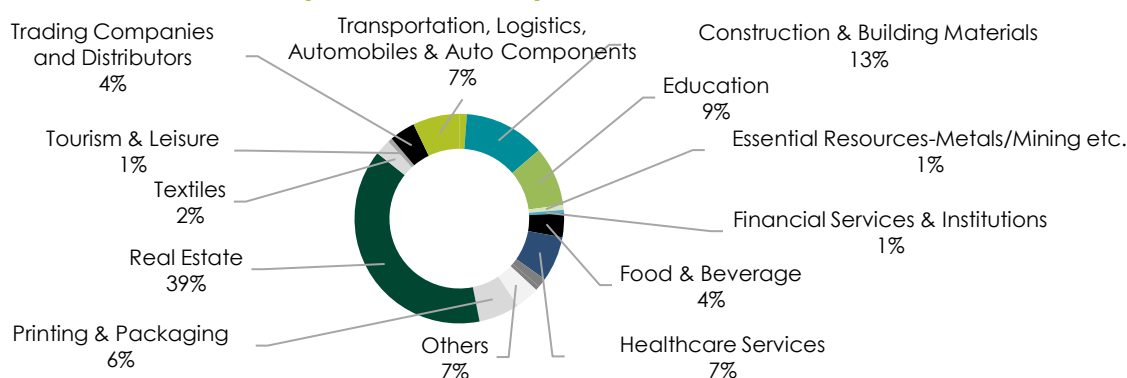
In 3Q21, Leasing was able to book 6 corporate and 12 SME clients. Corporate clients continue to be the largest contributor to the portfolio, accounting for 82%. Moreover, the team continues to focus on SMEs; which currently accounts for 18% of the portfolio.

Portfolio distribution by industry changed slightly Q-o-Q; with the top industry remaining the Real Estate, with a share of 39% in 3Q21 compared to 37% in the previous quarter. Meanwhile, Construction & Building Materials industry came second in line reading 13% in 3Q21 compared to 16% in 2Q21.

Portfolio Quality & Provisions

Provisions continued to increase, reaching EGP82.5 million by the end of 3Q21. Thus, reflecting a provision coverage of 1.6% of the total portfolio.

Portfolio Distribution by Client Industry



Market Share

3Q21 results have not yet been released by FRA; however, in the first eight month of 2021, EFG Hermes Leasing was ranked 3rd, with a market share of 9.4%. Worth highlighting, EFG Hermes Leasing ranked 1st in August 2021 in terms of monthly bookings as per the report released by FRA.

8M21	Ranking	
	Company Name	Market Share (%)
1	BM Lease	22.7%
2	Corplease	15.3%
3	EFG Hermes Leasing	9.4%
4	Global Corp	6.3%
5	GB Lease	5.5%
6	El Tawfiq for Leasing	4.6%
7	Cairo Lease	4.2%
8	Al Ahly Lease	3.9%
9	Others	28.2%

Source: EFG Hermes Leasing

ix. Factoring

Results at a Glance and Performance Overview

	KPIs							
	3Q21	2Q21	3Q20	Q-o-Q	Y-o-Y	9M21	9M20	Y-o-Y
Number of Existing Clients	67	56	36	20%	86%	67	36	86%
Total Outstanding portfolio (EGP mn)	814	1,110	523	-27%	56%	814	523	56%
Average Portfolio Tenor (days)	202	186	195	9%	4%	202	195	4%
Average Ticket Size (EGP mn)	2.2	3.1	3.1	-30%	-29%	2.7	2.5	10%

Source: EFG Hermes Factoring

Total outstanding portfolio stood at EGP814 million at the end of 3Q21, down 27% Q-o-Q. This is mainly due to large settlements from some large ticket clients, in addition to that the nature of the business is short maturities of up to 6 months. However, the quarter saw the booking of NFAs amounting to EGP751 million.

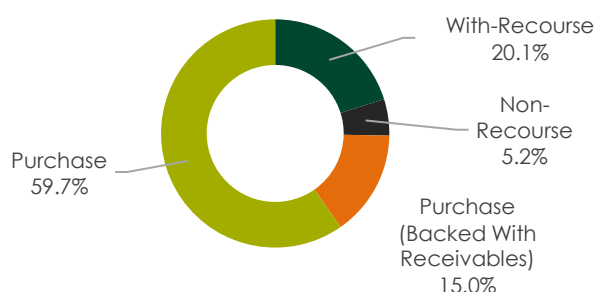
EFG Hermes Factoring managed to increase its portfolio outstanding by 56% Y-o-Y, and thus cementing its leadership position in the market, with 1st place ranking and 18.8% market share (8M21).

In terms of number of clients, EFG Hermes Factoring successfully approved an additional 11 clients, of which 4 new clients booked contracts in 3Q21.

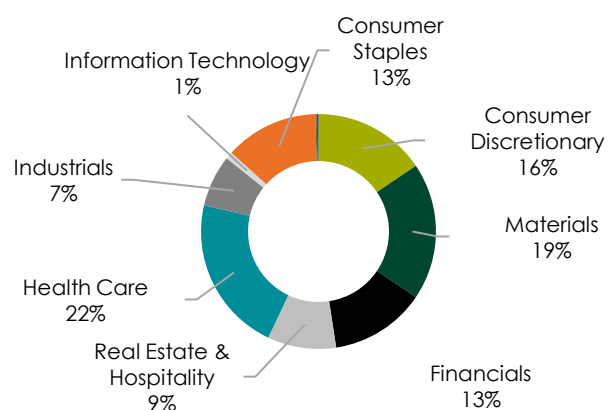
Loan Loss Provisions and ECL

By the end of 3Q21, Factoring total provision balance stood at EGP19.3 million, reflecting a total provision coverage of 2.4% for the Factoring business.

Portfolio Analysis



Portfolio Breakdown by Industry



Market Share

FRA has not yet released 3Q21 market share data. However, EFG Hermes' Factoring business came in 1st place in the first 8 months of the year with a market share to 18.8%.

Ranking		
8M21	Company Name	Market Share (%)
1	EFG Hermes Factoring	18.8%
2	Egypt Factoring	17.2%
3	Drive Factoring	16.5%
4	QNB Al Ahli Factoring	13.5%
5	BM Factoring	9.3%
6	Others	24.7%

Source: EFG Hermes Factoring

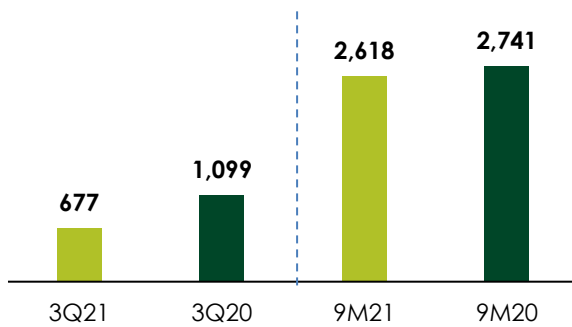
ANNEX

Contribution by Platform

Revenues

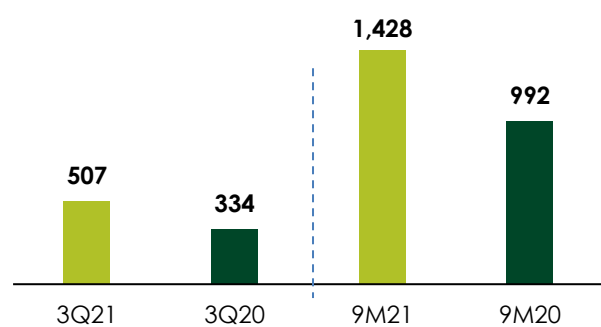
Investment Bank

In EGP million



NBFIs

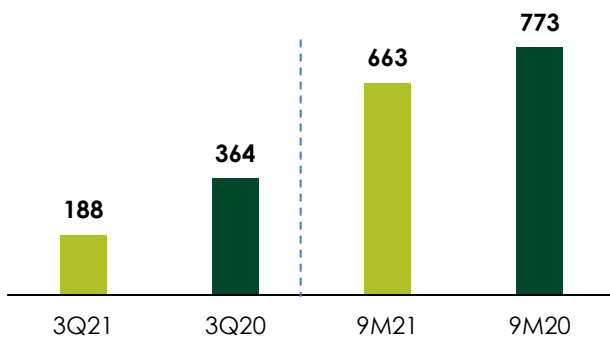
In EGP million



NPAT

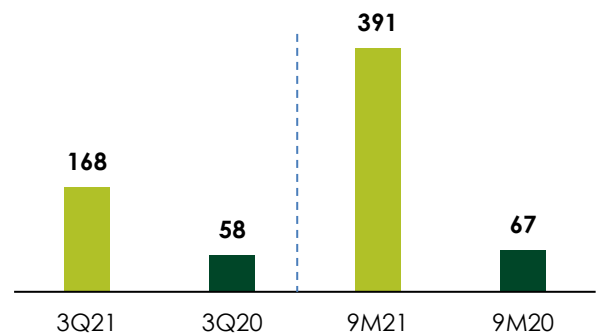
Investment Bank

In EGP million



NBFIs

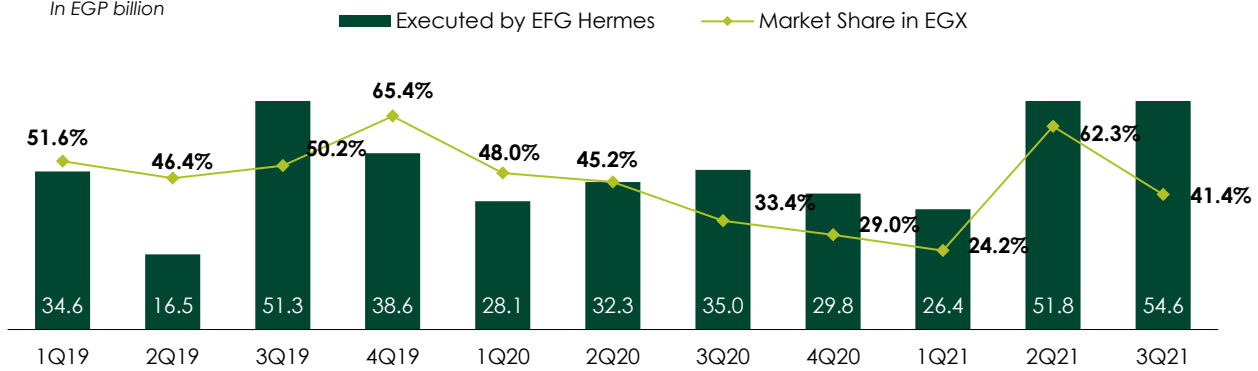
In EGP million



EFG Hermes Executions & Market Shares

Egypt*:

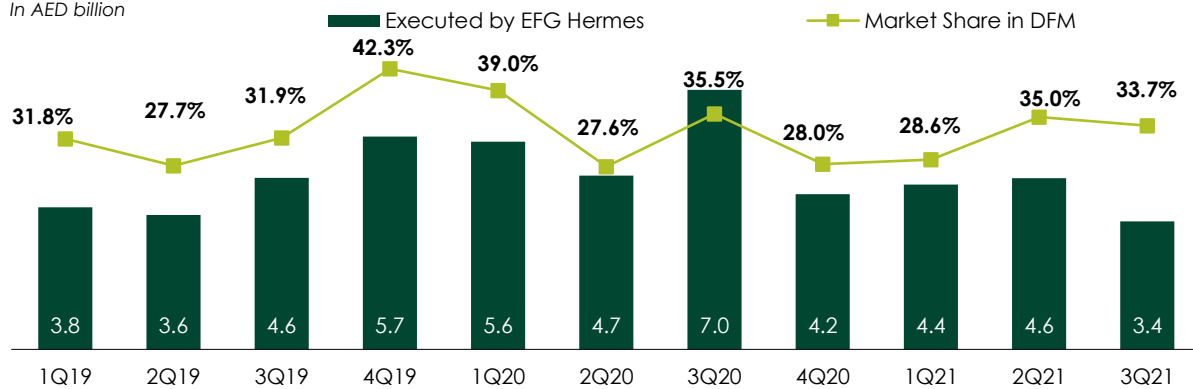
In EGP billion



*Market share calculation includes special transactions

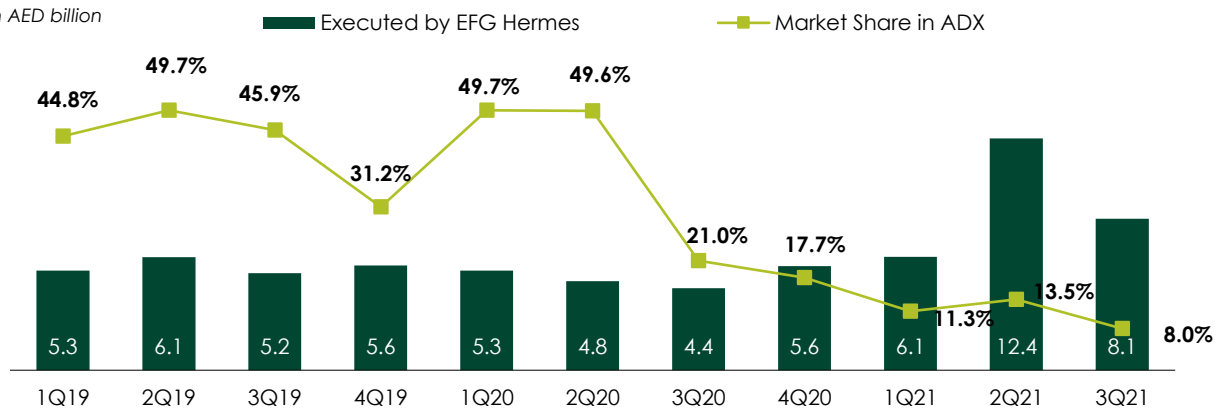
UAE- DFM

In AED billion

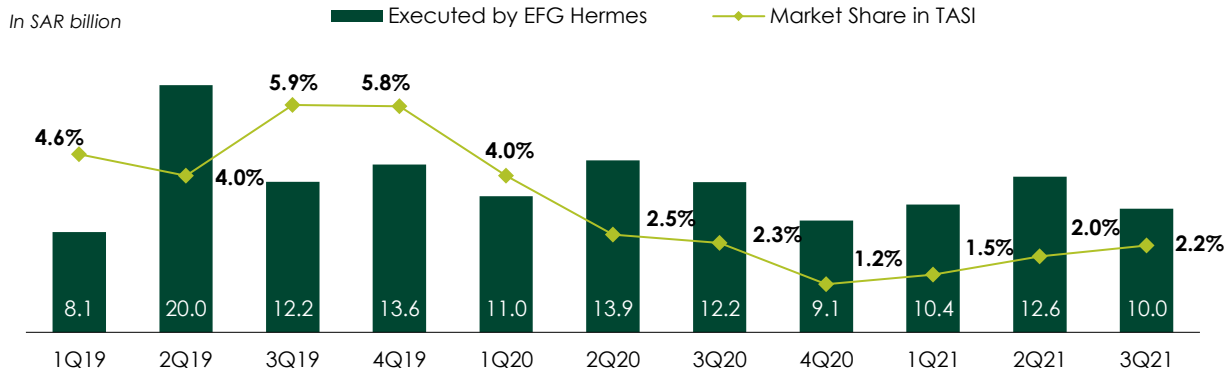


UAE – Abu Dhabi

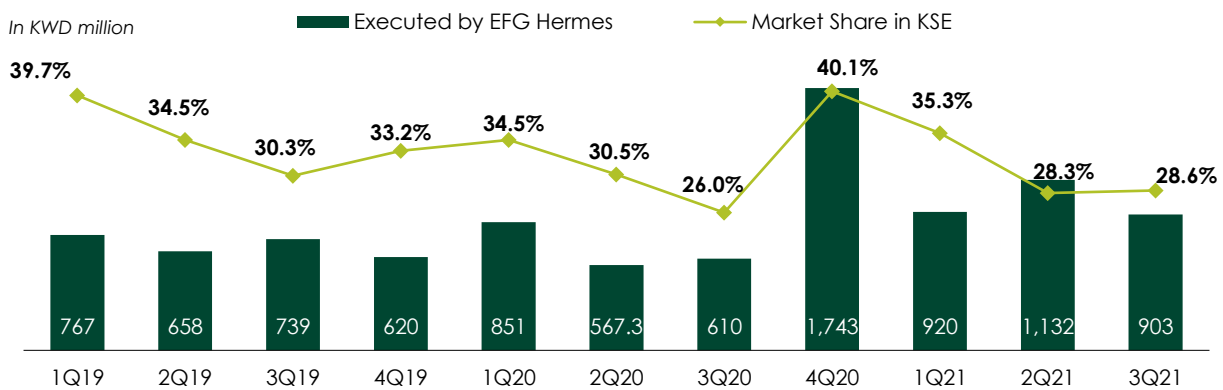
In AED billion



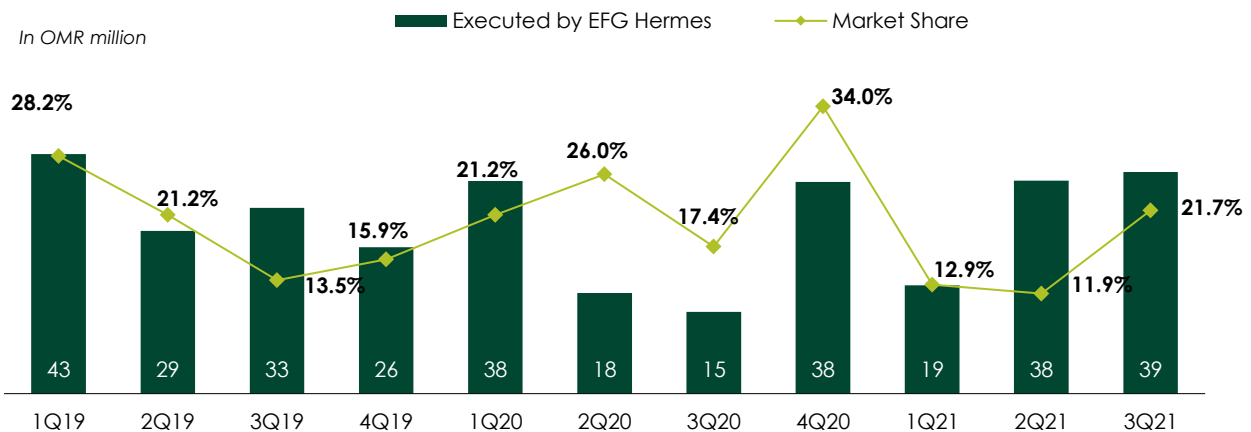
KSA



Kuwait

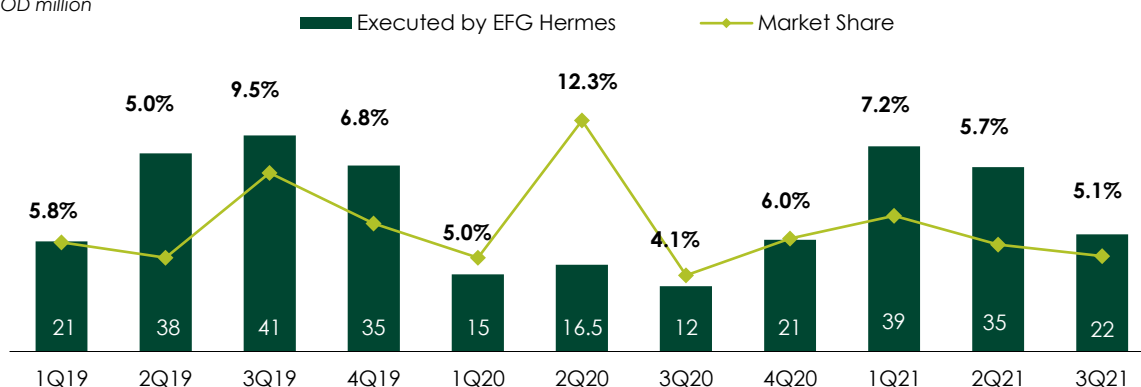


Oman



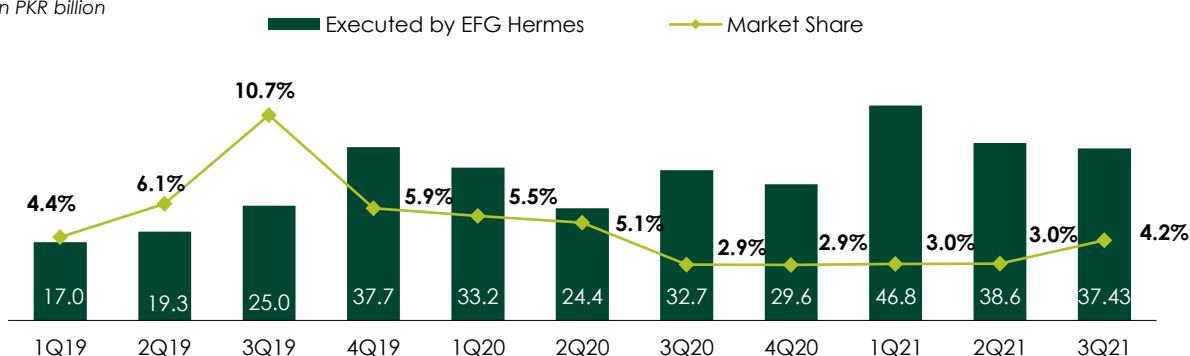
Jordan

In JOD million



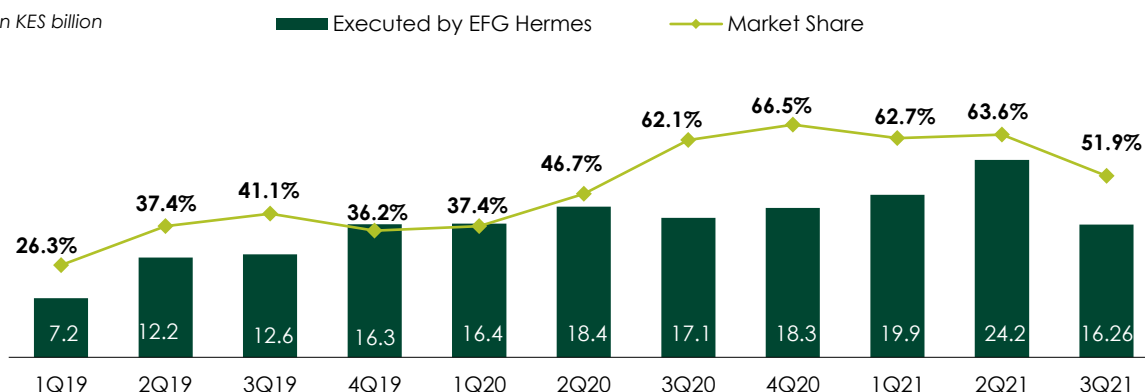
Pakistan

In PKR billion



Kenya

In KES billion

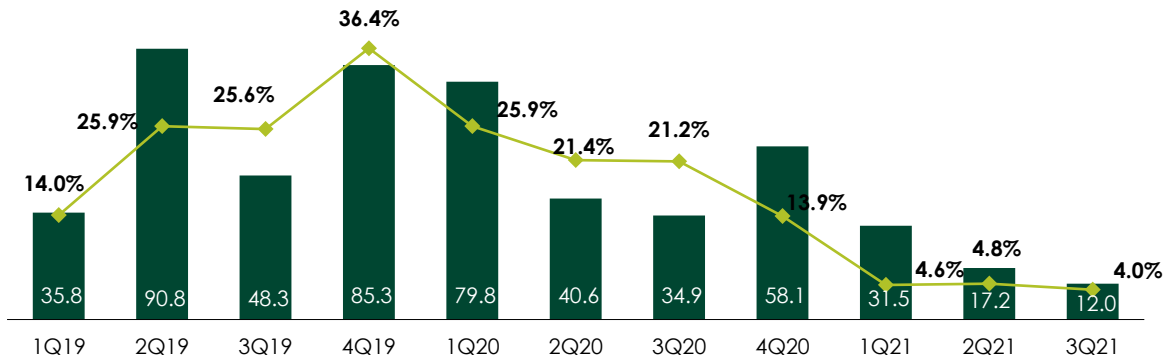


Nigeria

In NGN billion

Executed by EFG Hermes

Market Share



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

Listings & Symbols

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

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

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

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

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