

EFG HERMES EARNINGS RELEASE 1Q2023

INVESTOR RELATIONS

Cairo, May 24th, 2023

EFG Hermes reports a strong set of results for the first quarter of 2023, with Group earnings of EGP885 million on operating revenues of EGP4.5 billion. The Group's total assets stood at EGP115.1 billion at the end of March 2023.

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LISTINGS & SYMBOLS

The Egyptian Exchange

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

London Stock Exchange (GDRs)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Key Financial Highlights

- ≡ A strong start to the year with Group revenues more than doubled, up 129% Y-o-Y to reach EGP4.5 billion in 1Q23. This strong set of results was supported by higher revenues generated from regional operations particularly when translated to our reporting currency (EGP), higher unrealized gains on our seed capital, and stronger operating revenues generated by the Sell-side business and the commercial bank (aiBank); this in addition to strong treasury operations;
- ≡ Group operating expenses, (including employee expenses, other G&A and Provisions& ECL) rose 148% Y-o-Y to come at EGP3.0 billion in 1Q23, predominately on: (i) variable portion of the employee expenses in line with rising revenues booked by the Holding; (ii) a sharp increase in the Egypt based entities' expenses including salaries due to the elevated inflation levels, together with the impact of the US dollar denominated expenses; (iii) doubling of regional operations expenses when translated to our reporting currency as the EGP devalued strongly Y-o-Y; and (iv) the increase in ECL and provisions for all three verticals of the business, particularly at the commercial bank;
- ≡ The Group net operating profit and Group net profit before tax, rose 99% and 108% Y-o-Y to EGP1.5 billion and EGP1.4 billion, respectively. Tax expenses doubled Y-o-Y, up 103% to EGP462 million in 1Q23, mainly on higher deferred taxes booked by the Investment Bank. However, the Group net profit after tax and minority interest rose 157% Y-o-Y to EGP885 million, due to minority related to FIM;
- ≡ The Investment Bank reported stellar set of results, with its total revenues soaring 237% Y-o-Y to EGP 3.0 billion in 1Q23, this performance was mainly driven by higher Holding & Treasury Activities revenues; together with higher unrealized gains on seed capital, and stronger operational increase in Investment Banking and Brokerage revenues;
- ≡ The Investment Bank total operating expenses rose 244% Y-o-Y to EGP2.0 billion, driven largely by higher employee expenses, followed by higher other G&A and ECL booked during the quarter. The Investment Bank net operating profit rose 226% Y-o-Y EGP1.1 billion. Taxes rose significantly, pressured by deferred tax on unrealized gains on investments/seed capital and fx-gain. However, net profit after tax and minority increased more than three folds, up 330% Y-o-Y to EGP759 million;
- ≡ The NBFIs platform revenues rose 15% Y-o-Y to EGP689 million in 1Q23, lifted mainly by higher revenues generated by valU. Operating expenses rose 37% Y-o-Y to EGP578 million in 1Q23, mainly on higher provisions & ECL, and a general increase in expenses to reflect the increasing inflation in Egypt. The NBFIs net operating profit declined 38% Y-o-Y to EGP111 million in 1Q23; and net profit after tax and minority reached EGP39 million, down 60% Y-o-Y in 1Q23;
- ≡ aiBank reported revenues of EGP727 million in 1Q23, up 65% Y-o-Y, driven by stronger net interest income and fees & commissions. Operating expenses including provisions & ECL rose 112% Y-o-Y to EGP429 million, on higher employee and other G&A expenses to reflect higher inflation Y-o-Y, together with an increase in provisions & ECL by EGP110 million to mirror loan book growth and a more prudent and conservative provisioning approach, which rose 69% Y-o-Y. The Bank reported a net profit after tax of EGP171 million (of which EFG Hermes' share is EGP87 million) in 1Q23.



Group Overview



Income Statement

Performance Overview

in EGP million	Group Performance Summary				
	1Q23	4Q22	1Q22*	Q-o-Q	Y-o-Y
Group Net Operating Revenue	4,454	4,627	1,943	-4%	129%
Investment Bank	3,038	3,185	901	-5%	237%
NBFIs	689	781	601	-12%	15%
aiBank	727	660	441	10%	65%
Group Operating Expenses	2,963	3,076	1,194	-4%	148%
Employees Expenses	1,978	2,034	790	-3%	150%
Employees Expenses/Operating Revenues	44%	44%	41%		
Other Operating Expenses**	985	1,042	404	-5%	144%
Group Net Operating Profit	1,491	1,550	748	-4%	99%
Group Net Operating Margin	33%	34%	39%		
Group Net Profit (Loss) Before Tax	1,399	1,348	673	4%	108%
Group Net Profit (Loss) After Tax & Minority Interest	885	813	344	9%	157%
Investment Bank	759	686	177	11%	330%
NBFIs	39	70	97	-45%	-60%
aiBank	87	58	70	51%	25%

Source: EFG Hermes Management Accounts

* 1Q22 net profit is restated as a result of the Purchase Price Allocation (PPA) study of aiBank

** Includes Other G&A and Provisions & ECL

EFG Hermes inaugurated the year 2023, with a solid start as Group revenues more than doubled, up 129% to reach EGP4.5 billion in 1Q23. This strong set of results was driven mainly by strong treasury operations, higher revenues from regional operations particularly when translated to our reporting currency (EGP), higher unrealized gains on our seed capital; this in addition to stronger operating revenues generated by our Sell-side business and the commercial bank (aiBank).

Group operating expenses rose 148% Y-o-Y to come at EGP3.0 billion in 1Q23, predominately on higher employee expenses, followed by higher other G&A and provisions and ECL.

Group employee expenses and other G&A rose 125% Y-o-Y to EGP2.7 billion, with employee expenses being the larger contributor to this increase. Employee expenses rose 150% Y-o-Y to EGP2.0 billion on the back of higher variable portion of employee expenses in tandem with the increasing revenues and higher salaries Y-o-Y to reflect inflation particularly in Egypt and the impact of a weaker EGP on the translation of the non-EGP denominated salaries. Employee expenses/revenues came at 44% in the current quarter, flat Q-o-Q, and up from 41% in the comparable quarter.

Other G&A rose 73% Y-o-Y to EGP676 million in 1Q23, mainly related to a general increase in Egypt based entities expenses to mirror inflation; this is in addition to the regional offices expenses when translated to the Egyptian pound at the Investment Bank.

Provisions & ECL rose to EGP309 million in 1Q23 from EGP13 million, reflecting higher provisions and ECL taken by the Investment Bank, the NBFIs and aiBank.

Accordingly, the Group net operating profit and Group net profit before tax, rose 99% and



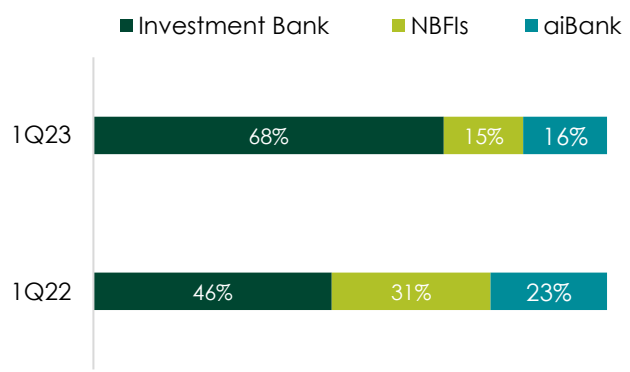
108% Y-o-Y to EGP1.5 billion and EGP1.4 billion, respectively.

Tax expenses doubled Y-o-Y, up 103% to EGP462 million in 1Q23, mainly on higher deferred taxes booked by the Investment Bank, as the quarter included EGP65 million of deferred tax on fx-gains and EGP169 million of deferred tax on unrealized gains on investments/seed capital.

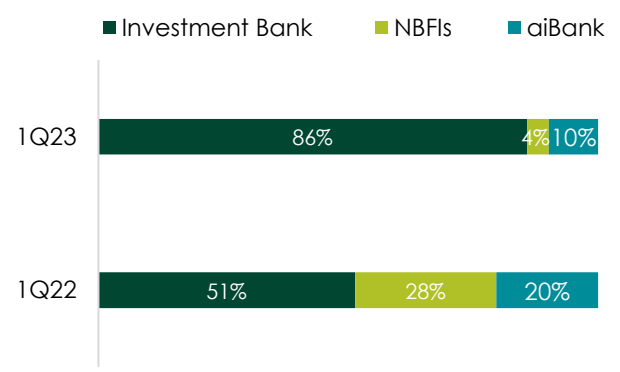
However, the Group net profit after tax came at EGP937 million, up 111% Y-o-Y; while the Group net profit after tax and minority interest rose 157% Y-o-Y to EGP885 million, due to minority related to FIM; as FIM, on the consolidation level, reported losses due to the booking of unrealized losses of EGP89 million related to the SPAC.

Contribution by Platform

Revenues



NPAT*



*Net Profit After Tax and Minority Interest





Investment Bank



Financial Overview

Performance Overview

in EGP millions	Investment Bank Performance Summary				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Investment Banking	216	182	64	19%	238%
Brokerage	621	551	430	13%	44%
Sell-Side	837	733	494	14%	69%
Asset Management	47	245	90	-81%	-48%
Private Equity	67	87	23	-23%	191%
Buy-Side	114	332	113	-66%	1%
Holding & Treasury Activities	2,087	2,120	294	-2%	610%
Total Net Operating Revenue	3,038	3,185	901	-5%	237%
Employees Expenses	1,578	1,663	438	-5%	260%
Other Operating Expense	377	411	130	-8%	190%
Total Operating Expenses*	1,955	2,075	569	-6%	244%
Net Operating Profit	1,083	1,110	333	-2%	226%
Net Profit (Loss) Before Tax	1,046	982	312	6%	235%
Net Profit (Loss) After Tax & Minority Interest	759	686	177	11%	330%

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

The Investment Bank reported stellar set of results, with its total revenues soaring 237% Y-o-Y to EGP 3.0 billion in 1Q23, this performance was mainly driven by strong treasury operations, higher unrealized gains on seed capital, stronger operational increase in Investment Banking and Brokerage revenues, and generally higher revenues generated by operations outside Egypt, when translated in the Group reporting currency, the EGP, as the Egyptian pound continued to lose value.

The Sell-side maintained its positive performance, with its revenues climbing up 69% Y-o-Y to EGP837 million in 1Q23, lifted by Brokerage and Investment Banking revenues. Brokerage revenues rose 44% Y-o-Y to EGP621 million, to reflect stronger executions in Egypt, together with higher revenues generated by entities outside Egypt, as the EGP devalued against all USD pegged currency. Meanwhile, the Investment Banking revenues shot up 238% Y-o-Y to EGP216 million, on higher number of deals executed during the quarter.

Buy-side revenues came largely flat, up 1% to EGP114 million, dented by lower Asset Management revenues. However, Private Equity revenues rose 191% Y-o-Y to EGP67 million, mainly due to higher management fees and higher EGP translated revenues as the EGP devalued. Meanwhile, Asset Management revenues declined 48% Y-o-Y to EGP47 million, on unrealized losses of EGP 89 million booked on the consolidation level on FIM.

Holding & Treasury Activities revenues skyrocketed 610% Y-o-Y to EGP2.1 billion, reflecting the continued weakness of the EGP Y-o-Y. Fx-gains reached EGP1.2 billion during the quarter up 64% Y-o-Y, which is mainly related to the revaluation of debt instruments denominated in USD or USD pegged currencies, intercompany balances, and the revaluation of balance sheet items. Realized and unrealized gains on seed capital/investments were lifted by the devaluation, recording EGP826 million in gains; this in addition to a weak comparable quarter which included EGP615 million of realized and unrealized losses. Meanwhile, net interest income declined 63% Y-o-Y to EGP69 million, mirroring the complete exit from structured products, and including interest from treasury activities including debt instruments.

Total operating expenses rose 244% Y-o-Y to EGP2.0 billion, driven largely by higher employee



expense, followed by higher other G&A and ECL booked during the quarter.

Employee expenses, rose 260% Y-o-Y to EGP1.6 billion largely on higher variable portion of employee pay provisions in tandem with the strong revenue recognized, followed by higher salaries Y-o-Y to reflect the non-EGP dominated pay and the higher salaries in Egypt to mirror the elevated inflation rates.

Other G&A expenses rose 130% Y-o-Y to EGP303 million, as higher expenses were reported across different expense categories to mirror the impact of the EGP devaluation on expenses booked by regional offices and USD denominated expenses in Egypt and the high inflation levels in Egypt. These expenses include IT, occupancy, marketing, consultancy expenses. Moreover, the quarter included donations, higher travel expenses as travel restrictions are now completely removed.

Provisions & ECL reached EGP74 million in 1Q23, up from provision reversal of EGP2 million in 1Q22; as Brokerage booked EGP53 million related to its margin book, Private Equity booked EGP11 million related mainly to ECP III and Agri Funds, and Holding booked EGP11 million of provision & ECL mainly related to its Eurobonds position.

The Investment Bank net operating profit and net profit before tax, rose 226% Y-o-Y and 235% Y-o-Y to EGP1.1 billion and EGP1.0 billion, respectively. Taxes reached EGP322 million, pressured by deferred tax totaled to EGP233 million on unrealized gains on investments/seed capital and fx-gain booked by the Holding. This in addition to higher taxes booked by different lines of business. However, net profit after tax and minority increased more than three folds, up 330% Y-o-Y to EGP759 million.



Operational Performance

i. Brokerage

Markets where we operate in kicked-off the year on lower volumes and mixed performance; however Egypt had a good start for the year post its currency further devaluation, both in terms of performance and volumes. The MSCI EM gained 3.5% Q-o-Q, while the S&P Pan Arab TR lost 1.4% Q-o-Q.

EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions declined 25% Q-o-Q to reach USD19.8 billion in 1Q23, predominantly on lower executions in Egypt as 4Q22 included a special transaction of EGP59.7 billion (Vodacom stake acquisition in Vodafone Egypt), together with weaker execution in almost all GCC markets. On a Y-o-Y basis, total executions declined 20% Y-o-Y, on lower executions in Kuwait, Egypt (in USD), Qatar, KSA, and Structured Products. It is important to note, that Egypt 1Q23 executions increased 28% Y-o-Y in EGP terms, yet decreased 32% in USD, as the currency devalued Y-o-Y.

Brokerage revenues reached EGP621 million in 1Q23, up 13% Q-o-Q and 44% Y-o-Y to reflect higher executions in Egypt (in EGP) and the depreciation of the Egyptian currency against all USD pegged currency, as revenues are reported in Egyptian pounds.

in EGP million	Brokerage Revenue*				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Egypt	271	236	139	15%	95%
Other Markets	35	26	39	33%	-10%
Total Egypt	306	262	178	17%	72%
UAE	117	105	63	11%	85%
KSA	66	53	44	24%	51%
Kuwait	70	64	66	10%	6%
Frontier Markets**	40	33	29	23%	37%
Structured Products	5	8	40	-31%	-86%
Fixed Income	1	12	0	-88%	1552%
Others***	15	14	10	6%	43%
Total Revenues	621	551	430	13%	44%

*Brokerage revenues highlighted above represent operations and not markets

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

***Others include Jordan, Oman, and Bahrain

Source: Management Accounts

Commission contribution by market remained largely unchanged in 1Q23, as Egypt remained the largest contributor to the pure Brokerage commissions (excluding any other revenue generated including: margin income, research revenue and custody income) in markets where we execute, with a contribution of c.24%; while the UAE markets (which includes Dubai and Abu Dhabi) came in second place, with c.22% contribution. Meanwhile, Kuwait and KSA came in third place with c.14% contribution each.

Commissions Breakdown by Market

Markets	1Q23
Egypt	24.3%
DFM*	8.1%
ADX	13.5%
KSA	14.5%
Kuwait	14.4%
Qatar	9.6%
Frontier Markets	6.3%
Structured Products	0.3%
Others**	9.0%
Total	100%

*DFM includes Nasdaq Dubai's share of 0.01% in 1Q23

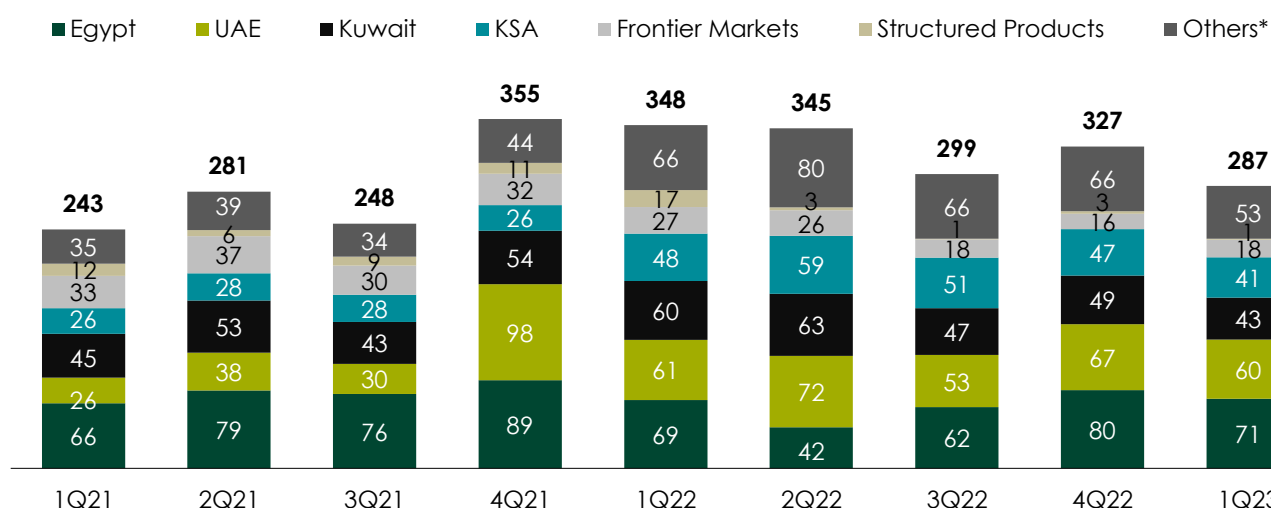
**Others including: Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The below chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate ADC declined 13% Q-o-Q to USD287 thousand in 1Q23, on lower commissions generated in almost all markets where we operate including Egypt. However, Egypt's ADCs increased 14% Q-o-Q in local currency (EGP). On a Y-o-Y basis, ADC declined 19%, pressured by lower commissions generated in almost all markets where we operate with the exception of the UAE markets and Egypt which were largely flat in USD terms. However, Egypt's ADCs in EGP rose 89% Y-o-Y to reflect the sharp depreciation of the currency.

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				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Egypt*					
Market share	36.4%	39.1%	43.0%	-2.7%	-6.6%
Executions	1,817	6,945	2,678	-74%	-32%
UAE – DFM					
Market share	52.3%	48.4%	39.2%	4.0%	13.1%
Executions	2,715	2,423	2,439	12%	11%
UAE – ADX					
Market share	15.4%	13.7%	16.3%	1.8%	-0.9%
Executions	4,312	4,696	4,490	-8%	-4%
KSA					
Market share	6.4%	5.9%	3.7%	0.6%	2.7%
Executions	4,693	4,861	5,459	-3%	-14%
Kuwait					
Market share	35.7%	37.1%	30.4%	-1.4%	5.3%
Executions	3,053	4,016	4,345	-24%	-30%
Oman					
Market share	36.9%	24.5%	17.0%	12.4%	19.9%
Executions	160	118	151	35%	6%
Jordan					
Market share	6.9%	8.9%	5.7%	-2.0%	1.2%
Executions	53	44	32	19%	64%
Pakistan					
Market share	5.0%	3.3%	3.7%	1.7%	1.4%
Executions	89	58	106	55%	-16%
Kenya					
Market share	29.7%	74.1%	69.9%	-44.4%	-40.2%
Executions	105	106	171	-1%	-39%
Nigeria					
Market share	10.0%	10.7%	5.9%	-0.7%	4.1%
Executions	46	38	71	21%	-35%
Frontier					
Market share	N/A	N/A	N/A	N/M	N/M
Executions	269	231	351	16%	-23%
Structured Products					
Market share	N/A	N/A	N/A	N/M	N/M
Executions	6	17	350	-68%	-98%

*Market share calculation is based on executions excluding special transactions

**Executions in Qatar, Bahrain, Lebanon, UK (GDRs), Bonds, ETFs and others represent an additional 13% of total Brokerage executions in 1Q23

Source: EFG Hermes and Regional Exchanges



Egypt

The EGX continued its positive performance in 1Q23, with the Hermes Financial Index (HFI) adding 10.51% Q-o-Q, and volumes rising 14% Q-o-Q, as the currency continued to devalue.

EFG Hermes continued to dominate the first place ranking on the EGX, with a market share of 36.4% in 1Q23. Local clients dominated the market in 1Q23, with foreign participation declining to c.10% of the total market participation, with EFG Hermes successfully capturing 55.7% of this flow during the quarter.

During 1Q23, EFG Hermes concluded the 17th One-on-One Conference, our flagship conference. The firm welcomed 1,120 registered attendees including over 561 institutional investors and fund managers, representing 247 international financial institutions and 179 companies in numerous key sectors across 29 countries. The event hosted over 12,000 meetings between investors and C-suite level management from listed companies.



UAE – Dubai

The DFM had another slow quarter, with the DFMGI adding 2.1% Q-o-Q in 1Q23, while volumes adding 4% Q-o-Q over the same period.

Foreign activity increased during February's MSCI rebalancing due to significant executions in select stocks, thus supporting foreign participation in the market, which came at 44%; and of which EFG Hermes executions accounted for 49%.

Boosted by foreign executions, EFG Hermes continued to lead on the DFM, with a market share of 52.3% in 1Q23.



UAE – ADX

Gains on the ADX in 4Q22 were reversed in 1Q23, with the ADI shedding 7.7% Q-o-Q of its value, as the heavyweight FAB was sold intensely. Meanwhile, volumes followed suit losing 18% Q-o-Q.

The firm saw some new foreign funds trading ADX for the first time this quarter which helped EFG Hermes maintain 2nd place ranking in 1Q23 with a market share of 15.4%. In terms of foreign participation, the foreign investors accounted for 22% of the market activity, with the Firm seizing over 28% of this flow.



Saudi Arabia

A muted performance on the Saudi Market, with the Tadawul All Share Index adding 1.1% Q-o-Q, however volumes continued to decline, down 12% Q-o-Q in 1Q23.

Local investors ended 1Q23 as net sellers while GCC and foreign investors (QFI and Swaps) ended the quarter as net buyers. The QFI and Swaps volume reached SAR104 billion, accounting for 19.3% of the market turnover (swaps accounted for 0.06%); of which the Firm captured 8% of this business during the quarter.

EFG Hermes market share continued to improve, reaching 6.4% in 1Q23; and retaining its 6th place ranking among non-commercial banks' brokerage firms.

Kuwait

The Kuwaiti market took the back seat this quarter, with the Kuwaiti market premier index tumbling 3.3% Q-o-Q and volumes slipping 18% Q-o-Q in 1Q23. Local investors were net sellers while GCC and foreign investors were net buyers. It is worth noting that the quarter saw foreign outflows amid the FTSE and the MSCI rebalances.

EFG Hermes IFA maintained its second place ranking, with a market share of 35.7% in 1Q23. Foreign participation accounted for 14% of the total market executions, of which EFG Hermes captured 66% of this flow.

Jordan

Jordan kicked off the year on strong footing, with the Index moving up 4.0% Q-o-Q, and volumes soaring 59% Q-o-Q in 1Q23, with the increase in trading volumes attributed to higher levels of activity by local margin clients, in addition to the continued conservative participation by foreign institutional clients.

The Firm's market share came at 6.9%, with an 11th place ranking on the market in 1Q23. In terms of foreign participation, foreign activity accounted for 3% of the market turnover; whereby EFG Hermes captured 17% of that flow.

Pakistan

The Pakistani market had a relatively quiet quarter, with the KSE100 down 1.0% Q-o-Q, and volumes rising slightly 5% Q-o-Q in 1Q23, amid political uncertainty.

EFG Hermes Pakistan market share rose to 5.0% by the end of 1Q23. Foreign investors continued to sell Pakistan, together with mutual funds and insurance companies who came as net sellers; meanwhile local investors, banks and individuals were the largest buyers. However, foreign activity continued to be low, representing 8% of the market turnover in 1Q23; of which the Firm captured 25% of that flow.

#6

KSA

Market share **6.4%**
Executions **SAR17.4bn**
-14% Y-o-Y, 1Q23

#2

Kuwait

Market share **35.7%**
Executions **KWD916mn**
-30% Y-o-Y, 1Q23

#11

Jordan

Market share **6.9%**
Executions **JOD37mn**
+64% Y-o-Y, 1Q23

N/A

Pakistan

Market share **5.0%**
Executions **PKR23.7bn**
+25% Y-o-Y, 1Q23



Kenya

A weak performance witnessed on the Kenyan market amid some macro-economic instability, as inflation rose significantly, and the local currency devalued touching new highs. The NASI plummeted 11.5% Q-o-Q, as losses were recorded by a number of large cap. stocks during the quarter. Meanwhile, volumes rose 35% Q-o-Q in 1Q23.

EFG Hermes came in 2nd place on the market, with a market share of 29.7% in 1Q23. The decline in ranking and market share is attributed to lower foreign participation in the market.

Foreign participation declined to 34% in 1Q23 of the total market activity, of which EFG Hermes executed 36% of this flow.

Nigeria

A lot of uncertainty was witnessed in the market at the beginning of year, as the Nigerian presidential elections were scheduled in March 2023; however with the elections concluding relatively hitch free, this supported the index to close in the green. The Index gained 7.0% Q-o-Q, and volumes spiraled up 70% Q-o-Q in 1Q23, as huge local crosses were seen in January and February. The Firm was ranked 4th in 1Q23, with a market share of 10.0%.

#2

Kenya

Market share **29.7%**

Executions **KES13.3bn**

-32% Y-o-Y, 1Q23

#4

Nigeria

Market share **10.0%**

Executions **NGN26.5bn**

-35% Y-o-Y, 1Q23

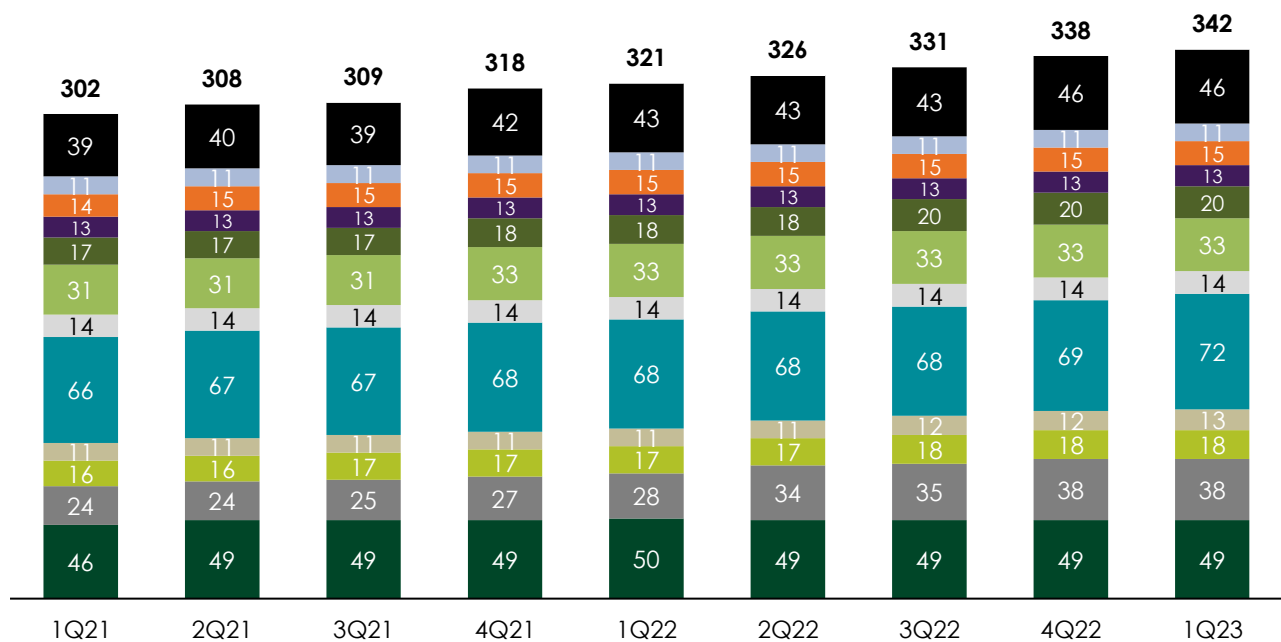


ii. Research

Research Coverage Universe

Number of Companies

- Egypt
- UAE
- Kuwait
- Qatar
- Saudi Arabia
- Oman
- Pakistan
- Vietnam
- Kenya
- Nigeria
- Bangladesh
- Other*



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

EFG Hermes's Research team initiated coverage of 3 new stocks in 1Q23, which included Alinma Bank and Arabian Drilling in Saudi Arabia and Qatar Aluminum, bringing the stocks under coverage to 342 stocks in 25 countries across the MENA and Frontier markets. The team started initial analysis of some South East Asian companies and plan to initiate coverage on the Philippines and Indonesia in the next few quarters and further expand its Vietnam coverage. This is a pivot away from certain Frontier markets that have sub-optimal trading conditions such as weak FX and macro-economic woes, moreover investor interest in Indonesia and the Philippines is very strong. In terms of new products, the team revised its daily products to make them more responsive and improve the look and feel of the product, especially the mobile phone experience.

EFG Hermes hosted the Dubai One-on-One conference again this quarter, wherein investors were split on the outlook for the year ahead with some concerned about the worsening macro situation, albeit the GCC seems to have been relatively unscathed by the global woes.



iii. Investment Banking

In 1Q23, EFG Hermes' Investment Banking division successfully concluded two equity and seven debt transactions worth an aggregate value of USD2.9 billion.

In the equity space, EFG Hermes successfully acted as joint global coordinator on the initial public offering (IPO) of the oil and gas drilling unit of Oman's state energy company, Abraaj Energy Services, on the Muscat Stock Exchange (MSX) in a USD244 million offering. The landmark IPO marks the largest IPO in Oman in the last decade and comes as part of Oman's 2040 vision of promoting economic diversification. Building on its longstanding relationship with UAE integrated energy giant Abu Dhabi National Oil Company (ADNOC), the team also acted as Joint Bookrunner on the USD2.5 billion IPO of ADNOC Gas on the Abu Dhabi Securities Exchange (ADX). The IPO is considered the largest ever listing on the ADX and one of the largest IPOs to take place globally in 2023.

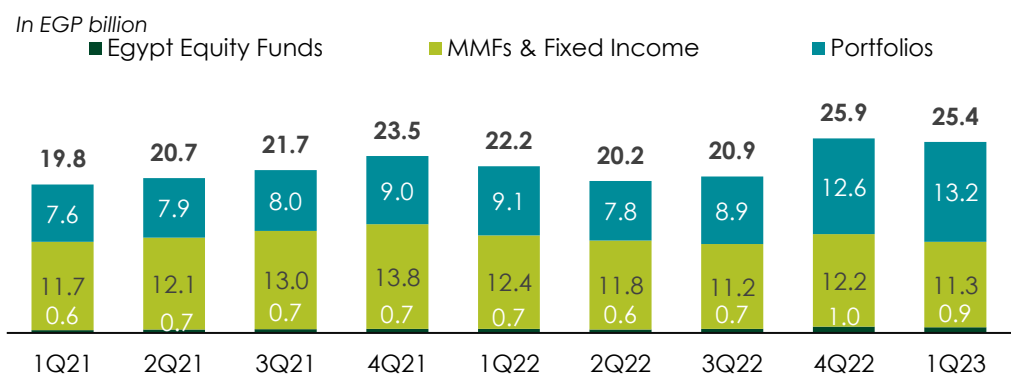
On the debt front, the division continued to provide innovative financial solutions for its longstanding partners to help unlock their aspired growth plans. The team successfully concluded the advisory on a series of securitized bond issuances in the Egyptian real estate sector, reflecting the firm's ability to navigate the intricacies of the sector through developing tailored solutions that meet its clients' needs. The team advised Misr Italia, Palm Hills Development and Madinet Masr on its securitized bond issuances worth USD40 million, USD21 million and USD26 million, respectively. Furthermore, the team continued to strengthen its foothold in the mortgage sector through successfully concluding two subsequent securitized bond issuances for Bedaya Mortgage Finance and Al Taamir Mortgage Finance worth USD32 million each. Additionally, the team advised on Valu's fourth securitization issuance worth USD28 million, which comes as part of a wider approved and recently extended EGP4.0 billion program. Lastly, the team concluded the advisory on Premium Credit Services' eighth securitized bond issuance worth USD6 million.

EFG Hermes' solid performance in 1Q23, amidst the challenging market conditions, showcases the team's ability to navigate complex market dynamics while upholding its unwavering commitment to providing world-class solutions and driving success for its valued clients. With a healthy pipeline of deals in both Egypt and the region, the division is expected grow its deal flow throughout 2023 capitalizing on arising opportunities on the equity, M&A and debt fronts.





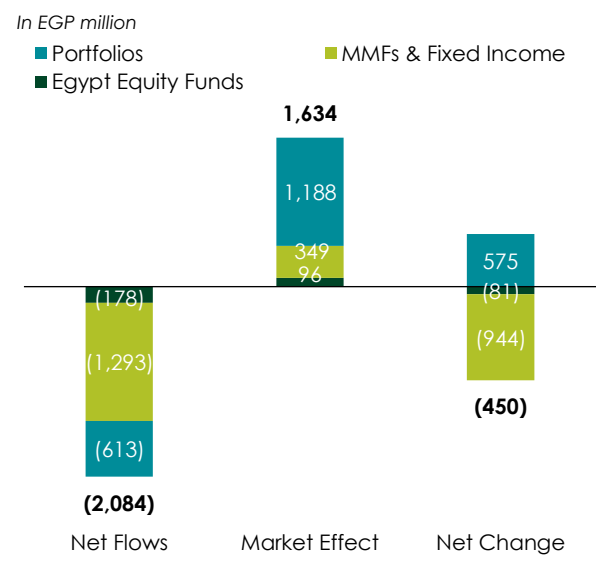
iv. Asset Management Egypt Assets under Management Evolution



Source: EFG Hermes Asset Management

EFG Hermes Egypt Asset Management AuMs inched down 1.7% Q-o-Q to close 1Q23 at EGP25.4 billion. Positive performance posted by different types of mandates, particularly equity portfolios, added 6.3% to the AuMs, however this was wiped-out by net outflows, particularly from MMFs and equity portfolios; which together withdrew 8.1% from the AuMs.

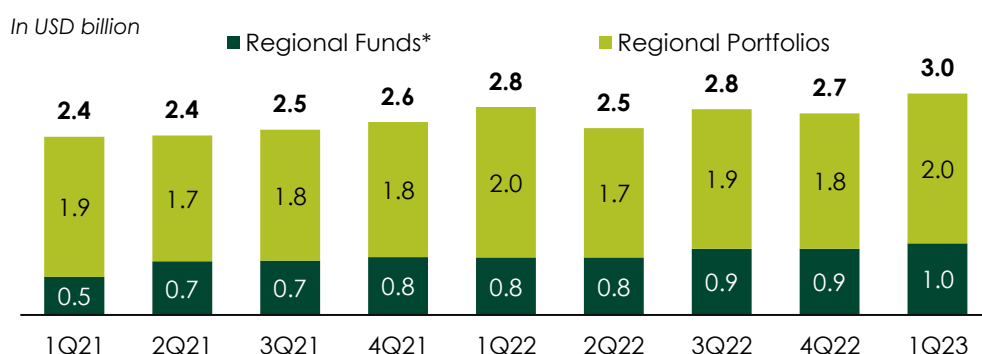
Quarterly Change in Egypt Mandates



Source: EFG Hermes Asset Management



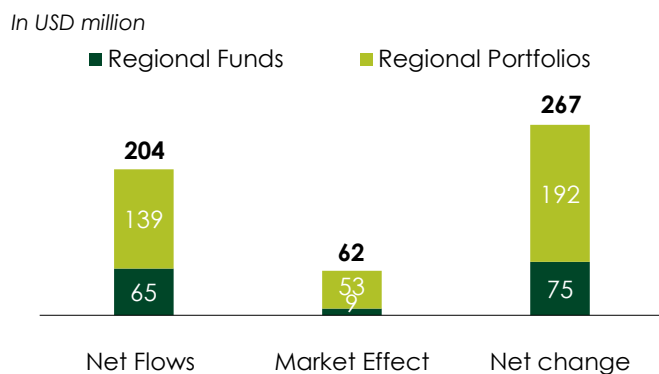
Regional Assets under Management “FIM” Evolution



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

A strong quarter for FIM, EFG Hermes' Regional Asset Management, with its AuMs increasing 9.8% Q-o-Q to reach the USD3.0 billion mark by the end of 1Q23, this was boosted by net inflows and markets appreciation. Net inflows represented 7.5% of the increase in AuMs Q-o-Q, predominantly from inflows in fixed income portfolios and MENA equities. Meanwhile, positive markets' performance represented the remaining 2.3% of the increase in AuMs.

Quarterly Change in Regional Mandates



Source: FIM

Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD421.93 at the end of 1Q23 versus a NAV/share of USD417.38 in 4Q22. The Fund gained 1.1% during the quarter versus the S&P Pan Arab Composite Index, which lost 1.4% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,138.40 at the end of 1Q23 versus a NAV/share of USD1,157.49 in 4Q22. The Fund lost -1.6% over the quarter versus the MSCI FEM Index, which gained 1.7% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD1,779.49 at the end of 1Q23 versus a NAV/share of USD1,630.33 at the end of 4Q22. The Fund gained 9.1% during the quarter versus the TASI Index which gained 1.1% over the same period.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,163.51 at the end of 1Q23



versus a NAV/share of USD1,137.20 in 4Q22. The Fund gained 2.3% during the quarter versus the JPM MECIGCC, which gained 1.8% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,128.04 at the end of 1Q23 versus a NAV/share of USD1,106.82 in 4Q22. The Fund gained 1.9% during the quarter versus the Markit iBoxx Sukuk which gained 2.0% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD962.16 at the end of 1Q23 versus a NAV/share of USD929.92 in 4Q22. The Fund gained 3.5% during the quarter versus a gain of 2.7% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.

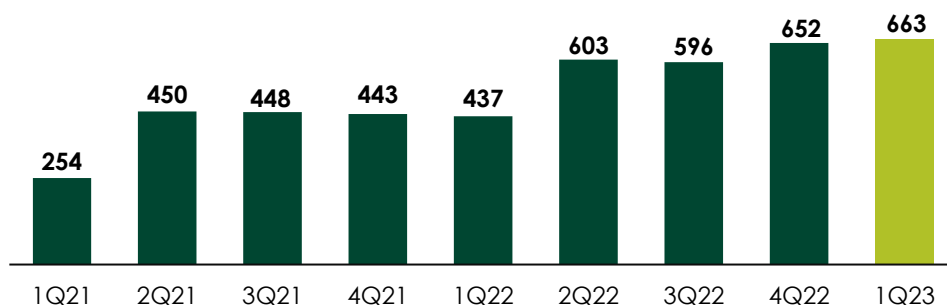




v. Private Equity

Assets under Management Evolution

In USD million



Energy Transition

Vortex Energy IV, a global renewable energy platform managed by the private equity arm of EFG Hermes, currently manages two companies, Ignis Energy and EO Charging and spans across two verticals within the energy transition sector, renewable energy and e-mobility, respectively.

Vortex Energy IV's investment in EO Charging was completed during 1Q23, marking the fund's second investment. EO Charging is UK-based vertically integrated fleet charging company founded in 2014. Its business lines include (i) provision of fleet and bus electrification solutions, (ii) operation, maintenance and software, (iii) development and manufacturing of EV chargers.

Vortex Energy has been progressing its fundraising for the Vortex Energy IV, LP while looking to deploy further capital across the Energy Transition landscape.

Education

The Fund's education platform (Egypt Education Platform – EEP) continued expanding its market leading position across several verticals after completing the acquisition of a majority stake in Egypt's leading education content developer, Selah El Telmeez ("SET"), in January 2023, and is currently advancing discussions with multiple parties to add 2 new schools to its portfolio in 2Q23 under management agreement and PropCo/OpCo operating models.

EEP also added 2 new branches to its fast growing Pre-School business (Trillium) to bring the platform's education assets owned/managed under EEP to over 20 schools and pre-schools under various stages of development with a combined capacity of c.21k students with over 12k enrolled students.

Healthcare

United Pharma (UpH) revenues were up by +20% Y-o-Y in 1Q23. UpH has continued to be the number 1 supplier to the market for life-saving IV solutions in 1Q23, covering the widening market gap left by other market players, and has significantly contributed to stabilizing the hospital pharmaceuticals supply market. UpH increased its total sales of LVP and SVP products, despite substantial raw material shortages in the market and continued currency devaluation outlook. UpH successfully repriced a number of strategic products in its LVP portfolio supporting mitigation of rising FX rates and inflation impacting the overall cost structure of the sector. UpH





continues to focus on the development of its products portfolio, with +12 new products joining the pipeline for launch between 2023 and 2024.

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





NBFIs



Financial Overview

Performance Overview

in EGP millions	NBFIs Performance Summary				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Micro-Finance (Tanmeyah)	351	367	395	-4%	-11%
Consumer Finance (valu)	254	283	143	-10%	78%
Leasing	44	80	45	-45%	-2%
Factoring	31	34	18	-8%	72%
Fatura	7	15	0	-52%	N/M
Finance Holding	2	3	1	-40%	169%
Net Operating Revenue	689	781	601	-12%	15%
Employees Expenses	239	250	228	-4%	5%
Other Operating Expenses*	340	362	195	-6%	74%
Total Operating Expenses**	578	611	423	-5%	37%
Net Operating Profit	111	170	178	-35%	-38%
Net Profit (Loss) Before Tax	88	141	159	-37%	-45%
Net Profit (Loss) After Tax & Minority Interest	39	70	97	-45%	-60%

*Includes Finance Holding operating expenses and Holding allocated expenses

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

The NBFIs platform revenues rose 15% Y-o-Y to EGP689 million in 1Q23, lifted mainly by higher revenues generated by valu.

valu revenues rose 78% Y-o-Y to EGP254 million in 1Q23, mainly on securitization gain of EGP80 million, and on higher sales and higher number of transactions/day as the merchant network continued to expand. Factoring revenues rose 72% Y-o-Y to EGP31 million, on higher fees & commissions. Meanwhile, Leasing revenues was broadly unchanged, edging down 2% Y-o-Y to EGP44 million, on a slightly lower portfolio as the business securitized EGP2.3 billion in 2022.

Tanmeyah reported an 11% Y-o-Y decline in revenues to EGP351 million, on lower sales Y-o-Y, as top-ups, which contribute c.25% to Tanmeyah's sales, was halted in January in accordance with the FRA issued decree, thus negatively impacting the quarter sales. Moreover, with the ongoing increase in corridor rates, Tanmeyah's spreads continue to fall under pressure as mainly the increase in corridor rates is absorbed by the company. Fatura, the acquired B2B marketplace platform, recorded EGP7 million in revenues.

Operating expenses rose 37% Y-o-Y to EGP578 million in 1Q23, mainly on higher provisions & ECL, higher salaries, the addition of EGP37 million of Fatura's operating expenses which was acquired in June 2022, and a general increase in expenses to reflect the increasing inflation in Egypt.

Employee expenses rose 5% Y-o-Y to EGP239 million in 1Q23, on the higher employee salaries, in the face of rising inflation. Other G&A expenses rose 19% Y-o-Y to EGP224 million in 1Q23, largely to reflect inflation and the addition of Fatura's expenses.

Meanwhile, provisions & ECL came at EGP116 million in 1Q23, as compared to EGP7 million in 1Q22, as the macro-economic indicators used in the ECL models were more stringent; this in addition to that the comparable quarter's provisions were relatively low, as provision coverage was high in 2022, due to the strong provisions taken during COVID.



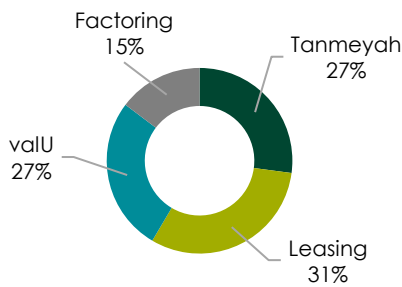
With the increase in expenses, predominately on the back of higher provisions & ECL and Fatura's losses, overshadowing the increase in revenues, the NBFIs net operating profit and net profit before tax and minority interest declined 38% Y-o-Y and 45% Y-o-Y to EGP111 million and EGP88 million, respectively, in 1Q23. Meanwhile, net profit after tax and minority reached EGP39 million, down 60% Y-o-Y in 1Q23.

Balance Sheet highlights

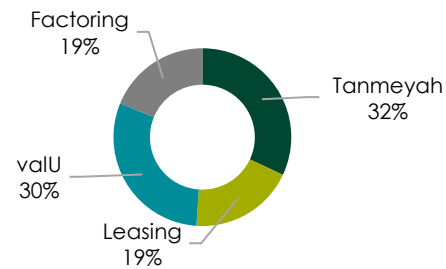
<i>in EGP million</i>	Mar-23	Dec-22	Sep-22	Jun-22	Mar-22	Q-o-Q	Y-o-Y
Portfolio Outstanding*	15,625	15,198	14,393	15,836	15,207	3%	3%
Provision Balance	434	364	489	473	446	19%	-3%
Total Equity	3,013	3,061	3,139	3,318	2,419	-2%	25%

*Excludes EGP2,035 million of Leasing securitization, and EGP1,377 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				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Number of Active Borrowers	361,543	378,645	391,749	-5%	-8%
Number of Processed Applications	100,664	122,627	118,663	-18%	-15%
Number of Loans Issued	68,425	86,937	101,038	-21%	-32%
Portfolio Outstanding (EGP mn)	4,236	4,304	3,896	-2%	9%
Tanmeyah Staff	4,219	4,375	4,714	-4%	-11%

Source: Tanmeyah

Tanmeyah's outstanding portfolio remained largely stable Q-o-Q, inching down 2%, and adding 9% Y-o-Y to close the quarter at EGP4.2 billion. The slight decline Q-o-Q was partially attributed to EGP45 million of write-offs for clients over 360 days. These write-offs also impacted the number of active borrowers, resulting in a 5% decrease Q-o-Q and an 8% decrease Y-o-Y, to conclude 1Q23 with 362 thousand clients. Consequently, risk parameters such as the VaR, the PaR and provision balance were all positively impacted by the write-offs.

In 1Q23, Tanmeyah issued loans reached EGP1.3 billion, down 20% Q-o-Q and 16% Y-o-Y. The decline in sales was largely attributed to the elimination of the top-up mechanism in Jan-23, following FRA's decree.

Tanmeyah's digital plan implementation has seen impressive progress since its pilot phase began in 3Q22. Today, all 306 branches are utilizing the digital collection mechanism for over 80% of their collections, with the remaining 20% related to early settlement and delay penalty collections.

Tanmeyah's MEL average ticket size increased 35% Y-o-Y and 8% Q-o-Q, driven mainly by the restructuring of the product buckets in 3Q22. As a result, MEL now has a minimum limit of EGP10,000 compared to EGP7,000; and Individual Lending (formerly known as WIB) maximum limit has been raised to EGP10,000 from EGP7,000.

Despite the recent write-offs which led to a decrease of c.21k of active borrowers, the quarter saw an improvement in some efficiency metrics Y-o-Y; as the average active borrowers per loan officer increased 11% Y-o-Y, triggered by lower number of loan officers.

Portfolio Quality & Provisions

Tanmeyah booked additional provisions of EGP20 million in 1Q23, and written-off EGP45 million, accordingly, provision balance stood at EGP139 million by the end of 1Q23. The coverage remains well above the PAR 30+ and 90+ indicators.

ii. BNPL “valu”

Results at a Glance and Performance Overview

	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y	BTD
App Business						
valu App Customers ⁽¹⁾	110	122	191	-10%	-43%	1,046
Limits Activated Value(EGP mn)	1,409	1,457	2,160	-3%	-35%	13,095
Total Loans Issued (EGP mn)	1,772	1,675	1,382	6%	28%	10,950
Outstanding Portfolio ⁽²⁾ (EGP mn)	5,545	4,820	2,902	15%	91%	5,545
Number of Transactions ⁽¹⁾	354	356	249	-1%	42%	2,190
Portfolio Tenor (In months)	16	17	16	-3%	0%	N/A
Number of Merchants	4,775	3,628	2,150	32%	122%	4,775
Non-App Business						
Outstanding Portfolio (EGP mn)	20	22	34	-12%	-42%	20
Portfolio O/S⁽²⁾ (EGP mn)	5,564	4,842	2,936	15%	89%	5,564

(1) Numbers are in “000”

(2) Includes securitized portfolio of EGP1,377 mn

Source: valu

valu was able to achieve strong growth in its gross merchandise value (GMV) reaching EGP1.8 billion, up 26% Y-o-Y in 1Q23; and more than doubling its gross revenues to reach EGP392 million.

Outstanding portfolio including securitized portfolio rose 89% Y-o-Y and 15% Q-o-Q to EGP5.6 billion at the end of 1Q23. In March 2023, valu was able to finalize its fourth wave of securitization worth EGP856 million, with a gain of EGP80 million. Thus, outstanding portfolio excluding securitized portfolio stood at EGP4,187 million at the end of 1Q23, of which the principal came at EGP3,170 million and interest amounted to EGP1,018 million.

In 1Q23, Sha2labaz sales reached EGP265 million, representing 15% of total sales. In addition, auto loans were introduced in 1Q23 contributing nearly 4% of total sales and generating EGP65 million, with this expected to grow further in the coming quarters. valu will continue to grow its product range and will be adding larger ticket items including home improvement loans during the course of the year.

valu merchant network continues to grow, up 122% Y-o-Y to reach 4,775 merchants by the end of 1Q23; by collaborating with more famous brands and covering more products and service categories to attract new customers while retaining existing ones through expanding our spectrum of products and services to maintain our number 1 position in the market.

valu transacting customers grew 44% Y-o-Y to reach 153,846 in 1Q23 compared to 106,993 in 1Q22. The number of transactions grew 42% Y-o-Y, reflecting an increase in loans issued derived from growth in customers' base and merchant network.

Geographical Presence

1Q23	4Q22	3Q22	2Q22
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria
Faiyum	Faiyum	Hurghada	Hurghada
Hurghada	Hurghada	Tanta	Tanta
Tanta	Tanta	Mansoura	Mansoura
Ismailia	Ismailia	Qalyubia	Portsaid
Qalyubia	Qalyubia	Ismailia	Ismailia
Mansoura	Mansoura	Assiout	Assiout
Sharqia	Sharqia	Sharqia	Monofia
Assiout	Assiout	Matruh	Minia
Portsaid	Portsaid	Faiyum	Damanhour

Source: valU

Portfolio Quality & Provisions

valU booked additional provisions of EGP68 million in 1Q23, and written-off EGP23 million, accordingly, provision balance stood at EGP131 million by the end of 1Q23. The coverage remains well above the PAR 30+ and 90+ indicators.

iii. Leasing

Results at a Glance and Performance Overview

	KPIs				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Number of new contracts	11	6	18	83%	-39%
Total Outstanding Portfolio ⁽¹⁾ (EGP mn)	6,820	6,338	7,447	8%	-8%
On-books Outstanding Portfolio ^{(1)*} (EGP mn)	4,904	4,411	6,405	11%	-23%
NFA for new contracts (EGP mn)	796	545	2,062	46%	-61%
Receivables value of new contracts** (EGP mn)	1,480	988	2,900	50%	-49%

(1) Includes VC transactions. Excludes Securitised Portfolio principle amount of EGP2,035 million

* Includes on-balance sheet transactions only

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

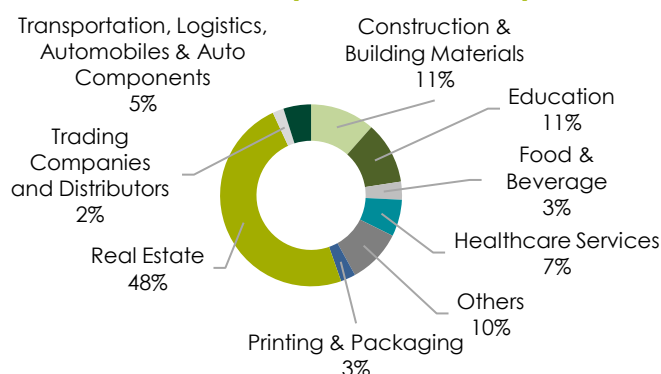
Source: EFG Hermes Leasing

EFG Hermes Leasing booked 11 new contracts amounting to EGP796 million during 1Q23. With the comparable period of 1Q22 relatively a strong quarter, the value of loans issued and the number of contracts declined Y-o-Y, sliding 61% and 39%, respectively. However, they improved on a quarterly basis, up 46% and 83%, respectively.

Total outstanding portfolio, which includes VC and excludes securitized portfolio, rose 8% Q-o-Q to close the quarter at EGP6,820 million; supported by the strong bookings of EGP 796 million during 1Q23. However, total outstanding portfolio declined 8% Y-o-Y to reflect the EGP2.3 billion of securitized portfolio executed during the year and the early termination of several contacts cumulatively amounting to EGP192 million.

For 1Q23, the leasing business line was able to book 4 large corporate clients and 7 SME clients. Large Corporate clients continued to dominate the leasing portfolio, accounting for 39% of the on-books outstanding portfolios; however, the team continue to focus on the SMEs issuances, as it currently accounts for 20% of the portfolio.

Portfolio Distribution by Client Industry



Source: EFG Hermes Leasing

Portfolio Quality & Provisions

Provision balance increased to read EGP83 million in 1Q23 up from EGP75 million in 4Q22, as Leasing booked EGP8 million in provisions during the quarter.

iv. Factoring

Results at a Glance and Performance Overview

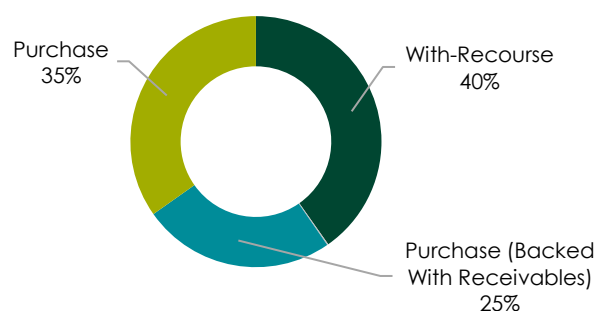
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Number of Existing Clients	101	99	86	2%	17%
Total Outstanding Portfolio (EGP mn)	2,297	2,588	2,048	-11%	12%
Average Portfolio Tenor (days)	230	167	250	38%	-8%
Average Ticket Size (EGP mn)	7.31	7.44	4.06	-2%	80%
Net Financed Amount (EGP mn)	1,580	2,211	1,073	-29%	47%

Source: EFG Hermes Factoring

Factoring total outstanding portfolio came at EGP2.3 billion at the end of 1Q23, up 12% Y-o-Y. However, the portfolio declined 11% Q-o-Q, as new booking amounting to EGP1.6 billion was partially offset by some clients' settlements.

In terms of the number of clients, 4 additional clients were approved during the quarter, with new credit limits aggregating to EGP784 million; of which EGP384 million were disbursed during 1Q23.

Portfolio Analysis

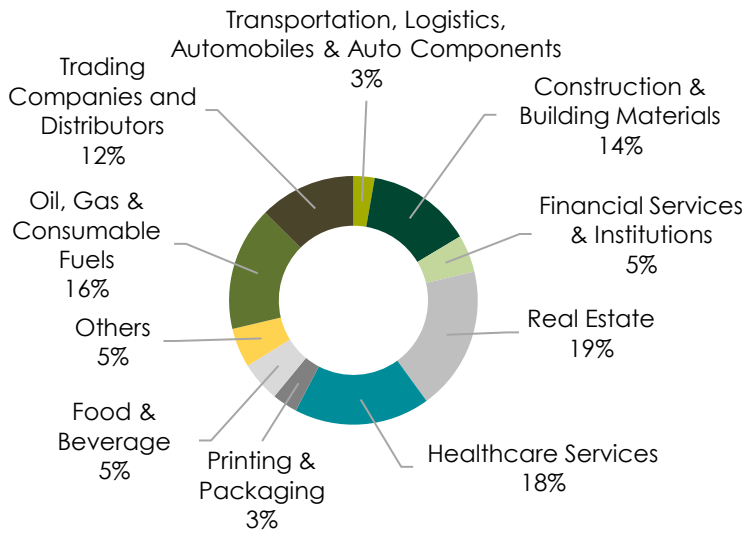


Source: EFG Hermes Factoring

Factoring portfolio mix changed Q-o-Q, with Domestic Factoring Recourse, accounting for 40% of the portfolio in 1Q23 versus 60% a quarter earlier. Purchase Factoring financing increased 6% Q-o-Q to represent 35% of the outstanding portfolio. Finally, the Purchase (backed with receivables) accounted for 25% of the portfolio, up from 11% Q-o-Q.



Portfolio Breakdown by Industry



Source: EFG Hermes Factoring

Portfolio Quality & Provisions

An additional provision of EGP17 million was booked in 1Q23, thus taking provisions balance to reach EGP82 million by the end of 1Q23.





Commercial Bank (aiBank)



Financial Overview

I. Performance Overview (P&L)

in EGP million	aiBank Performance Summary				
	1Q23	4Q22	1Q22	Q-o-Q	Y-o-Y
Net Interest Income	534	509	341	5%	56%
Net Fees and Commissions	210	118	46	77%	352%
Other Revenues	(16)	32	53	N/M	N/M
Total Net Revenues	727	660	441	10%	65%
Employees Expenses	161	121	124	33%	30%
Other Operating Expenses**	268	269	79	0%	240%
Total Operating Expenses	429	390	203	10%	112%
Net Operating Profit (Loss)	298	270	238	10%	25%
Other Expenses	33	45	37	-25%	-9%
Net Profit (Loss) Before Tax	265	225	201	17%	31%
Net Profit (Loss) After Tax	171	113	137	51%	25%

*1Q22 net profit is restated as a result of the Purchase Price Allocation (PPA) study of aiBank

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

Source: EFG Hermes management accounts

Net interest income: Reached EGP534 million up 5% Q-o-Q and 56% Y-o-Y in 1Q23, derived by the continuous growth in interest earning assets while enhancing interest margins. The bank also allocated more assets towards variable interest rates to benefit from the expected increase in interest rates.

Net fees and commission income: Recorded EGP210 million in 1Q23, up 77% Q-o-Q and 352% Y-o-Y, mainly on the back of an increase in trade finance volumes, together with the Q-o-Q increase in the account maintenance fees, which was derived by CDs & TDs breakage fees.

Other Revenues: Came at a loss of EGP16 million in 1Q23, dragged by fx revaluation losses of EGP95 million; however this was largely offset by gains on investments and trading portfolio of EGP53 million and contingent and other provisions reversal.

NIMs: Increased to 4.4% in 1Q23 compared to 4.3% in 4Q22 and 3.3% in 1Q22, predominantly due to higher asset yields which has been partially offset by the increase in the cost of short and medium-term renewals of deposits.

Employee expenses: Reached EGP161 million in 1Q23, up 33% Q-o-Q, as 4Q22 included the reversal of employee expenses accruals created during the Year. Moreover, employee expenses rose 30% Y-o-Y to reflect the increase of salaries in the face of rising inflation together with an 8% Y-o-Y increase in the headcount.

Other G&A expenses: Reached EGP150 million in 1Q23 up from EGP37 million in 4Q22, as 4Q22 was abnormally low as it included the reversal of some accrual expenses created during the year, this in addition to higher expense accrual during 1Q23 to reflect budgeted figures. Moreover, other G&A expenses rose 110% Y-o-Y to reflect an increases in technology expenditure, consultancy, board expenses, marketing activation and PR expenses, and a

general increase of operating expenses in line with inflation, and an increase in USD denominated expenses which are mainly related to IT.

ECL & Provisions: Came at EGP118 million in 1Q23, compared to EGP232 million, as 4Q22 included a conservative approach to enhance the coverage ratio, this in addition to the new corporate bonds, which warrants higher provisions. Meanwhile, the increase Y-o-Y reflects the growth of the loan portfolio Y-o-Y.

Cost/Income ratio: Recorded 45.3% in 1Q23 up from 26.5% in 4Q22, as the increase in expenses Q-o-Q outweighs the increase in revenues.

II. Balance Sheet Summary

Balance Sheet*

<i>in EGP million</i>	Mar-23	Dec-22	Mar-22	Q-o-Q	Y-o-Y
Cash & Due from Central Bank	825	2,096	2,048	-61%	-60%
Due from Banks	13,021	8,094	19,939	61%	-35%
Net Loans & Advances	20,069	19,333	11,855	4%	69%
Financial Investments	20,761	23,103	16,330	-10%	27%
Other Assets	2,796	2,770	2,424	1%	15%
Total Assets	57,471	55,397	52,595	4%	9%
Due to Banks	4,275	786	4,664	444%	-8%
Customer Deposits	46,624	48,202	41,802	-3%	12%
Other Liabilities	1,093	1,084	1,125	1%	-3%
Total Liabilities	51,992	50,072	47,591	4%	9%
Total Shareholders' Equity	5,479	5,325	5,005	3%	9%
Balance Sheet Indicators					
Loans/Deposits	46%	43%	33%		
NPLs	7%	8%	14%		
Coverage Ratio	88%	90%	92%		
Total Capital Adequacy Ratio	16%	20%	30%		

*Standalone B/S

Source: aiBank accounts

Assets: Total Assets stood at EGP 57.5 billion at the end of 1Q23, up from 55.4 billion at the end of 4Q22.

The composition of assets changed in the first quarter, as bank placements increased to 23% of total assets compared to 15% at the end of the previous quarter, net loans was stable at 35%, while the investments portfolio decreased to 36% of total assets compared to 42% at the end of 4Q22.

Loans by Type

<i>in EGP million</i>	Mar-23	Dec-22	Mar-22	Q-o-Q	Y-o-Y
Corporate	13,969	13,830	8,793	1%	59%
Retail	5,532	5,540	4,502	0%	23%
SMEs	1,930	1,487	353	30%	447%
Total	21,431	20,857	13,648	3%	57%

Loans: Net loans, after excluding expected credit losses provisions and unearned interest, added 4% Q-o-Q and shot up 69% Y-o-Y to reach EGP20.1 billion; while gross loans stood at EGP21.4 billion.

Credit growth: Gross loans grew 3% Q-o-Q, driven mainly by SMEs loans growth, which rose 30% Q-o-Q. Corporate loans inched up 1% Q-o-Q, while Retail loans were stable Q-o-Q.

Loan quality: NPL ratio declined in 1Q23 to stand at 7%, compared to 8% in 4Q22; this is mainly due to action taken in 1Q23 to write off loans with total amount of EGP389 million. Coverage ratio decreased in 1Q23 to 88% compared to 90% in 4Q22. However, if associated collateral were included, coverage ratio would increase above 100%.

Loans by currency: Loan book was split 88/12 between local currency and foreign currency, respectively, at the end of 1Q23.

Deposits by Type

<i>in EGP million</i>	Mar-23	Dec-22	Mar-22	Q-o-Q	Y-o-Y
Current and Saving Accounts (CASA)	17,481	16,442	15,732	6%	11%
TDs and CDs	27,898	30,763	24,746	-9%	13%
Other	1,245	997	1,325	25%	-6%
Total	46,624	48,202	41,802	-3%	12%

Deposits: Deposits decreased 3% Q-o-Q to close the quarter at EGP46.6 billion, mainly attributed to a decline in term deposits, as some banks introduced high interest rates CDs post interest rate hike in 1Q23.

Deposits contribution by type: CASA accounts increased by 6% Q-o-Q to reflect the adjustment of rates to current accounts clients; and other deposits, mainly composed of trade finance margin accounts, witnessed an increase of 25% Q-o-Q, as trade finance activity improved. Meanwhile, Term deposits decreased 9% Q-o-Q, to reflect competition offering high interest rates CDs.

Deposits by currency: Deposits were split 75/25 between local currency and foreign currency respectively at the end of 1Q23.

Loans/Deposits ratio: Loans to deposits ratio reached 46% in 1Q23 compared to 43% in 4Q22, as loans grew while deposits contracted.



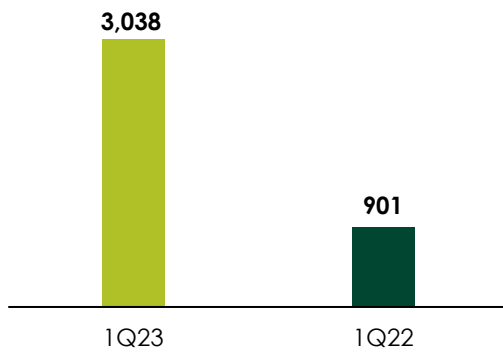
ANNEX I

Contribution by Platform

Revenues

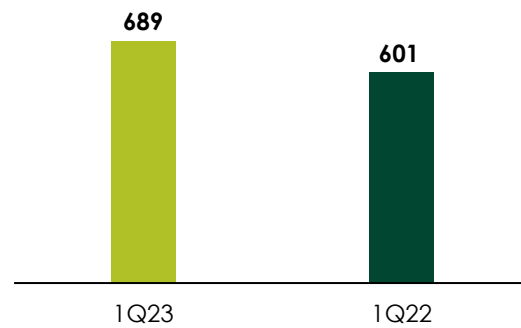
Investment Bank

In EGP million



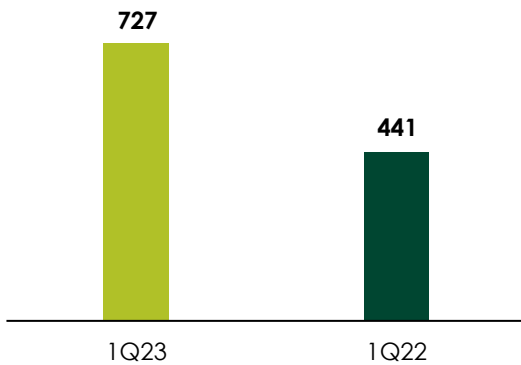
NBFIs

In EGP million



aiBank

In EGP million

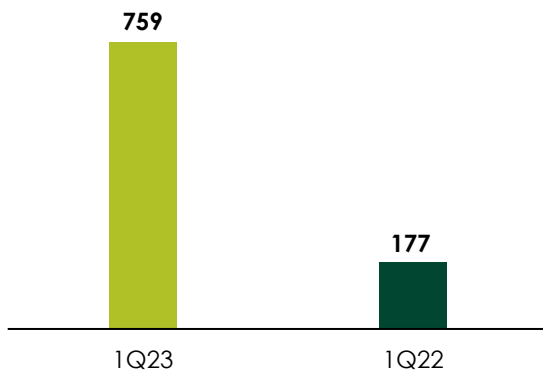




Attributable NPAT

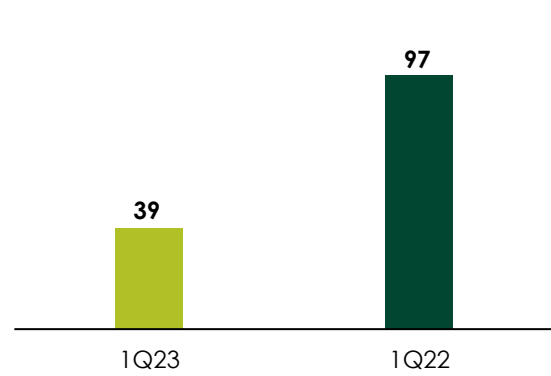
Investment Bank

In EGP million



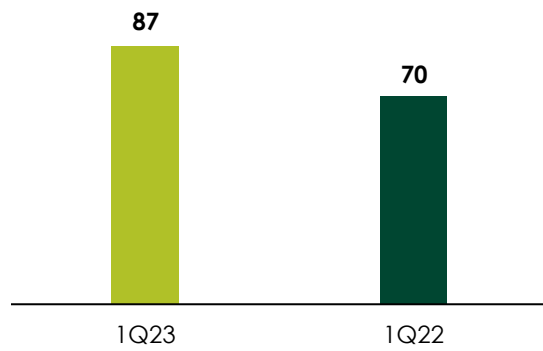
NBFIs

In EGP million



aiBank

In EGP million

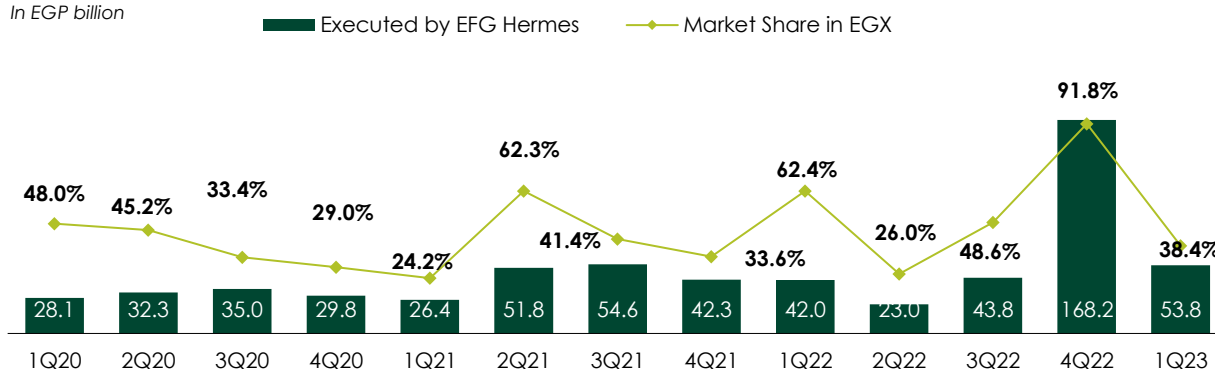


ANNEX II

EFG Hermes Executions & Market Shares

Egypt*:

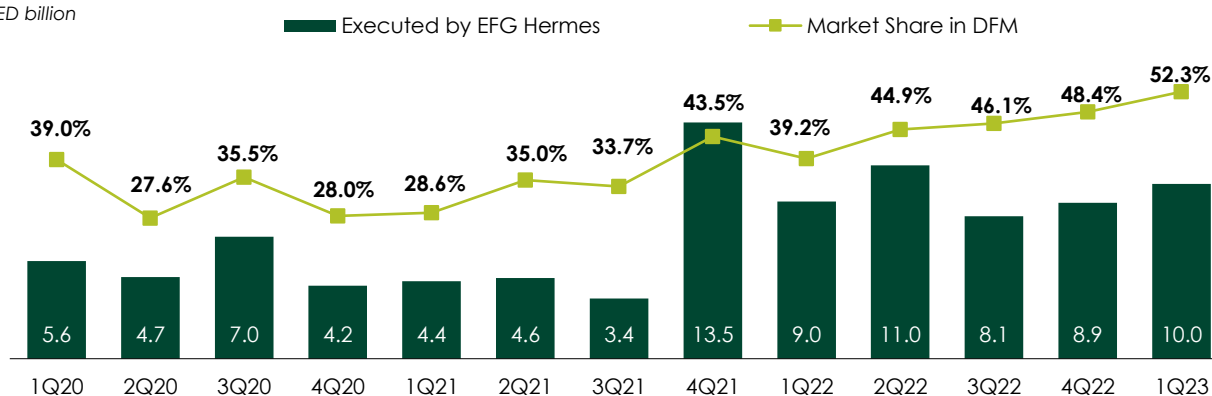
In EGP billion



*Market share calculation includes special transactions

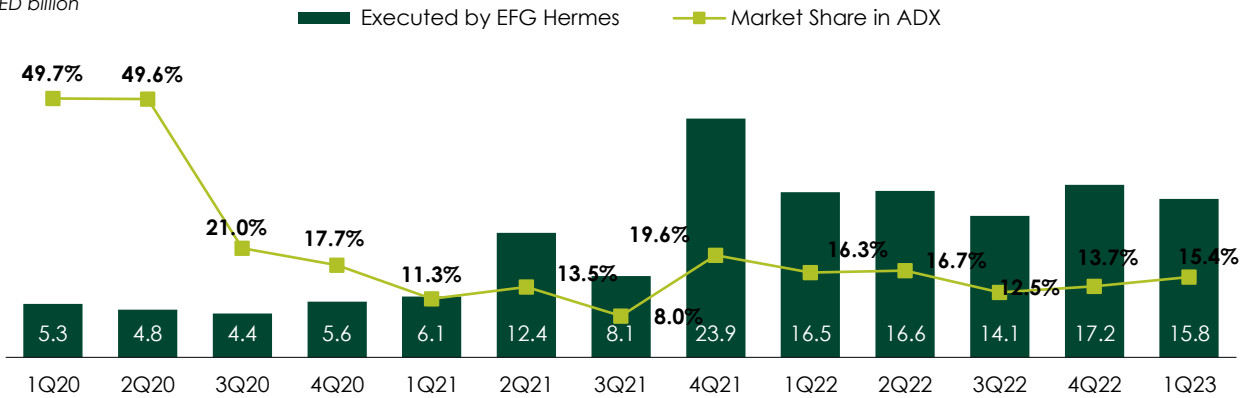
UAE- DFM

In AED billion



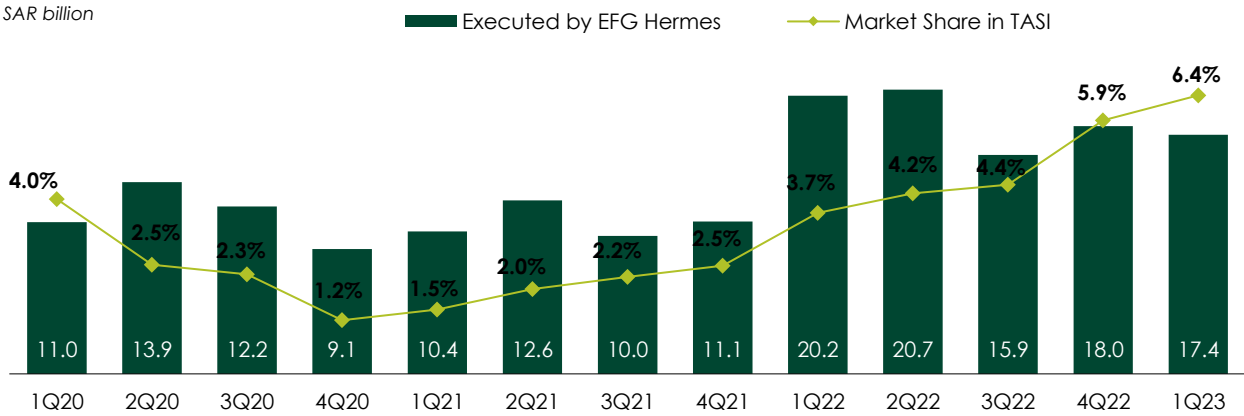
UAE – Abu Dhabi

In AED billion



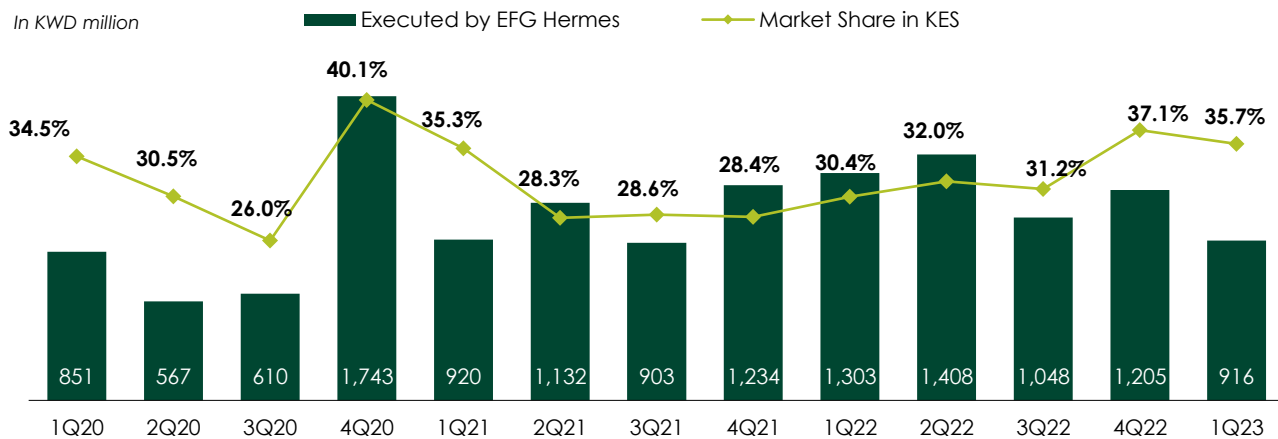
KSA

In SAR billion



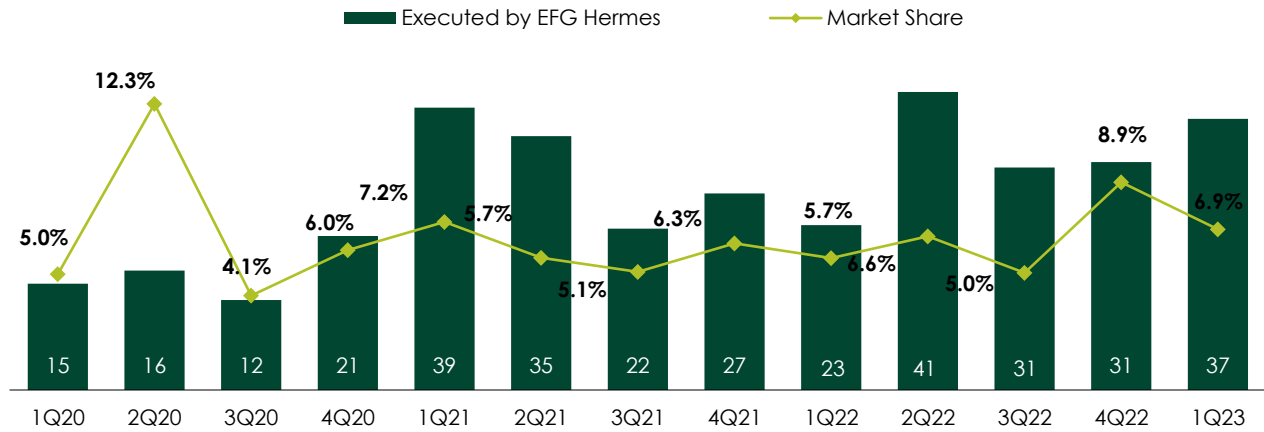
Kuwait

In KWD million



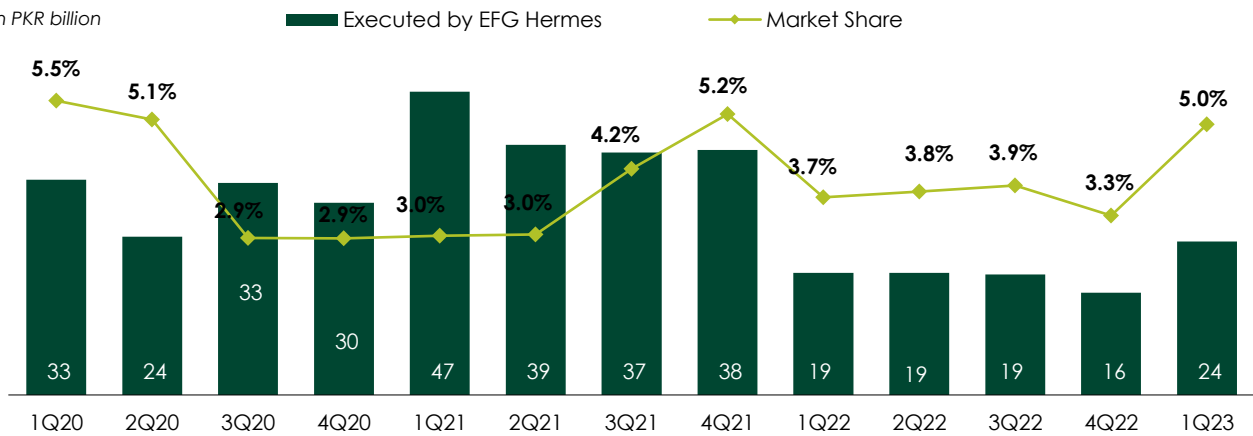
Jordan

In JOD million



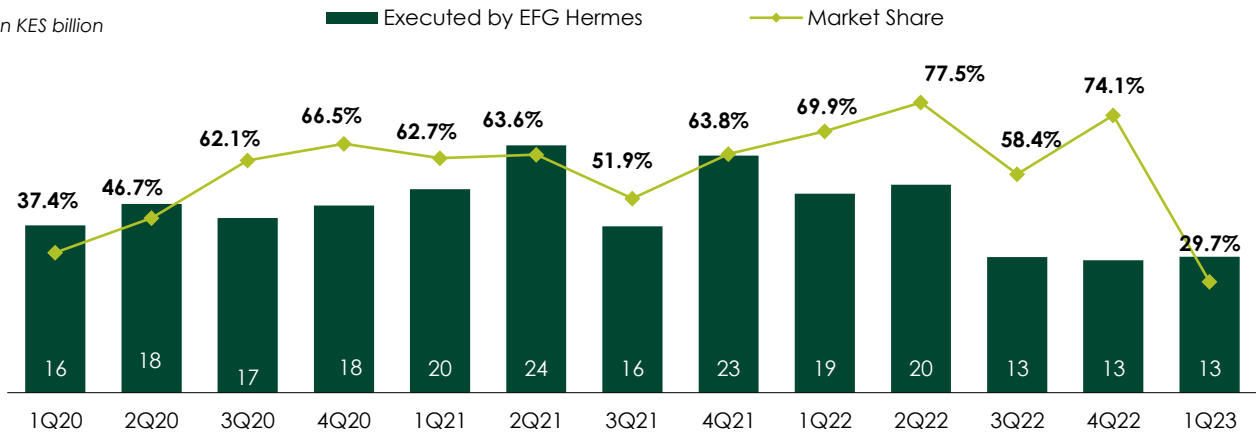
Pakistan

In PKR billion



Kenya

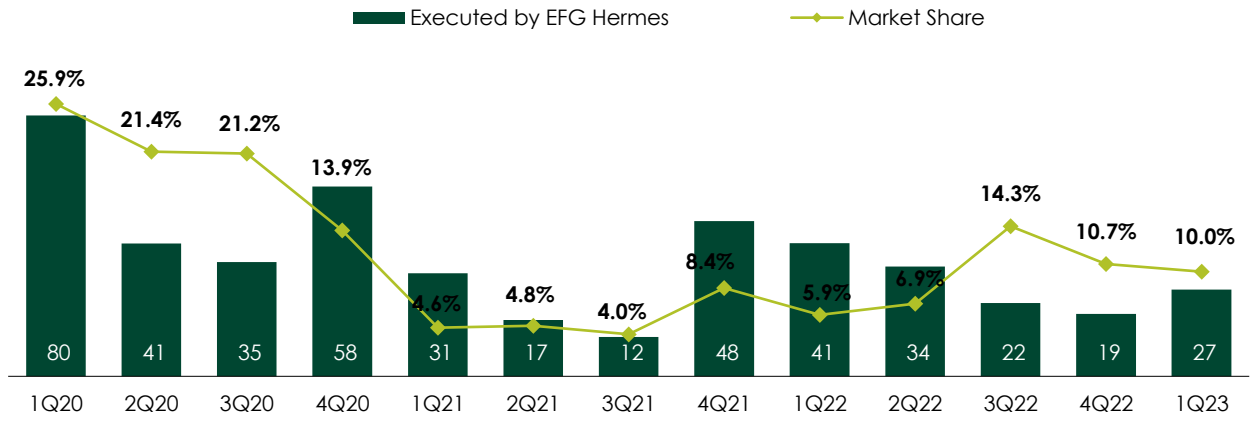
In KES billion





Nigeria

In NGN billion





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EFG Hermes Holding SAE has its address at Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October and has an issued capital of EGP 5,838,424,030

Listings & Symbols

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

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

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

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

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