

A HOLISTIC SET OF
FINANCIAL PRODUCTS
AND SERVICES



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Our success as a universal bank in Egypt with a leading investment bank franchise in frontier emerging markets (FEM) comes from our ability to gain deep, on-the-ground knowledge of industries and countries, to focus on the needs of our diverse client base, and to then carve out avenues for growth.



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Years of success

EFG HERMES HOLDING AT A GLANCE

EFG Hermes Holding continues to expand its operational footprint not only to match changing dynamics in the market landscape but also to serve the ever-growing needs of its stakeholders

13

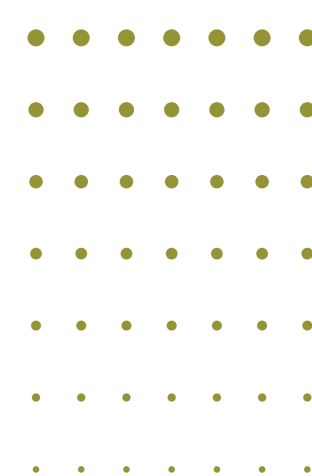
countries in our geographic footprint

75

MENA and frontier emerging markets in our coverage



EFG Hermes Holding at a Glance



EFG Hermes Holding offers its client base a comprehensive suite of financial solutions through its three platforms: the Investment Bank, Non-Bank Financial Institutions (NBFI), and aiBANK

A Universal Bank in Egypt with the Leading Investment Bank Franchise in FEM

With a robust track record of over 38 years, EFG Hermes Holding continues to be a pioneer in the regions where it operates with its comprehensive suite of tailored financial solutions. From a leading investment bank to a full-fledged universal bank in Egypt, with a leading investment bank arm and an extensive presence in 13 countries across four continents, the Firm continues to expand its operational footprint not only to match changing dynamics in the market landscape but also to serve the ever-growing needs of its stakeholders. EFG Hermes Holding's holistic business strategy to bolster its operations through organic growth, strategic mergers, and acquisitions, has transformed the Firm into a universal bank in Egypt and a leading player in the financial services sector. The Firm offers its clientele a diverse array of products and services through its three verticals: the Investment Bank, the non-banking financial institutions (NBFI) platform, and the recently acquired commercial bank with an eye for driving shareholder value and fortifying its leadership position across its footprint.

What We Do

Through its three platforms, the Investment Bank, Non-Bank Financial Institutions (NBFI) and aiBANK, the group is perfectly positioned to consistently bring disruptive financial products and services to the market space, offering a wide portfolio that best serves its growing base of clients, including institutional investors, retail clients, individuals, entrepreneurs, large institutions,

and SMEs. During 2021, the Firm successfully captured the upside of global markets' recovery further, and it maintained the strong growth momentum across its core operations.

The Investment Bank Securities Brokerage

EFG Hermes Securities Brokerage, the MEA region's premier brokerage house, offers its client base an unparalleled coverage across more than 75 MENA and frontier emerging markets (FEMs). At present, the division's operational footprint spans across four continents in Egypt, Kuwait, the United Arab Emirates (UAE), Saudi Arabia (KSA), Oman, Jordan, Pakistan, Kenya, Nigeria, and Bangladesh.

Throughout 2021, EFG Hermes sustained its substantial market shares across its footprint, ranking first on the Egyptian Exchange (EGX), NASDAQ Dubai, the Dubai Financial Market (DFM), and the Nairobi Securities Exchange (NSE). The Firm also ranked second in Abu Dhabi and the Kuwait Stock Exchange (KSE) and fourth in Nigeria. At present, EFG Hermes Holding's Brokerage division covers 95% of the MSCI Frontier and MSCI Emerging Frontier indices, with the ability to execute in over 75 markets across frontier and emerging markets.

In 2021, the Firm launched an updated version of the EFG Hermes One application, its retail-focused online trading platform, by capitalizing on synergies in its business model. To further grow its digital presence, the Firm launched the all-new EFG Hermes One application in Kenya, unlocking a multitude of compelling investment opportunities, with the platform offering online stock trading prospects on the Nairobi Securities Exchange (NSE). The all-new

EFG Hermes One application was later launched in November 2021 in Egypt as well, including a roster of new features and tools, such as short-selling, margin trading, same-day trading, among others.

Investment Banking

The Firm's Investment Banking division has cemented its leading position in M&A advisory and ECM and DCM deal executions, becoming the regional investment bank of choice for FEM partners and clientele. The Investment Banking division continuously works toward expanding its geographical footprint, leveraging its wide network of MENA clients to raise demand for compelling opportunities, and carrying out the majority of the most prominent transactions in its markets of operations.

In 2021, the division delivered a stellar performance, registering a record high of 41 transactions worth an aggregate value of USD 7.9 billion. Throughout the year, EFG Hermes' Investment Banking division continued to build on its year-on-year track record, successfully closing 16 DCM transactions with a total value of USD 560.4 million, 12 ECM transactions valued at USD 4.9 billion, and 13 M&A transactions worth USD 2.4 billion.

Research

EFG Hermes' Research division is the region's flagship provider of in-depth, real-time market insights, offering extensive equity, macro, strategy, and index research that paves the way for the Firm's divisions and ever-growing client base through financial decision-making processes. Boasting a team of experienced professionals and an expansive presence in numerous markets, including Egypt, UAE, Pakistan, Kenya, Nigeria, KSA, Oman, and the UK, the division provides unrivalled market

intelligence and insights on 319 stocks in 40 industries across 26 markets.

Asset Management

EFG Hermes' Asset Management division, the MENA region's flagship asset manager, offers its client base a diverse suite of mutual funds and discretionary portfolios comprising both country-specific and regional mandates. The division's mandates include equity, money market, fixed income, indexed, and Sharia- and UCTIS-compliant mandates. At year-end 2021, the division recorded USD 2.6 billion in regional AUM and EGP 23.5 billion in Egypt.

Private Equity

Boasting a track record of over two decades, EFG Hermes' Private Equity division is a regional leader in the Private Equity field that is dedicated to driving accretive investments in strategic, high-demand sectors, with a specific focus on renewables, education, and healthcare. The division manages its renewables investments through its Vortex Energy platform, which was launched in 2014 with an eye for investing in high-impact renewable energy projects. On the education front, EFG Hermes' Egypt Education Fund (EEF) is a USD 150 million investment fund that was established in 2018, as part of a USD 300 million education platform in collaboration with Dubai-based education provider GEMS Education. In the healthcare sector, Rx Healthcare Management was established to manage a wide spectrum of investments across the healthcare sector to meet the rapidly-growing demand for healthcare solutions across Egypt, the MENA region, and Africa.

EFG EV Fintech

EFG EV Fintech was established in 2017 as a joint venture between EFG Hermes Holding and startup accelerator Egypt Ventures. Leveraging EFG Hermes Holding's world-class industry and financial know-how, EFG EV Fintech has worked its way to becoming Egypt's leading fintech-focused startup accelerator and micro-VC firm, continuously seeking out strategic fintech startups backed by innovative concepts and entrepreneurs. At present, the company boasts the country's largest fintech portfolio that encompasses renowned companies operating in key sectors, such as Insurance-tech, Regulatory-tech, Digital Banking, and SME lending.

EFG EV Fintech offers two separate investment programs, having operated an accelerator for seed-stage startups in collaboration with Falak Startups, which invested up to EGP 1 million in cash and EGP 300,000 worth of support functions in up to 10 companies per year. Simultaneously, the micro-VC arm invests up to EGP 5 million per company in later-stage startups, bridging the gap between seed finance and series-A funding.

By the end of 2021, EFG EV Fintech had invested a total of USD 1 million to fund seven startup companies, including Fintech Galaxy, Mozare3, Dayra, Fatura, Raseedi, Yashry/Edfa3ly, and Zvendo.

Non-Bank Financial Institutions

Tanmeyah

Established in 2009 and acquired by EFG Hermes Holding in 2016, Tanmeyah Microenterprise Services is Egypt's number one microfinance solutions provider, offering funding solutions to lower-income, small and micro enterprise owners with limited access to capital. Tanmeyah offers a myriad of innovative financial solutions targeted at governorates where business owners typically lack access to funding from conventional banking channels, with an eye for driving financial inclusion in Egypt and bolstering the development of surrounding communities.

By year-end 2021, Tanmeyah had a total of 300 operational branches serving over 381,000 borrowers in 25 of the 27 Egyptian governorates.

EFG Hermes Corp-Solutions

Established in 2020 as an integral part of EFG Hermes Holding's NBFI platform, EFG Hermes Corp-Solutions was launched with an eye for consolidating the Group's factoring and leasing businesses, EFG Hermes Leasing and EFG Hermes Factoring, into one integrated entity. The company offers its client base a wide array of top-notch, disruptive leasing and factoring tools and advisory services that help bolster business growth and development and create sustainable value for stakeholders.

By year-end 2021, EFG Hermes Corp-Solutions registered an aggregate value of leasing and factoring

bookings amounting to a record high of EGP 8.1 billion versus the EGP 4 billion booked at year-end 2020, reflecting a twofold Y-o-Y increase.

valU

Launched in 2017, valU is EFG Hermes Holding's leading Buy-Now, Pay-Later (BNPL) lifestyle-enabling fintech platform, offering convenient and customizable financing solutions to its client base. With over 5,000 points of sale and 300 websites, valU provides unrivaled access to a vast network of stores, service providers, and e-commerce platforms across a diverse array of categories, including home appliances, electronics, home finishing, furniture, residential solar solutions, healthcare, education, travel, and fashion, among others. valU grants customers the ability to use their smartphones to access the company's financing plans with over 1,657 merchants across Egypt over convenient installments from six to 60 months.

In 2021, valU delivered an outstanding performance, recording over 96,000 transacting customers and over 452,000 transactions completed through the company's application.

PayTabs Egypt

Established in KSA in 2014, PayTabs is an award-winning global fintech solutions platform with a presence spanning over seven countries. In 2019, EFG Hermes Holding partnered with PayTabs to establish PayTabs Egypt as part of the Firm's growing NBFI platform, collaborating to build a cutting-edge platform that drives financial inclusion and serves the digital payment needs of multiple consumer segments. Today, PayTabs Egypt is Egypt's most innovative provider of digital payment solutions.

Bedaya

Bedaya Mortgage Finance (Bedaya) was established in 2019 as a joint venture between Talaat Moustafa Group (TMG), Egypt's leading developer of premium real estate communities; Ghabbour Auto's NBFI arm, GB Capital; and EFG Hermes Holding's NBFI platform. Bedaya currently stands as Egypt's sole non-bank online mortgage provider, offering clients a comprehensive suite of superior mortgage financing

solutions on residential, commercial, and administrative properties in Egypt. The company finances up to 90% of the current property value for residential units and up to 80% for commercial units, capped at EGP 28 million and EGP 56 million, respectively.

In 2021, Bedaya's operational capital registered significant Y-o-Y growth, with the company recording a total of five banks, with facilities worth EGP 1.5 billion. The company also substantially grew its portfolio to record EGP 1,150 million, with a client base of 437.

Kaf

Kaf, the Firm's insurance arm, was established in 2020 after a 75% stake acquisition of Tokio Marine Egypt Family Takaful by EFG Hermes Holding and Ghabbour Auto (GB Auto). In the time following the acquisition, the company has begun positioning itself as a leading tech-enabled insurance provider that aims to offer bespoke life, savings, health, and car insurance services to individuals, businesses, and communities at large.

In 2021, Kaf's operations registered significant growth on the back of the increase in cross-selling synergies with GB Auto and EFG Hermes Holding. By the end of the year, the company had moved from less than 0.1 million to over 1 million individuals insured, making it one of the largest life insurers in the Egyptian market by the number of people covered.

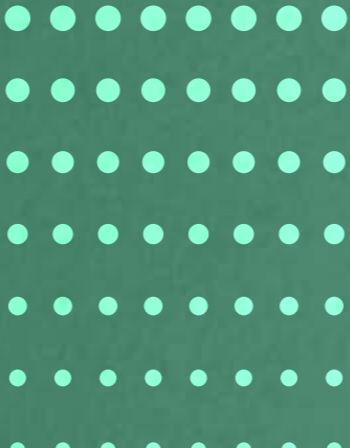
Commercial Banking

aiBANK

In 2021, EFG Hermes Holding concluded the acquisition of a 51% majority stake in the Arab Investment Bank (aiBANK), marking the Firm's strategic entry into the Egyptian commercial banking sector, and transforming EFG Hermes Holding into a full-fledged universal bank in Egypt. The acquisition was executed in line with the Firm's strategy to continue providing clients with a comprehensive suite of innovative financial solutions. In partnership with The Sovereign Fund of Egypt (TSFE), EFG Hermes Holding aims to unify the country's public and private sectors, playing a pivotal role in leading the drive for financial inclusion and digitization across the country.

CHAIRPERSON'S FOREWORD

We continue to break new ground in the markets in which we operate, connecting global investors with opportunities across numerous MENA and FEMs



A Holistic Approach



With an investment bank, a commercial bank, and a fast-growing non-banking financial institutions (NBFI) platform, we are very well positioned to provide a holistic set of financial products and services

The past year has been one of the most active and significant years in EFG Hermes Holding's history. The many milestones that were achieved are the culmination of a long and successful journey that has led us to where we are today. Long before I became Chairperson, EFG Hermes Holding had a dream and an objective to one day acquire a commercial bank in our home market of Egypt. 2021 is the year that we have come full circle to achieve this goal and, today, we are finally a universal bank in Egypt. The Firm now has the ability to provide customers with a full roster of banking and non-banking financial services with a market-leading investment bank franchise that is continuing to grow market shares and capture opportunities in frontier emerging markets (FEM).

The acquisition of a 51% majority stake in the Arab Investment Bank (aiBANK) in November 2021 marked an important new milestone for our Firm. It is a strategic entry into the Egyptian commercial banking sector, which has consistently shown remarkable growth and resilience throughout the volatility of the past years. The transaction is also very significant as it marks the beginning of a new strategic alliance between EFG Hermes Holding and The Sovereign Fund of Egypt (TSFE), which owns a 25% stake in the bank through its fully-owned sub-fund TSFE Financial Services. The remaining 24% of the bank is owned by our government partner, the National Investment Bank (NIB). The successful completion of this transaction has set a new precedent and sent a clear message that the Egyptian private sector, represented by EFG Hermes Holding, can work effectively with the public sector to create new models of cooperation. This is, in my

opinion, an example of a public-private partnership (PPP) at its best.

The role of TSFE as a catalyst for encouraging the private sector to participate in major transactions of this nature, which will support the sustainable economic development of Egypt, should be recognized and encouraged.

We must also acknowledge and applaud the important role that the Central Bank of Egypt (CBE) has played with its adoption of a new vision and approach to encourage the private sector. Permitting EFG Hermes Holding to acquire a majority stake of the Bank was a turning point, and we are honored that they have placed their trust in us. We fully intend to continue writing this success story with our partners and to make all stakeholders proud of aiBANK in the coming years.

With an investment bank, a commercial bank, and a fast-growing NBFI platform, we are very well positioned to provide a holistic set of financial products and services to both retail and corporate clients alike. We are also in a much better position to withstand the cyclicity of capital markets. In Egypt and across our footprint of 13 markets, the Firm has proven its resilience.

Despite the suboptimal conditions brought about by the prolonged impact of COVID-19, we have had a record year in terms of the number of deals that our advisory team has closed. Whether it is in Egypt, the UAE, KSA, or Pakistan, the Firm continues to capture an impressive deal flow. Over the years, we have been ramping up our business in all the new countries we have expanded into, and



our efforts continue to bear the fruit. This past year, we saw our Investment Banking team close their first M&A transaction in Pakistan with advisory to TPG's Evercare Group on the sale of its 50% stake in Islamabad Diagnostic Centre to Integrated Diagnostics Holding (IDH). We are also very proud of our team in Pakistan who have just been named the Best International Brokerage Firm in Pakistan by Asiamoney for the first time. In Kenya, our brokerage business has held a first-place ranking for the second consecutive year. All of these achievements are an indication that we are now gaining grounds and making a strong name for ourselves outside our traditional markets.

Closer to home in KSA and the Gulf, we have started deepening our reach with active roles in several significant transactions in 2021, such as the IPOs of ACWA Power on Tadawul and Fertigllobe on ADX,

among many others. It is not just the number of deals executed that we are proud of but also the significance of those deals. It is both the breadth and depth of our operations that are impactful.

We are extremely pleased with the exceptionally active year that our NBFi platform has had. We have continued to expand the platform and, today, we are able to offer our clients in Egypt a diverse and comprehensive product offering, including Buy-Now, Pay-Later (BNPL) fintech through our award-winning platform, valU; micro-finance through Tanmeyah; leasing and factoring through EFG Hermes Corp-Solutions; insurance through Kaf; e-payments through PayTabs Egypt; and mortgage finance through Bedaya. With hard work, innovation, and successful partnerships with local businesses in Egypt, our NBFi platform is growing and making a difference in the lives of Egyptians from all socioeconomic groups.

The commercial success of our business is a tremendous source of pride, but our responsibility toward the sustainable development of our home market is equally important. The EFG Hermes Foundation has a well-established track record as a leader in sustainable development in Egypt, and it has instilled this sense of social responsibility throughout the Group. Our microfinance company, Tanmeyah, for example, is the largest contributor to the social responsibility activities of the Egyptian Microfinance Federation. In fact, all our subsidiaries are very conscious of the principles of responsible investing and aware that their work must be socially and environmentally sound. It is extremely gratifying to witness the positive impact that the Foundation has had on the mindset of the management and employees of EFG Hermes Holding.

As the importance of addressing climate change becomes more and more evident, green and socially impactful investments are becoming increasingly vital to our business across the board. Vortex Energy, the global renewable energy platform managed by our private equity arm, remains actively engaged in making new investments in renewables through its newly launched USD 200 million Vortex Energy IV

Fund. In addition to their London office, they have also established a permanent presence in Spain and Abu Dhabi to explore regional opportunities in energy transition verticals, including generation from solar, wind, hydropower, and biomass. I look forward to seeing our green investments continue to expand across sectors and geographies, including Egypt and the MENA region.

I am cautiously optimistic about the year ahead. We will continue to be alert looking after our employees and customers while working aggressively as we look forward to a brighter future. Egypt has been relatively resilient; we succeeded in staying both open and agile, which has helped our businesses significantly, the economy, and ultimately our people. We see strong growth potential in Egypt in terms of GDP, and GCC markets will continue to outperform.

I would like to take this opportunity to thank our esteemed Board of Directors. EFG Hermes Holding's Board houses the region's most prominent business experts, who have been a great source of support and guidance, and an integral component to our success in 2021. Our board has been extremely committed and generous, consistently providing the necessary time and effort, and providing us with a 360-degree view that is becoming increasingly important to us as we expand our business into new areas. I truly believe that our strong Board constitution and contribution is one of the major factors of our ongoing success. I would also like to thank the Firm's senior management and all employees for their hard work and dedication through a tough year, one that deserves to be celebrated. I am proud of each and every one of them and wish them all the best for the coming year. May we continue to succeed, break new ground, and create positive impact.



Mona Zulficar
Chairperson,
EFG Hermes Holding



A NOTE FROM OUR GROUP CEO

EFG Hermes Holding consistently safeguards the interests of all its stakeholders



A Note from Our Group CEO



The challenges that we have all been handed from a business perspective were too many to recount, but EFG Hermes Holding stepped up, took them on, and delivered on almost every single front

This was another tough year through which our resolve as a business was once again tested. Despite all our hopes, the pandemic continues to live with us, which is an unfortunate but real circumstance. Adapting to life where new variants are becoming a common occurrence is something we must all learn to live with. This is certainly not an easy endeavor, but it is also the reason I am filled with a sense of gratitude and pride when I look back at 2021. The challenges that we have all been handed from a business perspective were too many to recount, but EFG Hermes stepped up, took them on, and delivered on almost every single front.

While they continue to be the pillars of all of our strategic decisions, I will not bore you with our accomplishments broken down along our 6Ps of People, Products, Presence, Positioning, Profitability, and Public responsibility. However, I would like to stress that, other than deliberately

pressing pause on geographical expansions and my desire to see better profitability metrics (both in terms of growth and return metrics) than the ones we have so far realized, I am generally happy with what we have achieved when it comes to the remaining 6Ps. It was another year where our sell-side, buy-side, and NBFi platforms pushed the bar higher in terms of our expectations and those of our different stakeholders. At the same time, our extraordinary support functions kept our machine flawlessly running throughout another tough year.

As for the future, it is always tough to predict what the new year will bring; however, I am cautiously optimistic. The sell-side business should see increased operational leverage on the brokerage front (inclusive of research and products) if the growth in volumes we are currently seeing in some of our core markets is sustained, and as the Investment Banking division continues the phenomenal gain of market share in debt, equity, and M&A transactions in Egypt, UAE, and KSA. I also see some upside risks in our buy-side business with the potential second close of the Vortex IV fund and the FIM SPAC, among many others. Apart from the continued growth we are seeing across the different segments, the NBFi platform promises to have a bright 2022 with a number of positive developments on Tanmeyah, EFG Hermes Corp-Solutions, and our BNPL platform, valU.

The acquisition of a majority stake in the Arab Investment Bank (aiBANK) comes with its own set of challenges, but promises to be another transformational step in our journey. We have hired an excellent, young, and highly energetic CEO and are

in the final stages of bringing on board a number of other high-caliber senior hires, which should help us considerably upgrade the operations and returns profile of the bank during the coming years. More importantly, our teams are already in constant dialogues, trying to explore opportunities to cross-sell and to cooperate on business ventures that are equally beneficial to both institutions. The impact of this acquisition might not be felt in the short term, but I remain highly confident that it should become an integral contributor to EFG Hermes' revenues and profits in the medium term, while immediately expanding the suite of products we offer our clients.

All in all, I am proud of the massive and very difficult pivot in our Firm's business model. In 2013, EFG Hermes was a largely Egypt-focused investment bank with an investment in a Lebanese commercial bank. Today, we have an FEM-focused business with a growing track record across most markets we operate in. Our Lebanese bank investment has been swapped for an investment in a bank in a core market that promises to hold significant revenue synergies with our existing investment bank and NBFi business. As we go into the new year, I am increasingly hopeful that the years ahead should bring more growth in our different financial indicators, as well as multiple opportunities for realizing massive value on some of the great brands our Firm has built during the past few years.

However, as we have witnessed many times before, our plans can be easily derailed by factors that we have little to no control over. This is unfortunate, but it is another characteristic of the environments we currently operate in. We therefore have to stay vigilant, proactive, and multiple steps ahead of our competition in different markets and across our



product segments. It is this distinguishing DNA that has helped us grow and achieve so much during the past period, and it is the one that should drive our actions going forward. I remain proud that EFG Hermes has a team of employees that take every step while ensuring the best interests of its stakeholders are safeguarded. EFG Hermes will remain well-prepared to meet and deal with the challenges of the coming period, just as we always did during the past years.

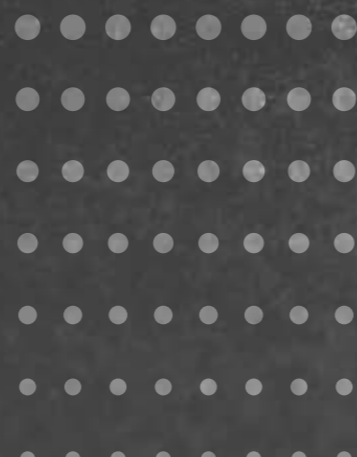
Karim Awad
Group Chief Executive Officer
EFG Hermes Holding

6.1^{EGP}_{BN}

Consolidated Group revenues in 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Exceptional growth during the year driven by the stellar results delivered by the Investment Banking, Brokerage, and Asset Management divisions, in addition to the NBFi platform



Management Discussion and Analysis

EFG Hermes Holding delivered a stellar performance during 2021, showcasing an increase in revenues with strong performance across most operations, in addition to the consolidation of aiBANK's revenues

12%
Group revenue growth in 2021

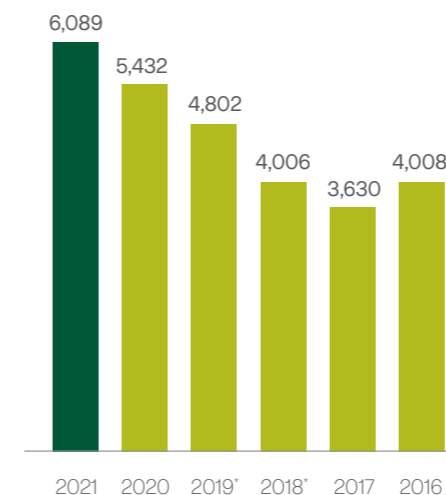
EFG Hermes Holding recorded an increase of 12% Y-o-Y in operating revenues to EGP 6.1 billion in FY21, driven by the exceptional growth across its Investment Banking, Brokerage, and Asset Management divisions, and the NBFi platform. 2021's performance is a testament to the Firm's ability to grow revenues, despite the strong realized/unrealized gains on investments and the Private Equity division's exceptional incentive fees of EGP 342 million booked in the comparable year. The NBFi platform, which stood at 33% of total Group turnover, reported revenues worth around EGP 2 billion, climbing 41% Y-o-Y, with outstanding portfolios up a significant 39% Y-o-Y to EGP 13 billion. Tanmeyah, which accounts for 72% of the platform's revenues, reported a top line of EGP 1.4 billion during the year, up 31% Y-o-Y on the back of strong sales and geographical expansion across Egypt. valU also delivered a remarkable performance this year, with revenues surging 171% Y-o-Y to EGP 302 million due to numerous partnerships signed with leading merchants in vital sectors, as well as the innovative products launched during the year. The platform's factoring business, which falls under EFG Hermes Corp-Solutions, also gained significant ground this year, with revenues surging 117% Y-o-Y to EGP 58 million as the business further capitalized on synergies with the Investment Bank. The leasing business, which also falls under EFG Hermes Corp-Solutions, reported revenues of EGP 215 million, up 16% Y-o-Y.

EFG Hermes' Investment Bank vertical recorded EGP 3.8 billion in revenue on the back of the strong performance from the Group's sell-side operations. On the buy-side front, despite a decline in revenues from the Private Equity division, Asset Management performed well, growing its revenues by 45% in FY21. Sell-side operations had a very good year with revenues jumping 44% and the Brokerage arm boasting a lead in

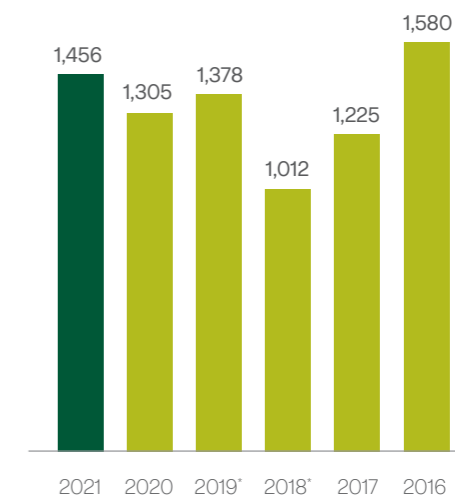
Egypt, Dubai, and Kenya in terms of market share. The Investment Banking division successfully concluded 41 ECM, M&A and DCM transactions worth an aggregate of USD 7.9 billion—the highest number of transactions the division has recorded in a single year.

Group operating expenses grew 9% Y-o-Y to EGP 3.9 billion after the consolidation of

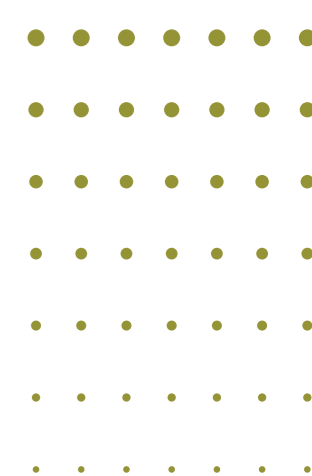
Group Revenues
[EGP mn]



Group Net Profit
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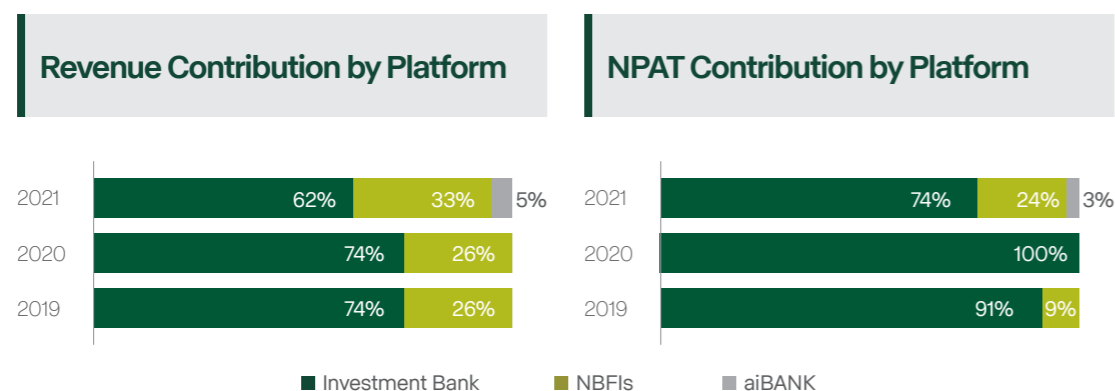
* Revenues and net profit figures for 2018 and 2019 are adjusted to reflect IFRS 16.



aiBANK, whose operating expenses came in at EGP 156 million and accounted for 50% of the total increase. Additionally, employee expenses climbed 20% Y-o-Y to EGP 2.8 billion on the back of a scale-up in the NBFi businesses and variable expenses related to the increase in revenues from core operations. Meanwhile, other G&A expenses were largely flat, mainly due to lower operating expenses at the Investment

Bank, and particularly lower ECL and provisions at the NBFi platform.

EFG Hermes Holding's net profit after tax and minority interest came in at EGP 1.5 billion, up 12% Y-o-Y largely driven by the continued upward trajectory of the NBFi platform as well as aiBANK, which contributed EGP 38 million to the bottom line.



Group Financial Highlights			
In EGP million	FY21	FY20	Change
Group Operating Revenue	6,089	5,432	12%
Investment Bank	3,794	4,019	-6%
NBFIs	1,989	1,413	41%
aiBANK	306	0	N/M
Group Operating Expenses	3,920	3,597	9%
Group Net Operating Profit	2,169	1,836	18%
Group Net Operating Profit Margin	36%	34%	N/M
Group Net Profit after Tax & Minority Interest	1,456	1,305	12%
Investment Bank	1,074	1,378	-22%
NBFIs	344	-73	N/M
aiBANK	38	0	N/M

3.8 EGP BN

Investment Bank revenues in 2021

The Investment Bank

Securities Brokerage

EFG Hermes Securities Brokerage completed USD 71 billion in executions, up 28% Y-o-Y on the back of higher executions in Abu Dhabi, Qatar, Dubai, and Kuwait. The Group was able to maintain its leading position as the broker of choice across multiple markets, retaining its position as the leading brokerage house in Egypt with a market share of 33.8% in FY21. The Group successfully retained 42% of the 13% of foreign participation in the market during the year and 22% of the retail business in Egypt. In parallel, EFG Hermes ranked first on the DFM and second on the ADX, hitting market shares of 35.8% and 13.7%, respectively, in FY21. In Saudi Arabia, the Group delivered a seventh-place finish among pure brokers (non-commercial banks) at a 2.0% market share in FY21. Moreover, the Firm held a solid second place in the Kuwait Exchange, closing out the year with a market share of 29.6% in FY21. In Oman, the Group came in fourth, with a market share of 16.6% in FY21. EFG Hermes improved its ranking in Jordan, coming in at 11th place from 13th place last year with a market share of 6.1% in FY21, in addition to a 3.6% market share in Pakistan. The Group successfully ranked first in Kenya for the second consecutive year, recording a market share of 60.8% in FY21 up from 51.6% in the previous year, and ranked fourth in Nigeria with a market share of 5.7% in FY21.

Securities Brokerage recorded revenues of EGP 1.3 billion, representing a significant increase of

29% Y-o-Y in FY21 on the back of higher revenues booked across multiple markets.

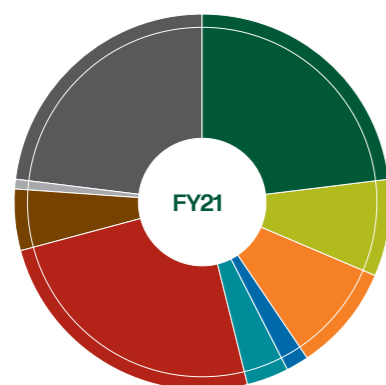
Egyptian equities continued to represent the highest contribution to the Brokerage commission pool, contributing 27.2%, followed by Kuwait and UAE markets (Dubai and Abu Dhabi) both coming in second place with c.17.2%, and Frontier Markets, including Nigeria, Kenya, Pakistan, and other Frontier executions, coming in fourth with an 11.8% contribution in FY21.

Research

EFG Hermes' Research team had a successful year covering 319 stocks spread across 26 markets by the end of 2021. Additionally, the team added a new market by initiating coverage on e-commerce play and the largest bank in Kazakhstan, expanded small and mid-cap coverage in GCC, continued to build out its utilities coverage, and initiated coverage on two supermarket chains in Sri Lanka and Morocco. Moreover, in the 2021 Institutional Investor poll for MENA and Frontier, the team ranked 1st in Frontier and 2nd in MENA, and was awarded the highest ranked international research provider for Pakistan in Asia Money's prestigious poll. MIFID and CSA payments came higher Y-o-Y in FY21, with this being mirrored in research revenues. Going forward, the division will continue to ramp up its coverage, with more focus on growth sectors, small and mid-cap coverage, thematic research, and building out its frontier coverage in Vietnam.

Group Revenue by LOB

(EGP mn)



EGP mn	FY21
Securities Brokerage	1,341
Investment Banking	494
Asset Management	528
Private Equity	109
Leasing	215
Tanmeyah	1,427
valU	302
Factoring	58
Holding & Treasury Activities	1,323

Investment Banking

Throughout the year, EFG Hermes' Investment Banking division successfully concluded a total of 41 ECM, M&A, and DCM transactions worth an aggregate value of USD 7.9 billion, marking the department's highest number of transactions in a single year.

Backed by 43 of some of the region's highest caliber investment banking professionals, the division concluded advisory on a multitude of cross-border transactions throughout the year.

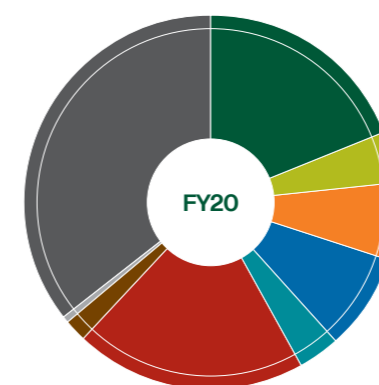
Solidifying its position as the leading MENA ECM advisor, the Investment Banking division successfully advised on several milestone offerings across the regional ECM space. The team successfully concluded advisory on Fertiglobe's USD 795 million initial public offering (IPO) on the Abu Dhabi Exchange (ADX), marking one of the largest listings on the exchange and the first listing of a free zone company onshore in the UAE. The division also acted as joint bookrunner and underwriter on the USD 1.2 billion IPO of Saudi-based ACWA Power on the Tadawul Exchange, which marks EFG Hermes' third IPO on the exchange in 2021. Continuing its journey with Theeb Rent a Car and its shareholders following the company's successful IPO earlier in the year, the department acted as joint bookrunner and broker on the sale of a 21% stake in the car rental company through a USD 127.6 million accelerated equity offering.

Additionally, the team successfully concluded the advisory on the USD 143 million follow-on sale of Abu Qir Fertilizers and Chemical Industries Company's shares on the Egyptian Exchange (EGX), underlining EFG Hermes' commitment to spur private investment in key state-owned assets as part of Egypt's economic reform agenda.

In the M&A space, the team successfully concluded the advisory to UAE-based Agthia Group on its strategic acquisition of a 100% stake in UAE health snacks company BMB Group for a total value of USD 172 million. The transaction marks the third M&A deal completed for the group in 2021 alone, cementing EFG Hermes' leading role in the MENA M&A space. Building on its longstanding relationship with Sixth of October for Development and Investment Company (SO-DIC), the team successfully advised the leading real estate developer on the sale of 85.5% of its EGX-listed shares through a mandatory tender offer (MTO) to a consortium comprising UAE real estate Development Company Aldar Properties and Abu Dhabi Developmental Holding Company (ADQ). The landmark transaction worth USD 388 million marks the largest foreign direct investment in the Egyptian real estate sector to date. The team also advised EFG Hermes Holding S.A.E on the acquisition of a 51% stake in Arab Investment Bank (aiBANK), transforming the group into a universal banking platform in Egypt offering a full spectrum of financial services. Lastly, the

Group Revenue by LOB

(EGP mn)



EGP mn	FY20
Securities Brokerage	1,039
Investment Banking	237
Asset Management	363
Private Equity	468
Leasing	186
Tanmeyah	1,092
valU	111
Factoring	27
Holding & Treasury Activities	1,912

department successfully advised TPG's Evercare Group on the sale of its 50% stake in Islamabad Diagnostic Centre (IDC) to Integrated Diagnostics Holding (IDH) in a deal worth USD 72.4 million.

On the debt front, EFG Hermes continued to grow its debt capital markets (DCM) franchise on the back of the successful execution of several milestone transactions comprising diversified financing options. The team successfully concluded a series of securitization issuances, unlocking new opportunities for a multitude of clients. The department concluded the advisory to EFG Hermes Holding's wholly-owned subsidiary, EFG Hermes Corp-Solutions, on the first issuance of its EGP 3 billion securitization program, through a bond offering worth USD 50.3 million. Additionally, the division successfully advised Misr Italia Properties, one of Egypt's leading real estate developers, on its first securitization issuance, worth USD 50.6 million, as part of an EGP 2.5 billion securitization program. The department also concluded the USD 40 million securitization issuance for Pioneers Development Company. Continuing to expand its service offerings in the ever-growing DCM space, the division also advised on the USD 12 million debt arrangement for Mac Beverages Limited, as well as the issuance of a senior unsecured short-term note for the Hermes Securities Brokerage Company (HSB) worth USD 35 million. Lastly, the team acted

as financial advisor on the lease financing for real estate development firm Madinet Nasr for Housing and Development (MNHD) worth USD 44.6 million.

The Group's Investment Banking Division recorded revenues of EGP 494 million, up 108% Y-o-Y in FY21.

Asset Management

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

In parallel, EFG Hermes' regional asset management arm Frontier Investment Management "FIM" saw its AUM rising 25% over the year, triggered by its strong performance and markets appreciation in part and net inflows, which reflects largely a SPAC for USD 200 million.

The Group's Asset Management Division revenues rose 45% Y-o-Y to EGP 528 million.

Private Equity

Vortex Energy IV, a global renewable energy platform managed by the private equity arm of EFG Hermes, injected its first tranche in relation to its investment in Ignis Energy Holdings, parent company of Spanish independent integrated renewable player Ignis Group. Vortex Energy will inject over EUR 625 million through its newly launched Vortex Energy IV Fund and its co-investors into Ignis via a series of capital injections, which will be deployed over the coming few years subject to certain conditions. This will allow Ignis to fund its growth plans and transform into a fully integrated, renewable independent power producer (IPP) in Spain and other geographies. This capital contribution from Vortex Energy IV and its co-investors will allow Ignis to own and operate a growing share of the projects that it develops.

The division's education platform, (Egypt Education Platform – EEP) continued expanding its operations during the year after entering into definitive agreements to acquire a recently built state-of-the-art mega campus located in Sheikh Zayed city, West Cairo. The new campus will host EEP's recently acquired Hayah brand under the name "Hayah West" and will mark Hayah's first expansion into the west side of Cairo. The new campus will be able to house more than 1,700 students. EEP also executed its first management agreement with The Sovereign Fund of Egypt (TSFE) and Mobica to manage and operate two new premium national schools that will be developed in 6th of October City with a combined capacity of c.5,000 students. The new schools are expected to start operations in September 2023. With these new developments, the EEP is set to enter 2022 with a diversified portfolio comprising 10 schools spread out across Cairo and Alexandria under various stages of development and with a combined capacity approaching c.20,000 students. The Private Equity division continues to explore potential growth opportunities in the market through future acquisitions or development of

new schools, with plans to close at least two new investments in 2022.

On the healthcare front, United Pharma ("UP") has successfully closed FY2021 realizing outstanding revenue growth, exceeding its Egyptian market peers. During FY21, UP continued to ramp up its sales, almost doubling its yearly output on an annual basis. The Company has diversified its distribution network, with its largest client segment contributing only c. 30% of total sales. UP successfully increased its market share and market ranking as per IMS estimates, and it is now a market leader in the Hospital Solutions space. During FY21, UP has almost doubled its sales Y-o-Y, with a realized EBITDA margin, exceeding several established market peers. UP's full facility upgrade plan is in its final stages and on track to be finalized in the early months of 2022, setting up the necessary capabilities to drive the company's upcoming growth plans.

In parallel to the ongoing value creation process within UP, Rx Healthcare platform has progressed with a number of promising acquisition opportunities in the B2B and B2C pharma segments, currently at advanced stages of negotiation and execution, and with potential aggregate deal values exceeding EGP 1 billion, supporting EFG Hermes' healthcare platform strategy of expanding its investments in the pharmaceuticals sector.

Private Equity revenues were adversely affected by the comparable year's high, non-recurring revenue of USD 342 million from Vortex III exit. Yet, 4Q21 revenues grew by 140% Y-o-Y to EGP 33 million, driven partially by higher management fees as AUM grew Y-o-Y.

Tanmeyah

Tanmeyah, the Firm's microfinance arm, witnessed an increase of 24% Y-o-Y in total loans issued to reach EGP 5.2 billion in FY21. This was reflected on the number of active borrowers and

Non-Bank Financial Institutions

2.0^{EGP}_{BN}

NBFI Platform Revenues in 2021, up 41% Y-o-Y

processed applications, which grew 14% Y-o-Y and 18% Y-o-Y, respectively. Consequently, Tanmeyah's outstanding portfolio climbed 22% Y-o-Y to stand at EGP 3.7 billion at the end of the year.

In efforts to further grow its portfolio, Tanmeyah changed its MEL product structure to start from EGP 7,000 instead of EGP 5,000 and up to EGP 50,000, which contributed to the increase in the average ticket size, reaching EGP 14,500 in FY21. Sales from the Women In Business (WIB) product ramped up by 619% Y-o-Y in FY21, as the company rolled out the product across all its branches, and further enhanced the product's pricing.

Alongside its product development efforts, Tanmeyah continues to expand its geographical presence. By the end of 2021, the company had marked the milestone of hitting the 300 branch mark. The 16 new branches that started operating in 2021 contributed 5% to the increase in sales, and 6% to the value of the company's outstanding portfolio.

In 2021, Tanmeyah's revenues grew by 31% Y-o-Y to record EGP 1.4 billion, up from EGP 1.1 billion recorded at year-end 2020.

valU

valU is a leading Buy-Now, Pay-Later (BNPL) lifestyle-enabling fintech platform offering consumers payment-on-installment programs. The Group's BNPL platform delivered an exceptional performance, with the total number of transactions and Gross Merchandise Value (GMV) growing

twofold in FY21; growing 131% Y-o-Y and 138% Y-o-Y to 452 thousand and EGP 2.4 billion, respectively. valU's network grew to 1,657 merchants in FY21, as the platform continued expanding its market reach and offering a wider variety of goods and services to satisfy customers' different lifestyle needs.

The most notable additions of the year were valU's partnerships with digital marketplaces Jumia and Noon, two of the three biggest e-commerce businesses in Egypt. valU's customer-base grew significantly, hiking by 134% Q-o-Q, and 108% Y-o-Y. By year-end 2021, valU's total number of customers had reached 190,000. This pool of customers comes as a strong testament to valU's success in increasing its penetration, and its leading position in the BNPL market in Egypt.

Shedding light on the app business, the outstanding portfolio increased 148% Y-o-Y, reaching EGP 1.96 billion at the end of FY21. In terms of the non-app business, the B2B outstanding portfolio declined by 8% Q-o-Q and 23% Y-o-Y, as valU shifts its focus to the growth of its B2C operations.

valU's revenues grew by a remarkable 171% Y-o-Y to record EGP 302 million, as sales and margins continued to improve. valU's ranking in the Egyptian market also jumped to second place during the year, with a market share of 23.8%.

EFG Corp-Solutions

Leasing

EFG Hermes Corp-Solutions' leasing business recorded a total value of bookings amounting to EGP 3.9 billion in FY21, up 63% Y-o-Y, primarily driven by the significant ramp up in activity during the year. These new bookings were spread across 86 contracts in FY21 compared to 78 contracts in FY20.

The leasing business's outstanding portfolio registered a stable value of EGP 4.7 billion at the end of FY21, as the division securitized EGP 780 million of the portfolio, in addition to the terminations carried out by a number of the business's clients.

EFG Hermes Corp-Solutions' leasing team continues to capitalize on cross-selling capabilities, with an eye for offering bundled financial solutions to its clients. At present, Corp Solutions has seven Joint clients utilizing Leasing and Factoring facilities.

In 2021, leasing revenues increased by 16% Y-o-Y to register EGP 215 million, on the back of the securitization gains during the year. EFG Hermes Corp-Solutions' leasing business was ranked 3rd in FY21, with a market share of 10.4%.

Factoring

2021 was an exceptional year for EFG Hermes Corp-Solutions' factoring business, with the business recording total bookings of EGP 4.2 billion, up from EGP 1.6 billion in 2020. The factoring business's portfolio doubled Y-o-Y to reach EGP 1.9 billion by the end of FY21, with the number of approved clients increasing by 73% Y-o-Y from 44 clients at the end of FY20 to 76 clients at the end of FY21.

Factoring revenues reported EGP 58 million, up 117% Y-o-Y, driven by strong bookings and draw-downs. During the year, the factoring business topped the FRA ranking in FY21, coming in at first place with a market share of 22.8%.

aiBANK

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

The tables below show aiBANK's two-month performance and the standalone balance sheet as at the end of December 2021.

As primary shareholder, EFG Hermes Holding will support aiBANK to improve its financial indicators, competitiveness in the market, and compliance with the CBE's regulations, leveraging the Firm's experience and that of

The Sovereign Fund of Egypt (TSFE). The Firm will also refocus the bank's strategy toward financing small- and medium-sized companies, upgrading the product portfolio and utilizing fintech to optimally reach and serve a wider segment of society.

Entering the banking sector is in line with EFG Hermes Holding's strategy to diversify its products and services offering, solidifying the Firm's position as the leading financial institution in Egypt offering integrated financial services, by becoming a universal bank. This model benefits all of the Firm's business sectors as they become more capable of providing almost any financial service to individual, retail, and corporate clients through one single platform. This business model also supports the Egyptian government's efforts to drive economic growth and succeed in its digital transformation and financial inclusion agenda.

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Entering the banking sector is in line with EFG Hermes Holding's strategy to diversify its products and services offering

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

*Includes Other G&A and Provisions & ECL

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

1.8^{EGP}_{BN}

Sell-Side revenues in 2021

SELL-SIDE PLATFORM OVERVIEW

EFG Hermes' sell-side division was able to continue capitalizing on the groundwork laid in 2020 to deliver outstanding operational and financial results



Sell-Side Platform Overview

Our activity in GCC markets in particular stands as a testament to the division's resilience and execution capabilities, as we continued to capture significant opportunities across our product range

With widespread vaccine administration, strong fiscal and monetary policy support, and resurfacing investor optimism, markets were primed for a recovery. Despite residual economic turbulence across our footprint, EFG Hermes' sell-side division was able to continue capitalizing on this gradual return to normal and on the groundwork laid in 2020 to deliver outstanding operational and financial results.

Our Securities Brokerage arm performed soundly throughout the year, leveraging a boom in retail trading activity and the concurrent increase in volumes. The division continued to maintain its leading rankings across its regional footprint, with EFG Hermes Securities Brokerage ranking first on the Egyptian Exchange, Dubai Financial Market, and NASDAQ Dubai. The division also held its second-place position in Abu Dhabi. Our strength across MENA markets mirrors our performance in the frontier emerging markets (FEM) space despite a range of macroeconomic difficulties across our Sub-Saharan African and Southeast Asian market coverage. The division held onto its first-place ranking in Kenya for the second year running, while continuing to tap into its solid on-ground track records and experience in the foreign institutional space in the market to make further strides in Pakistan and Nigeria in the coming year. We have also worked on updating EFG Hermes One, introducing a fresh user interface with a range of new features, even propelling the platform across Egyptian borders to Kenya where users can now experience online stock

trading on the Nairobi Securities Exchange (NSE). We also facilitated the third and fourth iterations of the EFG Hermes Virtual Investor Conference, setting up over thousands of meetings and bringing hundreds of regional and global investors closer to unlocking formidable investment opportunities in the region.

In 2021, our Investment Banking division delivered outstanding results in the face of fears of inflationary pressures, Omicron-induced supply chain hurdles impacting our clients, and a reduced risk appetite amongst investors. Our activity in GCC markets in particular stands as a testament to the division's resilience and execution capabilities, as we continued to capture significant opportunities across our product range—ECM, DCM and M&A—throughout the year. This has culminated in a series of successful transactions, including our first deal close in Pakistan. The division played a pivotal role in facilitating seven ECM transactions across the GCC, six of which were IPOs. It acted as joint bookrunner on the USD 1.2 billion IPO of KSA's ACWA Power on the Tadawul, as well as on the highly successful public debuts of ADNOC Drilling for USD 1.1 billion and Fertiglobe for USD 795 million on the Abu Dhabi Exchange. Other prominent deals for the year included our advisory on Abu Qir Fertilizers' USD 143 million follow-on share sale transaction as part of the Egyptian government's privatization agenda, as well as our advisory on Integrated Diagnostics Holding's (IDH) listing on the EGX, marking the country's first dual listing between the Egyptian



bourse and the London Stock Exchange (LSE). This year, we booked an impressive 41 deals with a cumulative value of over USD 7.9 billion.

Our Research division maintained its position as the leading provider of fundamental-based research in the region, facilitating sound financial decision-making for our own teams and clients alike. During the year, the division played key roles in supplying the Firm's various departments with valuable insights and powering transactions across the board. The division maintained its position across key industry polls, once again being named the leading Frontier Research House and second-ranked MENA Research House in the Institutional Investors' 2021 poll, among other accolades. Having significantly expanded the Firm's coverage across

the MENA and frontier markets over the course of the year, our Research division was crucial to the enhancement and expansion of our product and services roster this year.

Despite growing uncertainty around the emergence of new COVID-19 variants, our outlook in 2022 remains highly optimistic as we forecast more sustained recovery throughout the year. Operationally, we will continue to monitor global market conditions, which will enable us to seek compelling ECM and M&A propositions in key MENA and FEM markets, particularly in fast-growing economies such as Vietnam and Indonesia. We will continue to fortify our brokerage business in efforts to expand our market share with the backing of our robust portfolio of institutional investors and retail-focused tech offerings. On the Investment Banking front, we are looking to capitalize on growing DCM activity in both our Egyptian home market and abroad by introducing a myriad of new products and services to meet heightened demand. Building on our efforts in 2021, we are also keen on resuming IPO activity in the coming year, having already

established a substantial transaction pipeline for the DFM and ADX. The strength and expansion of our one-of-a-kind Research arm will also work to develop its offering, looking to effectively position EFG Hermes to meet constant demand for market-leading insights services in the face of economic uncertainty and market volatility.

Looking back on the last two years, and then widening the lens to look at the last two decades and beyond, cements one thing for me: that our performance lays on the foundation of resilience, which rests on the shoulders of our exceptional sell-side teams' steadfast commitment. It is this commitment—to the clients we serve, the markets we operate in, and the communities where we do business—that gives me confidence that 2022 will be another milestone year for the Firm.

Mohamed Ebeid

Co-CEO of the Investment Bank
EFG Hermes



494^{EGP}_{MN}

Investment Banking revenues in 2021

INVESTMENT BANKING

Through exceptional financial management, we create value not only for shareholders but our entire stakeholder base

108%

revenue growth in 2021

7.9^{USD}_{BN}

value of total Investment Banking transactions in 2021



Investment Banking

In 2021, we successfully concluded a total of 41 equity, debt, and M&A deals, the highest number of transactions in a single year

Overview

EFG Hermes' Investment Banking division has fortified its regional flagship position in Mergers and Acquisitions (M&A) advisory, Equity Capital Markets (ECM), and Debt Capital Markets (DCM) deal executions, becoming the regional investment bank of choice for frontier emerging markets' (FEM) partners and clientele. The Investment Banking division continuously works toward expanding its geographical footprint, carrying out the majority of the largest, most prominent transactions in its focus markets. The division's team houses the region's most renowned professionals who provide knowledge on key economic, industry, market, and company-focused insights through their extensive global and regional expertise. Boasting a robust business model and a plethora of innovative, value-added product and service offerings, the Group's Investment Banking division continues to steer the region with its solid on-the-ground presence and its exceptional track record. By 2021, ECM, DCM, and M&A transactions across the division's footprint recorded a total of 41 deals, with an aggregate value of over USD 7.9 billion.

Operational Highlights of 2021

2021 was a turnaround year for global markets. As the world continued to navigate through the global pandemic, financial stability risks were sustained, on the back of the ongoing monetary and fiscal policy support, and the significant recovery in global economic activity. ECM activity in emerging markets was relatively stagnant in the last few months of 2021, with extremely minimal early month gains. Market expectations for Fed policy tightening and tapering, paired with the

uncertainty over the outlook for growth, supply-chain disruptions, and inflation created by the new Omicron variant, heavily weighed on investors' risk appetite and dampened deal activity. However, in the GCC region, equity markets began significantly picking up in the third quarter of the year, with the region witnessing a substantial increase in IPOs, particularly in the UAE and KSA.

Throughout the year, EFG Hermes' Investment Banking division successfully captured the substantial ramp up in GCC market activity, playing an active role in ECM, DCM, and M&A transactions. As a result, the division completed a record high of 41 transactions at year-end 2021. Backed by 43 of some of the region's highest caliber investment banking professionals, the division concluded advisory on a multitude of cross-border transactions throughout the year, having managed to successfully close 16 DCM transactions valued at USD 560.4 million, 12 ECM transactions valued at USD 4.9 billion, and 13 M&A transactions worth USD 2.4 billion.

The division's performance was commemorated by numerous awards and accolades, including the "Best Debt Bank in Africa" and "Best Investment Bank in Frontier Markets" awards from Global Finance under the Best Investment Banks of 2021, the "Sukuk Deal of the Year" award from Global Finance under the World's Best Islamic Financial Institutions of 2021, "Most Notable Listing: Main Market" from the Saudi Capital Markets Award (SCMA), "Best Corporate Investment Bank in Egypt" from Asiamoney, "Egypt's Best Investment Bank" from the EMEA Finance African Banking Awards for 2021, and "UAE's Best Equity House" from the EMEA Finance Middle East Banking Awards for 2021.

As part and parcel of its strategy to further expand its footprint in the GCC region, EFG Hermes acted as joint bookrunner on the landmark USD 144 million IPO of KSA's water desalination company "Alkhorayef Water and Power Technologies", as well as a joint bookrunner on the IPO of the Saudi-based car rental company "Theeb Rent a Car" worth USD 138 million. In the UAE, the Firm successfully completed advisory to Mubadala-owned "Al Yah Satellite Communications" (Yahsat), a leading fixed and mobile satellite services operator, on its AED 2.7 billion IPO on the Abu Dhabi Exchange (ADX), marking the first on the exchange since 2017. Another IPO in the UAE that gained high traction was that of "Fertiglobe", the world's largest seaborne exporter of urea and ammonia and the MENA's largest producer by production capacity at 6.5 million tons of urea and merchant ammonia. EFG Hermes advised the company on its USD 795 million IPO on the ADX, which was deemed one of the largest ever listings on the bourse, and the first ever listing of a free zone company onshore in the country. The Firm also completed advisory to "Abu Dhabi National Oil Company" (ADNOC) on the IPO of ADNOC Drilling Company PJSC (ADNOC Drilling), the largest national drilling company in the Middle East by rig fleet size, on its USD 1.1 billion offering on the ADX. In the Egyptian equity market, EFG Hermes successfully acted as financial advisor and bookrunner on the dual listing of "Integrated Diagnostics Holdings" (IDH) on the Egyptian Exchange (EGX) in the second quarter of 2021. The offering, which marked the first of its kind on the exchange, comprised an accelerated equity offering portion worth USD 30 million, and it aimed to increase the stock's liquidity and to unlock untapped value.

In the M&A space, 2021 was an exceptional year for EFG Hermes' Investment Banking division, with the Firm participating in landmark transactions across its regions of operation. The division successfully advised the UAE's "Agthia Group" on two acquisitions, namely the cross-border acquisition deal of "Al Faysal Bakery & Sweets", one of Kuwait's leading industrial bakeries, and Egypt-based "Atyab", for a total value of USD 153 million. The division also concluded advisory to Bank Audi S.A.L. on the sale of 100% of its wholly-owned Egyptian subsidiary, Bank Audi S.A.E., to First Abu Dhabi Bank PJSC (FAB), marking the largest M&A transaction in Egypt in the last five years. In the third quarter of 2021, the Firm acquired a 51% stake in the Arab Investment Bank (aiBANK), officially marking its strategic entry into the rapid-growing Egyptian commercial banking sector and transforming it into a universal bank in Egypt. Another high-profile cross-border M&A transaction for the year was EFG Hermes' successful conclusion of advisory to American private equity platform "TPG" on the sale of a 50% stake in Base Consultancy FZ, the holding company of Pakistani diagnostics provider "Islamabad Diagnostic Center" (IDC), worth USD 72.35 million in December 2021, marking the Firm's first ever M&A transaction in Pakistan.

In addition to the stellar performance across regional equity markets and the M&A space, the Firm's Investment Banking division focused heavily on growing and developing its DCM capabilities and product offering in 2021, especially through securitization issuances. Securitization in particular is a new and nascent asset class in Egypt that has recently been gaining high interest from investors. EFG Hermes focused on offering key securitization issuances for clients in 2021, and successfully closed 11 securitization transactions with a combined value of USD 401 million. Landmark securitization transactions for the year included two securitization issuances worth USD 24.3 million for "Premium International for Credit Services", a USD 44.7 million securitization issuance for "Amer Group" and "Qasatli", three securitization

issuances for "Talaat Moustafa Group" (TMG), the first securitization issuance worth USD 40 million for "Pioneers Properties" for Urban Development, and the first securitization issuance of USD 51 million for "Misr Italia Properties". The team also acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on valU's first USD 20.5 million securitization issuance, EFG Hermes Corp-Solutions' first USD 50 million securitization issuance, and SODIC's USD 21.8 million securitization transaction.

2021 Deals

Throughout 2021, EFG Hermes booked an outstanding number of landmark deals across MENA and non-MENA frontier emerging markets.

ECM Deals

Theeb Rent a Car IPO – Joint bookrunner on the USD 138 million initial public offering on Tadawul.

Alkhorayef Water IPO – Joint bookrunner on the USD 144 million initial public offering on Tadawul.

Integrated Diagnostics Holding (IDH) Accelerated Offering – Financial advisor and bookrunner on the dual listing on the EGX, with an accelerated equity offering worth USD 29.6 million

Fawry Capital Increase/Rights Issue – Sole bookrunner and financial advisor on the USD 25.5 million capital increase through a rights issue on the Egyptian Exchange.

Al Yah Satellite Communications IPO – Joint bookrunner on the USD 731 million initial public offering on the Abu Dhabi Exchange.

Fawry Accelerated Offering – Sole financial advisor and joint bookrunner on the USD 80 million accelerated equity offering of a 4.3% stake.

Geopost Accelerated Offering – Co-financial advisor and sole bookrunner on the USD 383.2 million accelerated equity offering.

Fertiglobe IPO – Joint bookrunner on the USD 795 million initial public offering on the Abu Dhabi Exchange.

ACWA IPO – Joint bookrunner on the USD 1.2 billion initial public offering on Tadawul.

ADNOC Drilling IPO – Joint bookrunner on the USD 1.1 billion initial public offering on the Abu Dhabi Exchange.

Abu Qir Fertilizers Accelerated Offering – Joint bookrunner on the USD 143 million accelerated equity offering of a 10% stake.

Theeb Rent a car Accelerated Offering – Joint bookrunner on the USD 127.6 million accelerated equity offering of a 21% stake.

M&A Deals

Hilal Cement MTO – Advisor to Heidelberg Cement on the sale of a 100% stake in its subsidiary Hilal Cement through a mandatory tender offer (MTO) on the EGX worth USD 10 million.

Agthia Acquisition – Buy-side advisor to UAE-based Agthia Group on the cross-border acquisition of Al Faysal Bakery & Sweets.

Foundation Holdings Sale – Buy-side advisor to Foundation Holdings on the acquisition of Saudi-based Shifa Al Munthaza Polyclinic Company.

ADES Take Private – Take-private and delisting of ADES International from the London Stock Exchange in a transaction worth USD 178 million.

First Abu Dhabi Bank Sale – Sell-side advisor to Bank Audi S.A.L (Bank Audi) on its sale of 100% of the share capital of its Egypt-based subsidiary, Bank Audi S.A.E, to First Abu Dhabi Bank PJSC (FAB).

Hayah International Academy Sale – Sell-side advisor on Hayah International Academy's sale to the Egypt Education Platform (EPP).

China Three Georges (CTG) Sale – Buy-side advisor to China Three Gorges Corporation for the acquisition of 100% of Dubai-based wind and solar developer, Alcazar Energy Partners (AEP), worth USD 485 million.

Raya Contact Center Stake Sale – Buy-side advisor to Raya Contact Center's acquisition of 100% of Bahrain-based Gulf CX in a deal worth USD 12.2 million.

Agthia Acquisition – Buy-side advisor to UAE-based Agthia Group on the cross-border acquisition of 70% of Atyab with a value of USD 153.4 million.

aiBANK Acquisition – Concluded the acquisition of a 51% stake in aiBANK by EFG Hermes Holding alongside The Sovereign Fund of Egypt which acquired 25% of the bank.

SODIC MTO – Sell-side advisor to Sixth of October for Development and Investment Company (SODIC) in the sale of 85.5% of its shares through a mandatory tender offer (MTO) to UAE real estate development company Aldar Properties and Abu Dhabi Developmental Holding Company (ADQ) worth USD 388 million.

Agthia Sale – Buy-side advisor to UAE-based Agthia Group on the cross-border acquisition of 100% in UAE health snacks company BMB Group at a value of USD 172 million.

TPG Stake Sale – Sell-side advisor to TPG's Evercare Group on the sale of its 50% stake in Islamabad Diagnostic Centre to Integrated Diagnostics Holding for a total consideration of USD 72.4 million.

DCM Deals

ADES Investments Debt Arrangement – Worth USD 43.0 million.

Premium Card Securitization Program – The division acted as financial advisor, MLA, and



underwriter on the USD 10.8 million fourth issuance and USD 13.4 million fifth issuance of a securitization program for Premium Card.

Amer Group/Qasatli Securitization Program – The division acted as financial advisor, MLA, and underwriter on the USD 44.7 million first issuance of a securitization program for Amer Group.

TMG Holding Securitization Program – The division acted as financial advisor, MLA, and underwriter on the USD 71.3 million second issuance, USD 28.3 million third issuance, and USD 49 million fourth issuance of a securitization program for TMG Holding.

National Printing Lease Financing – The division secured a lease financing for National Printing Company, a large Egyptian paper and packaging company, worth USD 24.8 million.

SODIC Securitization Bond – The division acted as financial advisor, arranger, manager, promoter, and co-underwriter of a USD 21.8 million securitized bond for Sixth of October for Development and Investment Company (SODIC).

valU Securitization Program – The division acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the

first issuance worth USD 20.5 million of a securitization program for valU, EFG Hermes' Buy-Now, Pay-Later (BNPL) fintech platform.

Hermes Securities Brokerage Unsecured Bond – The division acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the third issuance for Hermes Securities Brokerage, EFG Hermes' wholly-owned subsidiary, in a USD 35 million senior unsecured short-term note.

Misr Italia Properties Securitization Program – The division acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and sole arranger on the first issuance, worth USD 51 million, in Misr Italia Properties' securitization program.

Pioneers Securitization Program – The division acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and sole arranger on the first issuance, worth USD 40 million, in Pioneers Properties for Urban Development's EGP 3.0 billion securitization program.

EFG Hermes Corp-Solutions Securitization Program – The division acted as sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the first issuance,

worth USD 50 million, of a securitization program for EFG Hermes Corp-Solutions, EFG Hermes' leasing and factoring arm.

Key Financial Highlights of 2021

EFG Hermes' Investment Banking division reported total revenues of EGP 494 million in FY21, reflecting a 108% increase compared to EGP 237 million in FY20. Investment Banking fees and commissions contributed approximately 9% of EFG Hermes Holding's total revenue in FY21.

Outlook

Regional equity markets are expected to ramp up their activity next year, and the division aims to capture the upside of this recovery, both in the MENA region and in FEMs. As the GCC region strengthens its IPO activity, EFG Hermes Investment Banking grows more optimistic about the potential prospects in KSA, the UAE, and Kuwait. In the MENA region, Egypt's ECM activity is also looking to pick up, which is expected to develop and rejuvenate the movement of capital flow in the market and raise trading levels on the EGX.

EFG Hermes' Investment Banking division has significantly expanded both its product offering and geographic footprint over the years,

breaking ground in some of the world's most rapidly growing markets across various regions and filling the gap between Egypt and the GCC region by providing a plethora of compelling investment opportunities. In 2022, the division aims to continue building on its robust track record of successful achievements, with an eye to remain the regional investment bank of choice not only for its existing base of intra-regional clients but also for international clients looking to access opportunities in compelling FEM markets.

A constituent element to the division's growth strategy in 2022 is to capture a larger share of the DCM space and expand its footprint into more frontier markets. In Egypt specifically, the division aims to continue capitalizing on the high demand present in the market and growing its DCM activities, particularly through introducing more pre-funding deals, securitization transactions, and leasing products into the local market. EFG Hermes Holding also aims to continue capitalizing on the cross-selling deals between its other lines of business, with an eye to grant clients access to a broad range of funding solutions. Additionally, the Firm's recent acquisition of aiBANK will enable EFG Hermes Holding to further offer its clientele a holistic range of financial products, targeted toward individual consumers, SMEs, and large corporations.

SECURITIES BROKERAGE

Our Brokerage division is the premier brokerage house in MENA and in frontier emerging markets with on-the-ground teams that make us the partner of choice for international institutions

71 USD
BN

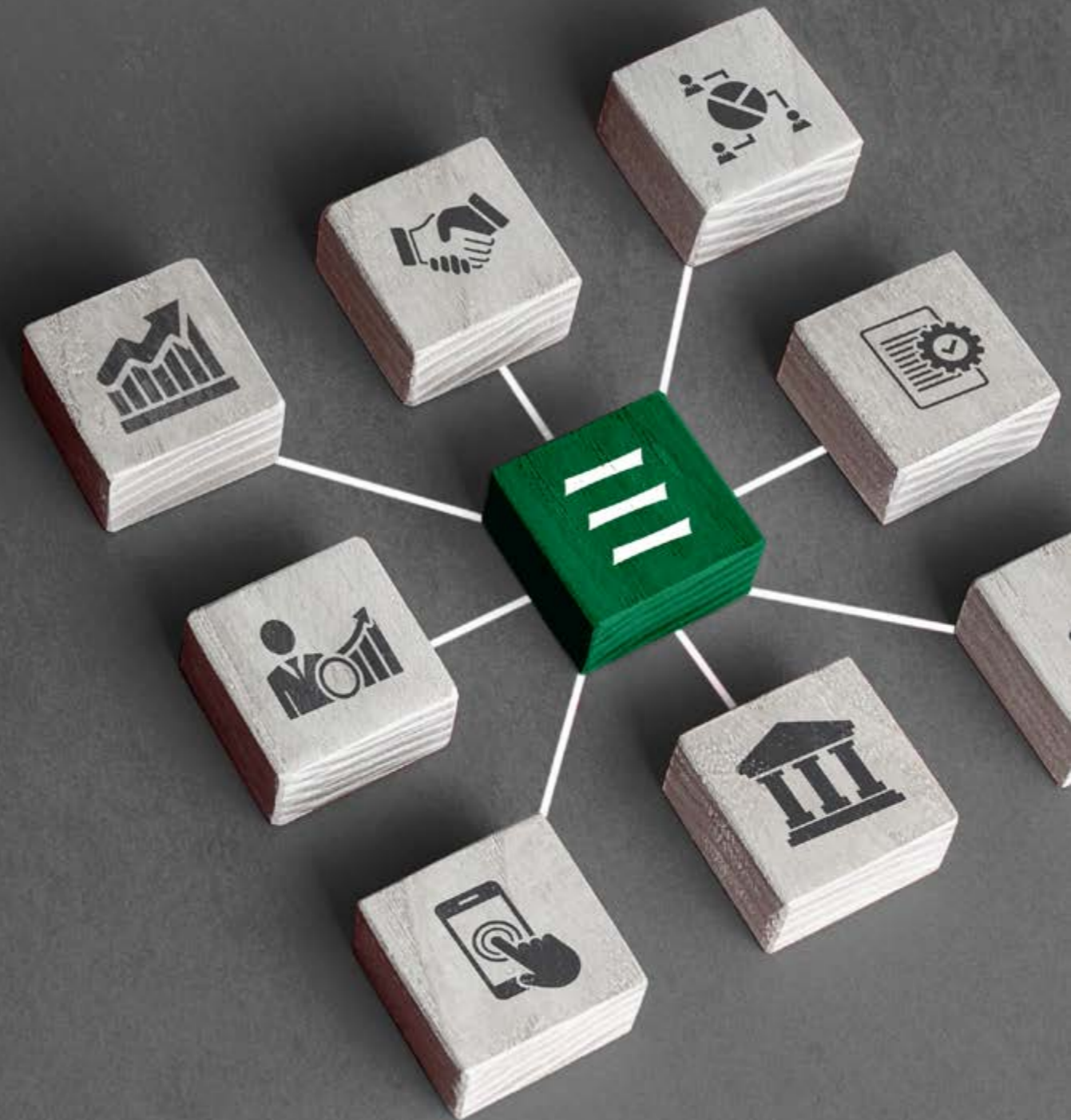
total value of executions in 2021

33.8%

market share in Egypt

1.3 EGP
BN

Securities Brokerage revenues in
2021



Securities Brokerage

In 2021, EFG Hermes Securities Brokerage registered a significant 29% Y-o-Y rise in Brokerage revenues, primarily driven by the increase in retail activity in markets such as Egypt, Kuwait, and Jordan

Overview

EFG Hermes Securities Brokerage, the MEA region's premier brokerage house, offers its client base a comprehensive offering of innovative products and services, in addition to an unrivaled coverage across more than 75 MENA and frontier emerging markets (FEMs). The division continues on its upward trajectory, with its operational footprint spanning across four continents in Egypt, Kuwait, the UAE, KSA, Oman, Jordan, Pakistan, Kenya, Nigeria, and Bangladesh, with regional offices in the US and the UK. Throughout its years of operations, the Brokerage division's client base has rapidly grown to house regionally and globally renowned institutional and individual investors. Backed by EFG Hermes' unrivaled in-house research capacities, EFG Hermes Securities Brokerage continues to provide its clientele with secure multi-platform trading tools, market intelligence and insights, and unparalleled execution capabilities, ensuring maximum generated returns that best serve different investor preferences and risk profiles.

Operational Highlights of 2021

After a long year of market instability in 2020, capital markets performed solidly in 2021 and continued on the upswing as the year closed out. Volumes expanded significantly in 2021 throughout the division's markets due to a pickup in retail trading activity. While this resulted in an increasingly competitive environment for brokerages across the region, EFG Hermes Securities Brokerage successfully captured the upside of market recovery, leveraging its decades-long, on-the-ground experience across its regional footprint.

In 2021, the company registered a significant 29% Y-o-Y rise in Brokerage revenues to EGP 1.3 billion, primarily driven by the increase in retail activity in markets such as Egypt, Kuwait, and Jordan. In terms of pure commissions registered in regional markets, Egypt remained the leading contributor to the company's Brokerage commissions, at 27.2%. Frontier markets booked an 11.8% contribution, while UAE markets (Dubai, Abu Dhabi, and Nasdaq Dubai) recorded a contribution of 17.1%, in addition to Kuwait's commissions contribution coming in at 17.2%.

Despite the solid increase in revenues, the rise in volumes spurred competition in the markets where the division operates. EFG Hermes Securities Brokerage's regional market shares fell flat for the year, with its market share in the Egyptian market hitting 33.8%, down 2.6% from the 36.4% in 2020. However, the division still successfully managed to maintain its first-place ranking on the EGX, having capitalized on its foreign institutional base. Foreign participation came in at 13.3% during the year, with EFG Hermes successfully capturing 41.7% of these institutional inflows.

Kuwait was one of the regions that witnessed a substantial ramp up in total traded volumes, number of deals, and total traded values. The high liquidity position in the market enabled EFG Hermes' Brokerage division to record the highest number of executions ever traded since inception, with total executions recording an 11% increase to USD 13.9 billion against the USD 12.5 billion booked at year-end 2020. The division ranked second in

the Kuwaiti market, doubling its revenues during the year, securing a solid market share of 30% in 2021, and capturing 62.9% of foreign institutional inflows for the year.

In the UAE, EFG Hermes Securities Brokerage successfully managed to grow its market share on the DFM to 36% in 2021 and sustain its leading market position, despite flat trading volumes in the market. On the ADX, EFG Hermes' market share stood at a solid 13.7%, fortifying its ranking on the exchange in second place. On Nasdaq Dubai, the division's market share remained flat on the back of stagnant trading volumes. However, despite the challenging circumstances, EFG Hermes Securities Brokerage successfully managed to maintain its lion's share on the exchange.

In KSA, despite the increase in market volumes of around 7%, EFG Hermes Securities Brokerage's trading volumes increased by 11%, with the division maintaining its market share of 2%. Jordan proved to be a promising market in 2021. EFG Hermes Securities Brokerage registered a 6% market share, maintaining the share captured in 2020.

The Firm's Direct Market Access (DMA) trading platform made progress throughout the year, automatically linking foreign institutional investors to the system's database and granting them access to directly submitting their orders into the market. With this significant development in the digital brokerage space, EFG Hermes continues to introduce innovative financial solutions to its investors and expand its product and service offerings.

Brokerage Rankings

(Percent of Total Market Executions)

	FY21		FY20	
	Market Share	Rank	Market Share	Rank
Egypt	33.8%	1 st	36.4%	▼
UAE – DFM	35.8%	1 st	32.5%	▲
UAE – ADX	13.6%	2 nd	27.6%	▼
UAE – NASDAQ Dubai	34.1%	1 st	58.3%	▼
Kuwait	29.6%	2 nd	34.1%	▼
Kenya	60.8%	1 st	51.6%	▲
Nigeria	5.7%	4 th	19.8%	▼
Oman	16.6%	4 th	24.5%	▼
KSA	2%	7 ^{th*}	2.2%	▼
Jordan	6%	11 th	6%	
Pakistan	3.6%	n/a	3.8%	

Frontier Markets

The Pakistani market witnessed yet another year of hurdles because of macroeconomic and political uncertainties, including a 10% further devaluation of the currency, interest rate hikes, and delays surrounding the resumption of the IMF program. As such, investors were bearish on the market during the year, but due to the Firm's solid footing in the foreign institutional space in the market, the division's market share stood at 3.6%.

In Kenya, foreign inflows and local asset manager positioning for the post-pandemic recovery buoyed the market for another year. As such, the division reported a third year of solid performance, with EFG Hermes continuing to hold onto its first-place position with a 60.8% market share.

Meanwhile in Nigeria, volumes continued to taper as the year progressed, with the decline in liquidity attributed to a generally weak macroeconomic environment, with the currency at the forefront, and the allocation of flows from

equities toward the fixed income market. In saying this, EFG Hermes leveraged the strides made in the previous year, with the Firm standing as the fourth leading broker in the country with a 5.7% market share.

Online Trading Platforms

EFG Hermes One

In 2021, the division launched an updated version of the EFG Hermes One application, by leveraging synergies inherent in its business model at a critical juncture in the Egyptian capital market story, as equity market retail activity picked up and fintech solutions expanded in scope and importance. Today, EFG Hermes One is a one-stop-shop digital brokerage solution and, in turn, continues to maintain its position at the helm of the Egyptian fintech space. The EFG Hermes One application now allows investors to tap into a wealth of investment knowledge, execute informed trades, and monitor their portfolios in real time, all through a simpler, user-friendly interface. It also offers a simplified digital

onboarding process, permitting users to create an account faster than ever before. The app now also features a roster of tools and trading options, such as margin trading, short selling and same-day trading, among others. Moreover, EFG Hermes One users can utilize the application's new "Learn" tab, a knowledge hub where they can access unparalleled investor intelligence from EFG Hermes Research, to boost their trading knowledge. Users will also have access to the EFG Hermes One Virtual Simulator, allowing them to simulate the trading experience on the application and build their knowledge and skills prior to executing real trades.

Also, during the year, EFG Hermes extended the EFG Hermes One platform beyond Egyptian borders, launching the all-new EFG Hermes One application in Kenya. The expansion unlocked a myriad of investment opportunities for retail investors, with the online platform offering seamless online stock trading on the Nairobi Securities Exchange (NSE). The launch of the application came on the heels of the NSE's introduction of day trading for retail investors, allowing them to buy and sell stocks and settle trades in a single day. The move formed an integral part of the Firm's frontier strategy to open up the market to further retail participation, see more equities listed on the NSE, and grow the value of equity markets to 50% of Kenya's GDP.

OLT Investments International B.S.C.

With demand for seamless and integrated digital solutions gaining significant traction in all industries, the need to provide digital access to the Firm's brokerage services became apparent. One of the major milestones for the Firm in 2021 was the stellar performance delivered by EFG Hermes' Bahraini subsidiary, OLT Investments International. The Firm's online platform, in collaboration with Saxo Bank, has managed to significantly grow its global client base, with AUM growing twofold by year-end 2021, placing EFG Hermes amongst the region's most prominent players for online trading. Since its inception,

the digital platform has quickly gained traction, and the Firm was successfully able to rapidly increase its client acquisitions.

Structured Products

The Structured Product Desk was launched in 2016 as an integral part of the Firm's strategy to grow its capital market business and deliver a suite of diverse products to the franchise. 2021 saw EFG Hermes Securities Brokerage's Structured Product Desk's revenues grow by 33% to record EGP 79 million versus the EGP 59 million booked at year-end 2020.

Unique Corporate Access

In efforts to honor its commitment of unlocking lucrative investment prospects for global and regional investors across key sectors in the world's most promising markets, and in light of the unprecedented conditions imposed by the onset of COVID-19, EFG Hermes continued to hold its investor conferences virtually throughout 2021.

In March, EFG Hermes' Third Virtual Investor Conference facilitated over 12,000 meetings, bringing together over 197 companies with more than 700 investors from 253 global institutions, with a combined market cap of USD 898 million. The Fourth Virtual Investor Conference held in September saw an even more diverse turnout, with the conference facilitating 14,800 meetings with 215 companies representing 35 countries, as well as over 720 investors from over 260 institutions, with a combined market cap of USD 3.02 billion.

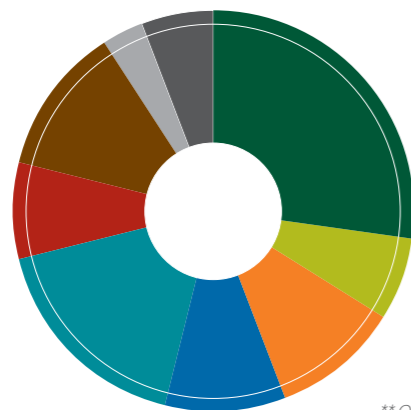
Key Financial Highlights 2021

EFG Hermes Securities Brokerage's revenues climbed by 29% y-o-y to EGP 1.3 billion in 2021, on higher revenues generated by favorable market conditions resulting in higher volumes across multiple of the Firm's markets of operation.



Commission Breakdown by Market

FY21

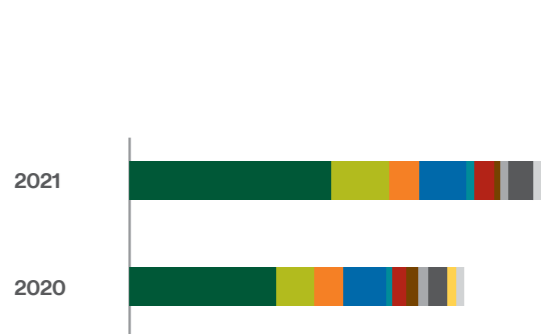


	FY21
Egypt	27.2%
DFM*	6.8%
ADX	10.3%
KSA	9.6%
Kuwait	17.2%
Qatar	7.9%
Frontier	11.8%
Structured Products	3.4%
Others**	5.7%
Total	100%

*DFM includes Nasdaq Dubai's share of 0.04% in 4Q21 & 0.02% in FY21
 **Others include Oman, Jordan, Lebanon, UK (GDRs), Bonds, and EFG Hermes One

Brokerage Revenue*

EGP million



	FY21	FY20
Egypt	652	484
UAE	187	123
KSA	97	96
Kuwait	155	144
Pakistan	24	17
Kenya	66	49
Nigeria	17	37
Frontier	29	34
Structured Products	79	59
Fixed Income	0	(30)
Others**	35	26
Total Revenue	1,341	1,039

*Brokerage revenues highlighted above represent operations and not markets
 **Others include Jordan, Oman, and Bahrain

Average Daily Commissions

(USD '000)



Awards

In 2021, the team's success garnered recognition from numerous international ranking institutions and awarding bodies, including Best Brokerage Services by Africa Global Funds; Best Broker in Egypt and Kenya by the EMEA Finance African Banking Awards; Best Broker in the Middle East, UAE, KSA, Kuwait, and Oman by the EMEA Finance Middle East Banking Awards; in addition to being ranked first for Best International Brokerages, third for Best Brokerages for Sales, Best Brokerages for Corporate Access, and Best Brokerages for Execution, in Pakistan in the Asiamoney International Brokers Poll.

Outlook

Going forward, the division aims to capitalize on the rapid recovery witnessed across regional markets and the myriad of achievements made during 2021. In its local market, EFG Hermes Securities Brokerage will continue to leverage its substantial portfolio of institutional investors, with an eye to further increase its market share.

In the UAE, the significant pick-up in equity markets, evident from the rapidly growing number of IPOs, unlocks numerous opportunities for investors looking to expand trading prospects. With its leading market position in the DFM and on the ADX, EFG Hermes Securities Brokerage is well-positioned to capture an even larger share of the market, as well as higher foreign institutional flows. In Kuwait, the division is working toward obtaining a Qualified Broker License, which will enable it to introduce margin trading into the market and offer investors a multitude of compelling opportunities with lucrative prospects. Jordan's market conditions remain promising, and the Brokerage division aims to continue expanding its product and service offerings in the market, capturing a larger market share. To further build on its solid achievements made in Sub-Saharan Africa, the division continues to work toward developing and growing an East and West financial hub through its Kenya and Nigeria bases. Simultaneously, it will also work to grow its presence in Southeast Asia, building on the remarkable achievements made in Pakistan and Vietnam. Alongside the division's regional expansions and developments, EFG Hermes Securities Brokerage is undergoing processes to refurbish its online platforms, strengthen its technological infrastructure, and expand its online presence to become perfectly positioned to capture larger market shares and increase its client acquisition, in addition to more expected success for the DMA trading platform. All in all, the division will continue to work toward cementing its solid position as a broker of choice throughout its footprint.

319

Covered stocks

RESEARCH

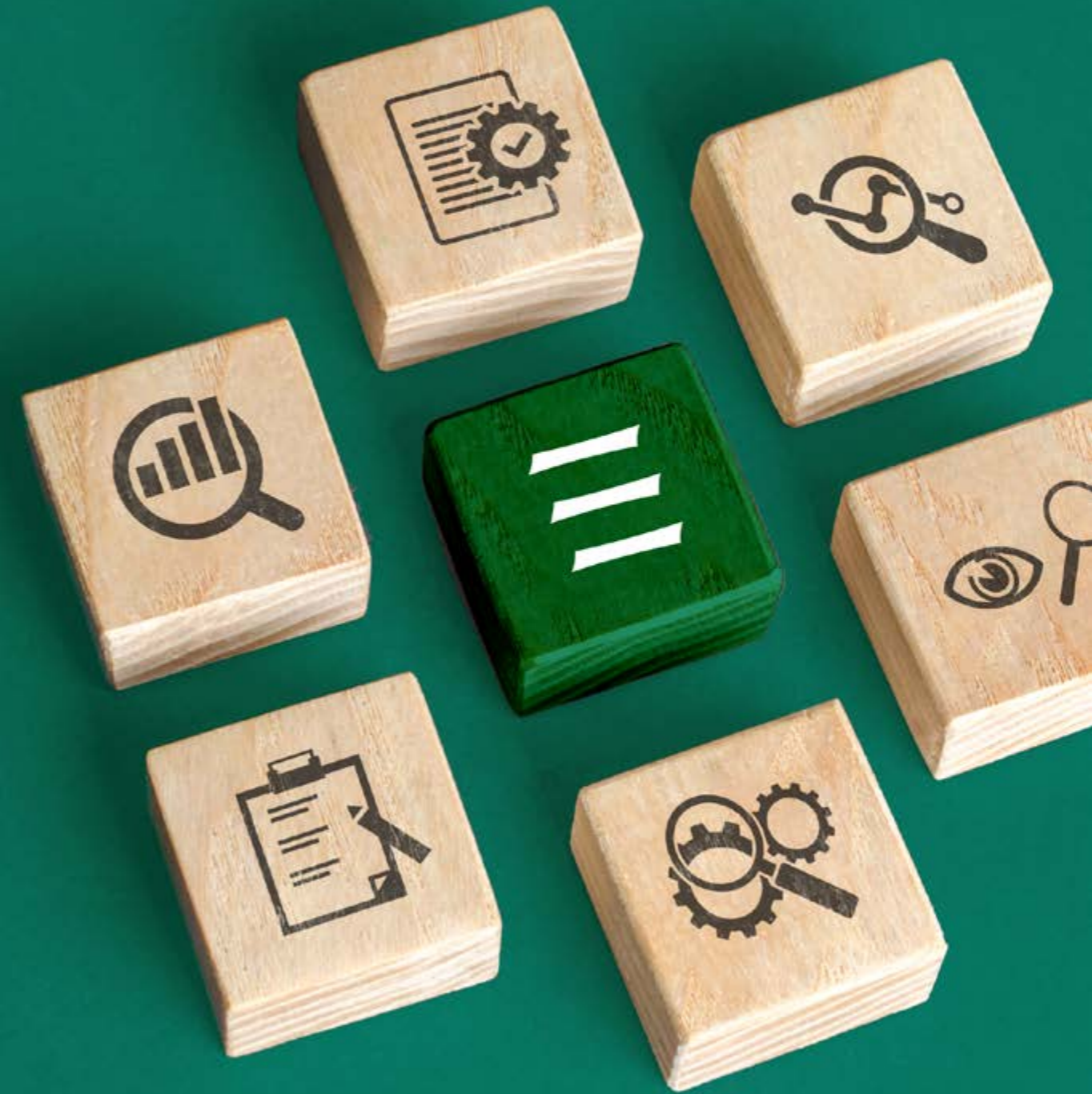
Our research division is the leading provider of in-depth, real-time market insights, guiding the Firm's divisions and client base when making key financial decisions

40

industries

26

markets



Research

As the world began gradually returning to normalcy, 2021 saw EFG Hermes Research actively track market developments, extend its research coverage, and enhance the quality of its products

Overview

EFG Hermes' Research division continues to be the region's leading provider of in-depth, real-time market insights, guiding the Firm's various divisions and ever-growing client base when making financial decisions. The division's research efforts bring together the perspectives of a diverse range of expert analysts, from fundamental and quantitative to economic and strategy research. Their common focus is identifying opportunities and delivering better investment solutions and results for the division's client base. This has proved particularly invaluable considering the unprecedented circumstances seen over the past couple of years and the subsequent impact on global markets. The division's growing ability to constantly expand its coverage and product offering, while remaining at the forefront of an increasingly competitive industry, has cemented its status in the past couple of years as the region's frontrunner in equity and strategy research. The team covers 319 stocks in 40 industries, across 26 markets, as of the end of 2021.

Operational Highlights of 2021

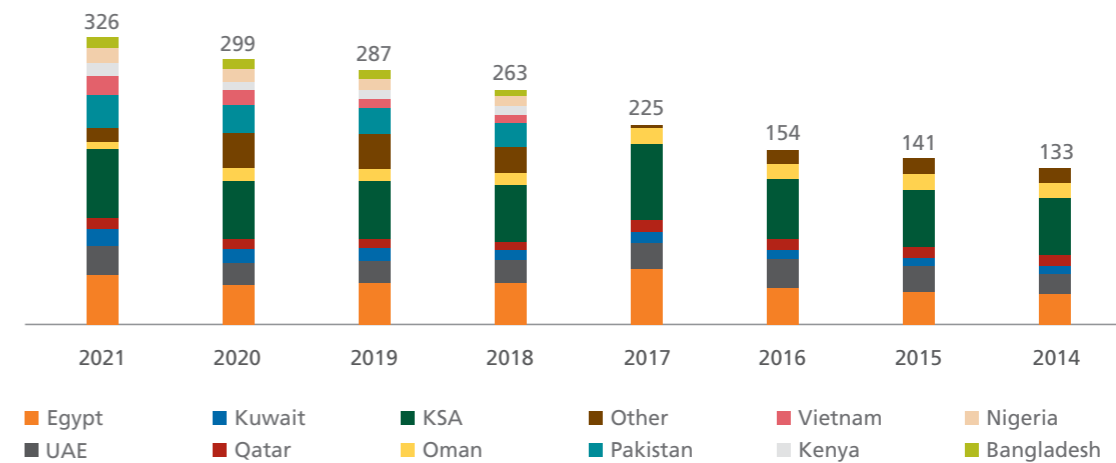
As the world began gradually returning to normalcy and health and travel restrictions slowly eased post the initial outbreak of the COVID-19 pandemic, 2021 saw more recovery and sentiment trickle back into the markets under the division's coverage. EFG Hermes Research was quick to track any market developments, and it continued to extend its research coverage and enhance the quality of its products. The division, which currently has an on-ground presence in Egypt, KSA, the UAE, Kenya, Nigeria, Bangladesh, and Pakistan, was also a key driver of the Firm's IPO executions, as ECM activity picked up across markets during the year. In 2021, the division initiated coverage on 25 new stocks from key MENA and frontier markets.

25

new stocks covered in 2021

Evolution of Companies Under Active Coverage*

(Number of Companies at Year-End)



This year witnessed a shift in the research focus of the division from Africa to Asia. The research team are looking to expand their existing footprint in attractive Asian markets with promising prospects, rolling out a substantial push on coverage in Vietnam, while looking at other potential markets. At the same time, Environmental, Social, and Governance (ESG) received increased attention this year, as regulatory bodies begin to codify ESG reporting standards and investors turn to more sustainable investment solutions as part of their investment strategies. Analysts at EFG Hermes Research are now progressively integrating ESG aspects in their models and, hence, valuation metrics, adapting to the evolving needs of the division's ever growing and diverse client base.

The department's ability to adapt to changing market dynamics and react to the developing needs of its increasingly varied client base has earned EFG Hermes numerous accolades over the years. EFG Hermes Research maintained its ranking in the Institutional Investor 2021 Poll, once again named the Top Frontier Research House and ranked second in MENA. The division also secured three out of five in the Top Analysts in the Frontier Markets category, including the number one position, in the same poll. Additionally, the team secured the Number 1 Research House position in the African EX-SA Equities by Financial Mail Top

Analyst Awards 2021. The Firm's Asian foothold also gained recognition, with a third-place ranking for the Best Brokerage for Research in Pakistan by the 2021 Asiamoney Brokers Poll.

Outlook

The unprecedented circumstances witnessed over the past couple of years have impacted all markets around the globe. However, during 2021, significant recovery was witnessed in earnings, as markets recovered following vaccine rollouts and reduced restrictions. Clients, investors, and analysts continued to look to research houses for incisive, accurate, and timely research to help them navigate volatile markets, and EFG Hermes Research is ideally positioned to capture this demand. With a positive global outlook, the division is planning a considerable push in 2022, broadening the variety of its products, and providing more diversified insights for the Firm's client base and divisions. EFG Hermes Research will further incorporate ESG metrics in its stock coverage in the upcoming year, which is of increasing importance to the division's clients. The division is additionally anticipating a wave of initiations, on the expected rollout of IPOs in the UAE, KSA, Kuwait, amongst others. EFG Hermes Research will continue to expand its frontier coverage, with a particular focus on Asian stocks.

636^{EGP}_{MN}

Buy-Side revenues in 2021

BUY-SIDE PLATFORM OVERVIEW

EFG Hermes Holding successfully captured the upside of market recovery in 2021, infusing markets with compelling value-add opportunities and products



Buy-Side Platform Overview

EFG Hermes Asset Management booked a consolidated revenue of EGP 528 million, reflecting a 45% Y-o-Y climb

Throughout the years, EFG Hermes Holding has relentlessly worked its way toward becoming a regional pioneer of innovative financial services, consistently raising the bar for excellence in the markets it operates in. In 2021, The Firm continued to build on its track record of success, surpassing regional benchmarks and peers and delivering a stellar performance across its core operations. During the year, global and regional markets continued on their upward trajectory, with global economic activity ramping up significantly. EFG Hermes Holding managed to successfully capture the upside of this recovery, infusing markets with compelling value-add opportunities and new products, all while significantly contributing to the Group's consolidated top-line growth.

At year-end 2021, EFG Hermes Asset Management booked a consolidated revenue of EGP 528 million, reflecting a 45% y-o-y climb. The division's local and regional AUM registered a remarkable increase, with Egypt AUM hiking by 23% to record EGP 23.5 billion and regional AUM increasing by 25% to reach USD 2.6 billion.

In terms of EFG Hermes Private Equity's performance, the division's renewables platform, Vortex Energy, reported solid results for the year. In 2021, Vortex Energy successfully concluded the first close for its "Vortex Energy IV" fund worth c. USD 200 million, with an eye on extending its renewables product portfolio beyond its current verticals, in addition to expanding its geographical footprint. Additionally, the strategic agreement Vortex Energy entered this year with Spain's Ignis Energy Holdings worth EUR 625 million aims to position our renewable energy

platform to better serve the growing traction that is being garnered in the landscape of sustainable and responsible investing, and to help pave the way for the global transition toward a net-zero emissions environment.

2021 was a remarkable year for the Private Equity division on the healthcare front. Throughout the year, our healthcare platform Rx Healthcare Management (RxHM) continued to enhance and expand its operational footprint in collaboration with United Pharma, which was acquired in 2019. We have successfully managed to introduce a large number of new, superior products to our portfolio during the year in order to continue catering to the ever-growing demand that is present in regional markets, and to continue providing a comprehensive suite of innovative healthcare solutions across various regions.

On the education front, our platform, Egypt Education Fund (EEF), began extensively broadening its portfolio of offerings in the Egyptian education landscape. In 2021, the platform successfully finalized its investment in Al Hayah International Academy, a leading provider of K-12 education in Egypt. With this acquisition, the platform currently houses a total of five of the country's most reputable educational institutions, and continues to build on its strategy of providing students across the country with flagship educational solutions.

Looking ahead, the EFG Hermes Private Equity and Asset Management arm aims to continue growing its investment spectrum to house more investments that create sustainable value to stakeholders and economies at large. Our



record of achievements for the year and the years prior speaks volumes about the Firm's solid ability to effectively charge regional markets with investment prospects that are not only lucrative but also create meaningful impact across the board. As regional and global markets continue to ramp up in activity, we aim to continue working toward bolstering our financial position through further capitalizing on new opportunities and growing our offerings, fortifying the Group's position in frontier emerging markets as the leading investment bank franchise.

Karim Moussa
Co-CEO of the Investment Bank
EFG Hermes

528^{EGP}_{MN}

Asset Management revenues in 2021

ASSET MANAGEMENT

Our Asset Management division boasts a track record of 18 years, and our Private Equity portfolio includes prime investments in strategic and defensive sectors in Egypt and abroad

23.5^{EGP}_{BN}

value of Egypt AUM

2.6^{USD}_{BN}

value of regional AUM



Asset Management



The Asset Management division leverages its team of regional industry experts to provide bespoke financial advisory, lucrative investment prospects, market insights, and other value-added services

Overview

EFG Hermes' Asset Management division, the MENA region's flagship asset manager, boasts a remarkable track record dating back to 1994. Throughout its decades of operations, the division has offered its clients a diverse, comprehensive spectrum of mutual funds and discretionary portfolios comprising both country-specific and regional mandates. The division's mandates include equity, money market, fixed income, indexed, and Sharia- and UCTIS-compliant mandates. Boasting an expansive client base of individual and institutional investors, as well as large government entities, the division leverages its team of regional industry experts to provide bespoke financial advisory, lucrative investment prospects, market insights, and other value-added services. EFG Hermes Asset Management offers tailored products and puts capital to work in a manner that best serves individual needs, unique financial objectives, and risk appetites.

23%

growth in Egypt AUM

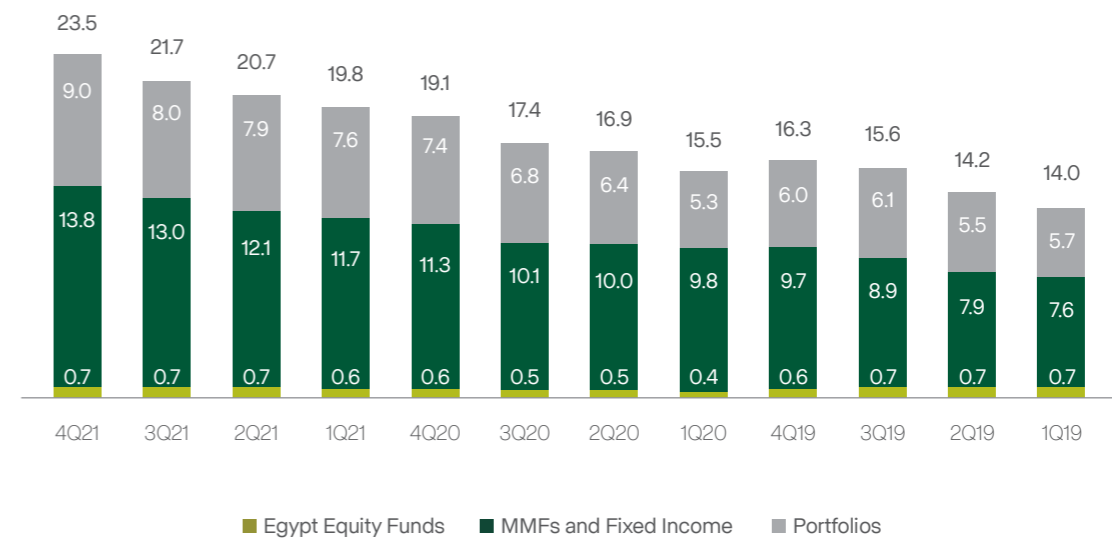
25%

growth in regional AUM

Operational Highlights of 2021

2021 was an exceptional year for the Firm's Asset Management division, with regional markets witnessing a rapid recovery in activity after a year of pandemic-driven market turbulence in 2020. Backed by the relaxation of lockdown restrictions, business re-openings, higher vaccine roll-outs, and rising oil prices, economic activity continued to ramp up throughout 2021. Inflation rates witnessed a significant rise throughout the year, as increasing demand continued to be matched with major supply chain shocks. Despite the present market volatilities, the MENA region's capital markets fared remarkably well during the year. In 2021, EFG Hermes Asset Management's fund and portfolio

Egypt AUM (EGP bn)



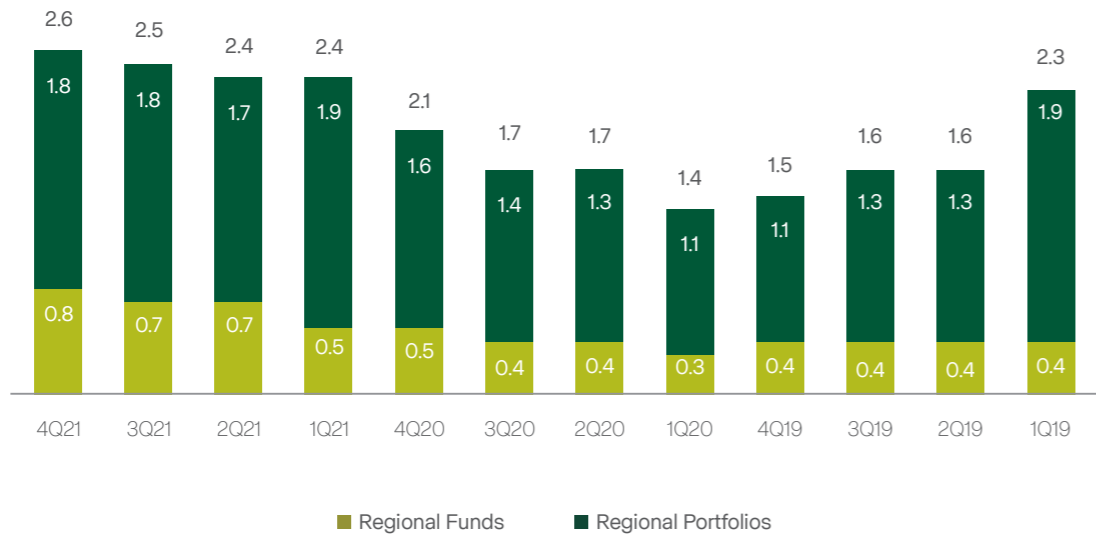
performance continued to outperform peer averages, allowing the division to maintain its leading position as the regional asset manager of choice.

By year-end 2021, the division's AUM in Egypt saw robust growth, climbing by 23% Y-o-Y to record EGP 23.5 billion on the back of the strong performance from equity markets during the year, in addition to the rising net inflows in Money Market Funds (MMFs). Regional AUM from the Firm's regional arm, Frontier Investment Management (FIM) Partners also grew 25% in FY21 to book USD 2.6 billion, as the division continued to deliver a stellar performance across all its funds and managed accounts, in addition to the higher net inflows from equity portfolios.

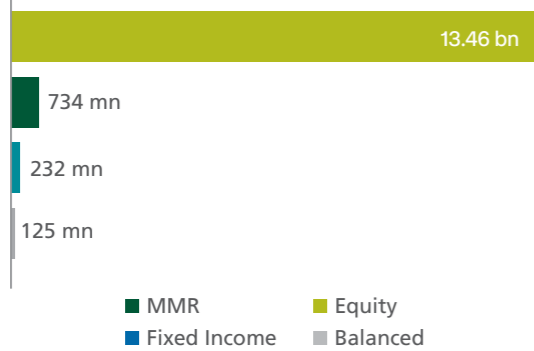
The major operational milestones for the division included raising funds of USD 200 million for the Firm's regional Frontier Investment Corporation Special Purpose Acquisition Vehicle (SPAC). The SPAC was launched with an eye to acquire companies operating in the technology, digital media, e-commerce, financial technology, and digital services sectors across markets with high growth prospects in the MENA region, Sub-Saharan Africa, and South and Southeast Asia. Additionally, the division launched new investment products targeted at the emerging market asset class, to capture the high-demand present in the asset management space and better serve the unique and evolving needs of its clients, ultimately cementing its leading position across its regional footprint.

Regional AUM

(USD bn)



Local Funds Managed by EFG Hermes Asset Management in Egypt



Key Financial Highlights of 2021

Asset Management revenues rose by 45% Y-o-Y in FY21 to EGP 528 million, compared to the EGP 363 million reported in FY20, largely due to strong incentive fees booked by the regional asset management arm, FIM, in the final quarter of the year.

Awards

In 2021, EFG Hermes Asset Management was named Best Asset Manager in Egypt and Pan-Africa by the EMEA Finance African Banking Awards for the third consecutive year, as well as the Best Asset Manager in the UAE by the EMEA Finance Middle East Banking Awards. The division was also ranked 17th in the 30 Biggest Asset Managers for 2021 by Forbes Middle East.

Outlook

In 2022, the Asset Management division remains confident in its ability to continue raising the bar across its regional footprint and expects to continue to grow and deliver long-term value to its investors and other stakeholders. The division will push on with its product expansion strategy, introducing a multitude of innovative products and solutions to its existing offerings that will further solidify its position as the region's leading asset management house.



109^{EGP}_{MN}

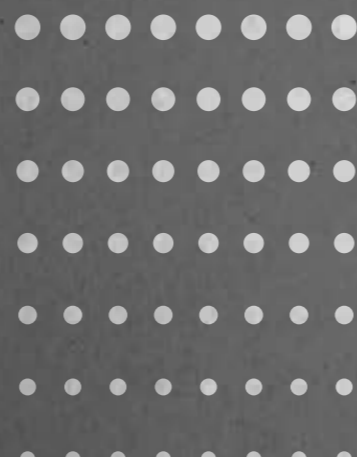
Private Equity revenues in 2021

PRIVATE EQUITY

Our Private Equity division is a regional leader in the field, dedicated to driving accretive investments in strategic, high-demand sectors

3

focus sectors



Private Equity

With a robust track record spanning two decades, the Private Equity division implements a specialized theme-centric approach to its investment methodology, investing in fast-growing businesses with untapped prospects

Overview

EFG Hermes' Private Equity division is a regional leader that is dedicated to driving lucrative investments in strategic, high-demand sectors. With a robust track record spanning two decades, the Private Equity division implements a specialized theme-centric approach to its investment methodology, investing in fast-growing businesses with untapped prospects. The division houses the industry's most prominent professionals, investing in companies through their strategic insights and expertise. EFG Hermes' Private Equity investment methodology strongly focuses on high-impact, responsible investments, funding companies operating in key sectors, such as education, renewable energy, and healthcare. With global investors and financial markets increasingly becoming aware of the importance of ESG criteria and a net-zero future, EFG Hermes' Private Equity division continues to prioritize investments in sectors that not only generate financial returns but also create massive impact. Being a pioneer in these verticals, EFG Hermes Private Equity has successfully fortified its expansive presence, consistently adding value to the industries across its footprint.

As such, the division manages its renewables investments through its Vortex Energy platform, which was established in 2014 to invest in projects in the rapid-growing renewable energy industry, driving higher sustainable development and laying the foundation for the transition toward clean energy. Since its inception, the investment platform has witnessed great success, completing the entire investment lifecycle from origination to divestment. In previous years, Vortex Energy divested Vortex I and Vortex II, which held a 49% stake in a 998 MW pan-European portfolio, encompassing 56 operational windfarms in

Belgium, France, Portugal, and Spain. In 2020, the platform additionally divested its managing stake in Vortex Solar, a 100% shareholder of a 365 MW solar PV farm in the UK, which was later recognized as the winning EMEA Renewables and Energy Transition Solar Deal of the Year in the IJInvestor Awards in 2021.

EFG Hermes' EEF is a USD 150 million investment fund that was launched in 2018 in partnership with Dubai-based education provider GEMS Education. The education fund targets investments in Egypt's K-12 private education sector, growing and developing Egypt's underserved K-12 educational sector, in line with the Firm's aim to make investments that are socially impactful across areas of strategic development in Egypt. Investments that fall under the fund's umbrella include the acquisition of existing schools, greenfield developments, and building a vertically integrated platform with GEMS Education to best manage the platform assets' operations. In 2019, the education platform concluded the acquisition of a majority stake in Option Travel, Egypt's flagship transportation services provider, to enable the company to provide specialized buses that will center on the health and safety of students.

Rx Healthcare Management (RxHM), the Firm's healthcare-focused investment management, was established to manage diverse investments across the healthcare sector to be able to meet the ever-growing demand for top-notch healthcare products and services across Egypt, the MENA region, and Africa. RxHM strongly focuses on investing in healthcare verticals with solid prospects, with an eye to unlock a plethora of

compelling and accretive opportunities for investors. The Firm acquired a stake in Egypt's leading medical solutions provider United Pharma, marking RxHM's first investment in the pharmaceuticals landscape. The acquisition concluded through Special Purpose Vehicle (SPV) Nutritius Investment Holdings, which was executed to cater to the substantial demand for medical solutions present in Egypt and the MENA region. Through the acquisition, RxHM aims to continue expanding United Pharma's product offerings, providing healthcare solutions that create significant impact for the economy at large.

Operational Highlights of 2021

Vortex Energy

2021 was an exceptional year for Vortex Energy. During the year, the platform concluded the first close of USD 200 million for its fourth fund "Vortex Energy IV", secured by EFG Hermes and several Abu Dhabi-based sovereign institutional investors. The fund, which is situated in the Abu Dhabi Global Markets (ADGM), will target a magnitude of energy transition verticals, such as generation, storage, and electric vehicle charging facilities, among others. The fund's scope encompasses products across the entire renewable energy spectrum, including plant operations, integrated product policies, development companies, greenfield developments, and commercial and industrial solutions. Vortex Energy IV's geographical footprint is to span countries in Europe, North America, Latin America, and Australia.

Later in the year, Vortex Energy entered into a definite agreement with Ignis Energy Holdings,

the holding company of the Spanish independent integrated renewable player Ignis Group. Through this agreement, Vortex Energy is expected to inject over EUR 625 million through its Vortex Energy IV Fund, which will enable Ignis to best finance its operation expansion plans.

RX Healthcare Management

2021 saw RxHM work toward growing and enhancing the operations of its healthcare platform with United Pharma. The company's product offering encompasses a vast range of generic categories specifically catering to underserved therapeutic areas, as well as intravenous (IV) solutions. RxHM substantially expanded the platform throughout the year, sourcing a larger number of products to add to its portfolio and expanding its regional footprint through higher exports to various countries. Medical products and services continue to witness increasing demand in regional markets, and the division aims to explore further prospects to push forward its platform expansion.

Egypt Education Fund (EEF)

In 2021, the education platform began diversifying its portfolio of investments to house reputable institutions in the region, with an eye to expand and enhance its activities in the education sector. At present, the platform's portfolio consists of 10 schools at various stages of development with a combined capacity of c. 20,000 students, offering superior education to more than 9,000 students currently enrolled. One of the major milestones for EFG Hermes' education platform for the year included the addition of Al Hayah International Academy to the platform, one of Egypt's premium education providers. The school follows a one-of-a-kind, value-based education approach, and it joined the EEF Platform

in an integration that brings together Al Hayah's extensive expertise and the platform's solid track record of immense success.

2021 Key Financial Highlights

Revenues for the division in 2021 recorded EGP 109 million.

Outlook

In 2022, the EFG Hermes Private Equity division plans to continue broadening its investment scope to take on more investments that create meaningful impact across its footprint, providing a comprehensive suite of offerings that add sustainable value to investors, other stakeholders, and economies as a whole. Shedding light on EFG Hermes' renewables platform, Vortex Energy, 2022 will see the Firm invest heavily in renewable energy in collaboration with Ignis, funding the company's future growth plans in its domestic market Spain and internationally. As the global focus on decarbonizing the environment continues to grow, Vortex Energy continues to work toward ensuring its renewables platform follows the highest sustainability and ESG standards with an eye to significantly reduce carbon emissions. On the educational front, EEF aims to leverage its acquisition investment in Al Hayah International Academy, as the institution embarks on a journey to launch its first branch in West Cairo. The new branch is set to commence operations in 2022. Additionally, the education platform also aims to diversify its service offerings beyond the K-12 sector, as it is in the process of exploring opportunities to invest in nurseries, Ed-tech, and other ancillary services. On the healthcare front, RxHM plans to continue expanding its healthcare portfolio by adding more acquisitions to the platform in collaboration with United Pharma.



NBFI Platform Overview

The stellar performance delivered by our NBFI platform across the board attests to the effectiveness of our operational strategies and business offerings

Our Non-Bank Financial Institutions (NBFI) platform maintained its strong growth momentum this year, saturating the market with groundbreaking financial solutions that continue to generate long-term value for clients, households, and stakeholders. The stellar performance delivered by our platform across the board attests not only to our ability to withstand present market volatilities but also to the effectiveness of our operational strategies and business offerings.

valU, our Buy-Now, Pay-Later (BNPL) fintech platform, delivered an exceptional performance during the year. The platform continued on its aggressive strategies to cement its position as MENA's leading BNPL platform, bringing the most innovative financing solutions to the market and forming strategic partnerships to grow its base of services and merchants. In 2021, valU began extending its services into new sectors, including healthcare, travel, finishing, and insurance. Simultaneously, the company successfully onboarded Jumia, one of the region's leading digital marketplaces, to its platform, with an eye to expand its service offerings to house more retail partners that reach a higher number of customers and help enhance their shopping experiences. In 2021 alone, valU booked over 450,000 transactions, with a total financed amount of EGP 2.3 billion.

Another major milestone for our NBFI platform this year was the strong performance of our flagship leasing and factoring arm, EFG Hermes Corp-Solutions. The company offers its clientele of corporates and SMEs a

comprehensive suite of top-notch leasing and factoring financing solutions, driving the push for financial inclusion across the region. 2021 was a record-breaking year for EFG Hermes Corp-Solutions; the company registered a total value of bookings amounting to a record high of EGP 8 billion versus the EGP 4 billion booked last year, reflecting a twofold Y-o-Y increase. In 2021, the company heavily capitalized on cross-selling prospects with the Group's Investment Banking division, as well as other players in our NBFI platform, such as valU.

Our e-payment solutions platform PayTabs Egypt also fared extremely well this year, as the demand for digital payments and solutions continues to grow rapidly. The company shifted its portfolio to encompass more SMEs and social commerce ventures, which falls in line with its strategy to grant higher financial accessibility to Egypt's unbanked population and to promote financial inclusion across the country. It successfully onboarded a larger number of merchants to its portfolio, with a total of 640 new partner merchants added by year-end 2021. During the year, PayTabs Egypt partnered with our BNPL platform valU to create tailored financing solutions that enable merchants to convert their business models from B2B to more consumer-centric models. The company also partnered with EgyptAir, the country's leading airline, in collaboration with valU with the purpose of providing convenient payment solutions to customers wishing to purchase local and international flight tickets. Another successful partnership for the year was that of PayTabs Egypt, valU, and Inertia, marking the



Egyptian real estate sector's first ever venture into digital payment solutions, accelerating contactless real estate sales.

Throughout the year, EFG Hermes Holding's NBFI platform began financing startups that operate in various sectors, with a strong focus on SMEs, young entrepreneurs, and freelancers. In January 2021, digital banking platform Oxygen raised a round of funding from EFG Hermes Holding, Runa Capital, S7V, 1984.vc, Rucker Park, Inventures, and other prominent investors. With this funding, the company aims to continue developing innovative financial tools that ensure the best banking experiences for individuals and businesses alike. Later in November, EFG Hermes Holding, along with DFIN Holding and Marakez, invested in Egypt's KIWE Fintech, the country's first ever social

peer-to-peer payment app. Through this funding, KIWE plans to use BNPL platform valU as the application's key payment method, providing users with seamless and convenient transfer options. In December, KlickIt, Egypt's plug-and-play payment management and digital collection platform for educational institutions, concluded its first investment round. Backed by EFG Hermes Holding's NBFI platform and Camel Ventures, the company aims to continue developing and enhancing its digital platform, in addition to upscaling its service offerings.

Bedaya, our mortgage finance venture and Egypt's first and only online mortgage provider, has also delivered solid results for the year. In 2021, Bedaya's operations registered significant growth, with the company recording an aggregate value of bank facilities worth EGP 1.5 billion. The year also saw the company take aggressive measures to expand its footprint and client base. At present, Bedaya's portfolio has grown to book a total value of EGP 1,150 million and a client base of 437 clients, reflecting the strength of its service offering and the high demand that is present for its competitive mortgage financing solutions.

Additionally, our insurance arm, Kaf, has contributed to the overall success of our NBFI platform. The company is determined to provide its clients with superior retail and commercial insurance solutions, with an eye to drive long-term value for individuals, businesses, and communities at large. By the end of the year, the company had moved from less than 0.1 million to over 1 million individuals insured, making it one of the largest life insurers in the Egyptian market by the number of people covered.

During the year, our microfinance arm, Tanmeyah, continued on its branch expansion journey with an eye to broaden its roster of clients. The company successfully established 16 new branches in 2021, growing to record a total of 300 branches and serving over 380 thousand clients spanning 25 governorates. Tanmeyah managed to stabilize its risk after the challenges caused by the pandemic and booked a total portfolio value of EGP 3.7 billion at year-end 2021—the highest level since the company's inception. In line with the Egyptian government's financial inclusion and digital transformation strategy, Tanmeyah signed an agreement with Banque Misr to issue co-branded cards to its clients and install ATMs across 250 of its branches. In addition, Tanmeyah fully rolled out its 2020 partnership with Damen, a leading e-payment network. Going forward, we remain optimistic about our ability to continue to grow and build on the successes we have achieved over the years. We look forward to another year of accomplishments and strongly believe that our subsidiaries will continue to drive progress in the ever-growing financial services industry.

Walid Hassouna

CEO
EFG Hermes Holding's NBFI Platform
Group Head
Debt Capital Markets
CEO
valU



1.4^{EGP}_{BN}

Total revenues at year-end 2021

TANMEYAH

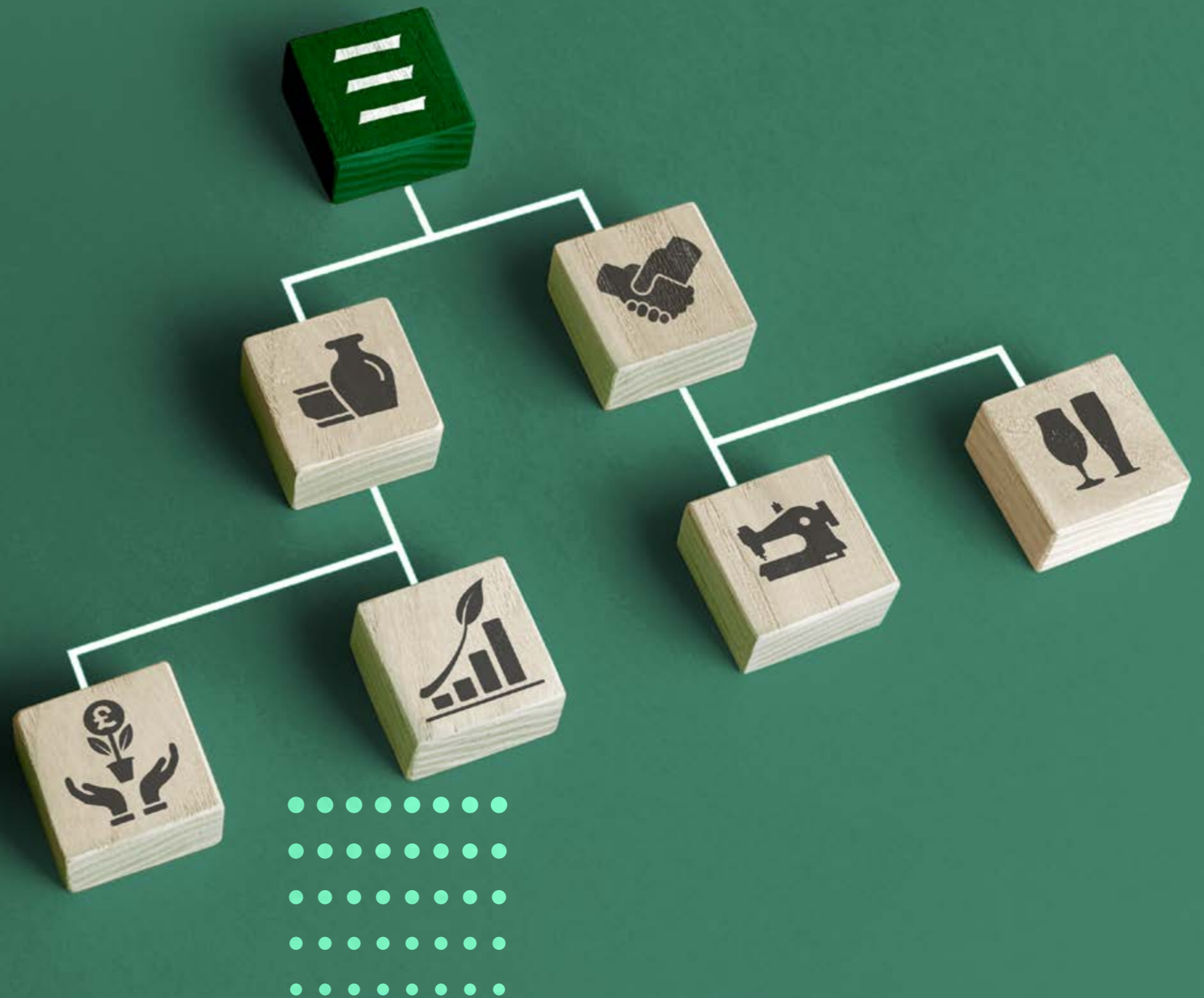
Tanmeyah is one of Egypt's leading microfinance solutions providers, offering funding solutions to lower-income, small- and micro-enterprise owners

300

branches by year-end 2021

5_K

employees



Tanmeyah



Through its diverse portfolio, Tanmeyah not only complements the CBE's efforts to promote nationwide financial inclusion but also empowers a multitude of entrepreneurs in Egypt's underserved areas to grow their businesses

3.7 EGP
BN

portfolio value in 2021

Overview

Established in 2009, Tanmeyah Microenterprise Services is one of Egypt's leading microfinance solutions providers, offering funding solutions to lower-income, small- and micro enterprise owners with limited access to capital. Tanmeyah offers innovative financial solutions targeted at governorates where business owners typically lack access to funding from conventional banking channels, with an eye to ensure financial inclusion in Egypt and bolster the development of surrounding communities. Tanmeyah extends credit facilities of up to EGP 50 thousand for micro enterprises, and between EGP 50 thousand and EGP 100 thousand for very small businesses. Through its diverse portfolio, Tanmeyah not only complements the CBE's efforts to promote nationwide financial inclusion but also empowers a multitude of entrepreneurs in Egypt's underserved areas to grow their businesses, fueling economic growth and community development. In 2016, EFG Hermes Holding acquired 94% of Tanmeyah, which later increased to 100%, owned by EFG Finance Holding, in 2021 in efforts to expand its NBFi platform.

Operational Highlights of 2021

Tanmeyah started off 2021 on a high note on the back of its successful implementation of a robust recovery strategy in the previous year. Although the microfinance sector was heavily impacted by the COVID-19 pandemic, the company was able to confidently navigate through the crisis by adopting IFRS9, which predicts risk using a probability of default technique. This prudent risk management approach, along with a dedicated remedial taskforce to mitigate risk

in high-risk branches, enabled Tanmeyah to stabilize its risk and focus on its growth, with sales substantially picking up in 1Q21.

During 2021, Tanmeyah proceeded with its branch expansion strategy to broaden its client base and increase its sales. The company inaugurated 16 additional branches, bringing its total to 300 branches in 25 governorates. This expansion was guided by extensive research to determine and serve areas where there is high demand for microfinance. Next to expanding its branch network, Tanmeyah actively worked toward enhancing the efficiency and work environment of its existing branches to complement its corporate image. By the end of 2021, the company had refurbished 25 of its branches, recruited high-caliber talent, and enhanced branch operations. As a result, Tanmeyah's total number of clients grew to a record of 381 thousand in 2021, and the company's portfolio reached almost EGP 3.7 billion—its highest level since inception.

At present, Tanmeyah's team comprises around 5,000 employees, of which over 2,700 are field loan officers. In 2021, the company focused heavily on the development of its people by offering them several learning and development opportunities, including trainings on money laundering and programs for top calibers to obtain various certifications. As such, a key priority for Tanmeyah was to enhance internal communication to ensure higher levels of transparency and accountability. As part of its efforts to improve its technological infrastructure and by means of capitalizing on its data analytics, internal

dashboards were rolled out to allow for the live tracking of performance metrics by field staff that were then used to cascade actions from management to front liners easily and swiftly.

Moreover, Tanmeyah launched a new position at the end of 2020—Governorate Manager—to streamline operations in each governorate, ensure ease of communication, and subsequently hold managers accountable for the performance in their respective governorate. This organizational restructuring started to reap fruit and contributed to a strong comeback in 2021. At present, Tanmeyah has 18 governorate managers, mostly promoted from within the company. The new post resulted in the ascension of several area managers, loan officers, supervisors, and branch managers to higher positions, creating healthy competition between employees and motivating them to outperform. This led the company's portfolio at risk 30+ to significantly decline to 5.2% at year-end 2021, compared to 7.1% in the previous year.

In line with the government's digital transformation strategy, Tanmeyah became the first microfinance company in Egypt to acquire an agency banking license from the Central Bank of Egypt (CBE). Following the licensing, the company entered into an agreement with Banque Misr to issue co-branded cards and host the bank's ATM machines in 250 branches and points of sale starting 2022, enabling clients to easily withdraw and deposit cash. Tanmeyah also completely rolled out its 2020 partnership with "Damen", a leading e-payment network, to offer payments through their points of sale.



To further diversify its product offering, Tanmeyah employed geo-based marketing to provide unique bespoke products in each governorate based on insights obtained from market research. The company fully rolled out its Women in Business product across all its branches, which extends loans to women seeking to launch or expand their home-based businesses to more branches, raising the portfolio of women empowered.

Financial Highlights

Driven by increased sales, enhanced margins, and a record portfolio growth, Tanmeyah recorded a revenue increase of around 30% Y-o-Y to EGP 1.4 billion in 2021, up from EGP 1.1 billion recorded at year-end 2020.

Forward-Looking Strategy

In 2022, Tanmeyah aims to further optimize its operations to ensure efficiency and accountability. The company will relocate all its operations to a single centralized headquarters and launch an upgraded and a more robust Core Banking System to enhance operational efficiencies and accommodate for its increased business demand. Tanmeyah will also continue its efforts to enhance its technological capabilities and completely digitize its operations.

Stemming from its firm belief that developing human capital is a long-term investment, Tanmeyah plans to invest EGP 10 million in the development of its human capital. In addition to recruiting high-caliber talent, the company

expects to upskill its employees that need to acquire more qualifications by enabling them to join open universities to receive undergraduate degrees. Moreover, the company will launch the Tanmeyah Champions League, an eight-month competition among the governorates for the best performance, in terms of sales, risk and overall efficiency KPIs.

Building on the overwhelming success of the first tranche of its securitization program that delivered a net gain of EGP 24 million, Tanmeyah is assessing the launch of a second tranche in 2022, securing additional funding to diversify its funding lines. However, it is worth noting that Tanmeyah has sufficient existing funding lines to cover its growing operations and is perfectly positioned to sustain its flagship position in the Egyptian market.

The company will also implement its agreement with Banque Misr, issuing the co-branded cards and introducing the Bank's ATM machines in 250 of its branches and points of sales. Tanmeyah is also exploring wallets and other digital payment methods with key players in the market, in parallel to its existing partnership with Damen and Banque Misr.

Tanmeyah will further diversify its offerings by providing tailor-fit products to the SMEs sector. In addition, Tanmeyah aims to introduce consumer finance services as a new line of business. Following its decision to halt its light vehicle program, the company will develop new segment-based products, including a medical product targeted at doctors and pharmacists.



302^{EGP}_{MN}

Total operating revenues at year-end
2021

valU

valU is the MENA region's leading Buy-Now, Pay-Later (BNPL) fintech platform offering convenient and customizable financing plans

2.3^{EGP}_{BN}

total financed in 2021

450_{K+}

transactions completed



valU

Today, valU is ranked second in the consumer financing space in Egypt with a significant 20% increase in market share

5K+
points of sale

330+
websites

96K+
transacting customers

A subsidiary of EFG Hermes Holding's NBFi platform established in December 2017, valU is the MENA region's leading Buy-Now, Pay-Later (BNPL) fintech platform offering convenient and customizable financing plans up to 60 months. With more than 5,000 points of sale and over 330 websites, valU offers access to a wide network of retail, service, and e-commerce providers across a diverse array of categories, including home appliances, electronics, home finishing, furniture, residential solar solutions, healthcare, education, travel, fashion, and numerous others. As the first platform of its kind in the MENA region, valU customers are able to receive instant credit decisions and gain access to the ever-growing platform's partners. valU disrupted the fintech space by offering efficient and swift financing for both banked and un-banked customers. valU's launch is part of EFG Hermes Holding's wider strategy to promote nationwide financial inclusion through digital intermediation, in line with national development strategies to move to a cashless society.

2021 Operational Highlights

valU made tremendous progress throughout the year, having not only brought to market several innovative and disruptive financing solutions but also forging and building partnerships to expand its scope of services and merchants. As a result, valU witnessed outstanding growth on all key metrics, seeing over 96,000 transacting customers and over 450,000 transactions completed through the app. With an average ticket size of EGP 5,024 (+2.4x Y-o-Y) and an average of five transactions per customer (+2.3x Y-o-Y), valU ended the year having financed a total of

EGP 2.3 billion, up 2.4x compared to figures reported in 2020. Today, valU is ranked second in the consumer financing space in Egypt with a significant 20% increase in market share.

Throughout the year, valU received several accolades that were a testament to its swift development as a leader in the industry. It was recognized as the Fintech Company of the Year at Entrepreneur Middle East's Tech Innovation Awards 2021, as well as Fintech company of the Year at the Gulf Business Tech Awards 2021, and it won Best Buy-Now, Pay-Later Platform at the Leaders in Fintech Awards 2021 by Entrepreneur Middle East. valU also ranked 5th on Forbes Middle East's Top Fintech apps in the Middle East 2021.

In 2021, valU extended its services to new key sectors, such as travel, through a partnership with EgyptAir in collaboration with PayTabs Egypt, allowing travelers to afford both domestic and international travel. Another key partnership forged this year was with Misr Insurance Company, allowing clients to benefit from convenient installment plans with an eye toward making insurance more accessible to a wider range of customers as part of valU's efforts to boost financial inclusion and, in turn, social impact. It also further cemented its offerings in the healthcare space, partnering with Saudi German Hospital (SGH), the first and only

healthcare facility in Africa to become a member of the Mayo Clinic Care Network, to offer convenient financing plans for SGH's patients across all medical services.

At the same time, valU expanded its partnership network in key sectors throughout the year, onboarding Jumia, one of the key online marketplaces in the region, and began talks to partner with leading e-commerce player, noon that went live in November 2021. As part of the efforts to expand its footprint in the real estate space, the company partnered with SODIC, offering convenient financing plans for potential Club S members at the SODIC East, SODIC West, and Allegria branches of the club. valU also partnered with Misr Italia Properties, providing clients with its home improvement financing solutions. valU also grew its partner network in the education space, working with the American University in Cairo's (AUC) School of Business to offer convenient financing and affordable installment plans for individuals seeking to pursue the school's undergraduate and executive education programs. valU also added more new retail partners to the roster, including Lulu Hypermarket and Azadea.

Visibility and brand equity also skyrocketed once valU was able to execute promotions and campaigns at the mall level, not only stores and

brands. These campaigns allowed the company to benefit from the high footfall at malls and, in turn, to provide the malls with data insights on the purchase behavior of customers. Some of these malls include Mall of Arabia, Mall of Egypt, Cairo Festival City, and City Stars, to name a few. Furthermore, as part of valU's plan to expand into more governorates, it launched a strategic partnership with MARAKEZ's Mall of Tanta that saw valU offer its BNPL services to shoppers.

valU introduced "Sha2labaz", a first-of-its-kind redemption program available exclusively for shoppers at MARAKEZ's flagship Mall of Arabia. The program allowed customers to receive cash reimbursements equivalent to the purchases made in cash, credit or debit cards, or through other BNPL and payment solutions subject to their approved valU limit. This unique product permitted valU to access merchants that are not part of its network, including international merchants and others, such as utility payments. Additionally, through youth financing program "Ma3ak", valU was able to target the age group between 18 and 21, making it the only player offering a credit line to this age bracket. The program onboarded 3,000 students after the pilot phase, and it will continue to work toward financial inclusion for this group through promoting financial literacy.

Another key factor in the company's success this year was its ability to leverage partnerships across the Group's different lines of business. valU partnered with EFG Hermes Holding's other NBFi platforms, mainly PayTabs Egypt and EFG Hermes Corp-Solutions. These partnerships enhanced synergies across the Firm's NBFi platform and promoted cross-selling opportunities by utilizing its multitude of services to provide clients and partners alike with comprehensive financing solutions. The partnership with EFG Hermes Corp-Solutions is available to merchants who have worked with valU for over one year, offering eligible partners access to finance with a pre-approved limit ranging from EGP 50 thousand to EGP 10 million. With

PayTabs Egypt acting as the payment aggregator in partnerships with EgyptAir, Inertia, and Lulu Hypermarket, this lent further attraction to a collaboration with valU to clients.

In terms of marketing efforts, valU carried out its first celebrity advertising campaign this year. This successful promotion created a dramatic effect in the figures, with a 40% pickup in daily run rates. Another successful campaign launched by valU was early access to Black Friday promotions in November. This move resulted in a dramatic uptick in transactions, signifying a 200.6% increase in transactions compared to November 2020 and a 151% increase from October 2021 to November 2021.

2021 Key Financial Highlights

valU's total operating revenues (offsetting interest expense on bank facilities) hit EGP 302 million in 2021 compared to EGP 111 million in 2020.

Forward-Looking Strategy

In the coming year, valU will seek to further develop its operational synergies and cross-selling opportunities with partners across the Group, including PayTabs Egypt and EFG Hermes Corp-Solutions, among others. This will serve to provide value-added services to valU's merchants by granting them access to immediate liquidity, largely through EFG Hermes Corp-Solutions' factoring arm, as well as supporting them in expanding their business ventures. It will also capitalize on its relationship with PayTabs Egypt, having already laid the groundwork to forge a partnership between the BNPL player, payment gateway, and Mazadat—the first X2C online-offline auctioning and e-commerce marketplace in the MEA region.

valU is also planning to expand its regional footprint in the year ahead, replicating the success it has seen in its home market in others with similar underlying fundamentals. The company is in the final stages of launching its offering

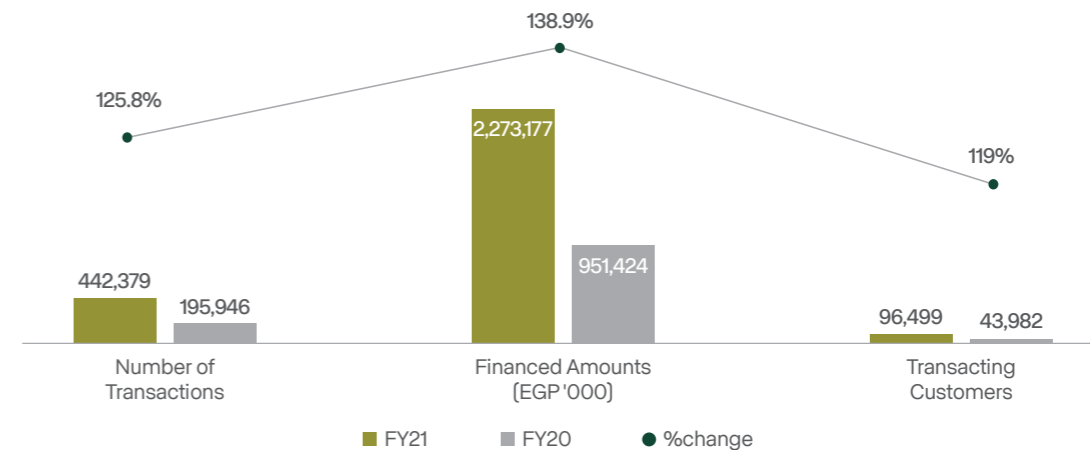


Sectors	FY21	%	FY20	%
Electronics	768,151	33.8%	336,869	35.4%
E-Commerce	299,767	13.2%	156,720	16.5%
Mega Stores	368,096	16.2%	133,059	14.0%
Fashion Retail	143,046	6.3%	58,037	6.1%
Furniture	204,351	9.0%	120,906	12.7%
Other	489,766	21.5%	145,833	15.3%
Total	2,273,177	100.0%	951,424	100.0%

in KSA, having laid the groundwork to forge a partnership with Al Hokair Group in 2022, while simultaneously eyeing additional markets. The company is also currently working on expanding into more governorates in Egypt outside of Cairo, Giza, and Alexandria, with plans in the works to launch the service in Mansoura through a partnership with a flagship mall in the area.

valU's flagship stores are now set to launch, signifying a shift from the booth structures it

currently employs to offer a bespoke set of service offerings in-store as well as boost visibility and adoption in the market. Additionally, the company is looking to onboard more merchants in numerous other sectors, including leading e-commerce platform Amazon, as well as club membership financing in Al Ahly Sporting Club. At the same time, the company will also launch its Sha2labaz product more broadly, having already set in motion plans to launch it at Majid Al Futtaim's anchor malls in Cairo.



8 EGP
BN

Total value of new bookings in 2021

EFG HERMES CORP-SOLUTIONS

We firmly believe in the complementary effects of leasing and factoring in providing corporations and SMEs with financial leverage

3.9 EGP
BN

value of new bookings from the leasing business

4.2 EGP
BN

value of new bookings from the factoring business



EFG Hermes Corp-Solutions

109^{EGP}_{MN}

net profit at year-end 2021

22.9%

market share in the factoring
market in 2021

Overview

Established in 2020 as part of EFG Hermes Holding's NBFi platform, EFG Hermes Corp-Solutions was formed with an eye to consolidate the Group's factoring and leasing businesses, EFG Hermes Leasing and EFG Hermes Factoring, into one bundled entity. The company offers its client base a multitude of top-notch, disruptive leasing and factoring tools that help push forward business growth and development and create long-term value across the board. Backed by a team of highly experienced individuals, EFG Hermes Corp-Solutions continues to offer large corporates and SMEs cut-to-fit financing solutions that are prompt, effective, and impactful. Aside from the company's leasing and factoring service offerings, EFG Hermes Corp-Solutions presents its clientele with regional market insights and intelligence and financial advisory services, leveraging EFG Hermes Holding's decades of expertise and exceptional in-house research capabilities. Today, EFG Hermes Corp-Solutions has worked its way toward becoming a one-stop-shop, consistently raising the bar in the Egyptian leasing and factoring markets, and playing a pivotal role in driving financial inclusion across the country.

2021 Operational Highlights

2021 was a year full of record-breaking achievements for EFG Hermes Corp-Solutions. Despite the challenges faced by the company following the onset of the COVID-19 pandemic, which

created liquidity shortages for many clients and a highly competitive market environment, EFG Hermes Corp-Solutions continued to expand its service offerings across the Egyptian market, delivering exceptional results across its leasing and factoring operations. At year-end 2021, the company contributed a stellar EGP 8.1 billion to the Group's NBFi platform. The year also saw EFG Hermes Corp-Solutions take strategic measures to grow its roster of clients, expanding its portfolio to house even more prominent clients in the country's key industries, such as the real estate and retail sectors. By the end of the year, EFG Hermes Corp-Solutions had a total of 236 active clients utilizing its leasing and factoring services.

On the leasing front, 2021 saw EFG Hermes Corp-Solutions provide clients with more financing solutions that enabled them to capitalize on compelling market opportunities, enrich and expand product offerings, reengineer technological infrastructure, and much more. The division focused heavily on pioneering leasing tools that add long-term value to its clientele, all while safeguarding their assets and laying the foundation for them to explore accretive business growth and scaling prospects. At the end of the year, EFG Hermes Corp-Solutions' leasing business attained a total value of bookings amounting to EGP 3.9 billion, reflecting a remarkable 62.5% increase from the EGP 2.4 billion booked at year-end 2020. The leasing business's exceptional performance enabled EFG Hermes

Corp-Solutions to capture a larger market share of 10.39%, coming in at third place in the market at the end of 2021.

On the factoring front, EFG Hermes Corp-Solutions continued to offer its client base of companies a vast range of debt and export factoring tools, which enabled them to expand their regional footprint, bolster liquidity positions, and maintain healthy and lucrative relationships with suppliers and creditors alike. By the end of 2021, EFG Hermes Corp-Solutions had successfully grown its factoring portfolio by 53%, recording a total value of bookings amounting to EGP 4.2 billion versus the EGP 1.6 billion booked one year previously. The company's factoring business cemented its first-place ranking in the Egyptian factoring market, maintaining the lion's share of 22.82% of the market.

Additionally, the year witnessed EFG Hermes Corp-Solutions substantially capitalize on the cross-selling prospects with EFG Hermes Holding's other lines of business, particularly with the Group's leading Investment Banking division. During the year, the company also signed an EGP 750 million sale and leaseback agreement with real estate powerhouse Misr Italia Properties to refinance and accelerate the construction of its state-of-the-art property Garden 8 Mall in New Cairo. In addition to Misr Italia and Marakez, EFG Hermes Corp-Solutions also acted as the lender

on a sale and leaseback agreement amounting to EGP 750 million with real estate developer Madinet Nasr for Housing and Development (MNHD), while EFG Hermes' Investment Banking division acted as the financial advisor for the transaction, which is expected to encompass several follow-on securitization issuances. These two transactions have garnered significant traction, attesting to EFG Hermes Corp-Solutions' ability to develop robust business models and innovative solutions that enable companies to access funding that best serves their ever-growing needs. By cross-selling with the Group's flagship Investment Bank, EFG Hermes Corp-Solutions continues to bridge the gap for securitization transactions.

As part and parcel of the Group's strategy to continue leveraging its successful products and bringing them to the market, the Firm's Investment Banking division concluded EFG Hermes Corp-Solution's issuance of a securitization bond worth EGP 790 million and backed by a receivables portfolio of EGP 815.1 million, representing 47 lease contracts. This transaction marked the first issuance in the bond program with a value of EGP 3 billion.

Parallel to cross-selling with the Firm's Investment Banking division, 2021 saw EFG Hermes Corp-Solutions leverage cross-selling prospects with other flagship players in the Group's NBF1 platform. As such, the company formed a partnership with the BNPL lifestyle enabling fintech platform valU, accessing a larger number of valU's merchants and providing factoring services in the BNPL sphere. Through this partnership, merchants received access to financing with a pre-approved limit ranging from EGP 50 thousand to EGP 10 million. Additionally, EFG Hermes Corp-Solutions partnered with the NBF1 platform's Fintech accelerator and micro-VC

arm, EFG EV Fintech, unlocking opportunities for startups to access financing methods, and ultimately elevating entrepreneurial activities in the Fintech industry across the region. In 2021 specifically, EFG Hermes Corp-Solutions partnered with EFG EV Fintech to offer financing solutions for startups, such as Dayra, Cayesh, and Edfa3ly.

Key Financial Highlights

In 2021, EFG Hermes Corp-Solutions delivered exceptional results across its core operations, recording 1,308 new bookings in 2021 compared to 729 bookings recorded in 2020. Consequently, the total value of new bookings grew twofold to record EGP 8 billion, up from the EGP 4 billion booked at year-end 2020. The company recorded a net profit of EGP 109 million at year-end 2021, reflecting a 92% increase from the EGP 57 million booked one year previously.

Forward-Looking Strategy

Going forward, EFG Hermes Corp-Solutions aims to continue capitalizing on cross-selling prospects with EFG Hermes Holding's entities, especially the Firm's Investment Banking division, leveraging the division's intellectual credibility to launch a comprehensive suite of bespoke financial products and services that best serve clients' different sizes, operational sectors, and risk appetites. Additionally, the company will continue expanding its operational footprint, and growing its portfolio to house a wider range of clients and sectors. As such, EFG Hermes Corp-Solutions continuously explores market opportunities, with an eye to launch new products and services that will perfectly position the company to capture a larger share in its markets of operations, cementing its position as one of Egypt's leading leasing and factoring service providers.

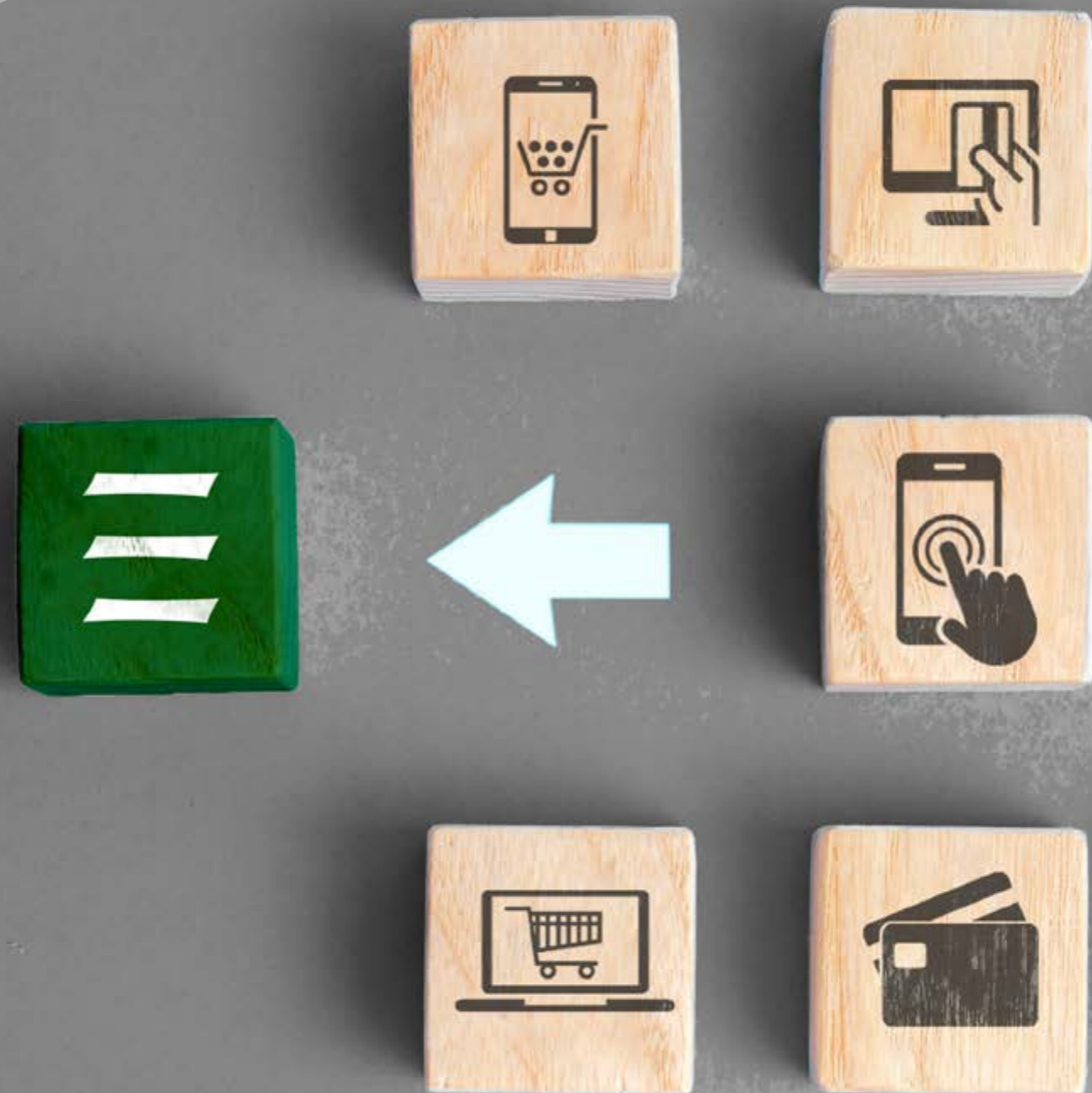
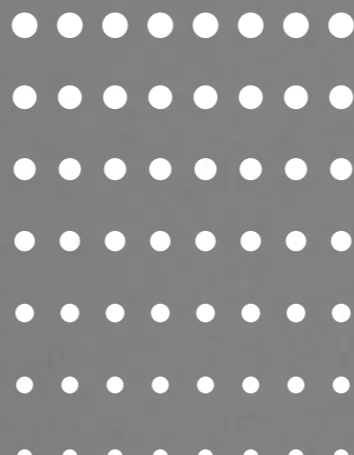


PAYTABS EGYPT

PayTabs is an award-winning fintech company that aims to transform the e-payments sector and drive financial inclusion in Egypt

70%

of PayTabs Egypt's portfolio comprises SMEs and social commerce entities



PayTabs Egypt

In just under a year and a half of launching, PayTabs Egypt was awarded "Best E-Payment Solution" by Entrepreneur Middle East at the "Leaders in Fintech Awards 2021"

Overview

Established in KSA in 2014, PayTabs is an award-winning fintech company with presence in over seven markets. In 2019, EFG Hermes Holding partnered with PayTabs to establish PayTabs Egypt as part of the firm's growing NBFi vertical. The aim was to work together to build a cutting-edge platform that facilitates financial inclusion and caters to the online and digital payment needs of multiple consumer segments. The company is now Egypt's most innovative provider of digital payment solutions, offering e-commerce merchants the market's leading online payment gateway.

Operational Highlights of 2021

Despite the challenges that faced sectors and economies in 2020, 2021 was a year of opportunities for PayTabs Egypt. Propelled by the demand for digital payment solutions, the need to go cashless, and the regulatory support for financial inclusion and digital intermediation channels, PayTabs Egypt was able to expand its product offering, optimize its client mix, and capitalize on the synergies between EFG Hermes' NBFi subsidiaries to come out a stronger, more streamlined operation. In just under a year and a half of launching, PayTabs Egypt was awarded "Best E-Payment Solution" by Entrepreneur Middle East at the "Leaders in Fintech Awards 2021", an event that paid tribute to entrepreneurs and enterprises shaping the future of the fintech industry.

This year saw PayTabs Egypt utilize its resources to leverage on the Central Bank of Egypt's (CBE) initiatives that were aimed at supporting payment solution companies. One such initiative was

the mandate to waive subscription fees, which the company approached by creating a "CBE Bundle" that offered merchants a one-stop-shop for all their needs to shift their businesses to the digital sphere. Another game changer for PayTabs Egypt was the flexibility granted by the CBE in terms of the ability to provide services for micro-companies and freelancers with a simplified due diligence. This has unlocked an entirely new base of direct channels for the company, in social commerce and freelancer partnerships, which were previously challenging.

2021 marked a significant shift in PayTabs Egypt's portfolio, from being mostly based in large corporates to what is now a healthy 70% majority SMEs and social commerce entities. This portfolio optimization strategy similarly fell in line with the company's objectives to enable financial accessibility for the unbanked by working with smaller merchants who could not previously offer digital payment solutions to their customers. In line with this strategy, the company created PayTabs Marketplace, a unified platform that features solutions using paylinks and QR codes to facilitate online payments via WhatsApp, SMS, E-mail, and other social platforms. PayTabs Egypt has also effectively streamlined client onboarding, slashing the time to be completed to only 3–5 days, down from 15 days. This development has not only helped in acquiring more merchants but has also significantly increased the accessibility and attractiveness of the service for freelancers and social commerce players, a key pillar in the company's strategy to drive financial inclusion and bring micro businesses into the economic eco system.

The company also benefited greatly from synergies with other EFG Hermes Holding platforms, kicking off the year with a few strategic partnerships with corporate and enterprise merchants that had not yet expanded their businesses online by creating a tailored solution with its sister company, the leading BNPL fintech player, valU. In particular, PayTabs Egypt has approached clients with conventional B2B models to transform their service offering into more consumer-centric B2C models. A prime example of this was Universal Group, where the client launched a bespoke e-commerce platform to serve customers directly using PayTabs Egypt to process payments and valU's convenient payment plans. A partnership with EgyptAir marked another major success for EFG Hermes' NBFi platforms, with PayTabs Egypt acting as the payment gateway and aggregator for domestic and international flight bookings and allowing customers to utilize valU's BNPL services to pay for travel. Pioneering a first-of-its-kind solution to maximize convenience within the real estate sector, PayTabs Egypt and valU also partnered with Inertia Real Estate to process scheduled maintenance and unit reservation costs through PayTabs Egypt's payment gateway.

Another milestone achievement for the company took place at the very end of 2021, which saw PayTabs Egypt launch PayTabs Touch. This breakthrough platform merges POS software with mobile phone compatibility, delivering contactless tap and pay options directly on mobile devices using contactless cards. This enables merchants to accept card payments on smartphones and tablets without the need to

obtain a separate card reader, transforming the e-payments sector in Egypt.

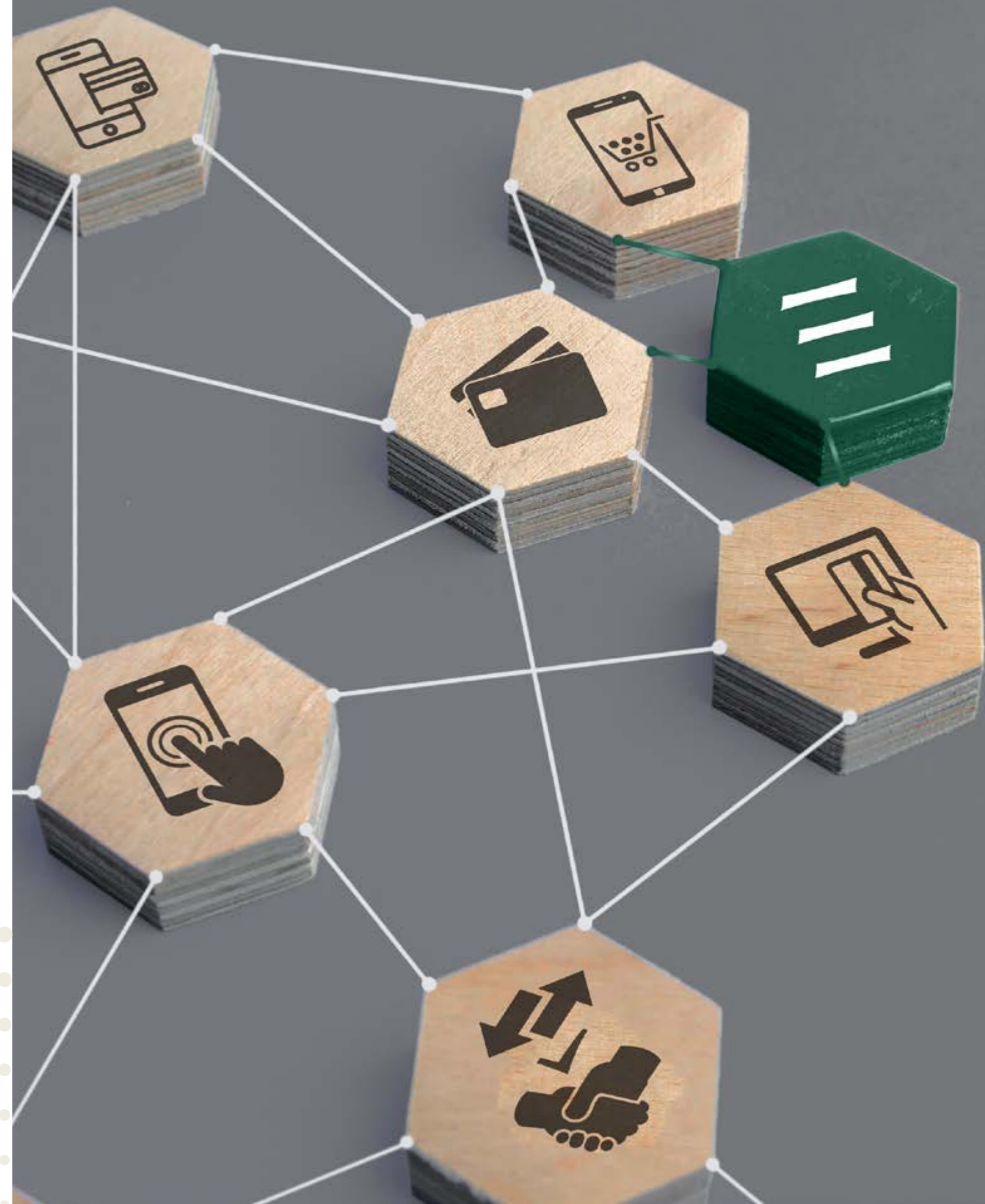
In alignment with its commitment to best serve its clients, PayTabs Egypt's team took steps to ensure that clients are maximizing the benefits of the services offered to them and, in turn, cascading knowledge of new and upcoming trends in digital payment solutions down the value chain. The company conducts training sessions for teams to instruct them on how to use their dashboards, digital tools, and other features. The company also utilizes its social media accounts to answer FAQs and queries from prospective and existing clients, as well as to offer short tutorial videos to showcase features on the dashboard

Forward-Looking Strategy

In the coming year, PayTabs Egypt plans to expand its geographical footprint. 2022 will see the company shift its focus from Cairo and Alexandria to new governorates, particularly expanding into markets where payment options are still not prevalent. The company will also continue to find innovative methods to pave the way for e-payments in new industries, with an eye for breaking the Egyptian population's overreliance on cash payments. PayTabs Egypt is looking forward to

optimizing its portfolio to cater to different cycles through more collaborations that will cement its status as the payment solutions provider of choice to local partners.

Another constituent element of the company's plans is the growth and development of its human capital. The company places high importance on employing new high caliber talents from diverse backgrounds, as well as retaining its current workforce, as it continues to heavily invest in fintech training for its teams. Weekly interactive workshops are also hosted by the region's most renowned industry experts to inspire knowledge and help the company in its mission to upscale the market.



BEDAYA MORTGAGE FINANCE

Bedaya is Egypt's first and only non-bank on-line mortgage provider, offering clients a multitude of superior mortgage financing solutions on residential, commercial, and administrative properties

30

employees growing from only nine last year

80%

Contribution by the retail profile, mainly SME business owners, to the company's overall growth



Bedaya Mortgage Finance

1.2^{EGP}_{BN}

total portfolio value at year-end 2021

Overview

Bedaya Mortgage Finance (Bedaya) was established in 2019 as a joint venture between Talaat Moustafa Group (TMG), Egypt's leading developer of premium real estate communities, Ghabbour Auto's Non-Banking Financial Institutions (NBFI) arm GB Capital, and EFG Hermes Finance, EFG Hermes Holding's NBFI platform. Today, Bedaya stands as Egypt's first and only online mortgage provider, offering clients a multitude of superior mortgage financing solutions on residential, commercial, and administrative properties in Egypt. Its diverse mortgage financing plans are offered over 10-year repayment periods at competitive interest rates and the fastest turnaround time in the country. The company funds up to 90% of the current property value for residential units and 80% for commercial units, capped at EGP 28 million and EGP 56 million, respectively. It also allows clients to refurbish their properties through its Ijarah program. The company's tailored mortgage financing solutions are backed by innovative, tech-led solutions and the on-ground acumen of decades in the industry, in addition to the necessary support services for expediting loan approval processes and ensuring the best quality service for clients when purchasing or even renovating properties.

2021 Operational Highlights

2021 was an exceptional year for Bedaya, with the company maintaining strong growth momentum across its core operations. Bedaya's

operational capital registered significant Y-o-Y growth, with the company having started with two banks with a facilities value of EGP 500 million, to reach a total of five banks with facilities worth EGP 1.5 billion at year-end 2021. The company continues to take aggressive measures to expand its footprint and client base. In its first two years of operations, Bedaya has grown its portfolio to EGP 1,150 million and its client base to 437, attesting to the strength of its service offering and real demand for its long-term and competitive mortgage financing programs. As part and parcel of its expansion strategy and to keep up with its growth trajectory, Bedaya invested heavily in recruiting more local and regional talent to join its team of industry professionals, growing the team to 30 employees, up from nine employees in the previous year.

Bedaya's unique value proposition, as the only online non-bank mortgage player in the country, has been key to its performance in 2021. As the structure of the Egyptian mortgage market continues to evolve, mortgage finance companies continue to rise in importance, primarily driven by major progressions in the sector's information and communications technology. As such, Bedaya began expanding its online presence and growing its value proposition, introducing the first-of-its-kind non-bank mortgage finance application in Egypt and deploying digital marketing methods to increase client outreach. The company's application is

To date, the company has signed agreements with five banks with facilities worth a total of EGP 1.5 billion at year-end 2021

a unique, user-friendly fintech platform that offers a comprehensive suite of mortgage services and enables clients to connect with mortgage loan consultants and finalize their loan applications promptly and efficiently. With access to a myriad of financing solutions, users of Bedaya's application are presented with opportunities to finance properties for initial purchases, refinance pre-owned properties, refurbish and finish pre-owned properties, conduct eligibility checks, track loan processes, upload required documents, and much more. The application implements the highest security measures and standards to ensure data retention and safeguarding.

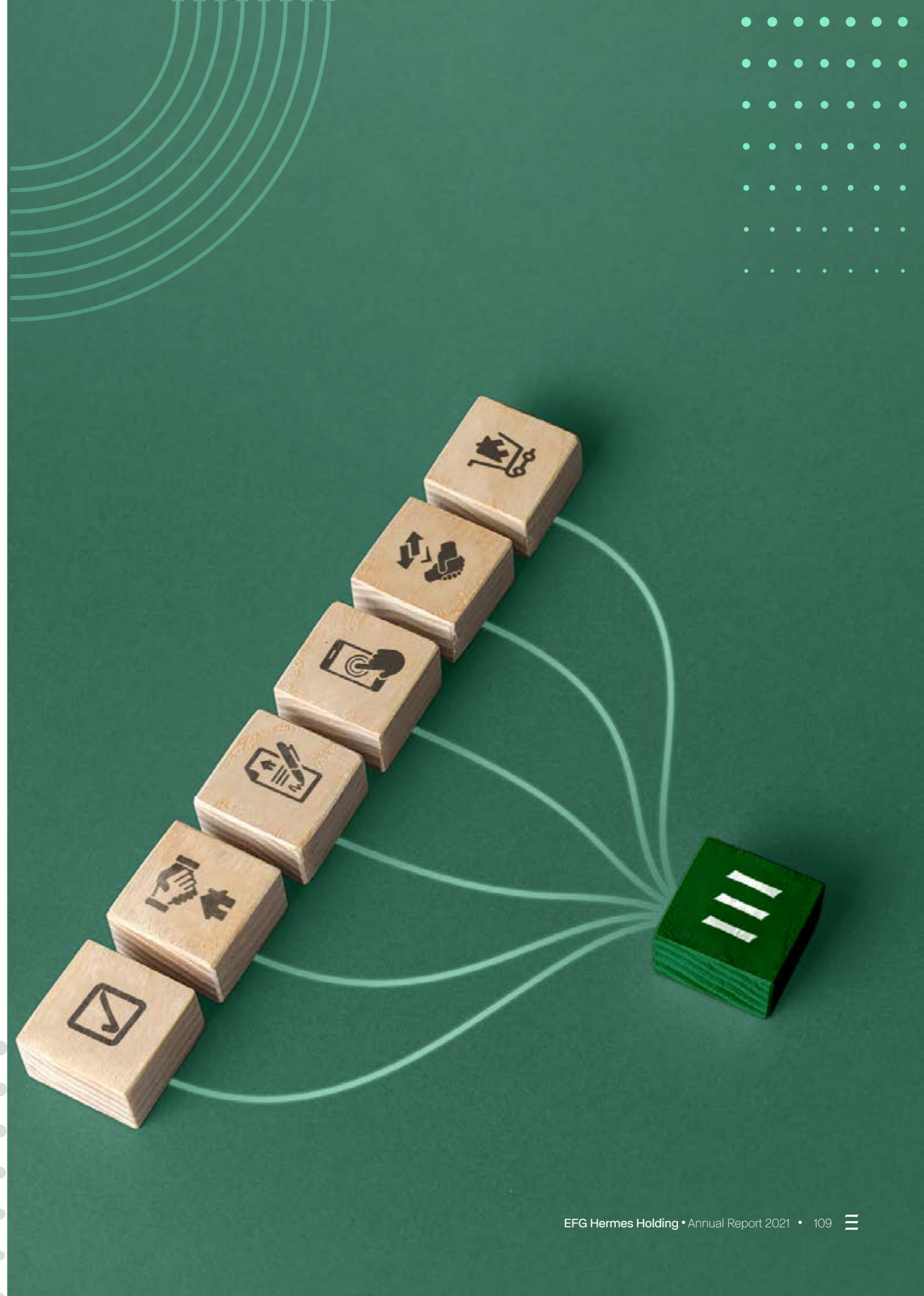
Key Financial Highlights

Bedaya's portfolio recorded loans with EGP 850 million at year-end 2021, reflecting an 183% increase against the EGP 300 million booked one year previously. The company's retail profile, mainly comprising SME business owners, was the largest contributor to the company's overall growth, representing approximately 80%.

Forward-Looking Strategy

Looking ahead, Bedaya aims to continue leveraging its extensive industry expertise and market position, expand its footprint, and provide the best mortgage experiences for Egyptians locally and abroad, as well as non-Egyptians living and working in Egypt. The company's plans for 2022 feature aggressive targets to grow and scale its portfolio value, to be equally split between returns from portfolio acquisitions and the company's rapid growing retail profile. On the retail front, the company continues to undergo extensive processes to effectively analyze and capture retail prospects' needs and demographics, with an eye to ensure better reach, and to become the flagship provider of choice for mortgage facilities. On the portfolio acquisition front, the company will continue to capitalize on its solid network of reputable

developers and work steadfastly toward delivering a larger number of units to capture a larger share in the Egyptian market. To further grow its operations, Bedaya aims to continue growing its base of employees, with an eye to onboard a larger number of talented sales representatives and brokers. Additionally, the company continues to work toward enhancing the efficiency of its online mortgage platform and creating more seamless customer experiences. As such, Bedaya is in the process of introducing new features and languages to the application, positioning it to be a catalyst that will increase visibility and spur higher growth prospects for the company.



KAF

Kaf is set to become a prominent tech-enabled insurance player in Egypt, delivering innovative solutions that drive value for individuals and businesses in the life, savings, and medical arenas

900_k

new individuals insured in 2021

1_{MN}

Individuals insured by year-end 2021



Kaf



Led by a team of prominent industry professionals, Kaf aims to create social value for society and to drive progress in Egypt's insurance sector.

Overview

Kaf was established in 2020 following the acquisition of a 75% stake in Tokio Marine Egypt Family Takaful by EFG Hermes and Ghabbour Auto (GB Auto). In the time following the acquisition, the company has rebranded as Kaf and been putting in place the foundation from which to become the leading tech-enabled insurance player in Egypt delivering insurance solutions that drive value for individuals and businesses in the life, savings, and medical arenas. Led by a team of prominent industry professionals, Kaf aims to create social value for society and to drive progress in Egypt's insurance sector.

2021 Operational Highlights

Conversion

In 2020, management at Kaf took the decision to transform the company from the previous takaful offering to a commercial insurance scope. The aim of this conversion is to better enable the company to offer innovative products that build on initiatives arising from the Central Bank of Egypt and Egyptian Financial Regulatory Authority (FRA) Fintech and Innovation strategies.

The conversion process is governed by the 2019 FRA-issued guidelines for takaful transition, which mandate three stages of licensing conversion: the initial approval stage, the business plan approval stage, and the product and governance approval stage. In 2021, Kaf marked a significant milestone by becoming the first in the market to receive approval for the first stage of the process, and it is actively pursuing the remaining approvals in 2022.

Growth

In 2021, Kaf's operations registered significant growth on the back of the increase in cross-selling synergies with GB Auto and EFG Hermes. By the end of the year, the company had moved from less than 0.1 million to over 1 million individuals insured, making it one of the largest life insurers in the Egyptian market by the number of people covered. Accordingly, the number of claims administered also grew in line with new business volumes, attesting to the company's ability to successfully capture and operationally administer new business prospects.

Kaf management also undertook a strategic review to refine outreach methods and product offerings that, post takaful conversion, will be key gamechangers to the life, savings, medical, and bancassurance spheres, with a particular focus on harnessing key technological initiatives that are shaping the future of the insurance industry. Moves to reengineer processes and strengthen the company's technological infrastructure are thus well underway and will be the bedrock from which Kaf aims to deliver unmatched, tech-enabled services to its customer base.

Forward-Looking Strategy

In 2022, Kaf aspires to continue expanding its operational footprint and enhancing its distribution capabilities. Building on its work in 2021, post conversion, Kaf will be launching innovative insurance solutions with the aim of boosting demand in the retail and corporate markets and bridging the "insurance-gap" in Egypt. Allied to this, the company will take its first steps toward having a meaningful digital presence that will

be the long-term driver of establishing a digital portfolio, driving higher levels of operational efficiency, and securing customer satisfaction.



Kaf is considered the largest life insurer in the Egyptian market by the number of people covered

24

Portfolio companies to date

EFG EV FINTECH

EFG EV Fintech is Egypt's flagship fintech-focused startup accelerator and micro-VC firm

7

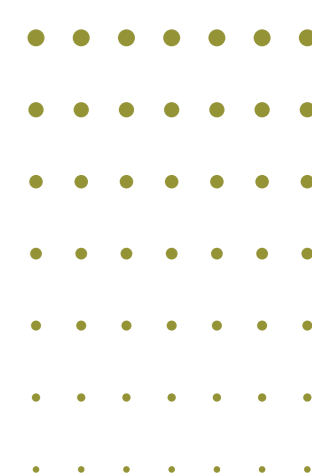
new startup investments in 2021

1 EGP
MN

value of new investments in 2021



EFG EV Fintech



The company adheres to a defined and tested investment methodology that enables it to efficiently expand its operational footprint

Overview

EFG EV Fintech was established in 2017 as a joint venture between EFG Hermes Holding's wholly-owned subsidiary EFG Finance and the Government-backed venture capital fund Egypt Ventures. Throughout the years, the company has worked its way to become Egypt's flagship fintech-focused startup accelerator and micro-VC firm, continuously seeking out strategic fintech startups backed by innovative concepts and entrepreneurs through its solid track record and robust network of connections. Boasting over three decades of investment and regional expertise, and in collaboration with EFG Hermes' world-class industry and financial know-how, EFG EV Fintech houses the country's largest fintech portfolio that encompasses some of the region's most renowned companies operating in key sectors, such as Insurance-tech, Regulatory-tech, Digital Banking, and SME lending. The company not only provides the necessary funds to put these startups in gear but also offers legal advisory, commercial mentorship, and other support services through its cut-to-fit accelerator programs, in collaboration with startup accelerator Falak Startups, with an eye to bolster progress and agility in Egypt's fintech space.

2021 Operational Highlights

EFG EV Fintech's investment strategy encompasses providing the initial financing needed for startups through its accelerator programs and financing post-acceleration pre-series A stage companies through its micro-VC arm.

The company adheres to a defined and tested investment methodology that enables it to efficiently expand its operational footprint and maximize its value-add for stakeholders. In the initial startup screening and selection stage, EFG

EV Fintech seeks out investment opportunities through leveraging key metrics, such as scalability prospects, presence in the Egyptian market, potential exit strategies, fintech and/or technological concentration, how the investment complements the company's existing portfolio, and potential synergies. Once applications are reviewed and startups are selected, EFG EV Fintech conducts interviews to meet entrepreneurs face-to-face, in addition to hosting three-day bootcamps to further narrow down the startups eligible to enroll into the company's accelerator program. The final steps of the company's investment process entail selected startups entering the Investment Committee, finalizing funding transactions, and gaining full access to EFG EV Fintech's accelerator program services.

Despite the challenges that global financial markets have faced during 2021, EFG EV Fintech managed to successfully capture the upside of market recovery, displaying solid resilience in the face of unprecedented conditions, and adding even more record-breaking milestones to its list of achievements.

Throughout the year, EFG EV Fintech invested a total of USD 1 million to fund seven startup companies, providing them with either initial investments or follow-on rounds of funding. Investments for the year included Fintech Galaxy, Mozare3, Dayra, Fatura, Raseedi, Yashry/Edfa3ly, and Zvendo.

In March 2021, EFG EV Fintech, Tanmiya Capital Ventures (TCV), and several other prominent angel investors participated in raising USD 3 million in a pre-seed round for Dayra—a fintech startup based in Cairo that enables companies of different sizes to provide financial services to their unbanked

Despite the challenges that global financial markets have faced during 2021, EFG EV Fintech managed to successfully capture the upside of market recovery

personnel through Application Programming Interfaces (APIs) and through its mobile application.

During the same month, zVendo, a Software as a Service (SaaS) platform that enables small businesses to build and develop online stores in Arabic through its freemium offerings, landed a USD six-figure investment in a funding round led by EFG EV Fintech and several other angel investors.

Later in May 2021, EFG EV Fintech and various other angel investors participated in raising USD 1 million in a pre-seed round for Egyptian Agri-Fintech startup "Mozare3", which was led by Algebra Ventures and Disruptech. Mozare3 aims to serve over 20 million small farmers in Egypt by providing them with access to new markets and credit facilities. It also aims to establish the first digital platform for farmers, offering them agronomy support services through its wide network of industry experts.

A month later, Fatura, a B2B digital marketplace that brings together wholesalers and manufacturers operating in the FMCG industry with retailers through a mobile application, secured a USD 3 million Pre-Series A fund. The funding round was co-led by Sawari Ventures and Arzan VC, with a collective participation from Egypt Ventures, The Cairo Angels, Khwarizmi Ventures, and a follow-on investment by EFG EV Fintech.

Later in October 2021, UAE-based Fintech Galaxy raised USD 2 million in a seed funding round managed by Ahli Fintech in Jordan, joined by EFG EV Fintech, Raz Holding Group, OMQ Investments, and INSEAD Saudi Angel Investors. Fintech Galaxy is a platform that provides integrative financial services between fintech startups and financial institutions. The platform provides unparalleled access to customer data from affiliate banks through its open banking APIs, while allowing developers to create and build new apps and services.

Another milestone investment for EFG EV Fintech was in December 2021. The company and Falak Startups, along with other high-profile investors, collectively participated in raising a USD 850 thousand pre-series A round to further scale Raseedi, a multi-purpose fintech application that enables dual SIM card users to optimize their spending by automatically detecting which card will make cheaper calls. The app later expanded to providing advance credit and digital bill payment services, offering Egypt's unbanked population with digital access to credit.

EFG EV Fintech's portfolio also includes Paynas, the only startup in Egypt to be granted a bank agency licence. The licence enabled the company to issue its own prepaid cards in partnership with Visa and Banque Misr. The company's portfolio also houses Digified, one of only two reg-tech startups that provide digital identity verification services in Egypt. Additionally, EFG EV Fintech's

portfolio is the only one to include three Fintech startups, Dayra, Oxygen and Nowpay, that have joined the leading US-Based accelerator Y combinator.

It is also worthy to mention that EFG EV Fintech has 12 startups that were featured in the last Central Bank of Egypt report on the fintech ecosystem in Egypt.

By the end of 2021, EFG EV Fintech's portfolio had ramped up significantly, registering a total of 24 companies. At present, 50% of the company's portfolio falls under the accelerator program, while the other 50% falls under the company's micro-VC arm.

Forward-Looking Strategy

Looking ahead, EFG EV Fintech will continue supporting upcoming fintech startups in the country and building a strong, supportive, and coherent community across the fintech landscape. EFG EV Fintech also seeks to continue extending its network of partners beyond Egyptian borders, forming lucrative partnerships with leading regional fintech players and taking part in some of the region's most highly anticipated Fintech-related events. In 2020, EFG EV Fintech partnered with Startup World Cup and Africa Fintech Summit, and it was deemed a major contributor to Africa Fintech's "State of the Industry" report for the year. In 2021, EFG EV Fintech continued to leverage the groundbreaking success of this partnership, participating as the flagship knowledge partner for the summit that was held in Egypt, and significantly contributing to Africa Fintech's "State of the Industry" report for the second year in a row. All in all, EFG EV Fintech aims to continue working on strengthening its position in the entrepreneurship ecosystem as the leading fintech accelerator and micro-venture capital fund in Egypt.



aiBANK

EFG Hermes Holding concluded the acquisition of a majority stake of 51% in the Arab Investment Bank (aiBANK)

221 EGP
MN

net interest income in 2021

38 EGP
MN

net profit in 2021, amounting to 3% of Group total



aiBANK

The acquisition of aiBANK marked EFG Hermes Holding's strategic entry into the rapidly-growing commercial banking sector in Egypt, laying the foundation for the Firm's transformation into a full-fledged universal bank

The Transformation to a Universal Bank in Egypt

In November 2021, EFG Hermes Holding concluded the acquisition of a majority stake amounting to 51% in the Arab Investment Bank (aiBANK), along with The Sovereign Fund of Egypt (TSFE)—the Firm's valued partner—which acquired the second-largest stake of 25%. EFG Hermes Holding continues to substantially expand its operational footprint, consistently adding new products and services to its roster of market offerings and providing clients with a holistic set of innovative financial solutions, with an eye to becoming a one-stop-shop for individual, retail, and corporate clients alike. As such, the acquisition of aiBANK marked EFG Hermes Holding's strategic entry into the rapidly-growing commercial banking sector in Egypt, laying the foundation for the Firm's transformation into a full-fledged universal bank in the country. Additionally, the Firm continues to leverage the strategic partnership with TSFE, bringing together the public and private sector and playing a pivotal role in leading the drive for financial inclusion and digitization in Egypt. EFG Hermes Holding's relentless efforts to diversify its business offerings throughout the years have bolstered the Firm's regional presence to span over 13 countries across 4 continents, operating in some of the world's most upsurging frontier emerging markets. With the conclusion of the acquisition of aiBANK, EFG Hermes Holding now houses three verticals: the leading investment bank in frontier emerging markets (FEM);

a substantial Non-Banking Financial Institutions (NBFI) platform offering a wide range of financial services, such as factoring, leasing, Buy-Now, Pay-Later (BNPL) lifestyle enabling fintech services, mortgage finance, insurance, e-payment solutions, and microfinancing; and, last but not least, a commercial bank.

Arab Investment Bank (aiBANK)

The Arab Investment Bank (aiBank) was founded in 1974 as an investment and commercial bank in Egypt, supervised by the Central Bank of Egypt (CBE). The Bank offers its clientele a myriad of top-notch retail banking, Islamic banking, Investment banking, and treasury products and services, in addition to funding some of the nation's most prominent megaprojects, with an eye to bolster economic development across the country. With 31 branches spread out across Egypt, the Bank continues to work toward expanding its regional footprint to serve a larger number of individual clients, corporations, and SMEs.

Financial Highlights – aiBANK

Since EFG Hermes Holding and TSFE's acquisition of aiBANK, the bank's net interest income recorded EGP 221 million. Additionally, the bank's net fees and commissions' income recorded EGP 21 million for November and December 2021. aiBANK also reported a net profit of EGP 38 million, contributing 3% to EFG Hermes Holding's total net profit after tax.



With 31 branches spread out across Egypt, the Bank continues to work toward expanding its regional footprint to serve a larger number of individual clients, corporations, and SMEs

CORPORATE GOVERNANCE

The Firm's Board of Directors is committed to providing EFG Hermes Holding with the needed guidance and support acquired over decades of cumulative experience

10,764

registered shareholders



Corporate Governance

EFG Hermes Holding's rigorous processes, policies, and procedures ensure transparent and ethical running throughout the organization

EFG Hermes Holding upholds the highest levels of corporate governance on the group and subsidiary level, with rigorous processes, policies, and procedures in place that ensure transparent and ethical running throughout the organization. The Firm's prudent management and governance frameworks, which have been at the heart of its success over the years, will continue to play a central role as the Group evolves and further cements itself as a universal bank in Egypt with a leading investment bank franchise across the entire FEM space and a dedicated commercial banking arm.

The Firm's Board of Directors is committed to providing EFG Hermes Holding with the needed guidance and support acquired over decades of cumulative experience. This expertise has helped EFG Hermes Holding grow sustainably while delivering value to all its stakeholders.

The Group's Corporate Governance Framework addresses country-specific policies and works to blend EFG Hermes Holding's group-wide strategy with the more focused subsidiary development programs. The framework provides the grounds for efficient decision-making across the entire organization and guarantees a high degree of accountability to ensure that all shareholders and clients have their investments handled in a responsible and professional manner. The framework sets out the minimum standards expected group-wide while complying with local laws and regulations for an even higher level of stringency.

Based on the mandate of this framework, the Board of Directors continues to comply with the Egyptian Financial Regulatory Authority's (FRA) corporate governance regulations released in 2016 and updated in 2020, stipulating the appointment of a majority of non-executive board members,

half of whom (with a minimum of two) should be independent of all regulated Egyptian subsidiaries. EFG Hermes Holding is fully compliant with FRA regulations and EGX listing rules. Moreover, the Firm complies with the new FRA mandated regulations requiring all regulated companies in Egypt to have at least two female board members.

Management and Control Structure

Board of Directors

EFG Hermes Holding's Board of Directors is responsible for providing the Firm with strategic leadership, financial soundness, governance, and management supervision and control. The Board comprises 12 members, 11 of whom are non-executive members.

Without exception, all EFG Hermes Holding's Directors possess a broad spectrum of experience and expertise, directly related to the Group's expansive lines of business and divisions, with a strong emphasis on competence and integrity. Directors are selected based on the contributions they can make to the board and Management, as well as their ability to represent the interests of shareholders.

Due to restrictions imposed by the COVID-19 pandemic, 2021 saw the Group continue to adapt in the face of region-wide restrictions and the evolving challenges posed by the pandemic when it came to precautionary procedures. All face-to-face interactions, including the Annual General Meeting (AGM), committee proceedings, and executive committee meetings, continued to be held virtually, and the Firm collaborated with an EGX-affiliated company to implement an e-voting system during the AGM, which was completed

Due to restrictions imposed by the COVID-19 pandemic, the Firm collaborated with an EGX-affiliated company to implement an e-voting system for Annual General Meetings, which was completed with great success

with great success. The year also saw increased levels of collaboration between divisions with a portion of staff across its footprint continuing to work from home to ensure that the challenges posed by the pandemic did not impact employee health and safety or business continuity when it came to overall governance matters.

The following principles govern the conduct of the Board of Directors and the Firm:

Compliance with Laws, Rules, and Regulations

Adherence to the law is the fundamental principle on which the Firm's ethical standards are built. All directors must respect and obey all applicable laws, rules, and regulations. The board complies with the international best practices, rules, and regulations of the Firm, in addition to laws and regulations of the markets in which the Firm operates.

Conflicts of Interest

All members of the board declare their outside business interest and board directorships annually.

All members of the board declare their outside business interest and board directorships annually, and also abstain from participating in any discussions and decisions that might affect their own personal interests

They also abstain from participating in any discussions and decisions that might affect their own personal interests or those of a loosely related person or company. Business relationships between the Firm and any of its board members must be approved by the Firm's AGM.

Safeguarding and Proper Use of Company Assets

All directors endeavor to protect the Firm's assets and ensure their efficient use. All assets must be used for legitimate business purposes only.

Fair Dealing

Each director should deal fairly with the Firm's clients, competitors, providers, and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Code of Conduct

The Code of Conduct defines core values, principles, and other requirements that all the Firm's directors and employees are required to follow while conducting their regular daily duties.

Standards and Policies

The Firm's standards and policies comply with Egyptian and international corporate governance guidelines.

Confidentiality

Directors and officers must ensure the confidentiality of information entrusted to them by the Firm or its clients, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors or harmful to the Firm or its clients if disclosed.

Corporate Opportunities

Directors are prohibited from taking personal advantage of potential opportunities that are revealed through corporate information, property, or position without the consent of the board. Directors are obliged to advance the Firm's legitimate interests when the opportunity presents itself.

Audit

Auditing forms an integral part of corporate governance at EFG Hermes Holding. Both internal and external auditors play a key role in providing an independent assessment of the Firm's operations and internal controls. Furthermore, to ensure independence, Internal Audit has a direct reporting line to the Audit Committee, a subcommittee of the board.

Corporate Governance Committees

Audit Committee

The Audit Committee comprises five members, all of whom are non-executive. The committee meets at least once per quarter or as required. In 2021, the meetings were held virtually. The committee is responsible for the oversight of financial statements and financial reporting, internal control and governance systems, compliance with laws and regulations, whistleblowing and fraud, the internal audit function, and compliance with the Code of Conduct established by management

and the board. The committee ensures free and open communication between the committee members, internal auditors, management, and the external auditor once a year.

Risk Committee

The Risk Committee comprises five members, all of whom are non-executive. The committee meets at least once per quarter or as required. In 2021, the meetings were held virtually. The committee oversees risk, legal, and operational issues across the Group, assisting the board in fulfilling its duties with regards to the oversight of (1) identification and management of risks, (2) adherence to risk management policies, and (3) compliance with risk-related regulatory requirements, advising the board on risk appetite and tolerance in accordance with its strategic objectives. It is responsible for advising the board on risks associated with strategic acquisitions or disposals and to review comprehensive reporting on Group Enterprise Risk Management, including reports on credit, investments, market, liquidity and operational risks, business continuity, and regulatory compliance.

Remuneration and Compensation Committee

The Compensation Committee comprises five non-executive board members. The committee meets once a year to study compensation within the Group as a whole (and for senior management in particular) and to assist the board in fulfilling its duties with regards to strategic human resources issues and the remuneration policies of EFG Hermes Holding. This not only safeguards shareholder interests but also ensures that management's interests are fully aligned with those of the Firm. The committee directly manages the allocations within the Management Incentive Scheme for Senior Management as approved by the General Assembly. In 2021, the meetings were held virtually.

Corporate Governance Committee

The Corporate Governance Committee comprises three non-executive board members and holds one meeting per year. The committee's

responsibilities include periodically evaluating the Firm's corporate governance structure, reviewing and monitoring the implementation of the company's corporate governance framework, documenting and following up on the board's performance evaluation reports, reviewing the regulator's observations related to the implementation of corporate governance, and ensuring that they are appropriately handled and addressed.

Nomination Committee

The Nomination Committee comprises one executive and three non-executive board members. It assesses and oversees the appointment of Board Members, the Group Chief Executive Officer, and Group Executive Committee members. It is the committee's responsibility to make sure appointments, which must be approved by the Annual General Assembly, align with the Group's strategic directives, and ensure the independence of directors in accordance with applicable laws, regulations, and the best international practices. The committee also conducts regular assessments of the structure, size, and composition of key executive positions at the Group level, along with reviewing the Group's overall corporate governance framework. The nomination committee's meetings are scheduled and held on an as-needed basis.



Both internal and external auditors play a key role in providing an independent assessment of the Firm's operations and internal controls

Executive Committee

The Executive Committee is appointed by EFG Hermes Holding's Board of Directors and comprises eight members, who are strategically selected to ensure all divisions are represented. Moreover, the Executive Committee is entrusted with the implementation of the policy decisions of the board and overseeing the Firm's risk management structures and policies.

Its purview includes:

1. Developing the Firm's strategic plans and goals for board approval while managing material issues to the business that emerge.
2. Approving transactions within its authority limit in relation to investments, acquisitions, and disposals, in addition to considering and approving expansions into new geographies and product lines.
3. Reviewing the Group's annual capital, revenue, and cost budgets while monitoring performance against financial objectives, in addition to approving cost-cutting measures as needed.
4. Overseeing the management of the Group's current and future balance sheet in line with its business strategy and risk appetite.
5. Considering material joint ventures, strategic projects or investments, and new businesses from a capital perspective while monitoring and managing capital and liquidity positions.
6. Aligning investment spending across the Group functions with its investment plan and strategic objectives and considering business commitments for Board approval.
7. Receiving and considering reports on operational matters that are material to the Group or have cross-divisional implications.
8. Promoting the Group's culture and values and monitoring overall employee morale and working environment.
9. Identifying ESG matters that affect the operations of EFG Hermes Holding, monitoring ESG integration throughout the Firm, and passing ESG resolutions while suggesting updates to the ESG policy for board approval.

The Executive Committee meets once a month to discuss and follow up on day-to-day operations of the Firm and address any pressing issues that may arise. In 2021, most meetings were held virtually.

Shareholder Information

Shareholders

EFG Hermes Holding's shares are listed on the Egyptian Exchange (EGX) and the London Stock Exchange (LSE) in the form of USD-denominated GDRs.

Significant Shareholders

EFG Hermes Holding is required by law to notify the Egyptian Stock Exchange (EGX) and the Financial Regulatory Authority (FRA) of shareholders whose holdings reach or exceed 5% of voting rights. Further notification is made once a multiple of the 5% is exceeded or reduced by a shareholder.

Shareholder Structure

- As of 31 December 2021, a total of 10,764 shareholders were listed in the Firm's share register.

Executive Holdings and Management Transactions

- As of 31 December 2021, the EFG Hermes Holding Board of Directors held a total of 1,052,146 shares, representing 0.11% of the total 973,070,671 shares of EFG Hermes Holding.

Share Ownership Information

All information relating to EFG Hermes Holding's Securities held or transacted by members of the Board of Directors and other insiders are promptly disclosed and reported without fail in accordance with relevant local and international regulations.



RISK AND COMPLIANCE

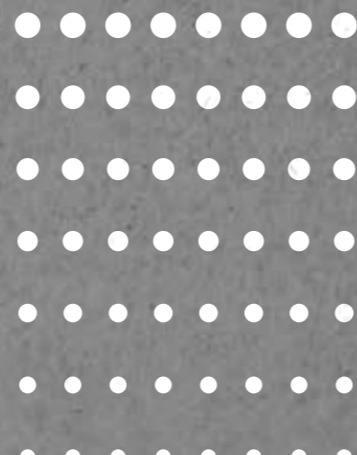
The Risk and Compliance Department has developed a solid set of frameworks to govern EFG Hermes Holding's compliance and risk strategies in accordance with global best practices

94

risk and compliance officers

42

internal audits completed across 10 jurisdictions



Risk and Compliance



In light of Covid-19, the division had to continually assess the situation on the ground in each country to ensure the safety of all staff members and the continuity of operations

As EFG Hermes Holding continues to expand into new business lines and geographies, it is faced with a growing number of unique regulations and shifting regulatory mandates, which the Firm was well-positioned for with sound and prudent compliance and risk policies that guide the Group's decision-making and day-to-day operations. As such, the Risk and Compliance department has developed a solid set of frameworks to govern EFG Hermes Holding's compliance and risk strategies in accordance with global best practices. The department's 42 compliance officers actively worked to ensure that each of the Firm's new and existing business lines adhered to appropriate statutory provisions, official regulations, and internal policies. At the same time, the 52-member Risk Management team continued to ensure all operational, market, credit, and liquidity risks were identified, assessed, and accordingly mitigated using adequate controls. Both teams report to the Group Chief Risk and Compliance Officer.

Internal Audit

The Internal Audit is an independent appraisal function that is authorized by the Board of Directors and the Audit Committee, with the role of monitoring and assessing the adequacy and effectiveness of the Firm's operational, financial, information systems, and administrative controls. It provides objective risk assessment and evaluation of the effectiveness of risk management practices and internal control and corporate governance processes across the Group's subsidiaries, business lines, and business partners. The team is composed of highly skilled, multilingual individuals with diversified professional experience across different industries. At present, the Group's Internal Audit team comprises a Chief Internal Auditor and nine centralized auditors covering

investment banking and NBFIs activities, in addition to 43 auditors providing auditing services for Tanmeyah Microfinance.

Internal Audit reports directly to the Audit Committee and is tasked with carrying out systematic reviews and periodic spot checks in line with the Audit Committee's pre-approved strategy for the year. To maximize the efficiency of the review process, the frequency of reviews is based on the function/department's risk level and the previous review's internal audit score. To this end, high- and medium-risk departments are reviewed on an annual basis, and low-risk departments with effective scores are reviewed every other year. Additionally, the division performs quarterly follow-ups on previous audit findings to ensure they have been adequately addressed and corrected. It also provides a wide range of services, including in-depth assessment of operations, adherence to regulatory requirements, conformity with the Firm's strategy, monitoring of corporate governance and ESG policies, and compliance with third party recommendations regarding Anti-Money Laundering (AML) regulatory requirements.

2021 Operational Highlights

Risk and Compliance

During 2021, the Risk and Compliance team played a vital role in ensuring that the Firm's business continuity was not at risk. The division had to continually assess the situation on the ground in each country to ensure the safety of all staff members and the continuity of operations considering the continuing challenges posed by the COVID-19 pandemic and shifting market dynamics. The Firm successfully operated with 50% of

its staff working from home on rotational basis until the beginning of September 2021, except for a few countries in its footprint due to local regulations. Most offices resumed operations at full capacity in September 2021 after 97% of staff across the entire Group were vaccinated. The health and safety precautionary measures are still enforced in all offices.

Highlights of the year include:

- Establishing two new Collective Investment Scheme management companies for the Firm's private equity line of business in Abu Dhabi, UAE
- Completing an enterprise-wide AML and Sanctions Risk Assessment
- Renewing ISO 22301:2012 for the sixth year in a row
- Setting up two new Disaster Recovery sites in KSA and Pakistan
- Executed Disaster Recovery drills

Internal Audit

As the Firm's NBFIs platform continues to grow and increase its product offering, the Internal Audit department has been working alongside new subsidiaries to establish adequate reporting lines and develop monitoring programs, providing the necessary frameworks to enhance the Group's oversight of both new and existing operations. The team's scope is to ensure new products and subsidiaries are effectively monitored, particularly in the early phases of launch, in addition to evaluating compliance with regulatory requirements.

During 2021, Internal Audit completed 42 audit reviews across 10 jurisdictions. In March 2021, the department concluded its first audit of



corporate culture, governance, and management. At the same time, and in coordination with the division, Ernst and Young (EY) concluded the first phase of a full risk assessment and audit of EFG Hermes Holding's systems, applications, networks, and infrastructure. Results of the full risk assessment were reported to the Audit Committee. Additionally, other ad hoc assignments were performed during the year, including fraud investigations, handling complaints received through Voice-It, overseeing the renewal process of the Group's insurance policies, and ensuring insurance coverage is appropriate to mitigate risks.

TeamMate continues to enhance the Internal Audit team's processes. It helps the division store, analyze, and process the vast quantity of financial data related to various Group operations across its footprint, allowing for a more accurate and efficient auditing process. The digital

tool has proved to be significantly important in the wake of the COVID-19 pandemic as a shift to digital and automated functions was required on different fronts. TeamMate was introduced as part of the Group's wider digital transformation strategy, with the aim of solidifying EFG Hermes Holding's position at the forefront of an increasing digital financial services industry. As the Group transitions to a fully digitized system, the team's scope has extended to assess potential cyber-security and data protection risks, ensuring all clients' and EFG Hermes Holding's internal data is stored safely and is well protected against possible cyber-attacks.

Employee Awareness

Communicating the Group's strategy, policies, and procedures to all employees continues to be key to binding various geographies and lines of business as the Firm's footprint and product portfolio grow.

To guarantee that all new employees are promptly integrated in the Group's operating framework, the team participates in the HR onboarding process to orient new hires on main audit, compliance, and risk issues at least once a year or when needed if a high-risk situation arises.

The Internal Audit function continues to serve the Firm as a consultant by providing advice and suggesting ways to improve the business and add value, in addition to enhancing current procedures to improve the Group's daily operations. The Firm, under the monitoring and guidance of the Compliance division, continued to conduct five mandatory training courses on Anti-Money Laundering (AML), anti-fraud, General Data Protection Regulation (GDPR), cybersecurity, and sustainability awareness. To ensure employees reach the required level of understanding on various subjects, staff members must pass all the courses with the results reflected in

end-of-year appraisals. Given the burgeoning focus on ESG by responsible investors, an ESG training module was introduced in 2020 in the arsenal of development tracks for employees.

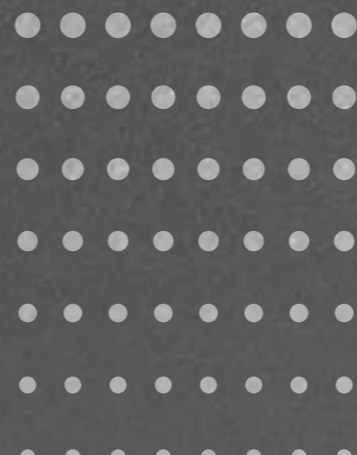
Outlook

Next year, the Risk and Compliance department, along with the Internal Audit division, will continue to work on streamlining operations and increasing operational efficiencies to capitalize on the growing digital technologies, particularly with the market disruptions amid the ongoing pandemic. As the Group continues to penetrate new markets and add lines of business, the departments will continue to work with other divisions to ensure new products, business lines, and subsidiaries are swiftly integrated into EFG Hermes Holding's control framework and that new regulations and laws related to these expansions are accurately reflected in operating policies.

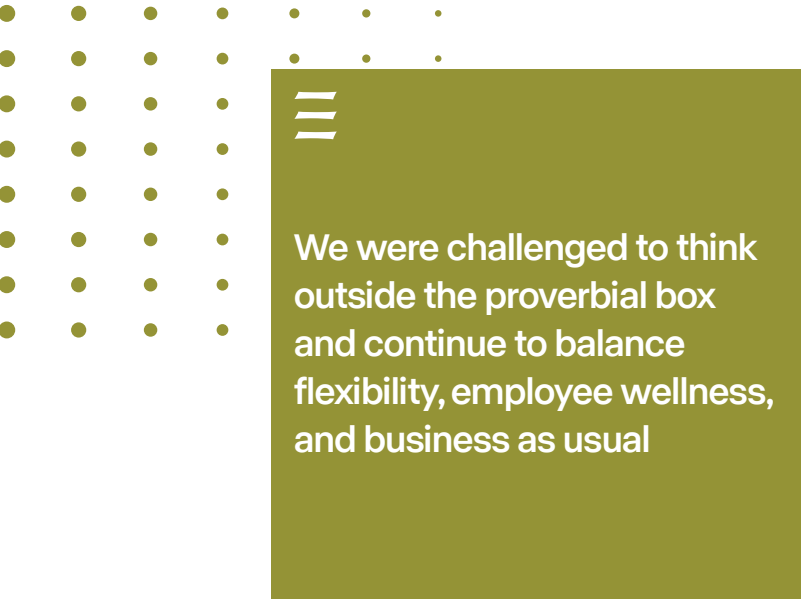
6.5K+
Employees at EFG Hermes
Holding

OUR PEOPLE

EFG Hermes Holding's success is built on the strength of our highly dedicated people



Our People



We were challenged to think outside the proverbial box and continue to balance flexibility, employee wellness, and business as usual

Overview of 2021

Not to be outdone by 2020, 2021 succeeded in bringing with it its own set of challenges and triumphs, with COVID-19 still impacting much of what we do and how we do it. We were challenged to think outside the proverbial box and continue to balance flexibility, employee wellness with its many levels, and business as usual with the many meanings it now carries. And while agility and collaboration have always been key to how we do things as a firm, they have proven to be exceptionally critical during the past year.

Navigating the Pandemic...Still

The volatility of the pandemic and its waves kept us on our toes, unable to relax our guard. Lower infection numbers and loosening restrictions in one country did not necessarily mean the same in many others, and it was up to us, in coordination with our co-workers in other

parts of the firm, to stay on top of the changes and ensure we always had reliable, up-to-date data we could base decisions on. Adjusting our return-to-work strategies (and everything else) to mirror each specific country's circumstances and our particular situation in that country was key, as was how quickly we did so. Messaging continued to be critical, ensuring employees were always well informed.

We continued to keep our ears to the ground.

When we found that COVID-related hospitalizations in Egypt were mainly due to oxygen deficiency, the team immediately sought approval to purchase 8 oxygen cylinders to be made available to employees and their family members.

When we saw that schools continued to teach online, we made sure that parents—mothers and fathers alike—felt able to work from home at a moment's notice when school closures required that. We made sure that our corporate policy was explicitly flexible and applied fairly and consistently.

When we found that managers needed help adapting to the new state of things, be it extended isolation working from home, managing remote teams, or even being unable to travel to see family and loved ones, we offered mental resilience training. And, in acknowledgement of our stoic and reserved culture when it comes to asking for help, we modified our enrollment process, allowing employees to decide for themselves whether they felt comfortable participating. The success of the program has cemented its place on our roster of regular offerings since its benefits extend beyond the COVID-19 era.

Employee Development in the time of COVID

The circumstances of 2020 pushed us to try different learning mediums and learn what works for our people, and we carried that learning into 2021, using it to further refine how we selected our learning partners, what subject matter best lent itself to virtual learning, and which employee groups benefited best from this learning methodology.

When the circumstances allowed it, we gradually brought employees back to a real classroom, kicking off our in-person learning with a unique offering for our non-officer population in Egypt. Stemming from our belief that learning should empower the learner, we piloted a financial literacy program for our most vulnerable population. While the firm will always step in and assist when the need arises, we saw it as our responsibility to create a more sustainable solution; we wanted to arm them with the necessary knowledge that would help them make informed decisions that would impact their financial well-being in the long term. Employees were invited to enroll themselves, and it was rewarding to see 40+ choose to attend of their own accord. This is the first time we address less traditional learning requirements, and we were encouraged by the participation to consider further roll out of the program and other similar topics.

Work on the programs under the umbrella of The Academy continued rigorously behind the scenes, in preparation for when we could bring together participants from across the EFG Hermes map to convene in a physical classroom once more. We have worked to refine our assessment and selection methodologies and

revisited and reworked the outlines of some of our programs.

HR Tech

We have been working down an ambitious tech-enablement roadmap for HR for a number of years, and our 2021 milestone included the completion of our digital Promotions tool. Conceptualized to streamline the promotions process for both managers and HR, and housed on the all-new Talent Central platform, the new tool captures the entire promotions process from nomination to review to approval and cuts down the time needed for each step in the process.

Outlook

We take our learnings from year to year seriously, and 2021 has added much to our repertoire. We continue our tech enablement into 2022, focusing on talent acquisition and learning, ensuring synchronicity across all HR technology tools and platforms. The driving factor continues to be streamlining, facilitating, and simplifying matters for managers, employees, and ourselves, leaving everyone with more time to focus on the business and more substantive activities.

Corporate sustainability is also front and center for us; Succession Planning 2.0 is set to roll out during the first half of the year. The enhanced framework is built to capture both strategic and operational roles of note across the firm and provides detailed guidance to managers on how to identify those roles and how to identify the talent pipeline for them. This is tightly integrated with The Academy and executive education initiatives, ensuring that the talent of the future is ready when the time comes.

EXECUTIVE COMMITTEE

Our exceptional executive management team of industry professionals oversees the Group's strategies to fruition

130+
Years served by the executive committee with EFG Hermes Holding collectively



Executive Committee



Karim Awad
Group Chief Executive Officer
EFG Hermes Holding

Mr. Karim Awad is Group Chief Executive Officer, Chairman of the Executive Committee, and a member of the board of EFG Hermes Holding. With over 22 years of experience, Mr. Awad started his career in EFG Hermes in 1998 as an analyst in the Investment Banking department, eventually heading the division in 2007 and leading several high-profile local and regional transactions. He assumed managerial roles in the Firm thereafter, first as CEO of the Investment Bank in 2012 and then as Group CEO in 2013.

Since then, Mr. Awad has led a substantial restructuring that included streamlining the Firm's expenses and divesting its non-core assets, the key being its stake in Lebanese bank Credit Libanais. Working together with the EFG Hermes senior management, Mr. Awad spearheaded a major shift in the Firm's strategy that transformed EFG Hermes from a MENA-based investment bank to a frontier emerging markets financial solutions house. To achieve this vision, the Firm focuses on six pillars: hiring the best people, improving the Firm's positioning in markets it operates in, selectively expanding its geographical presence, enhancing its product offering, increasing profitability metrics, and ensuring that public responsibility remains front and center in all its operations.

During the past eight years, the Firm was able to enhance its market share in its core sell-side operations of investment banking, brokerage, and research while expanding its presence to six new markets that span sub-Saharan Africa and Asia. The buy-side business was completely revamped through the consolidation of its regional asset management business with affiliate Frontier Investment Management (FIM) Partners in 2017 and the re-emergence of an active Private Equity division that is a key player in renewables, education, and healthcare. The Firm was also able to significantly increase the suite of products it offers to clients by building a full-fledged non-bank financial institutions (NBFIs) platform that currently includes leasing, factoring, microfinance, BNPL fintech platform, mortgage finance, payment, and insurance, in addition to fixed income and structured products platforms. The strategic shift helped drive growth in the Firm's revenues that reached EGP 5.5 billion and profits that topped EGP 1.3 billion in 2020, all while maintaining a strong commitment to the communities we operate in through an active CSR policy and adopting progressive ESG standards.

Mr. Awad holds a BA in Business Administration from the American University in Cairo (AUC).



Mohamed Ebeid
Co-CEO of the Investment
Bank
EFG Hermes

With more than two decades of experience with EFG Hermes, Mr. Mohamed Ebeid is currently the Co-CEO of the Investment Bank, a position he took up in 2016 with a mandate to grow the business on the sell-side and to expand its product offering in multiple continents. Since then, he has successfully built the Firm's Frontier business with on-the-ground operations in four different continents, giving clients access to more than 75 markets around the world. He has also led the development of the Firm's Structured Products Platform, which has pulled in trades worth c. USD 2 billion in its first two years since inception in 2017. This is in addition to the creation of the Fixed-Income Desk, which began operations in 2018 and is performing effectively.

Mr. Ebeid began his career with the Firm in 1999 in the Securities Brokerage division, and he has since held numerous positions within the Firm, the most recent prior to his current post being Head of Brokerage, through which he managed to restructure the business and streamline its activities in just over two years, all while boosting profitability. He held the post of Head of Institutional Sales beginning 2006 and managed to add GCC institutional clients and sovereign wealth funds to the Firm's client base. He led the team on every single ECM transaction during his tenure, raising more than USD 20 billion in ECM transactions across jurisdictions. Mr. Ebeid was also an integral part of EFG Hermes' Institutional sales team, heading an endeavor to expand the Firm's western institutional client base and further root the business in its home market of Egypt. During that time, he was part of the team executing the Firm's expansion plan in the MENA region and directing its capabilities in terms of research and corporate access.



Karim Moussa
Co-CEO of the Investment Bank, Head of Asset Management and Private Equity,
EFG Hermes

Chief Executive Officer,
Vortex Energy

Mr. Karim Moussa joined EFG Hermes in 2008 with a primary responsibility for building the Group's infrastructure Private Equity (PE) platform. During this time, he closed several flagship PE deals, such as Nasdaq-Dubai's USD 445 million take-private of DAMAS International and later its exit, delivering c. 2x cash-on-cash returns. He led the creation of the Vortex Energy Platform and raised and deployed over USD 500 million in equity in yielding renewable energy assets across Europe. In 2019, he completed an exit of a portfolio of net c. 457 MW in onshore wind assets in France, Spain, Portugal, and Belgium to funds managed by J.P. Morgan, realizing attractive divestment returns and paying net cash yields in excess of 5% p.a. to investors. In 2020, he continued the successful divestment of Vortex assets, selling a controlling stake in its 365 MW UK solar portfolio to Tenaga Nasional for c. GBP 500 million EV, delivering c. 13% IRR and 1.4x cash-on-cash returns. Mr. Moussa recently led the launch of an education fund in partnership with GEMS Education, dedicated to investing in K-12 schools in Egypt, closing the fund at commitments of c. USD 150 million.

Since 2017, he has been appointed Co-CEO of the EFG Hermes Investment Bank, responsible for the entire buy-side business of the Group. Karim sits on the Investment Committee of several EFG Hermes-sponsored funds and on InfraMed's Investors Board, with combined AUM of c. USD 3.5 billion. He is also a member of the Board of Directors of various portfolio companies.

Prior to joining EFG Hermes, Mr. Moussa was Vice President at Deutsche Bank's Global Banking division, with responsibilities for M&A, ECM, and DCM advisory in the MENA region. In this role, he advised on the USD 4.2 billion Dubai Ports World IPO, the USD 670 million sale of Sokhna Port to Dubai Ports World, and the USD 1.4 billion LBO of the Egyptian Fertilizers Company by Abraaj Capital. He joined Deutsche Bank in 2001 as an Analyst in the M&A execution team in Frankfurt, advising on several mid-cap transactions in Continental Europe. He moved to Dubai in 2005 along with the CEO of Deutsche Bank MENA to help establish the bank's regional business. Prior to Deutsche Bank, Mr. Moussa worked as an Investment Analyst at Berlin Capital Fund, a venture capital fund managed by the Berliner Bank.

He holds an MBA and a degree in Mechanical Engineering (Diplom Wirtschaftsingenieur) from the Technical University of Berlin.



Mohamed El Wakeel
Group Chief Operating Officer,
EFG Hermes Holding

Mr. Mohamed El Wakeel is the Group Chief Operating Officer at EFG Hermes Holding. Following three years at HSBC, Mr. El Wakeel joined the Firm in 2000 as part of the operations team of the Brokerage division. Through his efforts in streamlining the Securities Brokerage division's operations to ensure best-in-class practices and efficiency, he has since moved up the ranks, first heading brokerage operations for Egypt then becoming the Securities Brokerage Group's Head of Operations. As Head of Operations, Mr. El Wakeel played a pivotal role in setting up and integrating the operations of the Firm's newly launched offices in new markets. Furthermore, his role included strengthening the IT infrastructure, upgrading the Firm's security framework, and enhancing in-house app development to encompass the requirements of all lines of business. Prior to becoming Group COO, he was Group Head of Market Operations at the Firm, where his hands-on experience has been key to the enhancement of EFG Hermes' operations across multiple lines of business.



Abdel Wahab Mohamed Gadayel
Group Chief Risk and Compliance Officer,
EFG Hermes Holding

Mr. Abdel Wahab Mohamed Gadayel is EFG Hermes Holding's Group Chief Risk and Compliance Officer, a post he has held since 2013. Prior to this, he served as Group Head of Compliance for three years, where he played a key role in initiating and evolving the Group's policies and procedures and enhancing the Group's compliance framework.

Mr. Gadayel joined EFG Hermes in 1998 as Operations Officer, later being promoted to Deputy Head of Operations—a role he held until 2004.

He also worked on integrating newly acquired offices in the lower GCC region, as the Group rapidly expanded into new markets during his tenure, as Managing Director of Operations at EFG Hermes UAE between 2004 and 2009.

Mr. Gadayel is a Cairo University graduate, where he majored in Economics and minored in Political Science.



Mohamed AbdelKhabir
Group Chief Financial Officer,
EFG Hermes Holding

Mr. Mohamed AbdelKhabir is EFG Hermes Holding's Group Chief Financial Officer and a board member in several EFG Hermes subsidiaries. Prior to his current post, Mr. AbdelKhabir joined EFG Hermes' Investment Banking division in early 2008, where he remained until March 2016 as a Director.

Mr. AbdelKhabir's notable transactions during his investment banking tenure include the IPO of Integrated Diagnostics Holding (IDH) through a secondary offering worth USD 334 million in the LSE. He was also involved in the sale of Cleopatra Hospital in Egypt to the Abraaj Group, the merger of Al Borg and Al Mokhtabar laboratories, ENPC's USD 1.05 billion syndicated loan, and the issuance of ODH EDRs worth USD 1.8 billion.

Previously, he held the position of Financial Planning Manager at Procter and Gamble in the Corporate Finance division with a focus on financial planning, budgeting, corporate restructure, integration, and profit forecasting.

Mr. AbdelKhabir holds a BA in Business Administration from the American University in Cairo with a concentration in Finance and a minor in Economics and Psychology. He is also a CFA charter-holder.



Walid Hassouna
CEO of the Non-Bank
Financial Institutions (NBFI)
platform,
EFG Hermes Holding

Chief Executive Officer,
valU

Mr. Walid Hassouna is the Chief Executive Officer of EFG Hermes' Non-Bank Financial Institution (NBFI) platform and a member of the Executive Committee of EFG Hermes. He is also the Head of DCM, Chairman of PayTabs Egypt, and Vice Chairman of EFG- EV Fintech.

Mr. Hassouna also sits on multiple boards, including that of valU for BNPL, Tanmeyah Microenterprises, EFG Hermes Corp-Solutions, Kaf Takaful, and Bedaya for Mortgage Finance—all subsidiaries of EFG Hermes' NBFI platform. He is also a Board Member at Karm-Solar and the CEO of valU.

Hassouna's leadership of the NBFI platform at EFG Hermes over the past five years has seen it grow multiple businesses and launch innovative brands. Today, the NBFI platform contributes to more than 30% of its revenues as of 1H2021.

Prior to joining EFG Hermes in 2016, Mr. Hassouna was General Manager and Head of Structured Finance and Investment Banking at Bank Audi. Over a 17-year banking career that began at Misr International Bank, he closed structured and project finance transactions in excess of USD 15 billion. He also structured and executed several award-winning deals in project finance and M&A

within Egypt and the GCC, in addition to several investment banking transactions. He has also been the Head of Structured Finance and Syndication at Banque Misr where he successfully managed to top the league table of the MENA region in syndicated loans.

Mr. Hassouna is a B.B.A holder from Cairo University, where he graduated with highest honors. He also holds an MBA from J. Mack Robinson College of Business, Georgia State University, as well as an Islamic Finance Qualification from CISI- UK.



Inji Abdoun
Group Chief Human Re-
sources Officer,
EFG Hermes Holding

Ms. Inji Abdoun joined the Human Resources department at EFG Hermes in June 2007 as HR Manager for the UAE with a mandate to establish HR for the Group's operations, while contributing to the department's Group-wide initiatives with a focus on talent management. Her mandate saw an expansion in early 2008, as she took on an active role in the integration of the then newly-acquired Oman operation, as well as the enhancement of the HR offering in the KSA operation and later the integration of the Kuwait operation.

In 2009, Ms. Abdoun became the Group Head of Human Resources, overseeing the full spectrum of the department's functions across the Group while working closely with the Firm's management team providing HR insight into business issues. As of 2017, Ms. Abdoun became the Group's Chief Human Resources Officer, continuing to oversee the Group's HR activities and working with the executive team as part of the group's Executive Committee.

Prior to joining EFG Hermes, Ms. Abdoun assumed HR management roles at LINKdotNET (an OT subsidiary) and Fayrouz International (a Heineken subsidiary), as well as a role in career advising and placement at the American University in Cairo's Career Advising and Placement office (CAPS), accumulating more than 19 years of experience in the field.

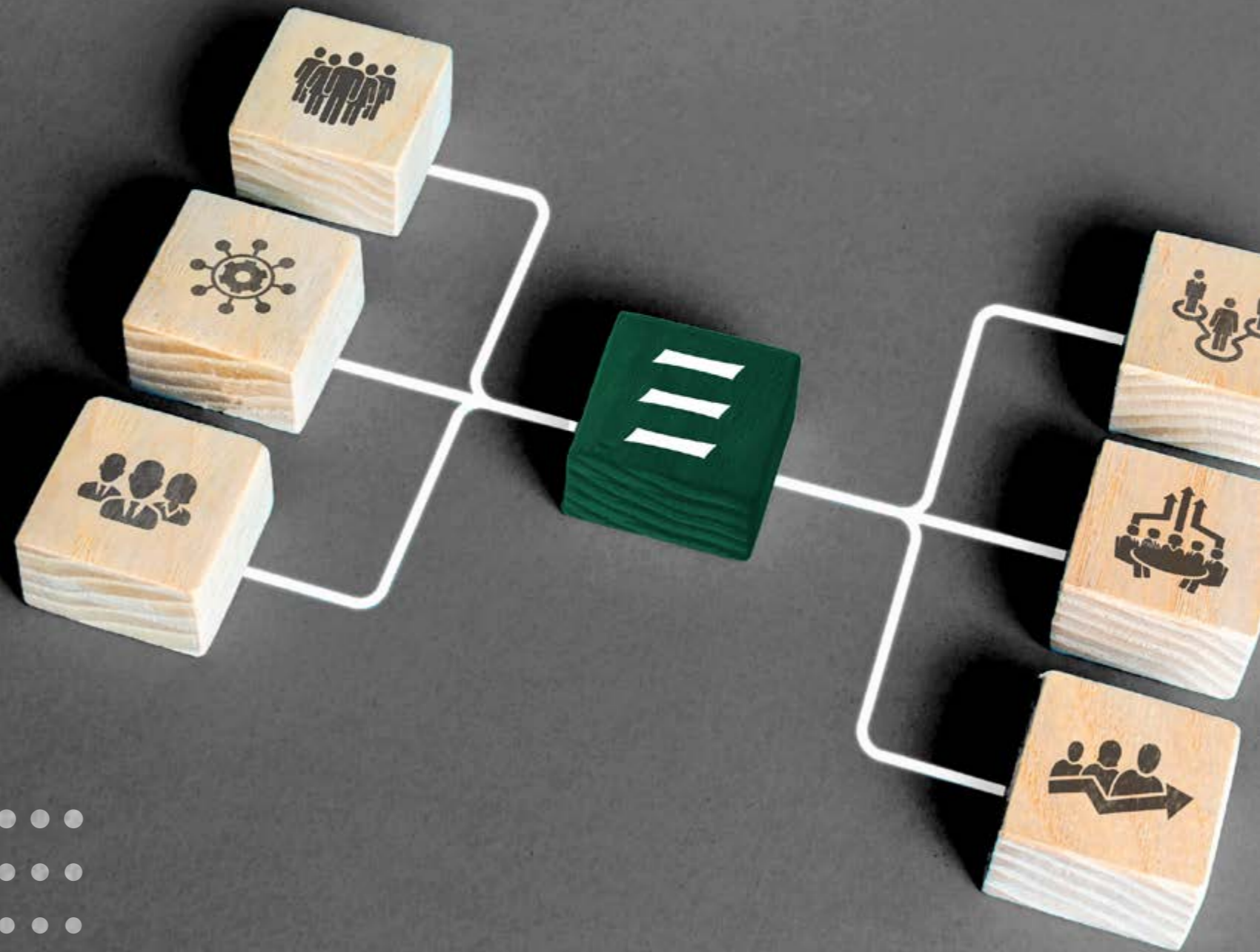
Ms. Abdoun is a SHRM Senior Certified Professional and a certified Myers-Briggs practitioner and holds an MBA from the MIT Sloan School of Management.

BOARD OF DIRECTORS

Our Board of Directors takes necessary steps to create a climate of respect, trust, and candor, and it possesses the skills and knowledge to help steer the Group forward

12
Board members

11
of whom are non-executive





Mona Zulficar
Chairperson,
EFG Hermes Holding

Ms. Mona Zulficar has served as non-executive Chairperson of EFG Hermes Holding since April 2008. Ms. Zulficar is a Founding Partner and Chairperson of Zulficar & Partners Law Firm, a specialized corporate law firm comprising 11 partners and more than 50 associates, established in June 2009. The Firm has since grown into one of the top ranked law firms in Egypt. Ms. Zulficar was previously Senior Partner at Shalakany Law Firm and had served as Chair of its Executive Committee for several years.

Ms. Zulficar is recognized in local and international legal circles as the precedent setter and one of Egypt's most prominent corporate, banking, and project finance attorneys. As an M&A and capital markets transactions specialist, Ms. Zulficar has led negotiations on some of Egypt and the Middle East's largest and most complex successful transactions over the past three decades.

Ms. Zulficar also played an instrumental role in modernizing and reforming economic and banking laws and regulations, both in her capacity as former board member of the Central Bank of Egypt during the banking reform program from 2003 to 2011 and as a prominent member of national drafting committees. Ms. Zulficar is a leading human rights activist recognized locally and internationally and has initiated several successful campaigns for new human rights legislation, including women's rights, freedom of opinion, and family courts. Ms. Zulficar served as Vice President of the Constitutional Committee, played a key role in drafting the 2014 Egyptian Constitution, and has served as a member of the National Council for Human Rights for many years up until 2020.

Ms. Zulficar was recently elected President of the first Egyptian Microfinance Federation, currently the Egyptian Federation for Financing Medium, Small, and Micro Enterprises, and she chairs several NGOs active in social development and microfinance for underprivileged women. Internationally, Ms. Zulficar served two terms as an elected member of the United Nations Human Rights Council Advisory Committee up until 2011.

Ms. Zulficar holds a BSc in Economics and Political Science from Cairo University and an LLM from Mansoura University, as well as an honorary doctorate degree in Law from the University of Zurich.



Yasser El Mallawany
Vice Chairman of the Board,
EFG Hermes Holding

Mr. Yasser El Mallawany is the Non-Executive Vice Chairman of EFG Hermes Holding's Board of Directors. Since his appointment as Chief Executive Officer of the Firm in 2003, Mr. El Mallawany has played a key role in driving the consolidation of Egypt's investment banking sector and facilitated the emergence of EFG Hermes as the leading Arab investment bank at the time.

Mr. El Mallawany began his career at Commercial International Bank (CIB), formerly Chase National Bank, for 16 years, last serving as the General Manager of the Corporate Banking Division. Mr. El Mallawany joined EFG Hermes at the time of the Firm's merger with CIIC.

Mr. El Mallawany holds a BA in Accounting from Cairo University.



Karim Awad
Group Chief Executive Officer
and Chairman of the Executive
Committee,
EFG Hermes Holding

Mr. Karim Awad is Group Chief Executive Officer, Chairman of the Executive Committee, and a member of the board of EFG Hermes Holding. With over 22 years of experience, Mr. Awad started his career in EFG Hermes in 1998 in the Investment Banking department, eventually heading the division in 2007 and leading several high-profile local and regional transactions. He assumed managerial roles in the Firm thereafter, first as CEO of the Investment Bank in 2012 and then as Group CEO in 2013.

Since then, Mr. Awad has led a substantial restructuring at the firm that included streamlining its expenses and divesting its non-core assets, the key being its stake in Lebanese bank Credit Libanais. Working together with the EFG Hermes' senior management, Mr. Awad spearheaded a major shift in the Firm's strategy that transformed EFG Hermes from a MENA-based investment bank to a frontier markets financial solutions house. To achieve this vision, the Firm focused on six pillars: hiring the best people, improving the Firm's positioning in the markets it operates in, selectively expanding its geographical presence, enhancing its product offering, increasing profitability metrics, and ensuring that public responsibility remains front and center in all its operations.

Throughout the past eight years, the Firm was able to enhance its market share in its core sell-side operations of investment banking, brokerage, and research while expanding its presence to six new markets that span sub-Saharan Africa and Asia. The buy-side business was completely revamped through the consolidation of its regional asset management business with affiliate Frontier Investment Management (FIM) in 2017 and the re-emergence of an active Private Equity division that is a key player in renewables, education, and healthcare. The Firm was also able to significantly increase the suite of products it offers to clients by building a full-fledged non-bank financial institutions (NBFI) platform that currently includes leasing, factoring, microfinance, BNPL fintech platform, mortgage finance, payment, and insurance, in addition to fixed income and structured products platforms. In 2021, EFG Hermes achieved yet another transformative step in its journey through the acquisition of a majority stake in Arab Investment Bank, thereby evolving its Egyptian operations into a universal bank that offers investment and commercial banking under its different brands, in addition to non-banking financial services.

The strategic shift helped drive growth in the Firm's revenues that reached EGP 5.5 billion and profits that topped EGP 1.3 billion in 2020, all while maintaining a strong commitment to the communities the Group operates in through an active CSR policy and the active adoption of progressive ESG standards.

Mr. Awad holds a BA in Business Administration from the American University in Cairo (AUC).



**Efstratios Georgios
(Takis) Arapoglou**
Non-Executive Board
Member,
EFG Hermes Holding

Mr. Arapoglou has had an earlier career in International Capital Markets and Corporate and Investment banking based in London and later in managing, restructuring, and advising publicly listed Financial Institutions and Corporates, primarily in SE Europe and the Middle East.

His most recent executive assignments include Managing Director and Global Head of the Banks and Securities Industry for Citigroup, Chairman and CEO of the National Bank of Greece, and CEO of Commercial Banking at EFG Hermes Holding SAE.

Mr. Arapoglou currently holds the following non-executive board positions: Chairman of Bank of Cyprus Group, Chairman of Tsakos Energy Navigation (TEN) Ltd, Chairman of Titan Cement International (TCI) SA, and non-executive Board Member of EFG Hermes Holding SAE. He has degrees in Mathematics, Engineering, and Management from Greek and British Universities.



Marwan Elaraby
Partner,
Shearman & Sterling LLP

Mr. Marwan Elaraby is a non-executive member of the EFG Hermes board. He is based in Dubai where he serves as partner in the Capital Markets and Mergers and Acquisitions practices at Shearman & Sterling LLP, where he also currently serves as Head of the Dubai Office and Corporate Business Unit leader. His practice focuses on advising governments and private capital clients on a variety of corporate and capital market transactions across several industries. Mr. Elaraby first joined Shearman & Sterling in New York in 1995, and he became a partner in 2004. He previously served as Managing Director at Citadel Capital, one of the leading private equity firms in the Middle East and Africa. Mr. Elaraby also served as Executive Director in EFG Hermes' Investment Banking Group, where he worked as an Investment Banker advising clients on numerous capital markets and M&A transactions in the Middle East.

Mr. Elaraby is a New York-qualified lawyer.

Mr. Elaraby holds a BA in Economics from the American University in Cairo and a Juris Doctor (J.D.) from Columbia University School of Law.



Jean Cheval
Senior Advisor,
Natixis

Mr. Jean Cheval is a non-executive member of the EFG Hermes board. He joined Natixis in June 2009, leading the Debt and Finance department (Structured Finance) until 2012 and the European Area between 2011 and 2012. Mr. Cheval became Head of Finance and Risk, member of Natixis Senior Management Committee, and second Senior Manager of Natixis in September 2012, up until October 2017. Since then, he has been appointed Senior Advisor to Natixis' CEO and member of the board of Alpha Bank in Greece.

Mr. Cheval spent the majority of his career at Credit Agricole Indosuez, from 1983 to 2001, where he was successively Chief Economist, Head of Strategic Planning and Budget, Head of Structured Financing, and Head of the Middle East and Asia prior to being appointed General Manager. Mr. Cheval also served as Director of Al Bank Al Saudi Al Fransi in KSA, Wafa Bank in Morocco, and Banque Libano-Française in Lebanon.

Mr. Cheval was also Head of Banque Audi France, Chairman of Banque Audi Switzerland from 2001 to 2005, and member of the board of Audi-Saradar Bank from 2002 to 2006. Mr. Cheval previously worked for the French Ministry of Industry and the French Planning Agency.

Mr. Cheval graduated from the École Centrale de Paris' Engineering School and the University of Berkeley.



Zubyr Soomro
Chairman
National Bank of Pakistan

Mr. Zubyr Soomro is a non-executive member of the EFG Hermes Holding board. Mr. Soomro was previously startup Chairman of the Pakistan Microfinance Investment Company, a market-based entity majority owned by KfW, and a DFID subsidiary. The company was established to be the apex for the 45 microfinance lenders in Pakistan. His engagement with the microfinance sector extends over 20 years, and it has involved board roles in the Pakistan Poverty Alleviation Fund, Acumen Pakistan, and Grameen Foundation in USA. Mr. Soomro served on the boards of all three of Pakistan's financial services regulators, namely the State Bank of Pakistan, the Securities and Exchange Commission, and the Karachi Stock Exchange, of which he was Chairman. Mr. Soomro is on the Board of Governors of the Layton Rahmatulla Benevolent Trust, a leading eye-care provider handling one million patients per year; the Shaukat Khanum Memorial Trust, which is Pakistan's leading oncology services provider; and the Indus Valley School of Art and Architecture. In 2021, Mr. Soomro was appointed as the Chairman of the United National Bank Ltd, a joint venture incorporated in the UK.

In April 2019, Pakistan's government appointed Mr. Soomro as Chairman of the National Bank of Pakistan, one of the largest banks in the country. It is majorly government-owned, with a global network and over 1,500 domestic branches. Mr. Soomro was also appointed to the board of Sarmaya Pakistan, a sovereign fund set up in March 2019 to oversee the country's 204 government-owned corporate entities.

Mr. Soomro spent the majority of his career at Citibank in international corporate, investment, consumer, and private banking. Over the span of his 33-year career at the bank, Mr. Soomro worked across the Middle East, Turkey, Africa, the UK, and Pakistan. Mr. Soomro retired in 2008 as Managing Director and Country Head for Pakistan. In the midst of his Citibank career, Mr. Soomro took a three-year leave of absence to become the Chairman and President of United Bank Ltd., a 1,800-branch, government-owned institution with presence in 10 countries. Mr. Soomro was tasked with restructuring the bank for privatization. In 2004, the Central Bank awarded him the Quaid-E-Azam Centenary Gold Medal for his work in restructuring United Bank Ltd. and his contribution to the financial sector reform as Chairman of the Pakistan Bank's Association.

Mr. Soomro was a member of the government's Economic Advisory Council from 1997 to 2000 and again from 2013 to 2018. Mr. Soomro also served as President of the American Business Council and the Overseas Chamber of Commerce and Industry,

in addition to being Chairman of the Pakistan Banks' Association. Mr. Soomro holds a BSc from the London School of Economics, an MA from the School of Oriental and African Studies, and completed the Executive Education Program for Financial Inclusion in 2015 and 2017, as well as the Leadership in Uncertain Times program in 2020 from the Harvard Business School and Harvard Kennedy School.



Abdulla Khalil Al Mutawa
General Manager,
The Private Office of H. E.
Sheikh Suroor Bin Mohammed Al Nahyan

Mr. Abdulla Khalil Al Mutawa is a non-executive member of the EFG Hermes board. He is a dedicated investment professional with more than 35 years of experience and a comprehensive background in Finance and Administration. Mr. Al Mutawa holds a BSc in Business Administration from the University of North Carolina, USA. Mr. Al Mutawa is currently the General Manager of the Private Office of H.E. Sheikh Suroor Bin Mohammad Al Nahyan.

Mr. Al Mutawa has also served on the Board of Directors of Bank Alfalah Limited, Pakistan, since 1997, with membership posts on the bank's Board Audit Committee (BAC), Remuneration and Nomination Committee (BHR&NC), Board Risk Management Committee (BRMC), Board Compensation Committee (BCC), and Board Information Technology Committee (BITC), in addition to serving as Chairman of the Board Strategy and Finance Committee (BS&FC).

Mr. Al Mutawa is also Chairman of Makhazen Investment PJSC (Private Joint-Stock Company), Abu Dhabi, and member of the board of Abu Dhabi National Hotels Company (as member of the Board Audit and Compliance Committee).



Khalid Mana Saeed Al Otaiba
Office Manager for
His Excellency Dr. Mana
Saeed Al Otaiba

Mr. Khalid Mana Saeed Al Otaiba is a non-executive member of the EFG Hermes Holding board. Mr. Al Otaiba has been Office Manager for His Excellency Dr. Mana Saeed Al Otaiba, the personal advisor to His Highness the President of the UAE Sheikh Khalifa bin Zayed Al Nahyan, since 2005. Mr. Al Otaiba also holds the post of Deputy Chairman of Al Otaiba Group of Companies. Mr. Al Otaiba leverages his over 20-year career, spanning numerous industries, to serve as Director of Alfalah Insurance Company Limited, Pakistan; Chairman of Liwa International Investment Tourism and Royal Mirage Hotel and Resort Ltd, Morocco; and Chairman of Ghantout International and Bank Alfalah and Director of Royal Mirage Masdar, Abu Dhabi.

Mr. Al Otaiba holds a BA in International Economics from Suffolk University in Boston, Massachusetts.



Ramsay Zaki
Founder
Wafra Export

Mr. Ramsay Zaki is a non-executive member of the EFG Hermes Holding board. In 2014, Mr. Zaki founded Wafra Export, a fruit export company that owns a state-of-the-art packing house and grows its produce on a 360-acre plot. Mr. Zaki was part of the EFG Hermes team for 18 years, starting as Head of Operations Brokerage in 1995 and ending his tenure as Chief Operating Officer. As COO, Mr. Zaki was responsible for managing operational matters, including compliance-related functions. Mr. Zaki's contribution to EFG Hermes includes growing the Firm's backbone in all countries and lines of business, rapidly growing it while maintaining the highest degree of corporate governance and ethics, and weathering major economic and political events in the region. He was also member of the Firm's board until 2013.

Prior to joining EFG Hermes, Mr. Zaki worked for five years at Commercial International Bank (CIB), where he headed the team responsible for extending credit to the Egyptian pharmaceutical industry. During his time at CIB, Mr. Zaki successfully more than doubled loans to the sector and captured a 70% market share of all private sector pharmaceutical companies operating in Egypt. Mr. Zaki was also heavily involved in the merger negotiations between the two biggest private sector pharmaceutical companies in the country.

Mr. Zaki holds a BCom from Cairo University.



Timothy C. Collins
CEO and Senior MD of
Ripplewood Advisors LLC

Mr. Timothy Collins is a non-executive member of the EFG Hermes Holding board. He is also the CEO and Senior Managing Director of Ripplewood Advisors, the successor to Ripplewood Holdings, which he founded in 1995. Ripplewood has successfully invested in and built companies spanning across Asia, Europe, and the Middle East. It has consistently delivered superior returns from investments totalling more than USD 40 billion in enterprise value.

Ripplewood has played an instrumental role in transforming and strengthening prominent financial institutions, including AS Citadele banka of Latvia, Commercial International Bank of Egypt, and Shinsei Bank of Japan, and it has invested in a broad range of industries, including automotive, chemicals, consumer electronics, food, real estate, and telecommunications. Ripplewood's investment in Internet provider Gogo began the revolution in in-flight connectivity that is now becoming pervasive.

Many Ripplewood investments remain public companies. Before founding Ripplewood, Mr. Collins worked for Onex, Lazard

Frères, Booz Allen Hamilton, and Cummins. He formerly served on several public-company boards, including Advance Auto Parts, Asbury Automotive, Citigroup (after it accepted public funds), Commercial International Bank, Gogo, Rental Services Corporation, and Shinsei Bank. He also served as an independent director at Weather Holdings, a large private emerging-markets telecom operator that was sold to VimpelCom.

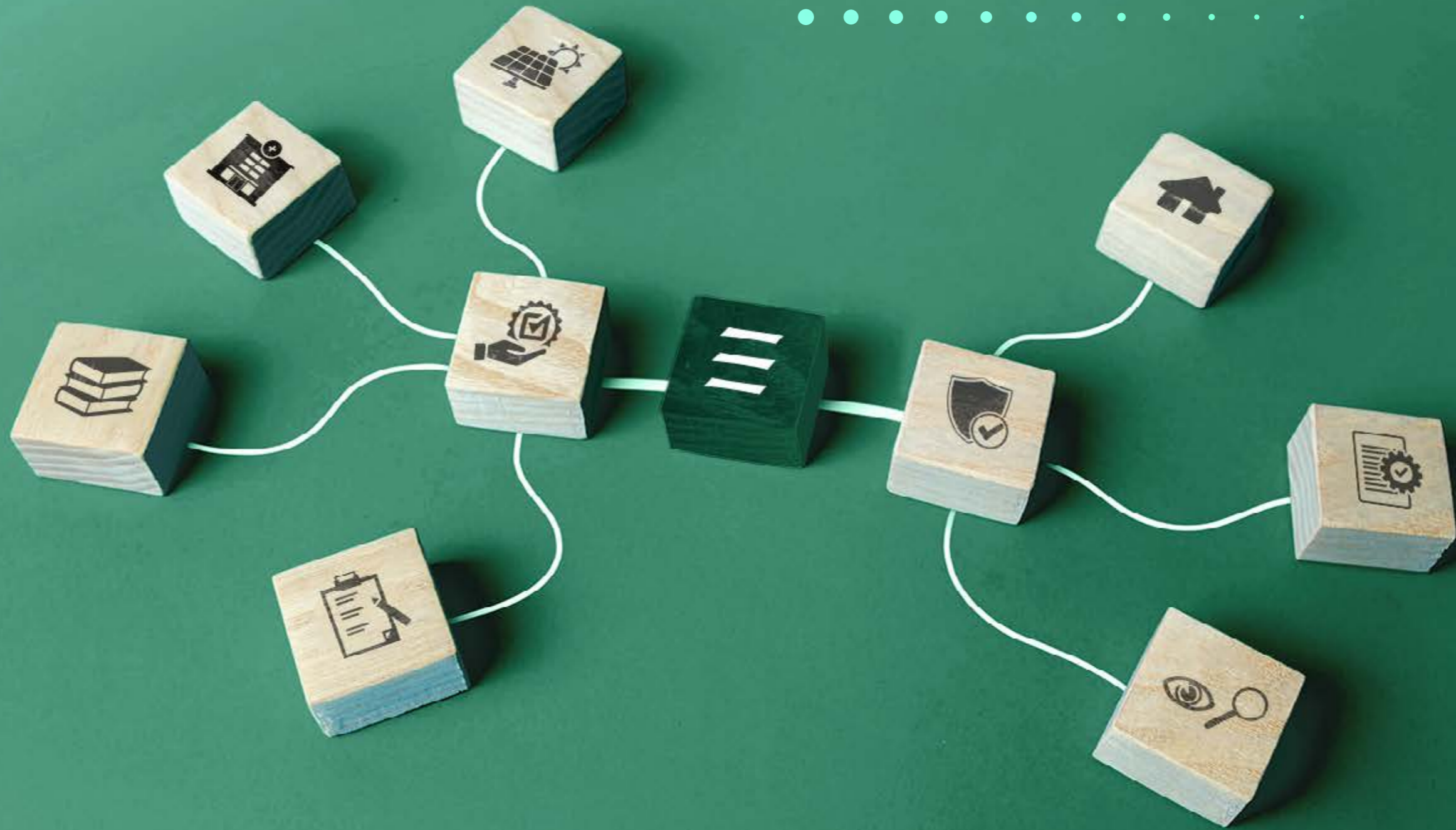
Mr. Collins currently sits on the Board of Directors of Banque Saudi Fransi, EFG Hermes, and SODIC. He is the Chairman of AS Citadele Banka and is involved in several not-for-profit and public sector activities, including the Trilateral Commission and the Council on Foreign Relations, NEOM, McKinsey and Yale Divinity School Advisory Boards. He was formerly the Chairman of the Advisory Board for the Yale School of Management, and he is currently the Co-Chair of the Advisory Council of the NYU Global Institute for Advanced Study and a member of the Investment Advisory Committee to the New York State Common Retirement Fund.

Mr. Collins has a BA in Philosophy from DePauw University and an MBA in Public and Private Management from Yale University's School of Management. Mr. Collins received an honorary Doctorate of Humane Letters from DePauw University in 2004, and he has been an Adjunct Professor and Visiting Fellow at New York University. He has served as a Visiting Lecturer at the Yale Law School, and he is Senior Fellow and Director of the Henry P. Becton Fellowship Program at the Yale School of Management.



Elizabeth Critchley
Partner,
Ripplewood Advisors Limited

Ms. Elizabeth Critchley is a non-executive member of the EFG Hermes Holding board. Ms. Critchley is a partner at Ripplewood Advisors Limited, running the company's day-to-day operations. Before joining Ripplewood, Ms. Critchley was a Founding Partner at Resolution Operations, which raised GBP 660 million via a listed vehicle at the end of 2008 and went on to make three acquisitions in financial services, namely Friends Provident PLC for USD 2.7 billion, most of AXA UK Life's businesses for USD 4 billion, and Bupa for USD 0.3 billion. This consolidation strategy was financed through a combination of debt and equity raisings, as well as structured vendor financing. Prior to establishing Resolution Operations, Ms. Critchley was Managing Director at Goldman Sachs International, where she ran the European FIG Financing business. Ms. Critchley has structured, advised, and invested in transactions with more than fifty global financials and corporates. Ms. Critchley has a First-Class Honors Degree in Mathematics from University College London.



CSR

Sustainable development for
a sustainable future

Corporate Social Responsibility

EFG Hermes Holding continues to prioritize investments in sectors that not only generate financial returns but also create massive impact

70 EGP MN

Investment in the Naga' El Fawal and El Deir Integrated Development Project

4.5 MN

metric tons carbon dioxide equivalent reduced by Vortex Energy

As a leading house of impact promoting positive change and creating shared value, EFG Hermes Holding has made it a long-standing mission to instigate change across the markets in which it operates, paving the way for increasingly sustainable business practices. The unprecedented challenges that continue to impose pressure on the globe following the onset of the COVID-19 pandemic demonstrate the importance and the interconnectivity of social issues and the pivotal role that businesses play in creating an inclusive and sustainable society. As such, EFG Hermes Holding continues to honor its commitment to empowering and improving the lives of people in the communities in which it operates, consistently leveraging responsible investment strategies and infusing its operations with sustainability across the Group.

Since 2011, EFG Hermes Holding has been making strides to integrate environmental, social and governance (ESG) considerations into all aspects of its operations. The Firm seeks to align its development frameworks with the best international standards and practices, such as the United Nations' 17 Sustainable Development Goals (SDGs). The Group has also been an active member of the United Nations Global Compact (UNGC) since 2011, integrating its internal policies with the 10 principles of human rights, labor, the environment, and anti-corruption, as well as with Egypt's Vision 2030.

As part and parcel of its efforts to weave sustainability across its operations, EFG Hermes Holding launched its Social Purpose in 2014 to ensure that all of the Firm's product and service offerings are able to generate value for stakeholders and to overcome global, social, economic, and environmental challenges. This

was further supported by the issuance of the Firm's ESG policy in 2017, which was developed to align EFG Hermes Holding's operations with sound and ethical practices. The Firm's Corporate Social Responsibility (CSR) department is responsible for spearheading key initiatives to ensure the implementation of ESG practices, in addition to overseeing the work of the EFG Hermes Foundation for Social Development, which aims to support underprivileged members of the community. The EFG Hermes Foundation for Social Development aims to do this through collaborating with policymakers and partners on projects that promote sustainable development and economic growth.

In 2018, the Firm marked the major milestone of becoming the first financial services corporation in Egypt to commit to the United Nations Principles for Responsible Investment (UNPRI), an international initiative developed by investors seeking to promote sustainable finance and a more inclusive financial system across the globe. Another milestone was in October 2020, when EFG Hermes Holding was featured among 30 regional companies in Refinitiv and the Arab Federation of Exchanges' Low Carbon Select Index, which aims to provide investors with access to low-carbon equities in the MENA region. These achievements align with the Firm's strategy to build integrated sustainable business operations and take on initiatives that create sustainable value for stakeholders.

Responsible Investment Strategies

A constituent element of the Firm's efforts to integrate ESG policies across the Group is the deployment of responsible investment strategies, which include defining and developing

clear objectives, policies, and practices that promote positive change and create social and environmental impact. In alignment with this, EFG Hermes Holding integrates ESG across all its lines of business and core functions, working closely with the Group's investment professionals to account for the accurate determination of appropriate risks and opportunities across its operational footprint.

EFG Hermes Holding continues to prioritize investments in sectors that not only generate financial returns but also create massive impact. The Firm's substantial portfolio of responsible investments encompasses integral initiatives that fall in line with the UN SDGs, with a strong focus on key sectors, such as education, renewable energy, and healthcare. On the renewables front, the Firm manages a number of investments in the renewable energy sector through its private equity platform Vortex Energy. Since its inception, Vortex Energy has deployed, managed, and harvested capital across three fund

EFG Hermes Holding continues to honor its commitment to empowering and improving the lives of people in the communities in which it operates

vehicles—Vortex I, II, and III—focusing on efficient portfolio management and maximizing its environmental and social impact. The three fund vehicles boasted a remarkable portfolio of renewable energy generation projects with a total net capacity of 822MW. During the holding period, Vortex Energy delivered 4.6 terawatt hours (TWh) of clean energy, which reduced approximately 4.5 million metric tons of carbon dioxide equivalent (MTCO_{2e}), all while optimizing the operational and financial performance of these assets. These renewable energy projects align with the best industrial practices that aim to enhance operational efficiency, delivering 1.4TWh of clean energy on an annual basis. In 2021, Vortex IV—Vortex Energy's flagship fund and fourth investment vehicle—concluded the first close of USD 200 million, which was anchored by EFG Hermes and several Abu Dhabi-based sovereign institutional investors and family offices, among others. In the course of its first year, it seeded its first investment to acquire a stake of 49% in Ignis—a leading Spanish player in the renewable energy landscape—to establish a clean energy platform to be built in the next year. Through this acquisition, Vortex IV is to inject over EUR 625 million into Ignis through a series of capital injections in order to fund its high growth plans for a >20 GW platform and to transform it into a fully integrated renewable IPP in Spain and other countries. The platform will construct, hold, and operate approximately 7.5 GW of renewable energy generation projects in Europe, the UK, and the US alongside a pipeline of 15 GW of projects in the same geographies that are developed for third parties. The environmental and social impact of Vortex Energy is set to rise exponentially, as the fund's first investment alone will represent approximately 5x net capacity versus the sum of all previous platforms since inception. Vortex Energy's investment in Ignis also supports the direct creation of jobs within the company, which is expected to grow by 50% from the current level in the short term, decreasing subsequently but ramping up Y-o-Y in the long term.

At year-end 2021, Vortex Energy was awarded the EMEA Renewables and Energy Transition Solar Deal of the Year at the IJInvestor Awards 2021, reflecting the platform's solid work toward the shared goal of sustainable development and its efforts toward a net-zero future.

As the Firm deems education a key pillar to a country's economic development, the Private Equity division formed an exclusive partnership in 2018 with Global Education Management Systems (GEMS) Education, one of the world's leading providers of private English-language education for students from kindergarten to twelfth grade (K-12). Together, they established the EFG Hermes Egypt Education Fund (EEF), a USD 200 million platform that focuses on Egypt's underserved K-12 sector. A year later, the EEF acquired a majority stake in leading transport provider, Option Travel, to provide a high quality and competitive student transportation service to students enrolled in GEMS Education's schools.

At present, the EEF's portfolio consists of ten schools at various stages of development with a combined capacity of c. 20,000 students, and it offers superior education services to over 9,000 students. In 2021 specifically, EEF began expanding its portfolio to house more reputable institutions, concluding the acquisition of Al Hayah International Academy, one of Egypt's leading education providers. Additionally, The Sovereign Fund of Egypt (TSFE) and EFG Hermes' Private Equity division signed a memorandum of understanding (MoU) during the year to launch two premium national schools in West Cairo. The schools are to be built over 30,000 sqm with a combined capacity of 5,000 students.

On the healthcare front, EFG Hermes' Private Equity division operates Rx Healthcare Management (RxHM), which manages investments in the healthcare sector in order to increase the availability of premium healthcare products and services across the region. The platform's investment

approach centers around providing growth capital through investing in controlling stakes (and on a selective basis, in controlled minority stakes). RxHM places a high value on ESG due diligence, with target investments having to combine both financial viability and ESG criteria fulfillment to ensure sustainable value add that fills a tangible healthcare gap in underserved areas.

The platform's recent acquisition of leading Egyptian medical solutions provider, United Pharma, through Nutritius Investment Holdings, attracted significant interest from prominent investors, with proceeds being used to expand the company's product offering to cover essential categories in underserved therapeutic areas and ramp up production for existing products. United Pharma, Egypt's leading player in the injectables space, has an established track record of supplying medical products to the Egyptian local market and various export markets in Africa and the Middle East. In 2021, RxHM began deploying strategies to further enhance the operational scope of its healthcare platform with United Pharma, as the importance of medical services and hospital essentials continue to grow in demand, particularly after the onset of the COVID-19 pandemic.

In addition to its responsible investments through its Private Equity division, EFG Hermes Holding operates a rapidly growing NBFi platform, EFG Hermes Finance, which has developed a range of products and services aimed at promoting financial inclusion through its subsidiaries: Tanmeyah for microfinance, valU for BNPL fintech services, PayTabs Egypt for digital payments, Bedaya for mortgage finance, Kaf for insurance services, and EFG Hermes Corp-Solutions for leasing and factoring services. Additionally, the Firm also operates Egypt's leading fintech startup accelerator EFG EV Fintech. Through these activities, EFG Hermes Holding aims to guarantee that each and every one of its activities are capable of generating positive stakeholder impact.

Global Recognition and Reporting

EFG Hermes Holding disseminates updates through regular reports on its progress in the ESG space, including the UNGC Communication on Progress, UNPRI Transparency Report, and the Firm's own annual sustainability report. In 2020, the Firm was named Sustainability Champion by the Egyptian Financial Regulatory Authority's (FRA) first publication, recognizing players championing sustainable development in the non-bank financial service industry. The Firm was also recognized as a Community Honoree in the Global Finance Outstanding Crisis Leadership 2020 Awards.

Promoting Sustainability Across the Board

As part and parcel of its commitment to ensuring that sustainability remains at the center of the Firm's operations, EFG Hermes Holding's CSR department has launched initiatives to promote sustainability and social development practices among its employees. In alignment with this, the Firm has appointed policies to conserve energy by reducing electricity usage, minimize and manage waste, and bolster efficiency across its entire supply chain. Additionally, the Firm has partnered with Thomson Reuters to offer a myriad of e-learning materials during the year to introduce CSR and ESG Investigation courses and certifications. The Firm also regularly engages with stakeholders through social media campaigns to promote awareness on key sustainability matters and a deeper understanding of the UN SDGs.

In 2021, the Firm's Board of Directors, CSR department, and business line representatives came together to issue an updated Group-wide ESG Policy. The updated policy addresses key issues, such as ESG guidelines for the Firm's business lines, stewardship and engagement, exclusionary criteria, capacity building, and reporting. Additionally, EFG Hermes Holding issued an array of policies and statements that define the Firm's proactive approach to human rights, the environment, anti-corruption, and other critical ESG-related issues.



EFG Hermes Foundation for Social Development

Established in 2006, The EFG Hermes Foundation for Social Development leverages a personal approach to development, where projects and initiatives are only taken on if they can sustainably improve lives, both in the short and the long term. Since its establishment, the Foundation has adopted a sustainable integrated development approach that focuses on maximizing impact and generating returns on investment of scarce development funds. Partnerships are an integral component of the Foundation's social development framework, and each project brings together partners from both the public and private sectors, donors, and civil society in synergies that create measurable impact for individuals and communities at large.

Naga' El Fawal and El Deir Integrated Development Project

Launched in 2017 under the EFG Hermes Foundation for Social Development, the EGP 70 million Naga' El Fawal and El Deir Village Integrated Development Project works in alignment with the UN SDGs to develop and revamp the rural communities of the Luxor governorate. The project aims to build a developed base in order

to revitalize the local economy and serve the village's 75,000 residents, marking the Foundation's third integrated development project in Upper Egypt following its success with similar projects in Ezbet Yacoub village in Beni Sweif and Al Makhzan village in Qena. Over the years, the project has had a number of achievements in the development of Naga' El Fawal, including the renovation of a health unit in the village and the establishment of a water treatment plant. Additionally, the project has also contributed to the rebuilding of 94 houses, offering residential units to each of the village's families with a long-term goal to eliminate rural co-living.

One of the key pillars to the project's scope has been the development of a fully equipped community center, including a Montessori preschool, a center catering to children with disabilities, and a training facility, all of which are powered by solar energy. The Young Scholars Academy preschool seeks to offer quality education, as well as the necessary social skills, to the village's 150 children, laying the foundation for them to continue their education. The preschool also features a dedicated section to provide the village's 50 children with special needs with the necessary support to advance their learning and

prepare them for enrolment into public schools in the future. At the Young Scholars Academy, training is ongoing for 75 current and potential staff members to build their capacity and raise the standard of service provided to the enrolled children. In 2021, 17 young scholars graduated from the academy, including four scholars from the Special Needs Section.

COVID-19 Pandemic

2021 was another year of turbulence, as the world continued to witness new COVID-19 variants emerging. Recognizing the adversities faced by many people as the world continues to navigate the crisis, EFG Hermes Holding continued to provide the necessary support for its employees, in addition to leveraging its Foundation for Social Development to aid the most at-risk members of society. The Firm's Human Resources (HR) department continued to provide support to its personnel by re-engineering its programs and offerings to facilitate working from home. Above and beyond, EFG Hermes Holding introduced more flexible work policies, equipped offices with the necessary healthcare supplies for COVID-19 emergencies, and conducted mental resilience sessions for employees.

17

students graduated from the Young Scholars Academy in 2021

75k

residents served by the Naga' El Fawal and El Deir Integrated Development Project

Outlook

Going forward, EFG Hermes Holding aims to continue building on the foundation it has laid and leveraging its successful track record in the journey toward sustainable development. As a fully integrated financial services provider with presence in 13 markets across four continents, EFG Hermes Holding is fully aware of the significant ethical responsibility it has toward its shareholders and toward society. In alignment with this, the Firm will continue prioritizing and integrating responsible ESG practices across its operational footprint, with an eye for becoming a wholly sustainable enterprise. The Group will continue engaging key stakeholders and forming partnerships across the value chain to catapult greater action and generate maximum impact. As the importance of responsible investing continues to grow on a global scale, the Firm will seek to further focus its efforts on expanding the reach of its programs, deepening the integration of ESG practices into its operations, as well as working diligently to mitigate risks in order to generate shared value for all stakeholders and promote sustainability and prosperity across the board.

FINANCIAL STATEMENTS



Auditor's Report

To the shareholders of EFG – Hermes Holding Company

We have audited the accompanying consolidated financial statements of EFG Hermes Holding which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in-light of the prevailing Egyptian laws. Management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in-light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements referred to in the first paragraph above present fairly, in all material respects, the consolidated financial position of the company as of December 31, 2021 and its consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and comply with applicable Egyptian laws and regulations relating to the preparation of these financial statements.

KPMG Hazem Hassan
Cairo, March 24, 2022

Consolidated Statement of Financial Position

(in EGP)	Note no.	For the year ended	
		12/31/2021	12/31/2020
Assets			
Cash and cash equivalents	(6)	30,876,257,819	7,397,790,093
Loans and facilities to customer	(9)	19,625,924,145	8,189,679,143
Accounts receivables	(8)	5,611,375,904	4,734,488,970
Investments at fair value through profit and loss	(7)	8,002,539,778	5,744,078,663
Investments at fair value through OCI	(10)	16,820,480,365	10,097,642,055
Investments at amortized cost	(12)	10,050,278,918	-
Assets held for sale	(5)	305,541,145	59,640,898
Equity accounted investees	(11)	461,315,552	103,095,770
Investment property	(13)	125,529,472	132,074,502
Fixed assets	(14)	999,401,918	651,958,068
Goodwill and other intangible assets	(15)	1,107,396,952	984,353,914
Deferred tax assets	(22)	47,607,209	24,995,255
Other assets	(16)	2,561,079,667	621,212,320
Total assets		96,594,728,844	38,741,009,651
Liabilities			
Due to banks and financial institutions	(17)	17,736,580,111	9,235,466,908
Customer Deposits	(18)	38,564,737,371	-
Loans and borrowings	(24)	5,963,333,876	4,598,110,534
Creditors and other credit balances	(21)	2,695,731,002	1,927,757,515
Accounts payable - customers credit balance at fair value through profit and loss	(19)	3,890,060,348	2,022,981,775
Accounts payable - customers credit balance		8,537,833,096	5,486,303,627
Short term bonds	(20)	550,000,000	500,000,000
Provisions	(23)	690,001,941	566,956,651
Current tax liability		363,572,503	164,219,351
Deferred tax liabilities	(22)	296,588,621	301,270,105
Total liabilities		79,288,438,869	24,803,066,466
Equity			
Share capital	(25)	4,865,353,355	3,843,091,115
Legal reserve		840,272,556	833,933,867
Share premium		1,668,623,811	1,922,267,826
Other reserves		783,420,592	791,823,872
Retained earnings		6,390,395,096	6,235,979,897
Equity attributable to owners of the Company		14,548,065,410	13,627,096,577
Non - controlling interests	(26)	2,758,224,565	310,846,608
Total equity		17,306,289,975	13,937,943,185
Total equity and liabilities		96,594,728,844	38,741,009,651

The accompanying notes and accounting policies from page (177) to page (214) are an integral part of these financial statements and are to be read therewith.

Mona Zulficar
Chairperson

Karim Awad
Group Chief Executive Officer

Consolidated Income Statement

(in EGP)	Note no.	For the year ended	
		31/12/2021	31/12/2020 (Restated*)
Interest income	(33)	4,416,355,205	2,894,539,255
Interest Expense		(1,831,314,272)	(1,077,889,450)
Net Interest Income		2,585,040,933	1,816,649,805
Fee and commission income	(33)	3,395,050,747	2,742,568,431
Fee and commission expense		(344,114,579)	(271,609,375)
Net Fees and commission Income		3,050,936,168	2,470,959,056
Securities (Loss) Gains		(7,302,092)	371,758,025
Changes in Investments at Fair Value through Profit & Loss		(76,153,571)	576,420,133
Dividend Income	(33)	31,853,072	39,543,674
Other Revenues	(28)	235,215,170	140,095,176
Foreign Currencies Exchnage Differences		234,140,414	(15,282,497)
Gains on selling Assets held for sale		3,864,407	-
Share of loss from equity accounted investees	(11)	(14,173,369)	(4,237,980)
Revenue		6,043,421,132	5,395,905,392
General administrative expenses	(32)	(3,667,378,008)	(3,208,561,612)
Financial Guarantee Provision	(23)	(5,673,313)	(10,079,751)
Impairment loss on assets	(29)	(154,029,798)	(303,872,865)
Provisions	(23)	(96,968,478)	(32,475,067)
Depreciation and amortization	(13,14,15)	(193,664,511)	(171,143,524)
Profit before tax		1,925,707,024	1,669,772,573
Income tax expense	(30)	(350,786,930)	(329,046,528)
Profit for the year		1,574,920,094	1,340,726,045
Profit attributable to:			
Owners of the Company		1,456,477,842	1,305,403,129
Non - controlling interests	(26)	118,442,252	35,322,916
		1,574,920,094	1,340,726,045

The accompanying notes and accounting policies from page (177) to page (214) are an integral part of these financial statements and are to be read therewith.

Consolidated Statement of Comprehensive Income

(in EGP)	For the year ended	
	31/12/2021	31/12/2020
Profit for the year	1,574,920,094	1,340,726,045
Other comprehensive income:		
Items that are or may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	(15,450,147)	(96,787,059)
Foreign currency translation differences - reclassified to profit or loss	(167,306,760)	(32,212,643)
Investments at fair value through OCI - net change in fair value	163,022	(678,272,788)
Investments at fair value through OCI - net change in fair value - reclassified to profit or loss	34,043,158	(474,568,773)
Investment at Fair Value through OCI - reclassified to Retained Earnings	(15,659)	(2,176,473)
Actuarial gain (loss) re-measurement of employees' benefits obligations	971,076	(2,002,429)
Related tax	(930,181)	12,221,624
Other comprehensive income, net of tax	(148,525,491)	(1,273,798,541)
Total comprehensive income	1,426,394,603	66,927,504
Total comprehensive income attributable to:		
Owners of the Company	1,299,398,696	34,980,736
Non - controlling interests	126,995,907	31,946,768
	1,426,394,603	66,927,504

The accompanying notes and accounting policies from page (177) to page (214) are an integral part of these financial statements and are to be read therewith.

Consolidated Statement of Changes In Equity

As at December 31, 2021

(in EGP)	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Legal reserve	Share premium	General reserve	Translation reserve	Fair value reserve	Employee stock ownership plan reserve	Hedging reserve	Retained earnings	Total		
Balance as at 31 December 2019, as previously reported	3,843,091,115	803,102,208	1,922,267,826	158,269	2,119,175,070	665,788,125	-	(26,442,387)	4,330,582,531	13,657,722,757	362,75,7134	14,020,479,891
Effect of change in accounting policies	-	-	-	-	-	(724,877,627)	-	26,442,387	671,741,648	(26,693,592)	(5,885,828)	(32,579,420)
Balance as at 1 January, 2020	3,843,091,115	803,102,208	1,922,267,826	158,269	2,119,175,070	(59,089,502)	-	5,002,324,179	13,631,029,165	356,871,306	13,987,900,471	
Profit	-	-	-	-	-	-	-	1,305,403,129	1,305,403,129	35,322,916	1,340,726,045	
Other comprehensive income	-	-	-	(126,465,076)	(1,141,954,889)	(1,141,954,889)	-	174,044	(1,268,245,921)	(3,376,147)	(1,271,622,068)	
Total comprehensive income	-	-	-	(126,465,076)	(1,141,954,889)	(1,141,954,889)	-	1,305,577,173	371,57,208	31,946,769	69,103,977	
Transactions with owners of the Company												
Contributions and distributions												
Dividends	-	-	-	-	-	-	-	(40,851,169)	(40,851,169)	(81,738,080)	(122,589,249)	
Transferred to legal reserve	-	30,831,659	-	-	-	-	-	(30,831,659)	-	-	-	
Changes in ownership interests without a change in control												
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	(238,627)	(238,627)	3,766,613	3,527,986	
Balance as at 31 December 2020	3,843,091,115	833,933,867	1,922,267,826	158,269	1,992,709,994	(1,201,044,391)	-	6,235,979,897	13,627,096,577	310,846,608	13,937,943,185	
Balance as at 31 December 2020, as previously reported	3,843,091,115	833,933,867	1,922,267,826	158,269	1,992,709,994	(1,201,044,391)	-	6,235,979,897	13,627,096,577	310,846,608	13,937,943,185	
Effect of change in accounting policies												
Adjustment	-	-	-	-	-	-	-	(4,099,065)	(4,099,065)	-	-	(4,099,065)
Balance as at 31 December 2021	3,843,091,115	833,933,867	1,922,267,826	158,269	1,992,709,994	(1,201,044,391)	-	6,231,880,832	13,622,997,512	310,846,608	13,933,844,120	
Profit	-	-	-	-	-	-	-	1,456,477,842	1,456,477,842	18,442,252	1,574,920,094	
Other comprehensive income	-	-	-	(182,139,923)	(182,139,923)	24,089,701	-	986,735	(157,063,487)	8,553,655	(148,509,832)	
Total comprehensive income	-	-	-	(182,139,923)	(182,139,923)	24,089,701	-	1,457,464,577	1,299,414,355	126,995,907	1,426,410,262	
Transactions with owners of the Company												
Contributions and distributions												
Dividends	768,618,225	-	-	-	-	-	-	(895,812,229)	(127,194,004)	(1,479,254)	(128,673,258)	
Transferred to share capital	253,644,015	-	(253,644,015)	-	-	-	-	(6,338,689)	-	-	-	
Transferred to legal reserve	-	-	-	-	-	-	-	-	-	-	-	
Employee stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	149,646,942	149,646,942	
Changes in ownership interests without a change in control												
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	(396,799,395)	(396,799,395)	(18,077,004)	(414,876,399)	
Share of NCI in the increase/ (decrease) of subsidiaries paid-in capital	-	-	-	-	-	-	-	-	-	-	2,339,938,308	
Balance as at 31 December 2021	4,865,353,355	840,272,556	1,668,623,811	158,269	1,810,570,071	(1,176,954,690)	149,646,942	6,390,395,096	14,548,065,410	2,758,224,565	17,306,289,975	

The accompanying notes and accounting policies from page (177) to page (214) are an integral part of these financial statements and are to be read therewith.

Consolidated Statement of Cash Flows

(in EGP)	Note no.	For the year ended	
		12/31/2021	12/31/2020
Cash flows from operating activities			
Profit before income tax		1,925,707,024	1,669,772,573
Adjustments for:			
Depreciation and amortization	(13,14,15)	193,664,511	171,143,524
Provisions formed	(23)	102,641,791	42,554,818
Provisions used	(23)	(123,453,932)	(8,684,029)
Provisions reversed	(23)	(54,802,383)	(35,255,180)
Gains on sale of fixed assets		(14,668,983)	(836)
Gains from Securitization		(66,016,939)	-
(loss) Gains on sale of investment at FVTOCI		34,043,538	(474,568,773)
Gains on sale of Assets held for sale		(3,864,407)	-
Amortization of premium/ issue discount		(30,974,345)	-
Changes in the fair value of investments at fair value through profit and loss		76,153,571	(576,420,133)
Share of loss of equity-accounted investees		14,173,369	4,237,980
Impairment loss on assets	(29)	154,029,798	303,872,865
Share-based payment	(32,20-39)	149,646,948	-
Foreign currency translation differences		(17,442,999)	(27,818,033)
Foreign currencies exchange differences		(234,140,414)	15,282,496
Operating profit before changes in current assets and liabilities		2,104,696,148	1,084,117,272
Changes in:			
Other assets		(504,813,017)	(53,187,325)
Creditors and other credit balances		(32,620,974)	94,960,732
Accounts receivables		(916,774,492)	(258,963,589)
Accounts payable		3,047,194,580	(1,995,952,225)
Accounts payable - customers credit balance at fair value through profit and loss		1,867,078,573	(3,063,592,057)
Loans and facilities to customers		(2,935,999,896)	(2,477,553,478)
Due from banks		(5,583,297,532)	-
Due to banks		(304,852,380)	-
Customers deposits		(1,242,670,248)	-
Investments at fair value through profit and loss		(2,302,120,418)	2,208,024,926
Income tax paid		(233,489,679)	(173,872,403)
Net cash used in operating activities		(7,037,669,335)	(4,636,018,147)
Cash flows from investing activities			
Payments to purchase fixed assets and other intangible assets		(97,448,606)	(101,158,922)
Proceeds from sale of fixed assets		19,391,892	152,699
Proceeds from sale of assets held for sale		120,045,492	-
Proceeds from sale of investment FVTOCI		24,130,051,252	17,567,402,835
Payments to purchase investment FVTOCI		(20,306,019,053)	(14,767,315,832)
Payments to purchase investment in subsidiaries		(2,965,924,996)	-
Payments to purchase equity accounted investees		(17,982,500)	(52,333,749)
Dividends collected		8,583,669	-
Net cash provided from investing activities		890,697,150	2,646,747,031
Cash flows from financing activities			
Dividends paid		(43,164,735)	(132,802,448)
Proceeds from securitization transactions		1,112,500,000	-
Proceeds from short term bonds		550,000,000	500,000,000
Payment for short term bonds		(500,000,000)	(400,000,000)
Proceeds from / Payment for financial institutions		3,619,102,552	(2,563,764,366)
Proceeds from loans and borrowings		2,178,924,870	1,538,044,191
Payment for loans and borrowings		(904,202,493)	(981,195,693)
Net cash provided from (used in) financing activities		6,013,160,194	(2,039,718,316)
Net change in cash and cash equivalents		(133,811,991)	(4,028,989,432)
Cash and cash equivalents at 1 January	(31)	2,465,698,500	6,472,769,165
Cash from acquisition from subsidiaries		2,382,473,653	-
Cash and cash equivalents at 31 December	(31)	4,714,360,162	2,443,779,733

The accompanying notes and accounting policies from page (177) to page (214) are an integral part of these financial statements and are to be read therewith.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2021

(In the notes all amounts are shown in EGP unless otherwise stated)

1. Background

1.1. Incorporation

EFG-Hermes Holding S.A.E "the company" is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The company's registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo / Alexandria Desert Road, 6 October 12577 Egypt.

1.2. Purpose of the company

EFG Hermes is a premiere financial services corporation that offers diverse investment banking services including securities brokerage, investment banking, Asset management and private equity. In addition to its non-bank finance products, which include leasing and micro-finance, installment services, factoring, securitization, collection and tasquek. The purpose of the company also includes participation in the establishment of companies which issue securities or in increasing their share capital, custody activities, margin trading and commercial bank activities.

2. Basis of preparation

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.

2.2. Authorization of the financial statements

The financial statements were authorized for issue in accordance with a resolution of the board of directors on March 23, 2022.

3. Functional and presentation currency

These consolidated financial statements are presented in Egyptian pounds (EGP) which is the Company's functional currency.

4. Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- Estimates and assumptions about them are re-viewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

4.1. Fair value measurement

- The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.
- The value of financial assets are determined by the values of the current purchase prices for those assets, while the value of financial liabilities is determined by the current prices that can be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method as a way to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the financial statements that are similar in nature and conditions.

5. Assets held for sale

- Assets held for sale represented in the assets that has been acquired by EFG Hermes Corp-Solutions and Arab Investment Bank (aiBank) amounted to EGP 305,541,145 in exchange of debt account receivables.

Assets held for sale is relating to the acquisition of the following assets:

- Land and buildings.
- Machines and equipment.

6. Cash and cash equivalents

	31/12/2021	31/12/2020
Cash on hand	173,138,322	34,596,734
Cheques under collection	140,001	465,001
Banks - current accounts	10,740,937,558	6,062,014,232
Obligatory reserve balance with CBE	897,426,113	-
Banks - time deposits	19,066,529,533	1,301,851,385
Balance	30,878,171,527	7,398,927,352
Impairment loss	(1,913,708)	(1,137,259)
Balance	30,876,257,819	7,397,790,093

7. Investments at fair value through profit and loss

	31/12/2021	31/12/2020
Mutual fund certificates	3,094,960,043	2,786,033,100
Equity securities	144,330,891	128,071,075
Debt securities	670,915,045	660,445,570
Treasury bills	202,273,451	146,547,143
Structured notes	3,890,060,348	2,022,981,775
Balance	8,002,539,778	5,744,078,663

8. Accounts receivables

	31/12/2021	31/12/2020
Accounts receivables	5,684,065,407	4,211,281,701
Other brokerage companies	39,939,670	618,552,435
Balance	5,724,005,077	4,829,834,136
Impairment loss	(112,629,173)	(95,345,166)
Balance	5,611,375,904	4,734,488,970

9. Loans and facilities to customers

	31/12/2021	31/12/2020
Micro finance	1,669,477,709	1,722,754,659
Finance lease	4,753,314,394	4,751,487,371
Consumer finance	1,590,233,225	698,970,013
Factoring	1,884,359,760	772,009,052
Commercial bank (Arab Investment Bank)	11,125,847,297	-
Other loans	572,771,302	591,727,867
Balance	21,596,003,687	8,536,948,962
Impairment loss	(1,970,079,542)	(347,269,819)
Balance	19,625,924,145	8,189,679,143
Current	9,723,113,493	394,728,179
Non-current	9,902,810,652	4,242,390,964
Balance	19,625,924,145	8,189,679,143

10. Investments at fair value through OCI

	31/12/2021	31/12/2020
Non-current investments		
Equity securities	105,064,479	33,933,001
Mutual fund certificates	98,972,870	59,012,925
Debt instruments	1,836,353,781	86,546,749
	2,040,391,130	179,492,675
Current investments		
Debt instruments	14,795,809,291	9,919,679,373
Impairment loss	(15,720,056)	(1,529,993)
	14,780,089,235	9,918,149,380
Balance	16,820,480,365	10,097,642,055

11. Equity accounted investees

December 31, 2021							
	Com- pany's location	Company's asset	Company's liabilities	Company's net gain (losses)	Com- pany's total revenue	Share- holding Per- cent- age %	Shareholding value
Interest in joint venture							
Bedaya Mortgage Finance Co	Egypt	1,099,525,625	910,182,306	19,212,115	45,217,153	33.34	61,253,690
EFG-EV Finech	Egypt	42,810,436	648,333	(2,855,335)	297,245	50	21,081,052
Paytabs	Egypt	7,987,835	24,875,887	(9,857,646)	2,270,958	51	1,459,594
RX Capital limited	UAE	16,512,209	2,811,550	(2,009,341)	-	50	6,850,329
Interest in associate							
Kaf Life Insurance takaful	Egypt	251,117,156	185,998,053	(36,676,288)	10,490,848	37.5	21,599,015
Zahraa Elmaadi Company*	Egypt	2,309,385,000	938,992,000	-	-	20.30	278,655,628
Middle East Land Reclamation Company*	Egypt	47,974,000	192,215,000	-	-	24	-
Prime for investment fund management*	Egypt	2,546,000	176,000	106,550	269,000	20	474,060
Enmaa Financial Leasing company*	Egypt	1,379,917,000	1,157,373,000	1,953,331	17,121,000	31.40	69,942,184
Balance							461,315,552

December 31, 2020							
	Com- pany's location	Company's asset	Company's liabilities	Company's net gain (losses)	Com- pany's total revenue	Share- holding Per- cent- age %	Shareholding value
Interest in Joint venture							
EFG-EV Finech	Egypt	28,535,795	3,518,357	(3,802,910)	210,027	50	12,955,277
Bedaya Mortgage Finance co	Egypt	319,014,958	151,421,255	9,083,911	21,935,649	33.34	54,848,370
Interest in associates							
Kaf Life Insurance Takaful	Egypt	256,287,123	165,591,402	(18,616,335)	7,483,141	37.50	35,292,123
Balance							103,095,770

*Equity accounted investees acquired during the year through the acquisition of Arab Investment Bank (aiBank).

12. Investment at amortized cost

	31/12/2021	31/12/2020
Debt instruments-Listed	10,069,806,653	-
Impairment loss	(19,527,735)	-
Balance	10,050,278,918	-

13. Investment property

Particular	Buildings
Cost	
Balance as at 1/1/2020	247,559,990
Reclassification to assets held for sale	(76,148,076)
Foreign currency translation differences	(1,872,096)
Total cost as at 31/12/2020	169,539,818
Total cost as at 31/12/2021	169,539,818
Accumulated depreciation	
Accumulated depreciation as at 1/1/2020	42,061,568
Depreciation for the year	9,085,335
Reclassification to assets held for sale	(16,507,178)
Impairment loss	3,384,491
Foreign currency translation differences	(558,900)
Accumulated depreciation as at 31/12/2020	37,465,316
Depreciation for the year	6,545,030
Accumulated depreciation as at 31/12/2021	44,010,346
Carrying amount	
Net carrying amount as at 31/12/2020	132,074,502
Net carrying amount as at 31/12/2021	125,529,472

Investment property net carrying amounted to EGP 125,529,472 as at 31 December 2021, represents the following:-

- EGP 119,806,262 the book value of the area owned by EFG – Hermes Holding Company in Nile City building, and with a fair value of EGP 434,275,000.
- EGP 3,087,806 the book value of the area owned by Hermes Securities Brokerage, one of the subsidiaries, in Elmanial branch and with a fair value of EGP 10,400,000.
- EGP 2,635,404 the book value of the area owned by Hermes Securities Brokerage, one of the subsidiaries, in Elharam branch and with a fair value of EGP 17,894,190.

14. Fixed assets

Particular	Office furniture, equipment & electrical appliances					Total
	Land & Buildings	Leasehold improvements	Computer Equipment	Vehicles	Right of use assets	
Cost						
Balance as at 1/1/2020	362,459,396	76,554,203	276,699,451	30,363,250	167,924,399	1,272,743,126
Additions	-	7,091,994	12,921,684	7,905,514	42,464,093	131,623,576
Disposals	(30,230)	-	(186,628)	(359,655)	-	(780,811)
Foreign currency translation differences	(21,768)	(244,070)	(3,292,266)	(201,845)	(3,720,500)	(11,202,121)
Total cost as at 31/12/2020	362,407,398	83,402,127	286,142,241	37,707,264	206,667,992	1,392,383,770
Balance as at 1/1/2021	362,407,398	83,402,127	286,142,241	37,707,264	206,667,992	1,392,383,770
Additions	-	9,658,891	30,283,024	8,627,151	93,511,316	175,565,964
Disposals	(6,785,000)	-	(10,518,281)	(4,121,440)	(3,924,512)	(53,489,687)
Reclassification to intangible assets	-	-	(20,481,910)	-	-	(20,481,910)
Acquisition of subsidiaries	318,408,752	162,025,074	52,349,297	4,325,984	11,766,119	679,067,419
Foreign currency translation differences	(38,127)	(86,389)	(511,268)	(128,215)	(206,536)	(1,516,063)
Total cost as at 31/12/2021	673,993,023	254,999,703	357,745,013	46,410,744	307,814,379	2,171,529,493
Accumulated depreciation						
Accumulated depreciation as at 1/1/2020	62,076,268	39,500,813	197,881,087	19,223,687	25,312,706	605,331,794
Depreciation	9,523,050	11,442,455	28,322,789	4,806,857	43,387,821	144,220,759
Disposals' accumulated depreciation	-	-	(15,309)	(359,655)	-	(628,948)
Reclassification to intangible assets	-	-	(623,068)	-	-	(1,883,548)
Foreign currency translation differences	(8,559)	(121,380)	(2,564,850)	(165,665)	(626,715)	(6,614,355)
Accumulated depreciation as at 31/12/2020	71,590,759	50,821,888	222,900,649	23,505,224	68,073,812	740,425,702
Accumulated depreciation as at 1/1/2021	71,590,759	50,821,888	222,900,649	23,505,224	68,073,812	740,425,702
Depreciation	11,889,172	14,421,859	29,008,072	6,089,378	47,407,238	164,707,012
Disposals' accumulated depreciation	(2,645,713)	-	(10,481,021)	(3,793,094)	(2,746,279)	(47,587,332)
Reclassified to intangible assets	-	-	(18,155,301)	-	-	(18,155,301)
Adjustment	-	-	-	-	238,867	238,867
Acquisition of subsidiaries	80,955,885	139,698,210	27,735,899	4,117,530	3,682,859	333,556,805
Foreign currency translation differences	(19,299)	(64,559)	(319,944)	(109,347)	(130,369)	(1,058,178)
Accumulated depreciation as at 31/12/2021	161,770,804	204,877,398	268,843,655	29,809,691	116,526,128	1,172,127,575
Carrying amount						
Carrying amount as at 31/12/2020	290,816,639	32,580,239	63,241,592	14,202,040	138,594,180	651,958,068
Carrying amount as at 31/12/2021	512,222,219	50,122,305	88,901,358	16,601,053	191,288,251	999,401,918

15. Goodwill and other intangible assets

	31/12/2021	31/12/2020
Goodwill	(15-1)	994,145,243
Customer relationships	38,882,258	46,024,888
Licenses	3,839,378	10,550,653
Software	70,530,073	37,687,265
Balance	1,107,396,952	984,353,914

15.1. Goodwill is relating to the acquisition of the following subsidiaries:

	31/12/2021	31/12/2020
EFG- Hermes IFA Financial Brokerage Company Kuwait - (KSC)	179,148,550	179,148,550
IDEVELOPERS - Egypt	1,600,000	1,600,000
EFG- Hermes Jordan	8,639,218	8,639,218
Tanmeyah Micro Enterprise Services S.A.E	365,398,862	365,398,862
EFG - Hermes Pakistan Limited	-	9,503,738
Frontier Investment Management Partners LTD	325,800,740	325,800,740
Arab Investment Bank *	113,557,873	-
Balance	994,145,243	890,091,108

* Acquisition of Arab Investment Bank

In November 2021, the company acquired 51% of Arab Investment Bank shares with an acquisition cost amounting to EGP 2,551,048,598. The Company's share in the acquired net assets and liabilities on the date of acquisition amounted to EGP 2,437,490,724. Accordingly the goodwill will represents the difference which amounts to EGP 113,557,873 The following represents the assets and liabilities on the acquisition date:

Description	EGP
Cash and cash equivalents	14,239,302,091
Financial Investment	21,053,414,326
Loans and advances to customers	9,717,070,397
Other assets	1,689,552,626
Fixed assets	337,427,383
Intangible assets	30,498,454
Deferred tax assets	11,764,631
Due to banks	(1,361,146,504)
Customer deposit	(39,807,407,618)
Creditors and other credit balances	(664,755,704)
Provisions	(200,909,201)
Loans and facilities from bank	(155,334,636)
Current tax liability	(112,047,214)
Total	4,777,429,031
Non- controlling Interest	2,339,938,307
Company's share in the acquired assets	2,437,490,724
Paid in acquisition (Cash Paid)	2,551,048,598
Goodwill	113,557,873

The acquiree's financial statements have been consolidated based on the book value of the identifiable assets and liabilities. The company has a grace period of 12 months ending October 2022 for preparing Purchase Price Allocation (PPA) study to determine the fair value of the identifiable asset and liabilities according to the Egyptian Accounting Standards.

16. Other assets

		31/12/2021	31/12/2020
Deposits with others	(16-1)	57,133,978	38,910,748
Down payments to suppliers		899,769,920	89,543,602
Prepaid expenses		83,360,970	60,270,163
Employees' advances		61,420,556	56,309,877
Accrued revenues		989,851,567	257,587,316
Taxes withheld by others		23,615,895	19,983,975
Payments for investments	(16-2)	1,373,856	1,623,856
Settlement Guarantee Fund		22,898,787	21,480,174
Due from Egypt Gulf Bank- Tanmeyah Clients		17,314,143	23,306,020
Receivables-sale of investments		16,854,902	9,826,622
Securitization surplus		31,045,330	15,331,670
Sundry debtors		393,243,155	48,065,349
Total		2,597,883,059	642,239,372
Deduct: Impairment loss		(36,803,392)	(21,027,052)
Balance		2,561,079,667	621,212,320

16.1. Deposits with others include an amount of EGP 15,046,240 in the name of the subsidiaries, Financial Brokerage Group Company and Hermes Securities Brokerage Company which represents blocked deposits for same day trading operations settlement takes place in the Egyptian Stock Exchange. Both companies are not entitled to use these amounts without prior approval from Misr Clearance Company.

16.2. Payments for investments are represented in the following:

	31/12/2021	31/12/2020
AAW Company for Infrastructure	1,348,856	1,348,856
IDEVELOPERS	25,000	25,000
Paytabs Egypt Solutions	-	250,000
Balance	1,373,856	1,623,856

17. Due to banks and financial institutions

	31/12/2021	31/12/2020
Financial institutions	7,861,707,906	4,242,605,354
Bank overdraft *	8,818,578,082	4,992,861,554
Deposits**	1,008,686,945	--
Current account**	47,607,178	--
Balance	17,736,580,111	9,235,466,908

*Banks overdraft include the credit facilities granted from one of the banks which represents the following:

- During 2021 a pledged governmental bond contract has been signed to obtain a credit facility amounted to EGP1,057,000,000.
- During 2021 a pledged Treasury bills contract has been signed to obtain a credit facility amounted to EGP 737,000,000.

** Related to Arab Investment Bank (aiBank).

18. Customer deposits

	31/12/2021	31/12/2020
Call deposits	13,590,506,782	-
Term deposits	14,545,755,376	-
Saving and deposit certificates	7,881,255,045	-
Saving deposits	1,316,791,217	-
Other deposits	1,230,428,951	-
Balance	38,564,737,371	-
Corporate deposits	14,820,936,371	-
Individual deposits	23,743,801,000	-
Balance	38,564,737,371	-
Current	19,160,002,371	-
Non-current	19,404,735,000	-
Balance	38,564,737,371	-

19. Accounts payable - customers credit balance at fair value through profit and loss

This amount represents payable to customers against the structured notes issued by one of group companies.

20. Short term bonds

- During December 2021 Hermes Securities Brokerage (a subsidiary -100%) issued short-term bonds with a value of EGP 550 million (Third issuance) that are tradable and non-convertible to shares and it's for the period of 12 months at a par value of EGP 100 (one hundred Egyptian pounds only) for the bond to be paid at the end of the period with a fixed rate of 11.15 % that will be paid at the end of the issuance period. And it's non-expedited payment, the bonds proceeds will be used to finance different company activities and pay it's financial obligations.

21. Creditors and other credit balances

	31/12/2021	31/12/2020
Accrued expenses	1,725,048,720	1,324,420,865
Dividends payable (prior years)	297,364,906	212,075,506
Deferred revenues	50,637,002	38,914,452
Suppliers	347,141,373	160,997,015
Clients' coupons - custody activity	12,489,264	11,696,426
Tax authority	68,525,079	25,486,546
Social Insurance Association	18,217,043	16,109,322
Medical takaful insurance tax	12,837,396	9,605,682
Deposits due to others -finance lease contracts *	4,136,184	14,639,821
Sundry creditors	159,334,035	113,811,880
Balance	2,695,731,002	1,927,757,515

*Deposits due to others amounted to EGP 4,136,184 as at 31 December 2021 versus EGP 14,639,821 as at 31 December 2020 represents the deposits collected from the lessees of EFG Hermes Corp- Solutions.

22. Deferred tax assets (liabilities)

	Balance at 1/1/2021	Acquisition of subsidiaries	Recognized in profit or loss	Recognized in equity	Foreign currency differences	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(10,669,638)	16,964,557	(209,718)	-	584	6,085,785	6,085,785	-
Claims provision	849,159	-	(1,239,043)	-	(8,418)	(398,302)	-	(398,302)
Impairment loss on assets	1,224,794	-	(44,714)	-	24	1,180,104	1,180,104	-
Prior year losses carried forward	20,139,137	-	9,119,971	-	(17,361)	29,241,747	29,241,747	-
Investment at fair value	(290,600,467)	-	923,298	(930,181)	-	(290,607,350)	-	(290,607,350)
Foreign currency translation differences	915,018	-	543,182	-	(827)	1,457,373	1,457,373	-
Revaluation of investment property	1,867,147	-	-	-	-	1,867,147	1,867,147	-
Investment in Associates	-	(5,199,926)	(383,043)	-	-	(5,582,969)	-	(5,582,969)
ESOP deferred	-	-	7,775,053	-	-	7,775,053	7,775,053	-
	(276,274,850)	11,764,631	16,484,986	(930,181)	(25,998)	(248,981,412)	47,607,209	(296,588,621)

23. Provisions

		31/12/2021	31/12/2020
Claims provision	(23-1)	372,814,069	312,567,570
Commercial bank (aiBank) contingent liabilities	(23-1)	56,117,796	-
Severance pay provision	(23-1)	226,617,198	213,356,835
Financial guarantee for contingent liabilities	(23-1)	34,452,878	41,032,246
Balance		690,001,941	566,956,651

23.1.

	Claims provision	Severance Pay provision*	Financial guarantee for contingent liabilities	Commercial bank contingent liabilities	Total
Balance at the beginning of the year	312,567,570	213,356,835	41,032,246	-	566,956,651
Formed during the year	64,123,194	19,019,335	5,673,313	13,825,949	102,641,791
Foreign currency differences	(393,499)	(152,812)	-	(732,000)	(1,278,311)
Amounts used during the year	(106,566,167)	(4,635,084)	(12,252,681)	-	(123,453,932)
Acquisition of subsidiaries	123,504,897	-	-	77,404,304	200,909,201
Actuarial of employees' benefits obligations	-	(971,076)	-	-	(971,076)
No longer needed	(20,421,926)	-	-	(34,380,457)	(54,802,383)
Balance at the end of the year	372,814,069	226,617,198	34,452,878	56,117,796	690,001,941

* Related to group entities outside Egypt.

24. Loans and borrowings

The borrower	Credit Limit	Contract date	Maturity date	31/12/2021	31/12/2020
EFG Hermes Corp-Solutions *	350 million	16/7/2020	16/7/2027	169,630,189	74,473,883
"	150 million	27/2/2020	27/2/2027	43,728,117	77,230,237
"	500 million	12/12/2019	12/12/2026	412,389,761	464,514,612
"	400 million	1/4/2020	7/11/2022	315,766,871	354,726,305
"	1 billion	9/8/2015	9/8/2023	682,796,686	638,994,688
"	231 million	31/1/2021	31/1/2031	177,724,571	33,305,064
"	260 million	14/3/2016	14/3/2023	69,696,583	250,074,996
"	150 million	13/7/2020	13/7/2027	26,822,749	39,618,461
"	200 million	12/6/2017	12/6/2025	19,209,706	78,310,630
"	100 million	28/11/2016	31/10/2022	--	39,823,216
"	653 thousand	18/2/2020	18/2/2025	653,831	1,061,181
"	450 million	1/3/2020	30/9/2022	397,029,955	375,701,258
"	250 million	25/2/2020	7/5/2020	114,928,127	195,170,136
"	200 million	3/6/2020	30/9/2025	81,305,409	129,412,374
"	1.6 million	24/4/2017	24/4/2023	1,226,987	2,044,979
"	99.3 million	25/5/2021	25/5/2028	99,346,583	109,383,304
"	125 million	4/4/2021	4/4/2028	21,052,491	139,283,053
"	35.3 million	19/10/2017	19/10/2022	7,069,500	14,161,500
"	20 million	6/5/2021	6/5/2028	8,834,128	22,375,602
"	225 million	7/2/2018	7/2/2023	97,590,676	140,000,000
"	500 million	19/5/2020	19/5/2027	164,578,428	140,730,595
"	600 million	28/8/2018	8/5/2028	357,425,443	296,740,523
"	500 million	3/5/2020	16/3/2022	260,283,150	98,796,378
"	100 million	26/11/2020	26/11/2027	66,287,873	2,057,775
Arab Investment bank	10.3 million	13/4/2017	1/8/2023	3,630,198	-
"	25.4 million	13/4/2018	31/7/2023	10,001,430	-
EFG - Hermes Pakistan Limited	32.9 million	12/5/2017	11/5/2023	32,990,250	36,833,250
"	39.5 million	29/10/2021	28/10/2024	39,588,300	-
Tanmeyah Micro Enterprise Services S.A.E	50 million	4/5/2018	3/5/2023	43,633,026	34,358,483
"	81.3 million	4/11/2019	12/2/2022	27,104,333	54,208,666
Valu	100 million	27/11/2017	12/1/2023	16,120,232	24,340,549
EFG - Hermes Advisory Inc.	370 million	18/11/2021	18/5/2022	370,497,531	-
EFG Finance Holding	250 million	13/8/2020	13/8/2027	250,000,000	250,000,000
"	400 million	21/12/2021	21/12/2028	375,175,828	-
"	250 million	30/8/2021	30/8/2028	123,946,345	-
EFG Hermes Int. Fin Corp	785.5 million	21/5/2021	21/5/2023	613,004,200	-
Lease liabilities**				462,264,389	480,378,836
Balance				5,963,333,876	4,598,110,534
Current				2,682,374,853	1,033,616,102
Non-current				3,280,959,023	3,564,494,432
Balance				5,963,333,876	4,598,110,534

*EFG Hermes Corp Solutions (wholly owned subsidiary), is committed to settle the credit granted by waiving the rental value of the finance lease contracts to the banks within the credit amount.

**Lease liabilities include an amount of EGP 239,123,600 in the name of EFG-Hermes Holding and Tanmeyah Micro Enterprise Services S.A.E that represents sale and lease back agreement.

25. Share capital

- The company's authorized capital amounts EGP 6 billion and issued capital amounts EGP 3,843,091,115 distributed on 768,618,223 shares of par value EGP 5 per share which is fully paid.
- The company's General Assembly approved in its session held on May 20, 2021 to increase the company's issued capital from EGP 3,843,091,115 to EGP 4,611,709,340 distributed on 922,341,868 shares with an increase amounting to EGP 768,618,225 by issuing 153,723,645 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company retained earnings that presented in December 31, 2020 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- On 28th September 2021, the Company's General Assembly approved the increase in issued capital from EGP 4,611,709,340 to EGP 4,865,353,355 representing an increase of EGP 253,644,015 and distributed on 50,728,803 shares having a par value of EGP 5 per share. The issuance of the capital increase shares were financed from the share premium reserve for the purpose of the Remuneration & Incentive Program of the Employees, Managers & Executive Board Members of the Company and its subsidiaries. The commercial register was updated and the issued shares were allocated under the Remuneration & Incentive Program of the Employees of the Company, and the Beneficiary of the program will be entitled to attend the Ordinary and Extraordinary General Shareholders of the Company and to vote on its resolutions upon the transfer of ownership of the Granted Shares to the Beneficiary.

26. Non-controlling interests

	31/12/2021	31/12/2020
Share capital	2,618,870,616	173,095,207
Additional paid-in capital	120,463,104	120,463,104
Legal reserve	37,775,135	20,012,721
Other reserves	106,534,088	8,243,820
Retained (losses)	(243,860,630)	(46,291,160)
Profit for the year	118,442,252	35,322,916
Balance	2,758,224,565	310,846,608

27. Contingent liabilities

The holding company guarantees its subsidiary EFG- Hermes UAE LLC against the Letters of Guarantee issued from banks amounting to:

	31/12/2021	31/12/2020
AED	83,670,000	83,670,000
Equivalent to EGP	357,864,957	358,425,546

Group off-financial position items:

	31/12/2021	31/12/2020
Assets under management	71,407,412,524	55,489,735,019

- Securitization and Sukuk transactions

The group has entered into some securitization and Sukuk transactions, the assets and liabilities related to those transactions do not qualify for the recognition criteria under Egyptian accounting standards, accordingly the group has not recognized those assets or liabilities.

The assets and liabilities related to those transactions are represented in :

Client portfolios related to securitization transactions	3,736,460,182
Balances with custodians	650,691,234
Land and Buildings related to Sukuk transactions	2,600,000,000
Total Assets	6,987,151,416
Bonds	3,099,039,305
Sukuk	2,600,000,000
Total liabilities	5,699,039,305

27. Arab Investment Bank contingent liabilities are as follows:

A. Capital commitments

Financial investments

The value of commitments related to financial investments for which payments was not requested until the date of the financial position as at 31 December 2021:

	Contribution amount USD	Amount paid USD	Residual amount USD
African Export -Import Bank	1,066,000	586,000	480,000

B. Commitments on loans, guarantees and facilities

The bank's commitments on loans and facilities are as follows:

	31 December 2021 EGP
Letters of guarantees	1,475,265,000
Letters of credit (Export and Import)	12,910,000
Acceptances of supplier facilities	246,364,000
Balance	1,734,539,000

28. Other revenues

Other revenues includes rental income, and non-recurring income.

29. Impairment loss on assets

	For the year ended	
	31/12/2021	31/12/2020
Accounts receivables	19,016,764	63,234,718
Loans and facilities to customers	104,431,821	213,211,453
Cash and cash equivalents	451,596	918,321
Other Debit Accounts	15,756,528	16,540,748
Financial Investment	(1,661,609)	661,330
Good will and intangible assets	16,034,698	5,921,804
Investment property	-	3,384,491
Total	154,029,798	303,872,865

30. Income tax expense

	For the year ended	
	31/12/2021	31/12/2020
Current income tax	(367,271,918)	(164,296,068)
Deferred tax	16,484,988	(164,750,460)
Total	(350,786,930)	(329,046,528)

31. Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents are represented in the following :

	31/12/2021	31/12/2020
Cash and due from banks	11,355,533,830	7,398,927,352
Bank overdraft	(8,818,578,082)	(4,992,861,554)
Treasury bills less than 90 days	2,177,404,414	37,713,935
Effect of exchange rate	-	21,918,767
Cash and cash equivalents	4,714,360,162	2,465,698,500

32. General administrative expenses

	For the year ended	
	31/12/2021	31/12/2020
Wages , salaries and similar items *	2,787,653,848	2,326,540,381
Consultancy	179,435,929	136,480,182
Travel , accommodation and transportation	10,203,324	16,443,710
Leased line and communication	142,505,592	136,288,932
Rent and utilities expenses	58,457,373	57,693,419
Other expenses	489,121,942	535,114,988
Total	3,667,378,008	3,208,561,612

* Share-based payments.

The Company introduced an Employees Share Ownership plan (ESOP) in accordance with the shareholder's approval at the extraordinary general assembly meeting by issuing Free shares representing 5.5% of the issued capital of the Company shall be granted to employees, managers and executive board members of the Company and its subsidiaries

The duration of this program is five years starting as of 1 January 2021 till 31 December 2025, the vesting period is 3-4 years starting from 1 January 2021 till 31 December 2024. The beneficiary entitled to shares granted to 4 equal installments.

The equity instruments for share-based payment are recognized at fair value on the grant date and are record in the income statement with a corresponding increase in equity. The value of expenses charged to the income statement during the year amounted EGP 149,646,948.

Equity instruments during the year represents the following:

	For the year ended 31/12/2021 No. of Shares
Granted shares during the year	48,504,101
Total at the end of the year	48,504,101

33. Operating segment
(a) Basis for operating segment

Segment information is presented in respect of the Group's business segments.

The primary format, business segment, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment. The revenue & expense and assets & liabilities analyses in the table below are based on the type of business activities and services that are distinguishable component.

	For the year ended December 31, 2021												
	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	Commercial bank (eBank)	Adjustments	Total
Interest income	1,430,183,686	452,947,050	328,831	29,419,414	13,314,024	776,584	572,867,261	976,895,160	152,500,384	113,851,162	724,890,739	(51,619,090)	4,416,355,205
Interest Expense	(322,771,524)	(173,834,022)	-	(7,630,117)	(1,386,507)	-	(433,438,266)	(264,469,894)	(62,924,119)	(91,810,695)	(503,856,481)	30,807,343	(1,831,314,272)
Net interest income	1,107,412,162	279,113,028	328,831	21,789,297	11,927,517	776,584	139,428,995	712,425,276	89,576,265	22,040,467	221,034,258	(20,811,747)	2,585,040,933
Fee and commission income	-	1,248,061,289	620,161,808	467,324,457	94,262,892	-	46,880,827	686,324,146	177,759,254	35,846,917	98,789,397	(20,360,240)	3,395,050,747
Fees and commission expense	(7511,446)	(211,150,632)	(94,473,907)	(117,857)	(4,909,016)	(270)	(3,231,483)	(271,043)	(298,618)	(44,006)	(17,446,693)	(4,659,608)	(344,114,579)
Net fees & commission	(751,446)	1,036,910,657	525,687,901	467,206,600	89,353,876	(270)	43,649,344	686,053,103	177,460,636	35,802,911	21,342,704	(25,019,848)	3,050,936,168
Securities (loss) gains	(7973,078)	(2,529,371)	-	-	-	-	-	-	-	-	3,200,357	-	(7,302,092)
Changes in the investments at fair value through profit and loss	(59,767,614)	(16,622,407)	39,058	-	197,392	-	-	-	-	-	-	-	(76,153,571)
Dividend income	17,405,866	13,915,801	-	-	-	-	-	-	-	-	531,405	-	31,853,072
Other Revenues	45,185,833	30,319,687	1,782,801	4,933,170	8,175,964	124,308	31,489,086	28,816,034	35,077,509	--	49,330,778	-	235,215,170
Foreign currencies exchange differences	227,911,778	217,993	-	-	-	-	-	-	-	-	6,010,643	-	234,140,414
Gain on selling assets held for sale	-	-	-	-	-	-	326,756	-	-	-	3,537,651	-	3,864,407
Share of loss from equity accounted investees	-	-	-	-	(1,004,671)	(13,803,355)	-	-	-	-	634,657	-	(14,173,369)
Total revenues	1,322,663,501	1,341,325,388	527,818,591	493,929,067	108,650,078	(12,902,733)	214,894,181	1,427,294,413	302,114,410	57,843,378	305,622,453	(45,831,595)	6,043,421,132
General administrative expenses	(450,770,991)	(1139,680,307)	(330,533,066)	(318,421,872)	(132,587,745)	(252,532,367)	(81,482,221)	(705,624,162)	(203,777,676)	(22,895,178)	(120,650,209)	91,577,786	(3,667,378,008)
Financial guarantee provision	-	-	-	-	-	-	-	(5,673,313)	-	-	-	-	(5,673,313)
Impairment loss on assets	429,978	(37,776,597)	(1,533,356)	-	(7,019,771)	184,274	947,437	(4,299,332)	(52,395,049)	(19,114,900)	(35,113,575)	1,661,093	(64,029,798)
Provisions	(33,402,635)	(16,992,834)	(33,760)	(9,060,639)	(124,417)	(14,315,415)	-	(689,999)	(4,000,000)	--	(18,348,779)	-	(96,968,478)
Depreciation and amortization	(31,641,357)	(22,527,156)	(7,904,504)	(331,416)	(235,125)	(13,595,873)	(282,004)	(50,694,065)	(6,209,695)	(1,776,261)	(11,079,771)	(47,407,284)	(193,664,571)
Profit before income tax	807,278,496	124,348,494	187,813,905	166,115,140	(31,316,980)	(293,152,114)	134,077,393	660,323,542	35,731,990	14,057,039	120,430,119	-	1,925,707,024
Income tax expense	(34,447,859)	(67,727,249)	9,932,394	(5,380,883)	(672,615)	(750,744)	(33,127,365)	(167,294,401)	(2,473,889)	(3,291,096)	(45,553,223)	-	(350,786,930)
Profit for the year	772,830,637	56,621,245	197,746,299	160,734,257	(31,989,595)	(293,902,858)	100,950,028	493,029,141	33,258,101	10,765,943	74,876,896	-	1,574,920,094
Total assets	17,408,222,961	19,820,933,665	989,652,555	189,244,240	381,977,570	386,313,371	5,246,966,419	2,932,095,453	1,790,628,843	1,915,379,272	45,553,314,595	-	96,594,728,844
Total liabilities	11,034,826,206	17,016,273,221	257,478,546	257,892,982	347,652,343	49,043,360	4,460,435,995	2,203,414,533	1,565,267,915	1,668,854,173	40,427,299,594	-	79,288,438,869

	For the year ended December 31, 2020												
	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	Adjustments	Total	
Interest income	1,058,413,820	362,883,228	606,176	16,042,219	24,308,668	7,018,549	462,692,891	860,428,603	82,595,146	48,684,740	(29,134,785)	2,894,539,255	
Interest Expense	(206,307,069)	(171,191,911)	-	(5,194,371)	(1,791,368)	(5,513,331)	(308,708,192)	(323,474,186)	(25,788,230)	(38,530,363)	8,609,571	(1,077,889,450)	
Net interest income	852,106,751	191,691,317	606,176	10,847,848	22,517,300	1,505,218	153,984,699	536,954,417	56,806,916	10,154,377	(20,525,214)	1,816,649,805	
Fee and commission income	-	1,038,138,618	413,076,406	225,434,763	444,171,336	-	31,034,961	536,274,421	54,588,689	16,817,209	(16,967,972)	2,742,568,431	
Fees and commission expense	(19,526,542)	(201,095,082)	(51,119,817)	(36,091)	-	-	(278,954)	(293,630)	(20,370)	(285,214)	1,046,325	(271,609,375)	
Net fees & commission	(19,526,542)	837,043,536	361,956,589	225,398,672	444,171,336	-	30,756,007	535,980,791	54,568,319	16,531,995	(15,921,647)	2,470,959,056	
Securities gains (losses)	403,312,836	(31,467,186)	-	-	(87,675)	-	-	-	-	-	-	-	371,758,025
Changes in the investments at fair value through profit and loss	575,158,504	1,231,882	-	-	29,747	-	-	-	-	-	-	-	576,420,133
Dividend income	26,452,666	13,091,008	-	-	-	-	-	-	-	-	-	-	39,543,674
Other Revenues	97,286,213	19,876,391	465,140	752,079	1,671,500	-	1,253,632	18,791,741	-	(1,520)	-	-	140,095,176
Foreign currencies exchange differences	(22,881,563)	7,611,497	-	-	-	-	-	-	-	-	(12,431)	-	(15,282,497)
Share of loss from equity accounted investees	-	-	-	-	-	(4,237,980)	-	-	-	-	-	-	(4,237,980)
Total revenues	1,911,908,865	1,039,078,495	363,027,905	236,998,599	468,302,208	(2,732,762)	185,994,338	1,091,726,949	111,375,235	26,684,852	(36,459,292)	5,395,905,392	
General administrative expenses	(566,730,277)	(1,037,057,937)	(283,916,189)	(203,031,511)	(140,864,776)	(335,999,310)	(70,354,221)	(547,261,716)	(85,940,886)	(17,251,890)	79,847,101	(3,208,561,612)	
Financial guarantee provision	-	-	-	-	-	-	-	(10,079,751)	-	-	-	-	(10,079,751)
Impairment loss on assets	(1,040,320)	(8,234,477)	175,756	-	(61,092,982)	(4,445,852)	(42,399,645)	(172,473,964)	(9,608,649)	(2,876,253)	(5,876,479)	(303,872,865)	
Provisions	(2,123,004)	(28,104,268)	(466,968)	(933,940)	-	(909,859)	-	20,764	-	-	42,208	-	(32,475,067)
Depreciation and amortization	(32,690,766)	(19,484,405)	(10,183,876)	(306,428)	(322,262)	(14,032,362)	(210,462)	(47,078,648)	(7,545,866)	(1,754,891)	(37,563,538)	-	(71,143,524)
Profit before income tax	1,309,324,498	(57,82,592)	68,636,628	32,726,720	266,022,188	(354,120,145)	73,030,010	314,853,634	8,279,814	4,801,818	-	-	1,669,772,573
Income tax expense	(164,821,056)	(16,482,044)	5,706,662	(3,673,562)	(44,649,431)	(8,318)	(13,132,096)	(89,794,554)	-	(2,192,129)	-	-	(329,046,528)
Profit for the year	1,144,503,442	(70,264,636)	74,343,290	29,053,158	221,372,757	(354,128,463)	59,897,914	225,059,080	8,279,814	2,609,689	-	-	1,340,726,045
Total assets	14,628,517,554	13,181,726,754	742,421,729	270,255,259	639,029,765	143,307,648	4,799,083,360	2,846,786,533	709,545,694	780,335,353	-	-	38,741,009,651
Total liabilities	6,115,050,030	10,433,280,591	197,289,623	166,885,157	418,102,458	33,406,928	4,125,767,975	2,173,395,002	466,958,499	672,930,203	-	-	24,803,066,466

(b) Geographical segments

- The Group operates in three main geographical areas: Egypt, GCC and Lebanon. In presenting the geographic information, segment revenue has been based on the geographical location of operation and the segment assets were based on the geographical location of the assets. The group's operations are reported under geographical segments, reflecting their respective size of operation.
- The revenue analysis in the tables below is based on the location of the operating company, which is the same as the location of the major customers and the location of the operating companies.

	December 31, 2021				
	Egypt	GCC	Lebanon	Other	Total
Total revenues	4,638,884,790	1,230,795,863	-	173,740,479	6,043,421,132
Segment assets	80,659,376,773	15,427,005,155	-	508,346,916	96,594,728,844

	December 31, 2020				
	Egypt	GCC	Lebanon	Other	Total
Total revenues	4,492,363,764	764,899,614	--	138,642,014	5,395,905,392
Segment assets	28,170,967,092	10,093,748,380	1,354,003	474,940,176	38,741,009,651

34. Tax status (the holding company)

- As to Income Tax, the years till 2019 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. And as to year 2020, have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2019 and all the disputed points have been settled with the Internal committee and as to year 2020/2021 have not been inspected yet.
- As to Stamp Tax, the parent company's books had been examined from year 1998 till 2018 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2019/2021 have not been inspected yet.
- As to Property Tax, for Smart Village building the company paid tax till December 31,2021 and for Nile City building the company paid tax till December 31,2021.

35. Corresponding figures

Certain reclassification and adjustments have been made to some comparative figures in order to confirm with the current period presentation as following:

	(As reported) for the year ended 31/12/2020	Reclassifications	(Restated) for the year ended 31/12/2020
	EGP	EGP	EGP
Income Statement			
Interest Income	2,207,704,690	686,834,565	2,894,539,255
Interest Expense	1,102,679,260	(24,789,810)	1,077,889,450
Fees and commission income	2,922,038,065	(179,469,634)	2,742,568,431
Fees and commission expense	237,680,811	33,928,564	271,609,375
Revenues from leasing activities	490,547,721	(490,547,721)	-
Other revenues	156,912,385	(16,817,209)	140,095,176
General & Administrative expense	3,217,700,365	(9,138,753)	3,208,561,612

36. Group's entities

The parent company owns the following subsidiaries:

	Direct ownership %	Indirect ownership %
Financial Brokerage Group	99.87	0.09
Egyptian Fund Management Group	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	99.42	0.48
EFG - Hermes Advisory Inc.	100	-
EFG- Hermes Financial Management (Egypt) Ltd.	-	100
EFG - Hermes Promoting & Underwriting	99.88	-
Bayonne Enterprises Ltd.	100	-
EFG- Hermes Fixed Income	99	1
EFG- Hermes Management	96.3	3.7
EFG- Hermes Private Equity	1.59	63.41
EFG- Hermes UAE LLC.	--	100
Flemming CIIC Holding	100	-
Flemming Mansour Securities	-	99.33
Flemming CIIC Securities	-	96
Flemming CIIC Corporate Finance	-	74.92
EFG- Hermes UAE Ltd.	100	-
EFG- Hermes Holding - Lebanon	99	-
EFG- Hermes KSA	73.3	26.7
EFG- Hermes Lebanon	99	0.97
Mena Opportunities Management Limited	-	95
Mena (BVI) Holding Ltd.	-	95
EFG - Hermes Mena Securities Ltd.	-	100
Middle East North Africa Financial Investments W.L.L	-	100
EFG- Hermes Oman LLC	-	51
EFG- Hermes Regional Investment Ltd.	100	-
Offset Holding KSC **	-	50
EFG- Hermes IFA Financial Brokerage	-	63.084
IDEA DEVELOPERS	-	52
EFG- Hermes CB Holding Limited	-	100
EFG- Hermes Global CB Holding Limited	100	-
EFG - Hermes Syria LLC *	49	20.37
Sindyan Syria LLC *	97	-
Talas & Co. LLP *	-	97
EFG - Hermes Jordan	100	-
Mena Long-Term Value Feeder Holdings Ltd. **	-	50
Mena Long-Term Value Master Holdings Ltd. **	-	45
Mena Long-Term Value Management Ltd.**	-	45
EFG - Hermes CL Holding SAL	-	100
EFG-Hermes IB Limited	100	-
Financial Group for Securitization	100	-
Beaufort Investments Company	-	100
EFG Hermes-Direct Investment Fund	64	-
Tanmeyah Micro Enterprise Services S.A.E	-	100
EFG - Hermes Frontier Holdings LLC	100	-

	Direct ownership %	Indirect ownership %
EFG – Hermes USA	100	-
EFG Capital Partners III	-	65
Health Management Company	-	52.5
EFG – Hermes Kenya Ltd.	-	100
EFG Finance Holding	99.82	0.18
EFG - Hermes Pakistan Limited	-	51
EFG - Hermes UK Limited	-	100
OLT Investment International Company (B.S.C)	99.9	-
Frontier Investment Management Partners LTD **	-	50
EFG-Hermes SP limited	-	100
Valu	-	100
EFG Hermes Corp-Solutions	-	100
Beaufort Asset Managers LTD	-	100
EFG Hermes Bangladesh Limited	-	100
EFG Hermes FI Limited	-	100
EFG Hermes Securitization	-	100
EFG Hermes PE Holding LLC	100	-
Etkan for Inquiry and Collection and Business Processes	0.002	95.196
RX Healthcare Management	-	52.5
FIM Partners KSA **	-	50
Egypt Education Fund GP Limited	-	80
EFG Hermes Nigeria Limited	-	100
EFG-Hermes Int. Fin Corp	100	-
FIM Partners UK Ltd	-	50
EFG Hermes Sukuk	90	10
Beaufort Holding LTD.	-	100
Beaufort Management LTD.	-	100
Vortex IV GP LTD.	-	100
Beaufort SLP Holding	-	100
Beaufort Private Investment Holding LTD.	-	100
Frontier Disruption Capital	-	50
Arab Investment Bank	51	-
EFG VA Holdco Limited	-	100
EFG VA Investco Limited	-	100

*Due to the political situation in Syria, the Group lost its control on the Syrian entities. In 2016, the Group deconsolidated the Syrian companies and changed them to a fully impaired investments at fair value through OCI.

**The Holding Company has the power to govern the financial and operating policies of the mentioned companies then the investees Companies is classified as investments in subsidiaries.

37. Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

37.1. Market risk

Market risk is defined as the potential loss in both on and off financial position resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

37.2. Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- The company has revalue assets and liabilities at the financial position date as disclosed in foreign currency accounting policy.

37.3. Risk management

In the ordinary course of business, the Group is exposed to a variety of risks, the most important of which are liquidity risk, interest rate risk, currency risk, credit risk and market risk. These risks are identified, measured and monitored through various control mechanisms in order to price facilities and products on a risk adjusted basis and to prevent undue risk concentrations.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

37.4. Credit risk

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition, the effective credit appraisal procedure for examining applications for credit facilities followed by the Group, adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize, to a large extent, the exposure to credit risk.

37.5. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of high marketable and diverse assets that can be easily liquidated in the event of an unforeseen interpretation of cash flow. In addition, the Group maintains statutory deposits with the Central Banks.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and to the Group in specific. The Group maintains a solid ratio of high liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking markets conditions into consideration.

37.6. Interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities. The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending, funding and investing activities, where fluctuations in interest rates are reflected in interest margins and earnings.

37.7. Equity price risk

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities), in which the Group holds equity-related positions.

The Group sets tight limits on equity exposures and the types of equity instruments that traders are allowed to take positions in. Nevertheless, depending on the complexity of financial instruments, equity risk is measured in first cash terms, such as the market value of a stock/index position, and also in price sensitivities, such as sensitivity of the value of a portfolio to changes in the underlying asset price. These measures are applied to an individual position and/or a portfolio of equity products.

37.8. Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

37.9. Fair value of financial instruments

The fair value of the financial instruments does not substantially deviated from its book value at the financial position date. According to the valuation basis applied, in accounting policies to the assets and liabilities.

37.10. Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value, according to the valuation basis applied, in accounting policies to derivative financial instruments.
- In accordance with an arrangement between the subsidiary, EFG- Hermes Mena Securities Limited Co. and its customers ("the customers"), the Company from time to time enters into fully paid Shares Swap Transaction Contracts ("the contracts") with the customers. Under the contracts the customers pay to the Company a pre-determined price, which is essentially the market price at the trade date, in respect of certain reference securities. In return for such shares swap transactions the Company pays to the customers the mark to market price of the reference securities at a pre-determined date (normally after one year). However, the contracts can be terminated at any time by either of the parties, which shall be the affected party.

In order to hedge the price risks with respect to the reference securities under the contracts, the Company enters into back-to-back fully paid Share Swap Transaction Contracts with other subsidiaries, MENA Financial Investments W.L.L. ("MENA-F") and EFG-Hermes KSA.

Accordingly, the Share Swap Transactions are measured at fair value based on underlying reference securities under the contracts.

38. Significant events

With the outbreak of COVID-19 pandemic all over the world, the year 2020 witnesses a slowdown in the economic activities till date. Accordingly, the company's management has formed a taskforce to develop and implement the emergency plan to face these exceptional circumstances. Several measures have been taken, including a plan to split the employee workforce whereby 50% of the employees will work from the office, while the remaining 50% will work remotely from home. The management is closely monitoring the situation to ensure the safety of the company's employees.

39. Significant accounting policies applied**39.1. Basis of consolidation****39.1.1. Business combination**

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for impairment, any gain on a bargain purchase is recognized immediately in profit or loss.
- Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.
- The consideration transferred doesn't include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss

39.1.2. Subsidiaries

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

39.1.3. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

39.1.4. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

39.1.5. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, where by the Group has rights to the net assets of the arrangement. Rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

39.1.6. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

39.2. Foreign currency

39.2.1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- Qualifying cash flow hedges to the extent that the hedges are effective.

39.2.2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

39.3. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative period.

39.4. Revenue

39.4.1. Gain (loss) on sale of investments

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity shall be recognized in income statement.

39.4.2. Dividend income

Dividend income is recognized when declared.

39.4.3. Custody fee

Custody fees are recognized when the service is provided and the invoice is issued.

39.4.4. Interest income and expenses

Interest income and expenses are recognized in the income statement under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception "fair value through income statement".

39.4.5. Fee and commission income

Fee related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized, instead, they are to be recorded in marginal records off the financial position. Then they are recognized within the income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets, they are treated as an amendment to the rate of actual return.

39.4.6. Brokerage commission

Brokerage commission resulting from purchase of and sale of securities operations in favor of clients are recorded when operation is implemented and the invoice is issued.

39.4.7. Management fee

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

39.4.8. Incentive fee

Incentive fee is calculated based on certain percentages of the annual return realized by the fund and portfolio, however these incentive fee will not be recognized until revenue realization conditions are satisfied and there is adequate assurance of collection.

39.4.9 Investment property rental income

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

39.4.10. Revenue from micro-finance services

- Revenue from micro-finance services is recognized based on time proportion taking into consideration the rate of return on asset. Revenue yield is recognized in the income statement using the effective interest method for all financial instruments that carry a yield, the effective interest method is the method of measuring the amortized cost of a financial asset and distributing the revenue over the life of time the relevant instrument. The effective interest rate is the rate that discounts estimated future cash receipts during the expected life of the financial instrument to reach the book value of the financial asset.
- When classifying loans to customers as irregular, no income is recognized on its return and it is recognized in marginal records outside the financial statements and are recognized as revenue in accordance with the cash basis when it is collected.
- The commission income is represented in the value of the difference between the yield of the financing granted micro-enterprises and the accruals of the company's bank by deducting the services provided directly from the amounts collected from the entrepreneurs.
- The benefits and commissions resulting from the performance of the service are recognized, according to the accrual basis as soon as the service is provided to the client unless those revenues cover more of the financial period are recognized on a time proportion basis.
- An administrative commission of 8% of the loan granted to customers is collected on contracting in exchange for the issuance of the loan service and administrative commission revenue are proven in the income statement upon the issuance of the loan to the client.
- A commission delay in payments of premiums is collected at rates agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of the extended delay.

39.4.11. Gains from securitization

Gains from securitization is measured as the difference between the fair value of the consideration received or is still due to the company at the end of securitization process and the carrying amount of the securitization portfolios in the company's books on the date of the transfer agreement.

39.5. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

39.5.1. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

39.5.2. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.
- Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

39.6. Property, plant and equipment**39.6.1. Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment . If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

39.6.2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

39.6.3. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Estimated useful life	
Buildings	33.3 - 50	years
Office furniture, equipment & electrical appliances	2-16.67	years
Computer equipment	3.33 - 5	years
Transportation means	3.33 - 8	years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

39.6.4. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property.

39.7. Projects under construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

39.8. Intangible assets and goodwill**- Goodwill**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

- Research and development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

- Other intangible assets

Other intangible assets, are measured at cost less accumulated amortisation and any accumulated impairment losses.

39.9. Investment property

Investment property is measured at cost on initial recognition.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight line basis over its useful life. The estimated useful life of investment property is 33 years.

39.10. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

39.11. Financial instruments**39.11.1. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

39.11.2. Classification and subsequent measurement**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

39.11.3. Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

39.11.4. Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

39.11.5. Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

39.11.6. Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

39.11.7. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

39.11.8. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

39.11.9. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or,

For other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

39.12. Share capital**39.12.1. Ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24.

39.12.2. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

39.13. Legal reserve

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume

39.14. Impairment**39.14.1. Non-derivative financial assets****Financial instruments and contract assets**

The Group recognises loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI;
- contract assets.

The Group also recognises loss allowances for ECLs on loans receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless it can be rebutted.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

39.14.2. Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

39.14.3. Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

39.14.4. Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

39.14.5. Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

39.14.6. Non-financial assets

- At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
- An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.
- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

39.15. Provisions

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

39.16. Treasury bills

Treasury bills are recorded at nominal value and the unearned income is recorded under the item of "creditors and other credit balances". Treasury bills are presented on the financial position net of the unearned income.

39.17. Trade, and notes receivables, debtors and other debit balances

- Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.
- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.

39.18. Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition, cash on hand, cheques under collection and due from banks and financial institutions.

39.19. Profit sharing to employees

The holding company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

39.20. Employees benefits

39.20.1. Share based payments

Equity settled transactions

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested

39.21. Micro-enterprises Receivables

39.21.1. Credit policy

Funding Consideration

- Funding are granted to clients who have previous experience not less than one year in his current activity which is confirmed by the client with adequate documentation and field inquiry.
- Funding are granted to the client which it's installment is suitable according to his predictable income activity and this done throw analyzing client's revenues and expenses and his foreseeable marginal income, and this done by the branches specialists of the company on the prepared form for this purpose(financial study form and credit decision).
- Before grant funding, a client activity field inquiry is done.
- Recording inquiries results about client and guarantor with inquiring forms of the company which reveal client's activity (visit form & Inquiry form).
- The company prohibit grant funding for new client unless the activity is existing with previous one year experience where the granted funds be within a minimum 1 000 EGP and maximum
- 30 000 EGP with loan duration of 12 months.
- Inquiries for clients are performed by I-Score Company before granting and in case of approval on granting. The credit limit of the client is considered when calculating the client's revenue and expenses.

Client's Life Insurance

The insurance process on the client is performed with the authorized companies from insurance supervisory authority.

Client's Following up

The company keeps specialists in branches from following up all regular clients, and irregular with continuous application of that during finance period with judging on their commitment in paying the remaining installments and this done through recording visits for clients with daily basis and also with data base provided by computer system for all branches all over the republic.

Impairment loss of micro financed loans

The company at the date of the financial statements estimates the impairment loss of micro financed loans, in the light of the basis and rules of granting credit and forming the provisions according to the Board of Directors decision of the Financial Supervisory Authority No. (173) issued on December 21, 2014 to deal with the impairment loss.

39.22. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49.

39.22.1. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

39.22.2. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies EAS 11 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue'.

39.23. Operating segment

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

A HOLISTIC SET
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