

# EFG Holding EARNINGS RELEASE FY2023

INVESTOR RELATIONS

**Cairo, March 20<sup>th</sup>, 2024**

EFG Holding reports a strong set of results for full year 2023, with Group net profit after tax and minority interest of EGP2.5 billion on operating revenues of EGP14.7 billion. The Group's total assets stood at EGP121.9 billion at the end of December 2023.

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**LISTINGS & SYMBOLS**

**The Egyptian Exchange**

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

**London Stock Exchange (GDRs)**

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

## Key Financial Highlights

### EFG Holding

- ≡ EFG Holding had a good year, with a 34% Y-o-Y increase in revenues to reach its highest level ever at EGP14.7 billion in FY23, driven by enhanced Brokerage commissions, primarily from the Egyptian operations and unrealized gains on investments. Additional contributing lines of business included Asset Management's strong increase in incentive fees primarily from FIM Partners noting that AM Egypt although of smaller magnitude also had a good year, Private Equity's management fees growth, a continued upward trajectory in Valu's revenues driven by its outstanding growth, and aiBANK's notable top-line growth;
- ≡ The Group operating expenses (including provisions & ECL) rose 35% Y-o-Y to EGP9.8 billion, on higher employee expenses and other G&A particularly at EFG Hermes, followed by aiBANK; and higher provisions and ECL across EFG Finance lines of business and aiBANK;
- ≡ EFG Holding net profit rose 47% Y-o-Y to EGP3.2 billion in FY23, driven primarily by Brokerage, Asset Management, Valu and aiBANK growth in profitability. Meanwhile, the Group net profit after tax and minority interest came at EGP2.5 billion, up 39% Y-o-Y.

### EFG Hermes

- ≡ EFG Hermes had a strong year, with its revenues rising 32% Y-o-Y to EGP8.1 billion in FY23, driven primarily by its core operations, the sell-side and the buy-side. Moreover, Holding & Treasury Activities revenues added 5% Y-o-Y to EGP3.1 billion, on higher unrealized gains on Investments/seed capital. Sell-side revenues rose 51% to EGP3.8 billion, lifted by Brokerage revenues which grew 73% Y-o-Y to EGP3.1 billion. Buy-side revenues leaped 75% Y-o-Y to close the year at EGP1.3 billion; mainly driven by robust growth in the Asset Management business, with its revenues rising 84% Y-o-Y to EGP1.0 billion;
- ≡ The Investment Bank total operating expenses rose 41% Y-o-Y to EGP5.7 billion in FY23, driven largely by higher employee expenses, followed by higher other G&A, with both reflecting inflation and USD denominated expenses in Egypt, and the impact of the Y-o-Y devaluation from regional operations expenses. Provisions & ECL declined 15% Y-o-Y to EGP167 million; on lower provisions mainly booked by Private Equity;
- ≡ The Investment Bank net operating profits came at EGP2.4 billion, up 15% Y-o-Y in FY23. Meanwhile, net profit after tax and minority increased 20% Y-o-Y to EGP1.6 billion in FY23, on lower deferred taxes and despite higher tax charges from the Investment Bank operations, particularly from profitable Egyptian operations.

### EFG Finance

- ≡ EFG Finance platform revenues rose 17% Y-o-Y to reach EGP3.0 billion in FY23, underpinned by Valu, which was the main driver for EFG Finance's top and bottom line in FY23, with its revenues spiraling up 78% Y-o-Y to EGP1.2 billion in FY23. The company continued to grow its operations, increase sales, contain expenses; thus, leading to a significant growth in its profitability. This was followed by Leasing and Factoring reporting higher revenues, with revenues from the former rising 23% Y-o-Y to EGP363 million and the latter adding 45% Y-o-Y to EGP120 million. This growth in revenues managed to mask lower revenues reported by Tanmeyah, which recorded 14% Y-o-Y decline in its revenues to reach EGP1.3 billion in FY23;

- ≡ Operating expenses rose 17% Y-o-Y to EGP2.3 billion in FY23, driven primarily by higher provisions & ECL to reflect weaker macro-economic outlook used in ECL models; followed by higher employee expenses and other G&A expenses to mirror business growth, inflation and the translation of the USD denominated expenses;
- ≡ EFG Finance net profit after tax and minority rose 51% Y-o-Y to EGP349 million, lifted Valu's profitability which off-set the decline in Tanmeyah's profitability and the increase in Fatura's losses.

## aiBANK

- ≡ A very buoyant year for the Commercial Bank, with aiBANK's revenues soaring 61% Y-o-Y to EGP3.6 billion in FY23, driven by higher net interest income on the back of loan book growth and supported by an increase in the corridor rates. Moreover, Fees & commissions increased more than 3x, largely on higher trade finance activities;
- ≡ aiBANK operating expenses including provisions & ECL rose 46% Y-o-Y to EGP1.8 billion in FY23, on higher salaries on the back of promotions, new hires and inflation; together with higher other G&A expenses to reflect operations growth, inflation and the devaluation impact on USD denominated expenses. Moreover, the increase in provisions & ECL mirror the management more conservative approach to enhance coverage ratios; in addition to loan portfolio growth;
- ≡ The Bank's net profit after tax more than doubled, up 117% Y-o-Y to EGP1.1 billion (of which the Group's share is EGP591 million) in FY23, as revenues growth outpaced the growth in expenses.



# EFG Holding

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## The Group



## Income Statement

## Performance Overview

in EGP million	Group Performance Summary							
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22*	Y-o-Y
<b>Group Net Operating Revenue</b>	<b>4,194</b>	<b>2,974</b>	<b>4,627</b>	<b>41%</b>	<b>-9%</b>	<b>14,720</b>	<b>10,959</b>	<b>34%</b>
Investment Bank	2,089	1,418	3,185	47%	-34%	8,134	6,165	32%
NBFIs	1,003	666	781	50%	28%	2,978	2,549	17%
aiBANK	1,103	890	660	24%	67%	3,608	2,245	61%
<b>Group Operating Expenses</b>	<b>2,794</b>	<b>1,974</b>	<b>3,076</b>	<b>42%</b>	<b>-9%</b>	<b>9,841</b>	<b>7,268</b>	<b>35%</b>
Employees Expenses	1,810	1,131	2,034	60%	-11%	6,059	4,575	32%
Employee Expenses/Operating Revenues	43%	38%	44%			41%	42%	
Other Operating Expenses**	984	843	1,042	17%	-6%	3,782	2,693	40%
<b>Group Net Operating Profit</b>	<b>1,400</b>	<b>1,000</b>	<b>1,550</b>	<b>40%</b>	<b>-10%</b>	<b>4,880</b>	<b>3,691</b>	<b>32%</b>
<b>Group Net Operating Margin</b>	<b>33%</b>	<b>34%</b>	<b>34%</b>			<b>33%</b>	<b>34%</b>	
<b>Group Net Profit (Loss) Before Tax</b>	<b>1,139</b>	<b>884</b>	<b>1,343</b>	<b>29%</b>	<b>-15%</b>	<b>4,265</b>	<b>3,259</b>	<b>31%</b>
<b>Group Net Profit (Loss) After Tax &amp; Minority Interest</b>	<b>814</b>	<b>395</b>	<b>806</b>	<b>106%</b>	<b>1%</b>	<b>2,498</b>	<b>1,803</b>	<b>39%</b>
Investment Bank	398	189	712	110%	-44%	1,558	1,296	20%
NBFIs	226	30	14	644%	1477%	349	231	51%
aiBANK	190	176	79	8%	139%	591	275	115%

Source: EFG Holding Management Accounts

\* FY22 net profits were restated as a result of the Purchase Price Allocation (PPA) study for Fatura

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

## 4Q23

Another buoyant quarter for EFG Holding on the operational side, particularly at the Investment Bank and the Commercial Bank. The decline in the Group's revenues of 9% Y-o-Y is attributed to a strong comparable quarter that included strong fx-gains and unrealized gains on investments/seed capital as the EGP devaluated. Excluding Treasury & Holding Activities revenues in both periods, the Group's revenues would be up 61% Y-o-Y, primarily on higher revenues generated from the sell-side, Asset Management, Valu, Leasing and aiBANK.

EFG Holding Group operating expenses (including provisions & ECL) slipped 9% Y-o-Y to EGP2.8 billion on lower accruals for the variable portions of the employee expenses and the release of provisions & ECL recorded by EFG Hermes; and albeit higher other G&A primarily reported by EFG Hermes.

Other G&A expenses rose 11% Y-o-Y, mainly related to the Investment Bank to reflect inflation and costs denominated in USD in Egypt, and the impact of the weakening EGP from regional offices' expenses when translated to the Egyptian pound.

Provisions & ECL declined 31% Y-o-Y, on the release of provisions & ECL related to investments position at the Investment Bank, and despite higher provisions and ECL recorded by Tanmeyah and Valu.

Consequently, EFG Holding net operating profit slipped 10% Y-o-Y, as the decline in revenues was lower than the decline in operating expenses. Meanwhile, net profit before tax lost 15% Y-o-Y to mirror higher PPA charges related to Fatura and higher tax provisions booked by aiBANK. However, lower taxes lifted EFG Holding net profit after tax and minority interest to close flat Y-

o-Y (+1% Y-o-Y).

**FY23**

A good year for EFG Holding with revenues spiraling up 34% Y-o-Y, lifted by unrealized gains on investments, higher Brokerage commissions particularly from Egypt, Asset Management's higher incentive fees predominately from FIM Partners, Private Equity's higher management fees, Valu's revenues shooting up, and aiBANK reporting strong growth in its top line.

EFG Holding operating expenses rose 35% Y-o-Y, on higher employee expenses and other G&A particularly at EFG Hermes, followed by aiBANK; and higher provisions and ECL across EFG Finance lines of business and aiBANK.

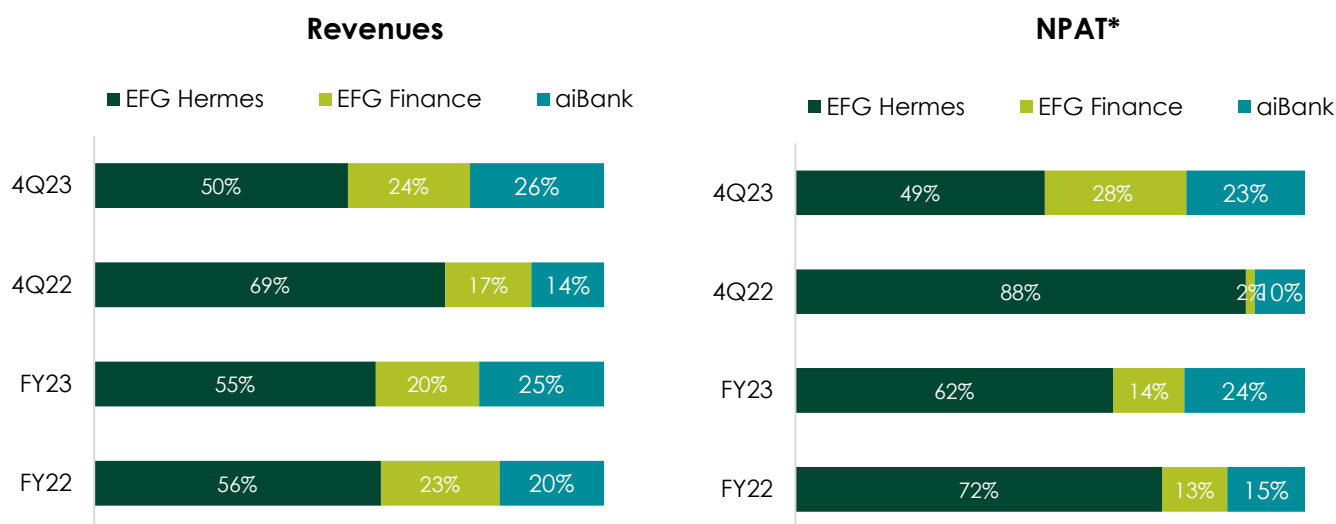
Employee expenses gained 32% Y-o-Y on higher salaries booked by all Egypt entities across the Group to mirror rising inflationary pressure in the country, in addition to higher salaries from regional offices when translated to our reporting currency the EGP. Moreover, the year saw higher monthly commission booked by Brokerage as executions increased Y-o-Y and higher ESOP cash at the Investment Bank, followed by higher monthly commissions booked by aiBANK. With the increase in revenues higher than the increase in employee expenses, employee expenses/operating revenues declined by 1% to come at 41% in FY23.

Other G&A expenses increased 40% Y-o-Y, primarily to reflect the surge in EFG Hermes expenses due to inflation, USD costs in Egypt, foreign currency expenses at operations outside Egypt. This was followed by higher other G&A expenses by aiBANK, as the bank continues to grow its operations and as USD denominated costs increased Y-o-Y.

Provisions & ECL rose 41% Y-o-Y driven by higher provisions and ECL taken by EFG Finance's business lines and aiBANK, as managements took a prudent approach in its ECL models to reflect weak macroeconomic outlook in Egypt.

Taxes came flat Y-o-Y at EGP1.1 billion, on lower Holding's deferred tax and lower tax charges taken by Tanmeyah, which overshadowed higher taxes at Brokerage, Valu and aiBANK, as their profitability increased Y-o-Y. Accordingly, EFG Holding net profit after tax and minority interest came at EGP2.5 billion, up 39% Y-o-Y; on higher profitability posted by its three verticals.

**Contribution by Platform**



\*Net Profit After Tax and Minority Interest



# EFG Hermes

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## The Investment Bank

## Financial Overview

### Performance Overview

in EGP million	Investment Bank Performance Summary							
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y
Investment Banking	297	70	182	327%	64%	734	748	-2%
Brokerage	994	815	551	22%	80%	3,075	1,780	73%
<b>Sell-Side</b>	<b>1,291</b>	<b>884</b>	<b>733</b>	<b>46%</b>	<b>76%</b>	<b>3,809</b>	<b>2,528</b>	<b>51%</b>
Asset Management	579	198	245	192%	136%	1,019	553	84%
Private Equity	54	57	87	-6%	-38%	246	171	44%
<b>Buy-Side</b>	<b>633</b>	<b>256</b>	<b>332</b>	<b>148%</b>	<b>90%</b>	<b>1,265</b>	<b>723</b>	<b>75%</b>
<b>Holding &amp; Treasury Activities</b>	<b>164</b>	<b>279</b>	<b>2,120</b>	<b>-41%</b>	<b>-92%</b>	<b>3,060</b>	<b>2,914</b>	<b>5%</b>
<b>Total Net Operating Revenue</b>	<b>2,089</b>	<b>1,418</b>	<b>3,185</b>	<b>47%</b>	<b>-34%</b>	<b>8,134</b>	<b>6,165</b>	<b>32%</b>
Employees Expenses	1,231	678	1,623	82%	-24%	4,236	3,092	37%
Other Operating Expenses*	341	351	398	-3%	-14%	1,466	956	53%
<b>Operating Expenses</b>	<b>1,572</b>	<b>1,029</b>	<b>2,021</b>	<b>53%</b>	<b>-22%</b>	<b>5,702</b>	<b>4,048</b>	<b>41%</b>
<b>Net Operating Profit</b>	<b>517</b>	<b>390</b>	<b>1,164</b>	<b>33%</b>	<b>-56%</b>	<b>2,433</b>	<b>2,118</b>	<b>15%</b>
<b>Net Profit (Loss) Before Tax</b>	<b>357</b>	<b>350</b>	<b>1,005</b>	<b>2%</b>	<b>-65%</b>	<b>2,158</b>	<b>1,890</b>	<b>14%</b>
<b>Net Profit (Loss) After Tax &amp; Minority Interest</b>	<b>398</b>	<b>189</b>	<b>712</b>	<b>110%</b>	<b>-44%</b>	<b>1,558</b>	<b>1,296</b>	<b>20%</b>

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

#### 4Q23

EFG Hermes ended the final quarter of 2023 on strong footing, with both its Sell-side and its Buy-side posting strong growth Y-o-Y and Q-o-Q. However, this was pressured by Holding & Treasury Activities recording lower Y-o-Y revenues, as the comparable period included the impact of the EGP devaluation. This resulted in the Investment Bank's revenues declining 34% Y-o-Y to EGP2.1 billion.

Sell-side revenues rose 76% Y-o-Y to EGP1.3 billion, driven by higher Brokerage and Investment Banking revenues. Brokerage revenues were up 80% Y-o-Y, primarily on the back of strong commissions generated by the Egyptian market, which represented around 60% of the total brokerage revenues in 4Q23. Investment Banking revenues rose 64% Y-o-Y, driven mainly by GCC advisory services and Egypt's DCM activity.

Buy-side revenues climbed up 90% Y-o-Y to EGP633 million, lifted by Asset Management revenues. Asset Management revenues more than doubled, up 136% Y-o-Y, mainly on higher management fees and incentive fees denominated in USD booked by FIM Partners, followed by higher incentive fees booked by Egypt Asset Management. Private Equity revenues declined 38% Y-o-Y, as the comparable quarter included a one-off provisions reversal of EGP46 million. However, if excluded revenues would be up Y-o-Y to reflect higher AuMs Y-o-Y and the impact of the EGP devaluation as almost all Private Equity's revenues are generated in foreign currencies.

Meanwhile, Holding & Treasury Activities revenues declined from EGP2.1 billion in 4Q22 to EGP164 million in 4Q23, as the comparable quarter included fx-gains and higher unrealized gains on seed capital as the EGP lost more than 25% of its value in the final quarter of last year.

Total operating expenses declined 22% Y-o-Y to EGP1.6 billion in 4Q23, mainly due to lower employee expenses, followed by lower Provisions & ECL booked during the quarter.



Employee expenses decreased 24% Y-o-Y, on lower variable portion of the employee expenses; and despite the EGP's devaluation impact on regional operations' salaries, the Y-o-Y increase in Egypt based employee salaries to reflect elevated inflation levels and the higher Brokerage commissions as execution increased Y-o-Y.

Other G&A expenses rose 41% Y-o-Y, to mirror inflation and USD denominated expenses in Egypt and the translation of regional operations' expenses in EGP.

Provisions & ECL recorded a release of EGP19 million in 4Q23, as the Holding released EGP50 million of ECL booked in the previous period that relates to investments position sold during 4Q23.

EFG Hermes reported net profit before tax of EGP357 million, down 65% Y-o-Y. However, with lower taxes, EFG Hermes reported a net profit after tax and minority of EGP398 million, down 44% Y-o-Y.

### FY23

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The Investment Bank revenues rose 32% Y-o-Y to EGP8.1 billion, boosted by an improvement in revenues from its three verticals; particularly from Brokerage, Asset Management and unrealized gains on seed capital.

Sell-side revenues rose 51% to EGP3.8 billion, lifted by Brokerage revenues. While Investment Banking revenues were largely flat Y-o-Y, inching down 2% Y-o-Y, Brokerage revenues shot up 73% Y-o-Y, underpinned mainly by Brokerage Egypt revenues more than doubling Y-o-Y to represent 56% of the total Brokerage revenues. This was complemented by higher Brokerage revenues generated from other MENA markets.

Buy-side revenues leaped 75% Y-o-Y to close the year at EGP1.3 billion; mainly driven by robust growth in the Asset Management business, with its revenues rising 84% Y-o-Y to surpass the EGP1.0 billion mark. Regional Asset Management, FIM Partners, reported growth in management and incentive fees in USD and when translated to our reporting currency, the EGP. Following suit is Egypt Asset Management, which reported an increase mainly in incentive fees as the Egyptian market rallied in FY23. Private Equity revenues gained 44% Y-o-Y, backed by higher management fees as AuMs grew Y-o-Y and to reflect the impact of the EGP devaluation Y-o-Y.

Holding & Treasury Activities revenues added 5% to EGP3.1 billion, on higher unrealized gains on Investments/seed capital, as the increase was attributed to an improvement in seed capital's NAV, that beside the impact of the devaluation which took place in 1Q23. Fx-gains came at EGP1.2 billion in FY23 down from EGP2.5 billion a year earlier, as the magnitude of the currency devaluation in FY22 was sharper than in FY23. Meanwhile, net interest income declined 44% Y-o-Y, mirroring the complete exit from structured products by the end of 1Q22, lower interest income on foreign currency cash and investments and on higher financing costs on our local currency facilities.

EFG Hermes total operating expenses rose 41% Y-o-Y to EGP5.7 billion, driven largely by higher employee expenses, followed by higher other G&A.

Employee expenses, rose 37% Y-o-Y; on higher salaries to reflect the impact of the EGP devaluation on the non-EGP pay, the elevated inflation levels, the higher monthly commissions as Brokerage executions improved Y-o-Y and higher variable pay provisions taken in tandem with stronger revenues.



Other G&A expenses rose 71% Y-o-Y; with expenses across different categories recording Y-o-Y increase, predominately on expenses booked outside Egypt and on USD denominated expenses in Egypt as the EGP devalued Y-o-Y; together with the elevated inflation levels in Egypt. This in addition to an increase in some expenses as higher travel expenses and higher donations provisions.

Provisions & ECL declined 15% Y-o-Y; on lower provisions mainly booked by Private Equity. Brokerage booked EGP119 million related to its margin book, Private Equity booked EGP11 million related mainly to legacy funds, Holding booked EGP9 million related to its investments position, and FIM Partners booked EGP21 million on accrued revenues.

With the increase in expenses outpacing the increase in revenues, the Investment Bank net profit before tax rose 14% Y-o-Y to EGP2.2 billion. However, net profit after tax and minority increased 20% Y-o-Y to EGP1.6 billion, on lower taxes and deferred taxes.



## Operational Performance

### i. Brokerage

Amid the political instability in the MENA region, most markets' performance and volumes were subdued during 4Q23. However, KSA performance improved, and Egypt continued to outperform both in terms of volumes and performance, as investors continued to hedge against inflation and the potential devaluation. The MSCI EM added 7.4% Q-o-Q, and the S&P Pan Arab TR gained 6.4% Q-o-Q. Across our presence in Frontier volumes declined, while performance improved, apart from Kenya which was largely muted.

For FY23 and across MENA markets presence, Egypt saw a streak of strong performance taking its gains and volumes to new levels. Dubai followed suit, while Kuwait and Abu Dhabi took the back seat in FY23. KSA performance was strong however on lower liquidity. Thus, the MSCI EM added 7.4% Q-o-Q, and the S&P Pan Arab TR gained 6.4% Q-o-Q. Among Frontier presence, Pakistan and Nigeria improved both in terms of performance and volumes, while Kenya retreated.

EFG Hermes Brokerage (which reflect MENA and Frontier markets' executions, Structured Products and Fixed Income) total executions rose 7% Q-o-Q to reach USD22.4 billion in 4Q23, predominantly on higher executions in Egypt, followed by Kuwait and Kenya. On a Y-o-Y basis, total executions declined 16%, pressured mainly by lower USD execution (Y-o-Y devaluation) and strong 4Q22 executions in Egypt, and lower Abu Dhabi, Qatar and Kuwait executions; which came despite higher executions in KSA, Dubai and from GDRs.

In FY23, total executions declined 15% to reach USD81.7 billion, mainly on the back of lower executions in Qatar, followed by Egypt, Abu Dhabi and Kuwait. Meanwhile, executions came higher in KSA, Dubai and from GDRs.

Brokerage revenues reached EGP994 million in 4Q23, up 22% Q-o-Q and 80% Y-o-Y. The Q-o-Q increase reflects higher revenues generated mainly from the Egyptian market and the GDRs trading. While the Y-o-Y increase reflects mainly the increase in revenues generated in Egypt including GDRs and Qatar, together with higher revenues generated from our core MENA markets and Frontier.

As for FY23, Brokerage revenues rose 73% Y-o-Y to EGP3.1 billion, to reflect higher volumes and market appreciation in Egypt and thus higher revenues generated by the Egyptian operations which also includes GDRs trading and Qatar. In addition to higher revenues generated from our core MENA markets and Frontier.

in EGP million	Brokerage Revenue*							
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y
Egypt**	590	437	236	35%	150%	1,574	666	136%
Other Markets	38	23	26	61%	44%	136	146	-7%
<b>Total Egypt</b>	<b>628</b>	<b>460</b>	<b>263</b>	<b>36%</b>	<b>138%</b>	<b>1,710</b>	<b>812</b>	<b>111%</b>
UAE	125	143	104	-13%	20%	513	316	62%
KSA	81	77	53	5%	53%	308	198	56%
Kuwait	93	70	64	34%	47%	291	225	29%
Frontier Markets***	43	41	33	6%	31%	159	112	41%
Structured Products	8	10	8	-25%	-4%	32	60	-46%
Others****	16	14	26	17%	-39%	62	57	8%
<b>Total Revenues</b>	<b>994</b>	<b>815</b>	<b>551</b>	<b>22%</b>	<b>80%</b>	<b>3,075</b>	<b>1,780</b>	<b>73%</b>

\*Brokerage revenues highlighted above represent operations and not markets

\*\*Egypt revenues include UK (GDRs)

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

\*\*\*\*Others include fixed income products, Jordan and Bahrain

Source: Management Accounts

Commission contribution by market were broadly unchanged Q-o-Q in 4Q23, as Egypt remained the largest contributor to pure Brokerage commissions (excluding any other revenue generated including: margin income, research revenue and custody income) in the markets where we execute, with a contribution of c.51%; while the UAE markets combined (DFM and ADX) and KSA came in second place, with a contribution of 12.8% and 12.6%, respectively. Meanwhile, Kuwait landed on 3<sup>rd</sup> place with a 10.6% contribution.

With Egypt's executions and revenues increasing significantly on the EGX, Egypt continues to be the largest contributor to total commissions, with its commissions contribution almost doubling to reach 38.6%. UAE markets' combined contribution held the second place with a total contribution of 18%. KSA outpaced Kuwait, to hold the third place, with a contribution of 14.8%, then followed by Kuwait with a 12.1%

### Commissions Breakdown by Market

Markets	4Q23	FY23
Egypt*	50.8%	38.6%
DFM**	6.0%	7.8%
ADX	6.8%	10.2%
KSA	12.6%	14.8%
Kuwait	10.6%	12.1%
Qatar	6.8%	8.4%
Frontier Markets	3.6%	4.8%
Others***	2.7%	3.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

\*Egypt includes UK (GDRs) share of 12.0% in 4Q23 and 9.3% in FY23

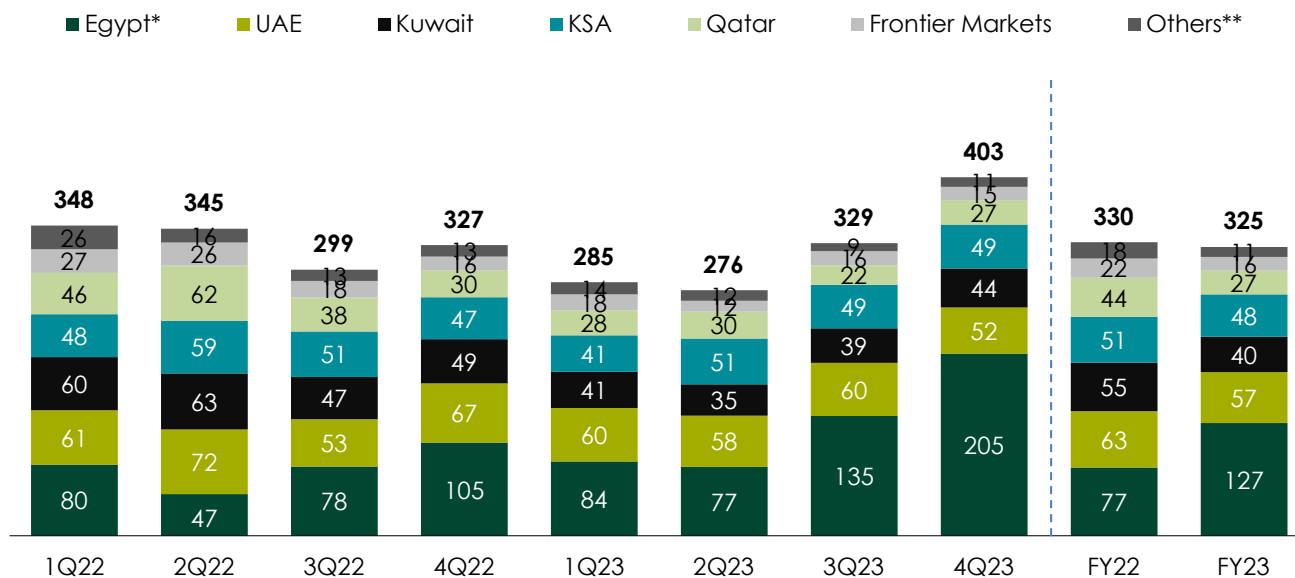
\*\*DFM includes Nasdaq Dubai's share of 0.01% in 4Q23 and 0.04% in FY23

\*\*\*Others include Oman, Jordan, Lebanon, Bonds, Structured Products and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

### Average Daily Commissions

In USD thousand



\*Egypt includes UK (GDRs)

\*\*Others include Oman, Lebanon, Jordan, Bonds, Structured Products and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The above chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate ADC crossed the USD400 thousand mark to reach USD403 thousand in 4Q23, up 22% Q-o-Q and 23% Y-o-Y, to reflect the outperformance of the Egyptian market including the GDR trading and shrugging off the devaluation impact on the Y-o-Y comparison. In FY23, Brokerage ADC inched lower 2% to USD325 thousand, as the increase in Egypt's commissions was offset by lower ADC reported by all other markets particularly Qatar and Kuwait.

## Brokerage Market Share &amp; Executions

<i>in USD million</i>	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y
<b>Egypt*</b>								
Market share	32.0%	33.0%	35.8%	-1.0%	-3.8%	33.2%	40.8%	-7.6%
Executions	4,797	3,256	7,306	47%	-34%	11,417	13,889	-18%
<b>UAE – DFM</b>								
Market share	43.4%	35.9%	46.1%	7.5%	-2.8%	39.0%	40.4%	-1.5%
Executions	2,767	3,059	2,423	-10%	14%	10,761	10,079	7%
<b>UAE – ADX</b>								
Market share	16.1%	17.3%	12.5%	-1.2%	3.7%	17.5%	15.1%	2.4%
Executions	3,335	3,417	4,696	-2%	-29%	15,207	17,554	-13%
<b>KSA</b>								
Market share	5.9%	5.7%	4.4%	0.2%	1.6%	6.0%	4.1%	1.9%
Executions	5,738	5,843	4,861	-2%	18%	21,478	20,191	6%
<b>Kuwait</b>								
Market share	36.8%	37.0%	31.2%	-0.2%	5.6%	35.7%	31.6%	4.1%
Executions	3,219	2,891	4,016	11%	-20%	11,741	16,548	-29%
<b>Pakistan</b>								
Market share	2.9%	3.5%	3.9%	-0.5%	-1.0%	3.5%	3.8%	-0.2%
Executions	132	78	58	69%	128%	347	336	3%
<b>Kenya</b>								
Market share	43.4%	46.6%	58.4%	-3.2%	-15.0%	38.5%	69.1%	-30.5%
Executions	236	56	106	323%	123%	452	563	-20%
<b>Nigeria</b>								
Market share	13.8%	8.3%	14.3%	5.5%	-0.5%	9.5%	9.8%	-0.3%
Executions	76	75	38	2%	100%	255	212	20%
<b>Frontier</b>								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	235	282	231	-17%	2%	1,059	1,292	-18%
<b>Structured Products</b>								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	3	5	17	-33%	-81%	27	406	-93%

\*Market share calculation is based on executions excluding special transactions, and includes UK (GDRs)

\*\*Executions in Qatar, Oman, Bahrain, Lebanon, Bonds, ETFs, and others represent an additional 8% of total Brokerage executions in 4Q23 and 11% in FY23

Source: EFG Hermes and Regional Exchanges



### Egypt

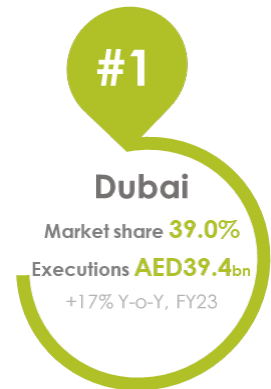
The Egyptian market continued to advance in the final quarter of the year, shrugging off the poor macro-economic conditions that the country is facing, with the Hermes Financial Index (HFI) moving further up 28.0% and turnover rising 78% over the quarter. This takes FY23 performance higher, with the HFI rising 83% Y-o-Y to be the best performing market in the MENA region and one of the best performing markets Globally; additionally, volumes rose 90% Y-o-Y over FY23. This was largely as investors seek to hedge inflation and foreign and GCC investors mostly active in USD dominated stocks (GDRs).



EFG Hermes continued to dominate the first-place ranking on the EGX, with a market share of 32.0% in 4Q23 and 33.2% in FY23, this was supported by retail investors who dominated the market and captured 85% of the total market activity. EFG Hermes successfully captured around 10.1% of the retail business in 4Q23 and 11.3% in FY23. Additionally, foreign participation accounted for 9% of the total market participation in 4Q23 and FY23, of which EFG Hermes successfully captured 57% in 4Q23 and 55% in FY23.

### UAE – Dubai

After having a good run in the first 9M23, the DFMGI retreated 2.5% Q-o-Q and volumes declined 25% Q-o-Q in 4Q23. This was largely triggered by the political instability in the region and with Dubai listings widely held by foreign investors who tend to swiftly de-risk in such events. This pressured the index sharply down (11% in two weeks), then rebounded with the support of GCC activity and later foreigners in November, ahead of the MSCI rebalancing. However in FY23, the DFMGI rose 21.7% Y-o-Y and volumes added 13% Y-o-Y in FY23, supported by the strong performance in 9M23.



The Firm maintained its 1<sup>st</sup> place on the DFM in 4Q23 and FY23, with a market share of 43.4% and 39.0%, respectively; underpinned by an increase in EFG Hermes' share of foreign institution executions.

Foreign participation increased to 31% in 4Q23 of the total market, of which EFG Hermes executions accounted for 58%, higher than 49% in 3Q23. As for FY23, foreign activity came at 31% of which EFG Hermes captured 49%.





### UAE – ADX

Another muted quarter for the ADX, with the ADI slipping 2.1% Q-o-Q and volumes inching up 5% Q-o-Q in 4Q23. This muted performance came despite political instability, as the ADX was supported by heavyweight stocks not moving strongly in October, an increase in GCC activity to lock in gains in some stocks and solid western flows during the FTSE rebalance. For FY23, the Index declined 6.2% and volumes lost 28% of its value.

EFG Hermes maintained 2<sup>nd</sup> place ranking in 4Q23 and FY23, with a market share of 16.1% and 17.5%, respectively. In terms of foreign activity, foreign investors accounted for 30% of the market activity, with the Firm capturing 22% of this flow in 4Q23. For FY23, foreign investors accounted for 25%, of which the Firm accounted for 26%.

### Saudi Arabia

The Saudi Market performance was good, supported by the banking sector stock strong performance, with the Tadawul All Share Index rising 8.2% Q-o-Q. However, liquidity was muted, slipping 5% Q-o-Q, mainly due to the lack of any significant news in the market, after the profit taking witnessed in 3Q23.

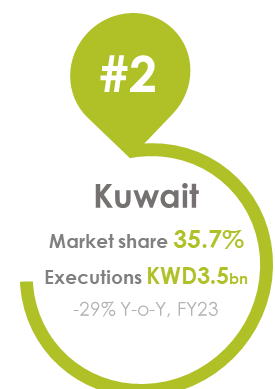
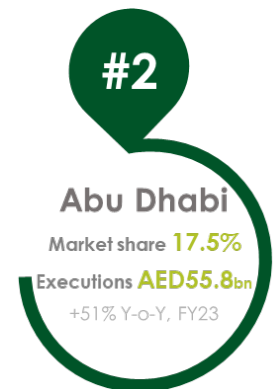
The QFI volumes reached SAR144.3 billion, accounting for 20.1% of the market turnover while the swaps accounted for 0.1%. As for the swaps and QFI volumes combined, it reached SAR145 billion accounting for 20.2% of the market's turnover in 4Q23, of which the Firm captured 6.4% of this flow during the quarter. In FY23, the swaps and QFI volumes combined came 7% lower than FY22 to reach SAR498 billion and accounted for c.19% of the market turnover, of which EFG Hermes managed to capture 7.5% of that flow in FY23.

EFG Hermes market share came at 5.9% in 4Q23 and 6.0% in FY23, with a 6<sup>th</sup> place ranking among brokerage firms only and 5<sup>th</sup> place among foreign brokerage firms in 4Q23 and FY23.

### Kuwait

Performance on the Kuwaiti market was subdued in 4Q23, with the with the market premier index sliding down 1.0% Q-o-Q. However, volumes rose 16% Q-o-Q, on the back of the smooth transition following the sad passing away of the Emir, and the potential new cabinet. Meanwhile, for FY23 the main Index lost 6.5% Y-o-Y and volumes declined 30% Y-o-Y.

EFG Hermes IFA maintained, for the second quarter, its first ranking in 4Q23, with a market share of 36.8%, mainly on the back of the FTSE rebalancing which triggered foreign activity in the market. However, came in 2<sup>nd</sup> place ranking with a 35.7% market share in FY23. This was supported by local and foreign investors being net buyers, while GCC investors were net sellers. Foreign participation accounted for 9% of the total market in 4Q23 and 12% in FY23, of which EFG Hermes captured 68% and 66%, respectively, of this flow.







### Pakistan

The improvement in investors' sentiment on the back of the IMF and the Gulf support together with a slight improvement in economic indicators, such as declining inflation, supported the market for a second quarter, as the KSE100 index climbed up 34.9% Q-o-Q, however volumes slipped 8% Q-o-Q. For FY23, KSE100 index rose 54.3% Y-o-Y and volumes shot up 79% Y-o-Y.

EFG Hermes Pakistan market share came at 2.9% in 4Q23 and 3.6% in FY23. Foreign investors were net buyers, and among the local investors, insurance companies and corporates were net buyers, whereas mutual funds and Banks were net sellers.

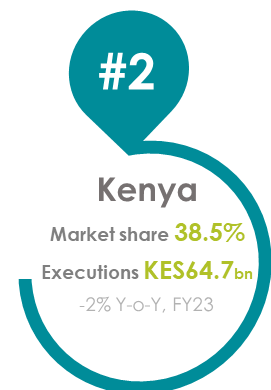
Foreign participation came at 7% of the market turnover in 4Q23; with the Firm capturing 12% of that flow. For FY23, foreign activity came at 8%, of which EFG Hermes Pakistan accounted for 14% of that flow.



### Kenya

Another slow quarter for the Kenyan market, with the NASI losing an additional 3.3% Q-o-Q and volumes retreating 11% Q-o-Q, mainly driven by losses recorded by some large cap. stocks. Poor macro-outlook including local currency devaluation, inflation and higher taxes loomed over the market, with the NASI giving up 27.7% Y-o-Y and volumes declining 25% Y-o-Y over FY23.

EFG Hermes held 2<sup>nd</sup> place in 4Q23 and FY23, with a market share of 43.4% and 38.5%, respectively. As for foreign market share, foreign activity accounted for 58% of the market in 4Q23 of which EFG Hermes captured 35% of that flow. For FY23, EFG Hermes captured 40% of the 41% foreign flow in the market.



### Nigeria

The Nigerian market followed the Egyptian market, ignoring macro-economic challenges and moving upwards, as the Index gained 12.6% Q-o-Q, and volumes lost 37% Q-o-Q in 4Q23, supported by local investors taking positions ahead of the FY23 results and the expected strong dividends distribution from banks. Accordingly, the Index gained 45.9% Y-o-Y, and volumes shot up 119% Y-o-Y in FY23,

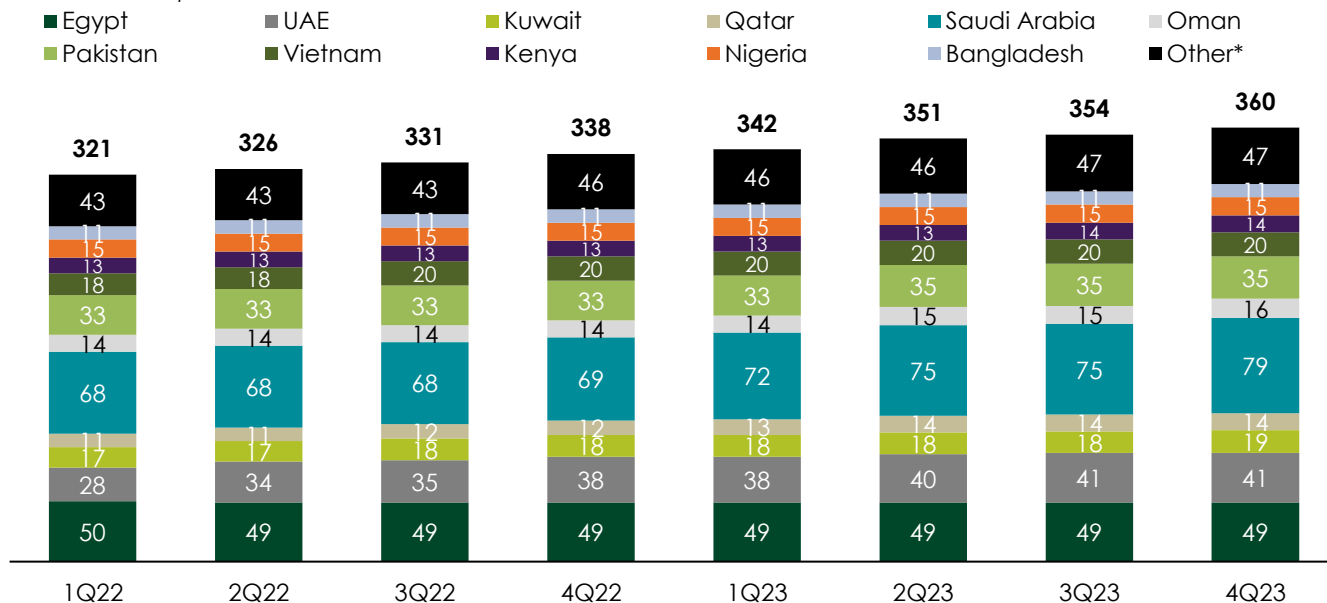
Supported by increased foreign activity in the market, the Firm's ranking and market share improved to land on a 4<sup>th</sup> place ranking in 4Q23 and FY23, and a market share of 13.8% and 9.5%, respectively. Foreign activity accounted for 18% of the market in 4Q23 of which EFG Hermes captured 32% of that flow. For FY23, EFG Hermes captured 33% of the 11% foreign flow in the market.



ii. Research

Research Coverage Universe

Number of Companies



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

Increased focus on KSA was reflected in the number of stocks the Research department covers, as the team significantly deepened coverage by initiating coverage on 10 companies in FY23. This in addition to Abu Dhabi research coverage which has been becoming a key market in the region after a swathe of IPOs.

EFG Hermes hosted two conferences in FY23, the Dubai One-on-One conference, which was held in 1Q23, a conference well attended by companies and investors, with attendees including 561 global institutional investors and 179 companies drawn from 29 countries across the region.

In September 2023, EFG Hermes hosted EFG Hermes Saudi forum in London, the two-day event hosted over 50 leading Saudi companies across various sectors as well as 375 guests from around the world, including representatives from the Saudi Capital Market Authority (CMA), the Public Investment Fund (PIF), as well as over 200 institutional investors and fund managers from over 120 global investment firms.

Overall, the research team covers 360 stocks at the end of FY23, spanning across 26 countries and 29 markets.

### iii. Investment Banking

In 4Q23, EFG Hermes' Investment Banking division successfully concluded three equity transactions, five debt transactions and one M&A transaction, totaling an aggregate value of USD 3.1 billion, bringing the total number of equity, M&A and debt deals executed this year to 28 with an aggregate value of USD 7.6 billion.

On the equity front, the team further solidified its position in the GCC ECM arena, achieving notable success with the completion of pivotal transactions across three different geographies. EFG Hermes acted as Joint Financial Advisor, Global Coordinator, Bookrunner and Underwriter on the landmark USD1.2 billion, initial public offering (IPO) of ADES Holding Company, a leading oil and gas drilling and production services provider in the MENA region, on the Saudi Exchange. The groundbreaking IPO was oversubscribed 62.7 times, reaffirming EFG Hermes' leadership in seamlessly facilitating high-profile transactions in the evolving Saudi market. Further strengthening the Firm's rapid penetration of the Omani equity market, the team also successfully completed the advisory on the USD748 million IPO of OQ Gas Network, the exclusive operator of the gas transportation network in Oman. Garnering USD1.4 billion in demand from local, regional, and international investors, and being oversubscribed 13.9 times, EFG Hermes played a pivotal role in facilitating the largest ever IPO on the Muscat Stock Exchange, marking the Firm's second Omani listing in a year. Lastly, EFG Hermes acted as Joint Bookrunner on the USD315 million IPO of Dubai Taxi Company, a leading provider of comprehensive mobility solutions in Dubai, on the Dubai Financial Market. The transaction garnered significant traction from regional and global investors, being 130x oversubscribed.

On the debt front, the division continued to leverage its extensive expertise and deep market knowledge to drive impactful financial solutions, facilitating business expansion and generating sustainable value for its partners, especially amid prevailing market conditions and a high-interest rate environment. The division successfully advised Orascom Development Egypt's subsidiary, Orascom for Real Estate, on a syndicated ten-year loan agreement of USD194.2 million, to finance its leading project O West, acting as Sole Financial Advisor, Lead Manager and Bookrunner. Additionally, EFG Hermes executed the second issuance of the future flow securitized bond for CIRA Education worth USD22.6 million, which comes as part of an approved EGP2.0 billion program. Lastly, the team also advised Valu, Palm Hills Development and Qasatli Mortgage Finance Company on their securitized bond issuances worth USD30.8 million, USD13.6 million, and USD5.1 million respectively.

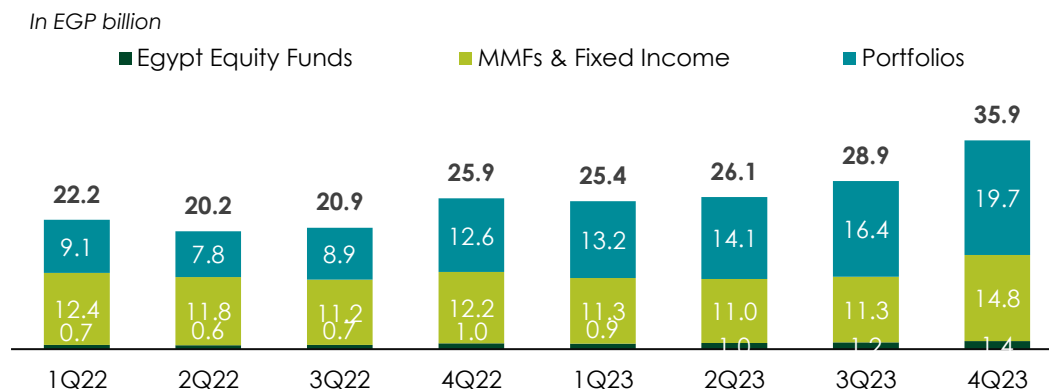
In the M&A space, the investment banking division successfully completed the advisory to UAE investment firm Global Investment Holding Ltd on the acquisition of a 30% in the Egyptian tobacco giant Eastern Company, in a transaction worth USD625 million. This landmark transaction stands as one of the largest minority stake sales in Egypt's history and one of the biggest FDI transactions into Egypt in the recent years, carrying significant positive implications for the broader economy.

Despite the turbulent local market conditions, EFG Hermes showcased its resilience in the fourth quarter of 2023, affirming its status as a diversified regional leader, leveraging its extensive regional presence to navigate the challenging external environment. With a robust pipeline of deals in Egypt and across the region, the division anticipates significant growth in deal flow throughout 2024.



### iv. Asset Management

#### Egypt Assets under Management Evolution



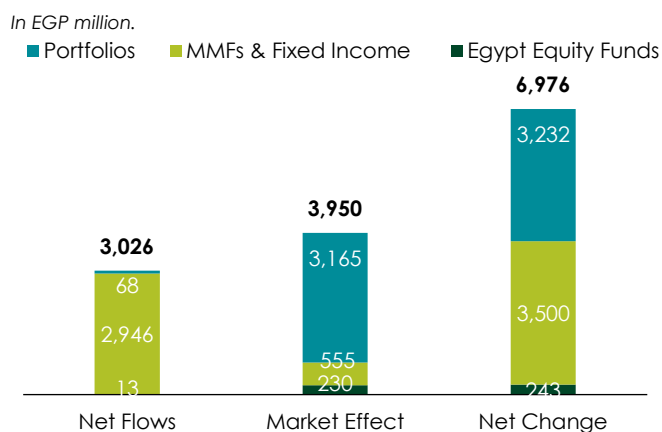
Source: EFG Hermes Asset Management

A very buoyant quarter for EFG Hermes Egypt Asset Management, with its AuMs spiraling up 24.2% Q-o-Q to EGP35.9 billion at the end of the fourth quarter of 2023. This improvement in AuMs was attributed to 14% increase in AuMs, mainly the back of the Egyptian equity market's strong performance; followed by an improvement in the MMFs & FI, which also appreciated during the quarter. Meanwhile, injections into MMFs and FI added another 10% to the total AuMs, as the market recovered from the net outflows seen during the first nine months of the year.

AuMs increased 38.5% Y-o-Y in FY23, lifted predominantly by markets appreciation (+38.2%) across all asset classes that we manage, particularly equity. Equities, particularly equity portfolio, represented 75% of the increase in AuMs, while MMFs/FI/balanced funds and portfolios accounted for the remaining 25% of the AuMs improvement.

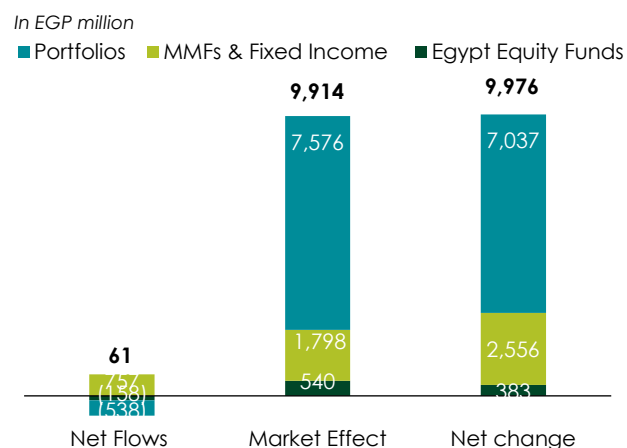
The team was recently awarded the title of the "Best Asset Manager in Egypt" and "Best Asset Manager in Africa" from EMEA Finance African Banking Awards.

#### Quarterly Change in Egypt Mandates



Source: EFG Hermes Asset Management

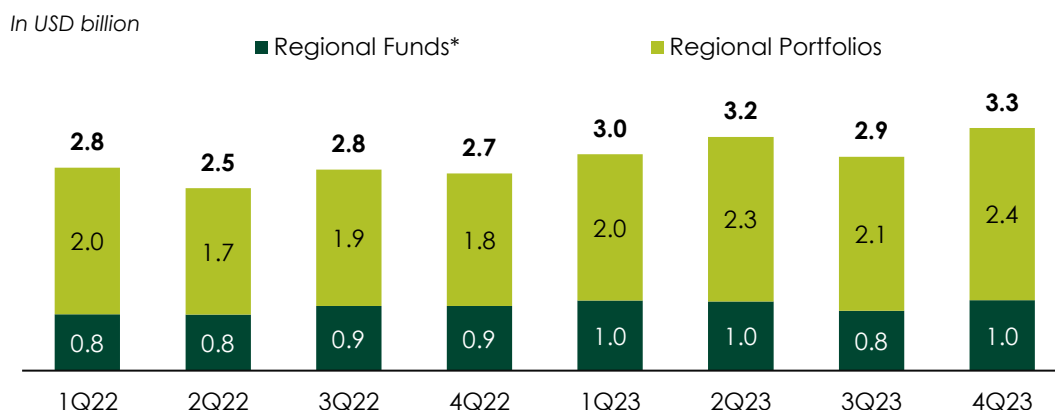
#### YTD Change in Egypt Mandates



Source: EFG Hermes Asset Management



### Regional Assets under Management “FIM” Evolution



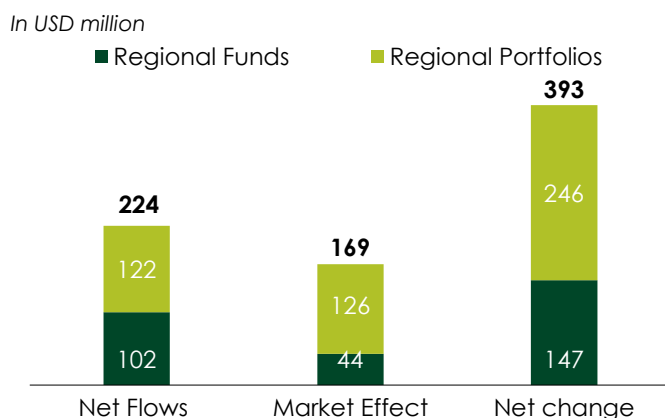
\*Includes Equity, Fixed Income, SPAC and Real Estate funds

Source: FIM

EFG Hermes Regional Asset Management (FIM) AUMs rebounded up 13% Q-o-Q to close the final quarter of the year at USD3.3 billion. The positive momentum in AUMs was driven by a combination of positive market performance across all strategies, which added 6% to the total AUMs, and inflows which added the remaining 8% increase. Positive market performance was underpinned by a buoyancy in MENA equity markets and a recovery in the fixed income asset class, while inflows mainly resulted from top-ups to existing accounts in addition to the onboarding of three new accounts into the client base.

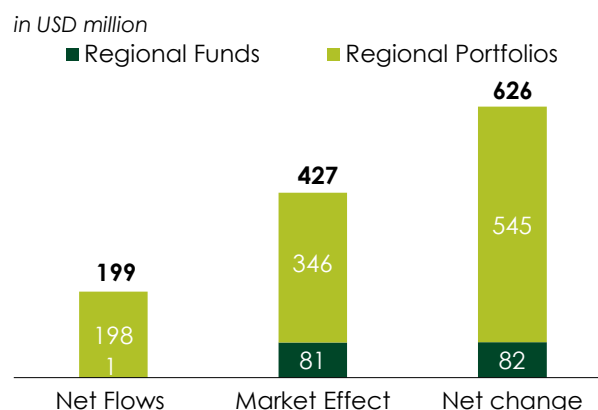
Over FY23, AuMs rose 23.1%, supported by the markets' positive performance which added 16% to the AuMs growth. Meanwhile, the remaining 7% was attributed to net inflows during the year, as the year saw the addition of new funds and portfolios, top-ups to existing accounts and the on-boarding of several new clients during the year.

### Quarterly Change in Regional Mandates



Source: FIM

### YTD Change in Regional Mandates



### Business Development Update

During 4Q23, FIM Partners continued to receive strong support from its deep institutional client base and onboarded three new accounts into its client base.

The firm has launched a new product - a Luxembourg UCITS Fund, giving wider investor access to the firm's flagship MENA equity strategy. Since its launch in 2008, the MENA equity strategy has seen a significant growth in AUMs from institutional investors and its exceptional track record has been rewarded with the highest AAA rating from Citywire and a 5-star rating from Morningstar. The launch of the UCITS product, which has been classified as Article 8 under SFDR widens the reach of the firm's MENA equity capabilities and proven track record.

### Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD521.63 at the end of 4Q23 versus a NAV/share of USD474.97 in 3Q23. The Fund gained 9.8% during the quarter versus the S&P Pan Arab Composite Index, which gained 6.4% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,275.75 at the end of 4Q23 versus a NAV/share of USD1,226.05 in 3Q23. The Fund gained 4.1% over the quarter versus the MSCI FEM Index, which gained 6.8% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD2,220.23 at the end of 4Q23 versus a NAV/share of USD2,015.43 at the end of 3Q23. The Fund gained 10.2% during the quarter versus the TASI Index which gained 8.2% over the same period.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,235.05 at the end of 4Q23 versus a NAV/share of USD1,137.79 in 3Q23. The Fund gained 8.5% during the quarter versus the JPM MECIGCC, which gained 6.6% over the same period.

FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,159.91 at the end of 4Q23 versus a NAV/share of USD1,104.18 in 3Q23. The Fund gained 5.0% during the quarter versus the Markit iBoxx Sukuk which gained 4.6% over the same period.

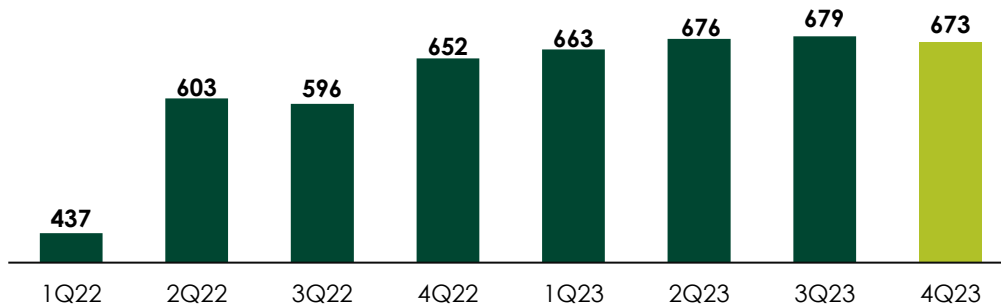
FIM GEM Debt Fund ended the quarter at a NAV/ share of USD1,034.26 at the end of 4Q23 versus a NAV/share of USD950.02 in 3Q23. The Fund gained 8.9% during the quarter versus a similar gain of 8.9% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.



## v. Private Equity

### Assets under Management Evolution

In USD million



### Energy

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

Vortex Energy has been progressing on its fundraising for Vortex Energy IV, LP to enable further deployment further of capital across the Energy Transition landscape.

### Education

The Fund's education platform (EEP) now encompasses around 25 assets including K-12 schools, pre-schools, education content development business and a transportation business to serve the platform's transportation needs. The platform's total capacity is now reaching c.23k students with over 12k enrolled students across its different assets.

### Healthcare

UpH Revenues were up by c. +15% in FY23 vs. comparable period FY22. UpH has continued to be the number 1 supplier to the market for life-saving IV solutions in 2023, covering the widening market gap left by other market players, and has significantly contributed to stabilizing the hospital pharmaceuticals supply market. UpH increased its total sales of LVP and SVP products, despite substantial raw material shortages in the market and continued currency devaluation outlook. UpH continues to focus on its strategic repricing of key products in its LVP product mix, supporting mitigation of rising FX rates and inflation impacting the overall cost structure of the sector. UpH continues to focus on the development of its products portfolio, with new products currently in its R&D pipeline planned for launches between 2024 and 2025.





## The NBFIs





## Financial Overview

### Performance Overview

	NBFI's Performance Summary							
<i>in EGP million</i>	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22*	Y-o-Y
Micro-Finance (Tanmeyah)	357	258	367	38%	-3%	1,263	1,476	-14%
Fatura	9	9	15	-7%	-43%	33	23	46%
Consumer Finance (valu)	379	314	283	21%	34%	1,154	650	78%
Leasing	180	73	80	147%	124%	363	294	23%
Factoring	37	25	34	46%	9%	120	83	45%
Finance Holding	42	-13	3	N/M	1359%	46	23	99%
<b>Net Operating Revenue</b>	<b>1,003</b>	<b>666</b>	<b>781</b>	<b>50%</b>	<b>28%</b>	<b>2,978</b>	<b>2,549</b>	<b>17%</b>
Employees Expenses	328	273	290	20%	13%	1,052	974	8%
Other Operating Expenses**	370	265	375	40%	-1%	1,239	982	26%
<b>Operating Expenses***</b>	<b>698</b>	<b>538</b>	<b>665</b>	<b>30%</b>	<b>5%</b>	<b>2,291</b>	<b>1,956</b>	<b>17%</b>
<b>Net Operating Profit</b>	<b>305</b>	<b>129</b>	<b>116</b>	<b>137%</b>	<b>162%</b>	<b>688</b>	<b>593</b>	<b>16%</b>
<b>Net Profit (Loss) Before Tax</b>	<b>293</b>	<b>84</b>	<b>85</b>	<b>250%</b>	<b>245%</b>	<b>550</b>	<b>480</b>	<b>15%</b>
<b>Net Profit (Loss) After Tax &amp; Minority Interest</b>	<b>226</b>	<b>30</b>	<b>14</b>	<b>644%</b>	<b>1477%</b>	<b>349</b>	<b>231</b>	<b>51%</b>

\*FY22 & 4Q22 net profit is restated as a result of the Purchase Price Allocation (PPA) study of Fatura

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

\*\*\*Includes Finance Holding operating expenses and Holding allocated expenses

#### 4Q23

EFG Finance platform revenues rose 28% Y-o-Y to EGP1.0 billion, with the increase mainly driven by Valu.

Valu continued its upward trajectory, with its revenues up 34% Y-o-Y supported by strong securitization gains and higher fees & commissions as loans issued grew c.138% Y-o-Y. Leasing revenues more than double partially on higher interest income as its portfolio increased Y-o-Y and securitization gain. Meanwhile, Tanmeyah's revenues was largely flat, inching down 3% as the decline in fees & commissions on the back of the implementation of the Responsible Lending policy, which was largely offset by higher interest income that mirror the impact of repricing and its growing portfolio.

Operating expenses added 5% Y-o-Y to EGP698 million; on higher employee expenses and provisions and ECL; and albeit other operating expenses declining Y-o-Y.

Employee expenses rose 13% Y-o-Y, largely on higher salaries reported by Tanmeyah. Other G&A expenses declined 15% Y-o-Y on lower marketing activation booked by Valu, which masked the increase in Tanmeyah's IT, occupancy and marketing expenses.

Provisions & ECL increased 158% Y-o-Y, mainly as Valu booked provisions of EGP24 million in 4Q23 versus a release of EGP24 million in 4Q22. Moreover, Tanmeyah continued to take additional provisions to reflect its ECL models and the macro-outlook.

EFG Finance net operating profit rose 162% Y-o-Y as the increase in revenues surpassed the increase in expenses. Meanwhile, net profit before tax rose 245% Y-o-Y to reflect the reallocation of Fatura's PPA to the Holding line of business, and net profits after tax and minority jumped 15x to reach EGP226 million, on Valu's profitability and on lower taxes, as Tanmeyah's profitability declined.

## FY23

EFG Finance platform revenues rose 17% Y-o-Y to EGP3.0 billion, led by ValU and followed by Leasing and Factoring, which together managed to offset the decline in the heavyweight Tanmeyah.

ValU revenues spiraled up 78% Y-o-Y, driven by the securitization gains as ValU carried out three securitization transactions in FY23. This in addition to strong growth in fees & commission as its loans issued grew by more than 50% Y-o-Y. Leasing revenues added 23% mainly on the reallocation of fx-gains and higher net interest income and despite lower securitization gains. Factoring revenues gained 45% Y-o-Y on higher Net Financed Assets (NFAs), which drove net interest income and fees & commissions higher. Fatura reported higher revenues, up 46% Y-o-Y, as Fatura's acquisition was completed in June 2022.

Tanmeyah revenues lost 14% Y-o-Y; largely on the back of lower sales in 1H23, the impact of higher corridor rates as loans repricing was not implemented up until 4Q23, and the compliance with Responsible Lending in July 2023 which caps admin fees as well as the elimination of top-ups as per the FRA's decree.

Operating expenses rose 17% Y-o-Y to EGP2.3 billion, driven primarily by higher Provisions & ECL; followed by higher employee expenses and other G&A expenses.

Employee expenses added 8% Y-o-Y to reflect higher salaries booked mainly by Tanmeyah, ValU, and Fatura (which was consolidated in June of last year), and higher variable pay booked by ValU.

Other G&A expenses gained 7% Y-o-Y on the increase across different expense categories to mirror the elevated inflation in Egypt, higher IT expenses which is denominated in USD across Tanmeyah and ValU, the increase in expenses associated to ValU's higher sales which include collection and outsource services. This increase in expenses was largely overshadowed by lower marketing activation expenses booked by ValU.

Provisions & ECL rose 223% Y-o-Y, due to loan portfolio expansions, the macro-economic indicators used in the ECL models at the beginning of 2023 are more rigorous versus 2022 to reflect the macro-outlook; this in addition to lower comparative period as provision coverage levels were high in 2022 due to the strong provisions taken a year earlier during COVID in 2021.

EFG Finance profitability was supported by ValU's strong growth in profits; however, this was dented by lower profitability reported by Tanmeyah and higher losses recorded by Fatura, thus the platform net profit before tax added 15% Y-o-Y. Meanwhile, net profit after tax and minority rose 51% Y-o-Y to EGP349 million, on lower tax charges booked by Tanmeyah.

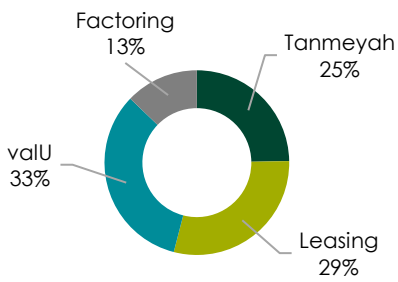
## Balance Sheet highlights



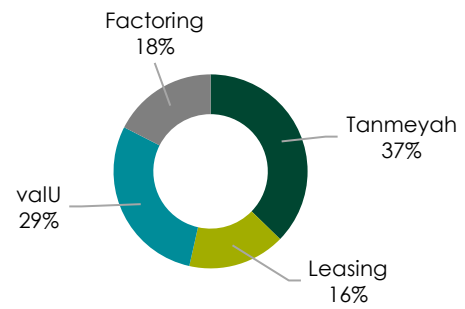
<i>in EGP million</i>	<b>Dec-23</b>	<b>Sep-23</b>	<b>Jun-23</b>	<b>Mar-23</b>	<b>Dec-22</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>
Portfolio Outstanding*	18,731	15,124	15,476	15,625	15,198	24%	23%
Provision Balance	507	492	487	434	364	3%	39%
Total Equity	3,757	2,923	3,075	3,013	3,061	29%	23%

\*Excludes EGP2,708 million of Leasing securitization, and EGP2,212 million of Valu securitization

### Portfolio Contribution by LOB



### Provisions Contribution by LOB



## Operational Overview

### i. Micro-Finance “Tanmeyah”

#### Results at a Glance and Performance Overview

	KPIs					FY23	FY22	Y-o-Y
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y			
Number of Active Borrowers	336,356	338,279	378,645	-1%	-11%	336,356	378,645	-11%
Number of Processed App.	116,048	101,683	122,627	14%	-5%	399,290	479,909	-17%
Number of Loans Issued	71,954	66,943	86,937	7%	-17%	263,623	371,107	-29%
Portfolio Outstanding (EGP mn)	4,634	4,213	4,304	10%	8%	4,634	4,304	8%
Total Tanmeyah Staff	4,782	4,215	4,375	13%	9%	4,782	4,375	9%

Source: Tanmeyah

Tanmeyah concluded the fiscal year on a reversal of trend towards a positive note, achieving its highest quarterly sales in FY23 and recording the highest sales since inception in the month of December. This notable improvement can be attributed to the concerted efforts invested in enhancing loan officers' and sales efficiency. This strategic initiative included the mass recruitment of well-qualified sales personnel and a concurrent focus on optimizing the performance of existing loan officers. This dual approach not only expanded the workforce but also substantially improved the overall efficiency of sales.

Tanmeyah's portfolio grew a healthy 10% Q-o-Q, representing an absolute increase of EGP421 million, which came as a direct result of the boost in sales during 4Q23.

Tanmeyah's digital transformation plan is on track with close to 100% digital cash collection and on track for full digital disbursement before the end of 1Q24. Live proofing of the Tanmeyah mobile application is underway and is expected to go live in 2024.

Active Borrowers witnessed a slight decrease of 1% Q-o-Q in 4Q23, mainly of the back of the write-offs made on a quarterly basis since December 2022, which is now being offset by the increase in sales.

Tanmeyah's average ticket size increased by 50% Y-o-Y and 14% Q-o-Q in 4Q23; the increase is driven by Tanmeyah's restructuring of its MEL product buckets, which was implemented in 3Q22, and in part due to the inflation seen in the economy. This restructuring entailed increasing the minimum limit for MEL from EGP7,000 to EGP10,000. Moreover, in July 2023, the MEL limit was further increased to EGP75,000, up from the previous limit of EGP50,000. MEL product represents a significant portion of Tanmeyah's sales, accounting for 89% of the total sales. However, VSE products are gaining momentum after surging 115% Q-o-Q in 4Q23, as a result of hiring new loan officers exclusively for the product and a reinvigorated focus around promoting the VSE segment.

#### Portfolio Quality & Provisions

PaR30+ decreased Q-o-Q and Y-o-Y to reach 2.54%, mainly due to a one-time adjustment on clients' delay penalties. Provision balance increased 24% Y-o-Y despite the write-offs recording during the year, thus lifting portfolio coverage to 4.1% at the end of FY23 from 3.5% at the end of FY22.

## ii. BNPL “valu”

## Results at a Glance and Performance Overview

	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y	BTD
valu App Customers <sup>(1)</sup>	1,528	1,273	935	20%	63%	1,528	935	63%	1,528
Limits Activated Value (EGP mn)	1,944	1,761	1,383	10%	41%	6,419	6,893	-7%	18,784
Total Loans Issued (EGP mn)	2,904	2,320	1,219	25%	138%	8,815	5,571	58%	17,958
Outstanding Portfolio <sup>(2)</sup> (EGP mn)	8,422	6,710	4,091	26%	106%	8,422	4,091	106%	8,422
Number of Transactions <sup>(1)</sup>	604	494	255	22%	137%	1,850	1,119	65%	3,680
Portfolio Tenor (In months)	14	17	17	-18%	-18%	15	22	-32%	N/A
Number of Merchants	6,568	5,783	3,190	14%	106%	6,568	3,628	81%	6,568

<sup>(1)</sup> Numbers are in “000”

<sup>(2)</sup> Includes securitized portfolio of EGP2,212 mn

Source: valu

Valu continued posting stellar results in 4Q23, growing its loan portfolio by 26% Q-o-Q to stand at EGP8.4 billion. Gross merchandise Value (GMV) rose by 22% Q-o-Q to reach EGP3.0 billion. This was partially fueled by offers and promotions during November in addition to organic growth compared to the previous quarter. During the quarter, total new issuances reached EGP2.9 billion, up 25% Q-o-Q and 138% Y-o-Y. Interest free loan-issuances were 33% of total issuances in 4Q23 (vs. 19% in 3Q23), as a result of the high promotional activity during the quarter.

Gross outstanding portfolio (including securitized loans) totaled EGP8.4 billion, up 26% Q-o-Q and 106% Y-o-Y. Valu finalized its seventh securitization wave during the quarter worth EGP1.15 billion, bringing total securitizations during the year to EGP4.98 billion. Excluding securitized amounts, the gross loan portfolio stood at EGP6.21 billion.

Valu's merchant network as of December 2023 continued its growth trajectory, more than doubling Y-o-Y and growing by 14% Q-o-Q to stand at 6,568 merchants, thereby expanding its network amongst top brands.

Total app downloads reached more than 1.5 million downloads, of which 521,000 were active accounts.

## Geographical Presence

4Q23	3Q23	2Q23	1Q23	4Q22
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria	Alexandria
Gharbia	Gharbia	Gharbia	Hurghada	Hurghada
Dakahlia	Dakahlia	Dakahlia	Tanta	Tanta
Matruh	Matruh	Matruh	Mansoura	Mansoura
Red Sea	Red Sea	Red Sea	Qalyubia	Qalyubia
Sharqia	Sharqia	Sharqia	Ismailia	Ismailia
Asyut	Asyut	Asyut	Asyut	Asyut
Qalyubia	Qalyubia	Qalyubia	Sharqia	Sharqia
Beheira	Beheira	Beheira	Matruh	Matruh
Damietta	Damietta	Damietta	Faiyum	Faiyum

Source: Valu



### Portfolio Quality & Provisions

Provisions coverage rose to 2.4% by the end of 4Q23 from 2.1% at the end of 4Q22, as stronger provisions were taken over FY23, with the provision balance increasing 135% Y-o-Y.

Despite an absolute increase in overdue amounts (+90 and +180), the percentage relative to gross loan portfolio decreased Q-o-Q and Y-o-Y, signaling better risk metrics. Valu recovered EGP9.7 million worth of NPLs and NCLs during the quarter.



## iii. Leasing

## Results at a Glance and Performance Overview

	KPIs					FY23	FY22	Y-o-Y
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y			
Number of new contracts	20	19	6	5%	233%	82	52	58%
Total Outstanding Portfolio <sup>(1)</sup> (EGP mn)	7,236	6,105	6,338	19%	14%	7,236	6,338	14%
On-books Outstanding Portfolio <sup>(1)*</sup> (EGP mn)	5,486	4,302	4,411	28%	24%	5,486	4,411	24%
NFA for new contracts (EGP mn)	1,617	398	545	306%	197%	3,974	4,372	-9%
Receivables value of new contracts** (EGP mn)	2,489	724	988	244%	152%	6,580	4,815	37%

(1) Includes VC transactions. Excludes Securitized Portfolio principle amount of EGP2,708 million

\* Includes on-balance sheet transactions only

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

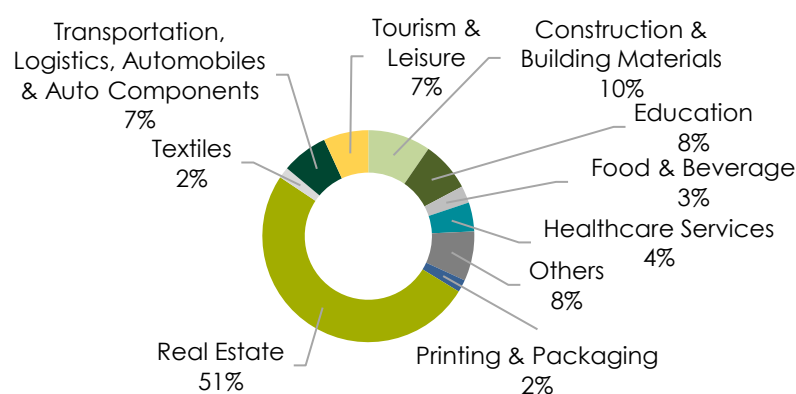
Source: EFG Hermes Leasing

In the latter half of the year unstable macroeconomic conditions resulted in EFG Leasing pivoting its business strategy towards securing contracts with large blue-chip clients. A strategic alliance was formed with two major banks allowing the business to deliver product offerings and prioritizing swift funding solutions to help major clients procure essential raw materials amidst rising inflationary pressures.

EFG Leasing witnessed a robust performance in 4Q23, with new bookings totaling EGP1.6 billion, marking an impressive Q-o-Q growth of 306%. These bookings accounted for more than 40% of the total bookings for FY23. Notably, the bookings were well-distributed across various sectors, with significant contributions from real estate tourism, healthcare, and automotive.

The substantial growth in new bookings translated into an expansion of the on-books outstanding portfolio, which reached EGP5.5 billion, reflecting a 28% Q-o-Q growth. Meanwhile, terminations for the quarter amounted to EGP180 million, down from EGP538 million in the previous quarter.

## Portfolio Distribution by Client Industry



Source: EFG Leasing

## Portfolio Quality &amp; Provisions

Due to the regularity of NPL clients, provisions released amounted to EGP6.8 million in 4Q23 to take provisions balance to EGP82 million by the end of 4Q23 compared to EGP89 million a quarter earlier, however still higher than FRA provisions requirements. Provision coverage declined to 1.5% in 4Q23, on the back of provisions release and an increase in the portfolio size.

Adjusted PARs, which adjust the portfolio for the assets backing up the leasing transactions, remain within an acceptable level and falls below our provision coverage.

## iv. Factoring

### Results at a Glance and Performance Overview

	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y
Number of Existing Clients	76	76	99	0%	-23%	76	99	-23%
Total Outstanding Portfolio (EGP mn)	2,401	2,152	2,588	12%	-7%	2,401	2,588	-7%
Average Portfolio Tenor (days)	231	259	167	-11%	39%	231	167	39%
Average Ticket Size (EGP mn)	8.5	7.0	7.4	21%	14%	7.1	4.6	53%
Net Financed Amount (EGP mn)	1,255	1,318	2,211	-5%	-43%	5,543	5,276	5%

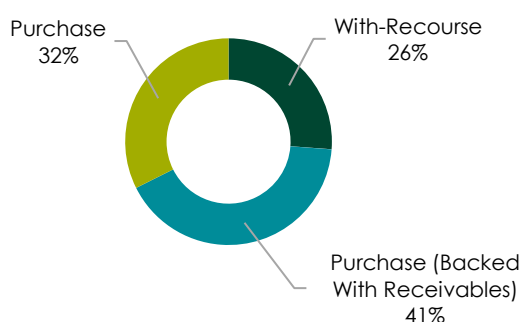
Source: EFG Hermes Factoring

The Factoring portfolio demonstrated resilience amidst economic challenges, growing by 12% Q-o-Q to reach EGP2.4 billion at the end of 4Q23 from EGP2.2 billion at the end of 3Q23.

Creative financial solutions were offered to high-end clients in the pharmaceutical and IT sector. Furthermore, the business secured financial bookings with contracting entities that solely cater for the largest real estate developers. Meanwhile, riskier factoring products were phased out to maintain portfolio health, resulting in a modest 7% Y-o-Y decrease in total factoring portfolio.

Additionally, EFG Factoring approved one new client and expanded its net credit facilities with existing clients.

### Portfolio Analysis



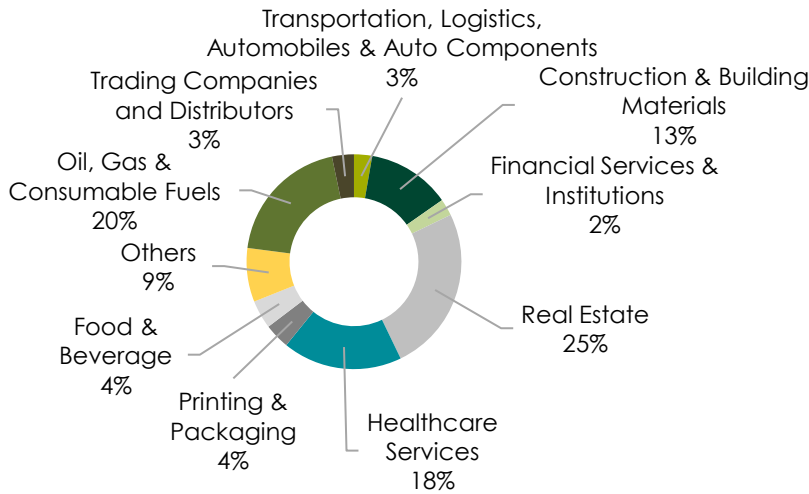
Source: EFG Factoring

As of 4Q23, the Factoring portfolio was predominantly represented by Purchase Factoring (Backed with Receivables), comprising 42%, and leveraging on the diversification from real estate retail clients as a secondary repayment source. Purchase Factoring, accounted for 32%, down from 51% in 4Q22; and due to its flexible and lenient terms, this product is only being granted to specific clients. Receivables Factoring with Recourse, constituted 26%, and targets contracting and healthcare sectors, to meet the evolving market dynamics for intuitive financing solutions in FY23.





### Portfolio Breakdown by Industry



Source: EFG Factoring

In terms of industry contribution, Real Estate led, accounting for 25% of the portfolio, with financing contracting entities serving major real estate firms in the private sector to ensure timely repayments amidst the industry outlook. Oil, Gas, & Consumables followed with 20%, vital for foreign currency procurement, with operational expenses in EGP and revenues in USD. Healthcare Services ranked third with 18%, supported pharmaceutical availability through selective financing for prominent clients, ensuring portfolio health and quality.

### Portfolio Quality & Provisions

During 4Q23 an additional EGP4.4 million of provisions were booked, however total on-book provisions declined Q-o-Q to EGP89 million by the close of FY23, down from EGP104 million a quarter earlier, due write-offs and rescheduling of NPL accounts. Consequently, provision coverage declined from 4.8% in 3Q23 to 3.7% in 4Q23; as the portfolio size increased over the course of the quarter.





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# The Commercial Bank



## Financial Overview

### I. Performance Overview (P&L)

in EGP million	aiBANK Performance Summary							
	4Q23	3Q23	4Q22	Q-o-Q	Y-o-Y	FY23	FY22	Y-o-Y
Net Interest Income	737	634	509	16%	45%	2,540	1,791	42%
Net Fees and Commissions	309	202	118	53%	161%	907	295	208%
Other Revenues	57	54	32	6%	75%	161	159	1%
<b>Total Net Revenues</b>	<b>1,103</b>	<b>890</b>	<b>660</b>	<b>24%</b>	<b>67%</b>	<b>3,608</b>	<b>2,245</b>	<b>61%</b>
Employees Expenses	252	180	121	40%	108%	771	509	51%
Other General & Administrative*	273	227	269	20%	1%	1,077	755	43%
<b>Operating Expenses</b>	<b>525</b>	<b>408</b>	<b>390</b>	<b>29%</b>	<b>34%</b>	<b>1,848</b>	<b>1,264</b>	<b>46%</b>
<b>Net Operating Profit (Loss)</b>	<b>578</b>	<b>482</b>	<b>270</b>	<b>20%</b>	<b>114%</b>	<b>1,759</b>	<b>981</b>	<b>79%</b>
Other Expenses	89	31	17	182%	430%	203	92	119%
<b>Net Profit (Loss) Before Tax</b>	<b>490</b>	<b>451</b>	<b>253</b>	<b>9%</b>	<b>93%</b>	<b>1,557</b>	<b>888</b>	<b>75%</b>
<b>Net Profit (Loss) After Tax</b>	<b>360</b>	<b>345</b>	<b>135</b>	<b>4%</b>	<b>167%</b>	<b>1,147</b>	<b>528</b>	<b>117%</b>
<b>Net Profit (Loss) After Tax and Minority</b>	<b>190</b>	<b>176</b>	<b>79</b>	<b>8%</b>	<b>139%</b>	<b>591</b>	<b>275</b>	<b>115%</b>
<b>Profitability Indicators</b>								
Net Interest Margin	5.4%	4.9%	4.3%			5.0%	4.0%	
ROAE	21.8%	23.7%	9.6%			19.7%	10.5%	
ROAA	2.2%	2.3%	0.9%			1.9%	1.0%	
Cost/Income	30.0%	37.2%	26.5%			36.2%	37.8%	

\* Includes Other G&A, and Provisions & ECL  
Source: EFG Hermes management accounts

**Net interest income:** Increased 16% Q-o-Q derived mainly by growth in interest earning assets accompanied by enhanced interest margins, due to the following:

- **Interest income** increased by EGP262 million (13%), mainly generated from T-bills, which increased by EGP125 million due to the increase in volumes and higher yields. Moreover, interest income on due from banks increased by EGP129 million (52%) reflecting the 11% increase in due from banks allocation and the increase in interest rate reflecting the full impact of corridor changes that occurred in August 2023.
- **Interest expense** increased by EGP160 million (12%), due to an increase in the customer deposits' interest expense by EGP164 million (12%) driven by the increase in interest rates as a result of the repricing of some deposit products after the change in corridor rate. However, due to banks interest expense declined by EGP4 million (10%).

For FY23, net interest income added 42% Y-o-Y derived mainly by enhanced interest margins due to interest rates hikes of 300 bps at end of 2022, followed by another 300 bps during 2023; this in addition to growth in interest earning assets.

- **Interest Income** increased by EGP2.2 billion (43%), mainly on EGP1.7 billion (79%) of interest income generated from the loan portfolio, which reflects the increase in volumes together with the aforementioned interest rate hikes. Moreover, Investments' interest income rose by EGP613 million (29%) to mirror the additional investments into higher yields as well as the re-investment of existing matured position in higher offered yields.

- **Interest Expense** increased by EGP1.5 billion (42%), mainly to reflect the increase in deposits and interest rates as a result of the re-pricing of some deposit products due to the changes in the corridor rate

**NIMs:** NIMs increased to 5.4% in 4Q23 compared to 4.9% in 3Q23, due to higher asset yields which was partially offset by the increase in the cost of short and medium-term deposits. In addition, NIMs recorded 5.0% in FY23 compared to 4.0% in FY22, reflecting higher yield assets and growth in the loan portfolio which shadowed deposits growth and re-pricing.

**Net fees and commission income:** grew 53% Q-o-Q in 4Q23 and 208% Y-o-Y in FY23, driven by the increase in trade finance transactions, accelerated bookings of retail loans and business banking loans; in addition to higher fees for accounts maintenance derived by CDs & TDs breakage and the amendment of some of the Bank's tariffs.

**Other Revenues:** reached EGP57 million in 4Q23, consisting of: EGP30 million related to gains on investments and trading portfolio, EGP22 million representing the Bank's share from associates, and EGP3 million of fx-revaluation.

#### **Operating expenses:**

**Employees expenses:** Moved up 40% Q-o-Q in 4Q23, mainly due to higher medical expenses, in addition to branch and sales team performance incentives. Meanwhile, employee expenses increased 51% Y-o-Y in FY23, on the back of salaries increase, which was driven by the increase in new hires as well as annual increases in employee pay to mitigate inflationary pressures in Egypt. Moreover, branch & sales team performance incentives increased as sales of retail and business banking loans increased together with trade finance commissions.

**General and Administrative expenses:** Declined 59% Q-o-Q in 4Q23, as 4Q23 included the reversal of some operating expenses due to postponement of some projects/expenses to next year.

G&A expenses increased 65% Y-o-Y in FY23, mainly due to an increase in technology and consultancy expenditures; in addition to an increase in marketing & PR expenses. This together with a general increase in other operating expenses to reflect the elevated inflation rates in Egypt as well as the increase in the USD denominated expenses.

**ECL & Provisions:** Came at EGP 220 million in 4Q23 compared to EGP 97 million in 3Q23, to reflect the weaker macro-economic indicators which includes rating agencies' downgrade to Egypt and that warrants higher provisions, in addition to additional provisions required for the rescheduling of a client's outstanding amount.

ECL & provisions rose 30% Y-o-Y in FY23, as the management took a more conservative approach to enhance coverage ratio of stage 3 NPLs; in addition to loan portfolio growth and the impact of macro-economic factors which warranted higher provisions.

**Cost/Income ratio:** Recorded 30.0% in 4Q23 down from 37.2% in 3Q23, as the increase in revenues was higher than the increase in expenses.

## II. Balance Sheet Summary

## Balance Sheet\*

<i>in EGP million</i>	Dec-23	Sep-23	Dec-22	Q-o-Q	Y-o-Y
Cash & Due from Central Bank	4,241	5,799	2,096	-27%	102%
Due from Banks	11,526	10,360	8,094	11%	42%
Net Loans & Advances	21,082	22,670	19,333	-7%	9%
Financial Investments	21,626	20,924	23,103	3%	-6%
Other Assets	3,005	2,889	2,770	4%	8%
<b>Total Assets</b>	<b>61,479</b>	<b>62,642</b>	<b>55,397</b>	<b>-2%</b>	<b>11%</b>
Due to Banks	2,676	2,293	786	17%	240%
Customer Deposits	50,901	52,795	48,202	-4%	6%
Other Liabilities	1,439	1,427	1,084	1%	33%
<b>Total Liabilities</b>	<b>55,015</b>	<b>56,515</b>	<b>50,072</b>	<b>-3%</b>	<b>10%</b>
<b>Total Shareholders' Equity</b>	<b>6,464</b>	<b>6,127</b>	<b>5,325</b>	<b>5%</b>	<b>21%</b>
<b>Balance Sheet Indicators</b>					
Loans/Deposits	45%	46%	43%		
NPLs	6%	6%	8%		
Coverage Ratio	124%	99%	90%		
Total Capital Adequacy Ratio	19%	16%	20%		

\*Standalone B/S

Source: aiBANK accounts

**Total assets:** inched down 2% Q-o-Q, however the composition of total assets changed, as the bank increased its allocation to shorter-term maturities to take advantage of expected interest rate hikes.

On a Y-o-Y, total assets rose 11% and a net increase of 6% after stripping the impact of the EGP devaluation in 1Q23. This increase was funded by a rise in sources of funding, mainly deposits, due to banks, and equity which rose 21% Y-o-Y to mirror FY23 net profit.

The Y-o-Y increase in total assets was driven by an increase in cash & due from central bank by 102% to reflect the average deposit balance at the close of the period at which the reserve is calculated, this together with higher due from banks which increased 42%. This increase was partially offset by a decline in investments by 6%, mainly from the reallocation of investments from T-Bonds to T-bills and Interbank; as the bank shifted towards shorter term maturities in anticipation of expected interest rate hikes.

## Loans by Type

<i>in EGP million</i>	Dec-23	Sep-23	Dec-22	Q-o-Q	Y-o-Y
Corporate	12,157	14,441	13,830	-16%	-12%
Retail	7,624	7,010	5,540	9%	38%
SMEs	2,982	2,689	1,487	11%	101%
<b>Total</b>	<b>22,762</b>	<b>24,140</b>	<b>20,857</b>	<b>-6%</b>	<b>9%</b>

**Gross Loans** declined 6% Q-o-Q, driven by a decline in corporate loans. Moreover, on a Y-o-Y basis, gross loans demonstrated a 9% increase; yet pressured by a decline in corporate loans. The decline in corporate loans, both Q-o-Q and Y-o-Y, underscores the management strategy of increasing focus on selective clients with strong financial positions to mitigate negative impacts due to current macroeconomic conditions. Meanwhile, emphasis on retail and SME loans, with each increasing Q-o-Q and Y-o-Y, reflect a better diversification of the lending portfolio and the ability to lock in higher interest rates (average tenor for retail loans 6 years).

Moreover, this has positively impacted capital adequacy ratio in term of RWAs and the reductions of loans concentration ratio.

**NPL ratio:** NPL ratio was broadly flat Q-o-Q at 5.7% by the end of 4Q23; however, declined from 8.0% at the end of 2022, mainly driven by write-offs made during the year (EGP623 million) beside the usual portfolio growth.

**Coverage Ratio:** Coverage ratio increased to surpass the 100% to stand at 124% by the end of 4Q23, as the bank adopted a more conservative credit loss coverage strategy, resulting in higher provisions taken.

#### Deposits by Type

<i>in EGP million</i>	Dec-23	Sep-23	Dec-22	Q-o-Q	YTD
Current and Saving Accounts (CASA)	21,492	23,970	16,442	-10%	31%
TDs and CDs	28,671	28,055	30,763	2%	-7%
Other	738	770	997	-4%	-26%
<b>Total</b>	<b>50,901</b>	<b>52,795</b>	<b>48,202</b>	<b>-4%</b>	<b>6%</b>

**Customer deposits:** declined 4% Q-o-Q, primarily due to the decrease in CASA. This decline reflects aiBANK's efforts to revise and enhance current pricing, reduce concentration and diversify CASA portfolio; thus allowing the outflow of some expensive bulk deposits. On a Y-o-Y basis, deposits increased by 6%, despite the outflow of customer deposits at the start of 2023 due to higher interest rates offered by major government-owned banks for term deposits. aiBANK successfully acquired new customers with fresh funds, which was reflected in the increase in CASA deposits increase Y-o-Y.

**Deposits by currency:** Deposits were split 77/23 between local currency and foreign currency, respectively, at the end of 4Q23.

#### CAR Ratio:

CAR increased 260 bps Q-o-Q, driven by Tier 1 capital growth on the back of 3Q23 retained net profit, along with a decrease in RWAs due to the reduction in the top 50 exposures concentration.

However, CAR decreased 90 bps Y-o-Y, as credit risk RWAs increased on the back of an increase in FCY RWAs, which rose post the EGP devaluation during 2023; this in addition to an increase in loan portfolio, particularly retail and SME. This masked the increase in Tier 1 capital which increased by net profits.

#### Branch Productivity and Efficiency ratios

<i>in EGP million</i>	Dec-23	Sep-23	Dec-22	Q-o-Q	YTD
Employees/Branch	37	36	36	0%	2%
Gross Loans/Branch (EGP mn)	711	652	695	9%	2%
Deposits/Branch (EGP mn)	1,591	1,650	1,607	-4%	-1%
Revenue/Employee (EGP mn)	0.94	0.76	0.62	23%	52%



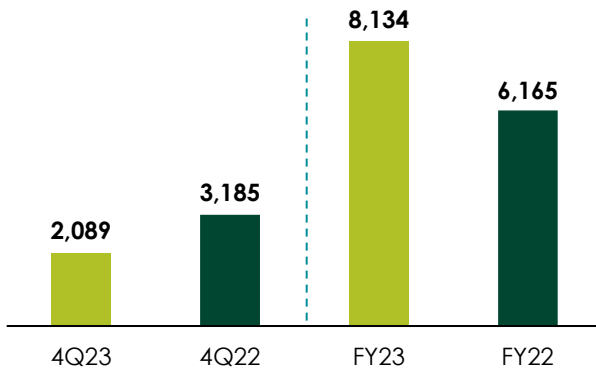
## ANNEX I

### Contribution by Platform

#### Revenues

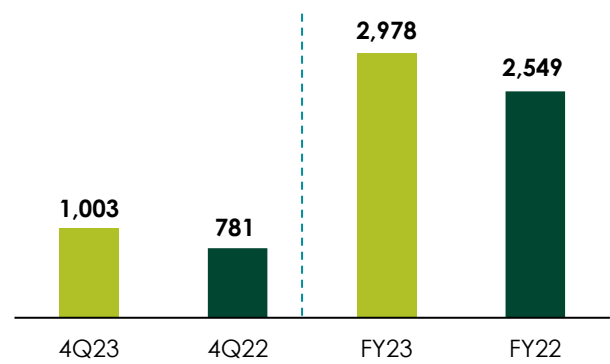
##### EFG Hermes

In EGP million



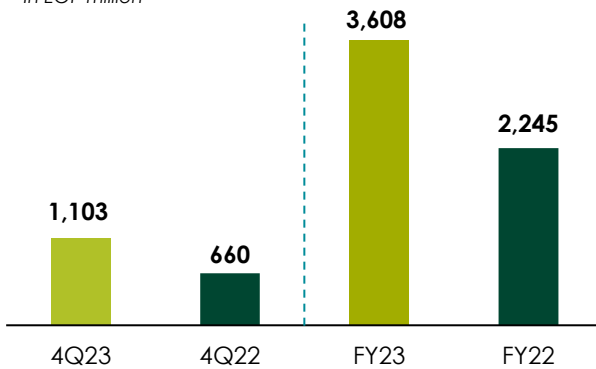
##### EFG Finance

In EGP million



##### ciBANK

In EGP million

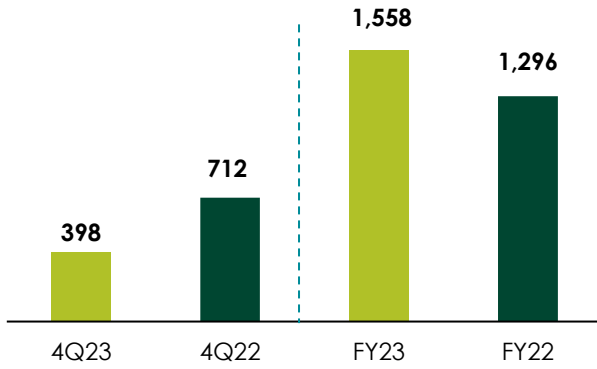




Attributable NPAT

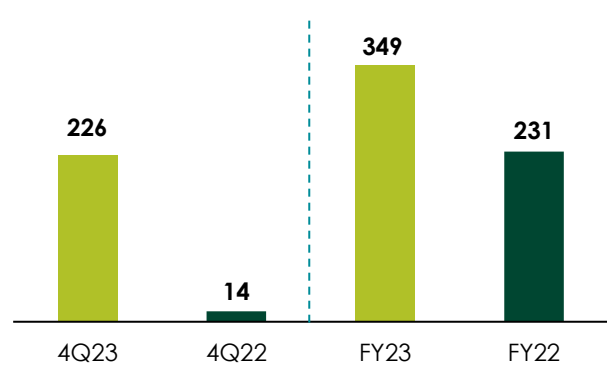
EFG Hermes

In EGP million



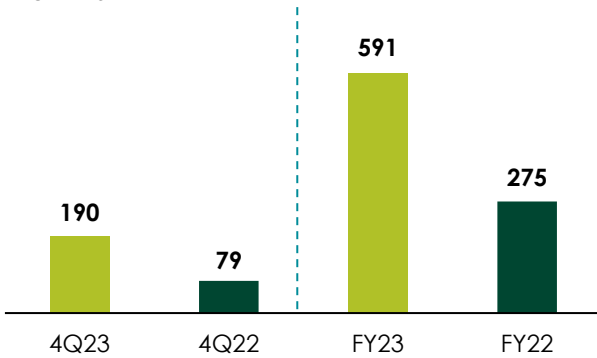
EFG Finance

In EGP million



aiBANK

In EGP million



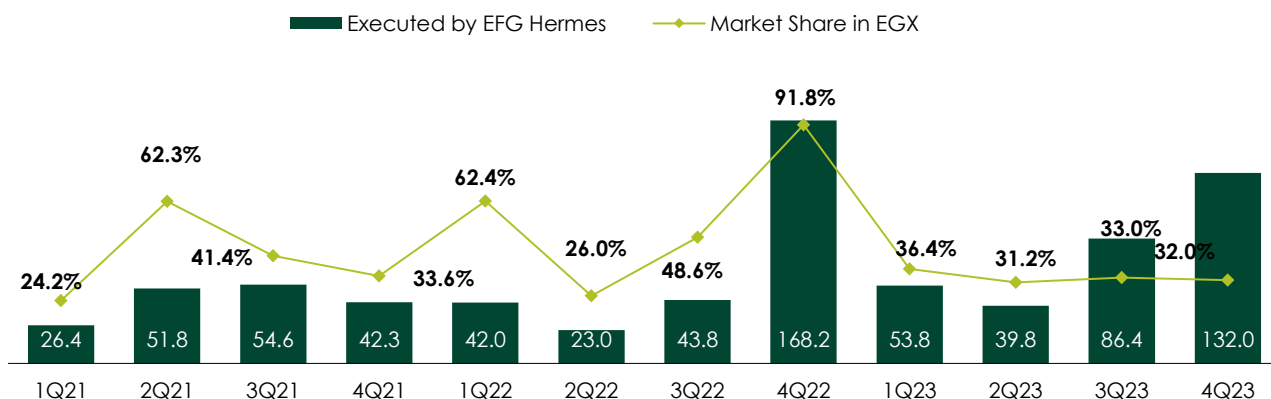


## ANNEX II

### EFG Hermes Executions & Market Shares

#### Egypt\*:

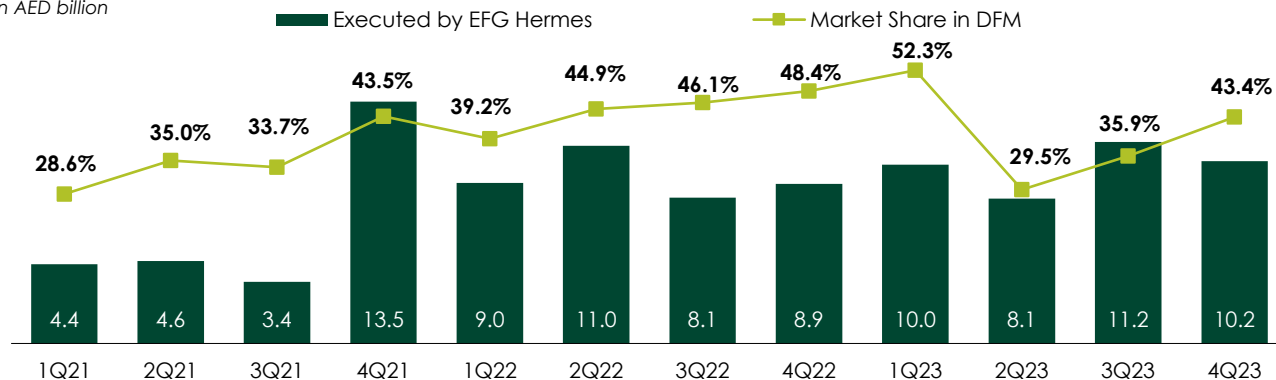
In EGP billion



\*Market share calculation without special transactions and includes UK (GDRs)

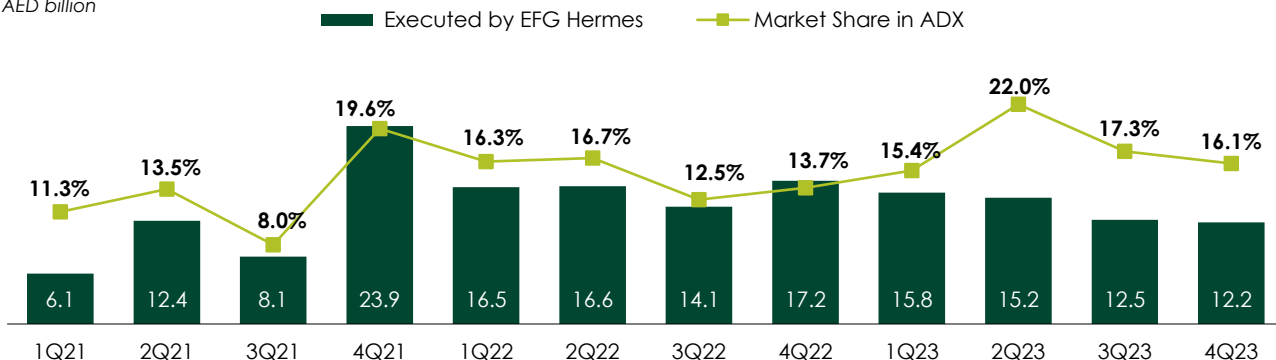
#### UAE- DFM

In AED billion



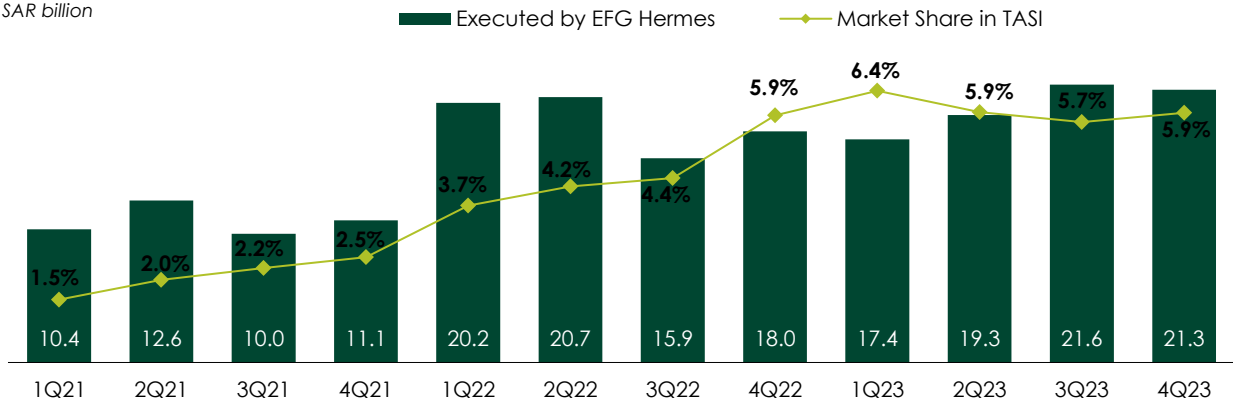
#### UAE – Abu Dhabi

In AED billion



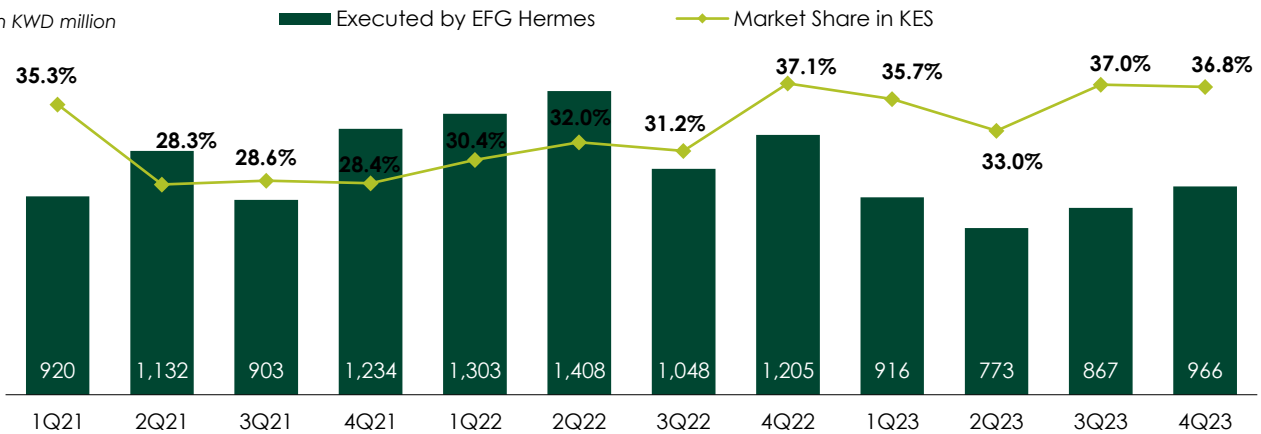
### KSA

In SAR billion



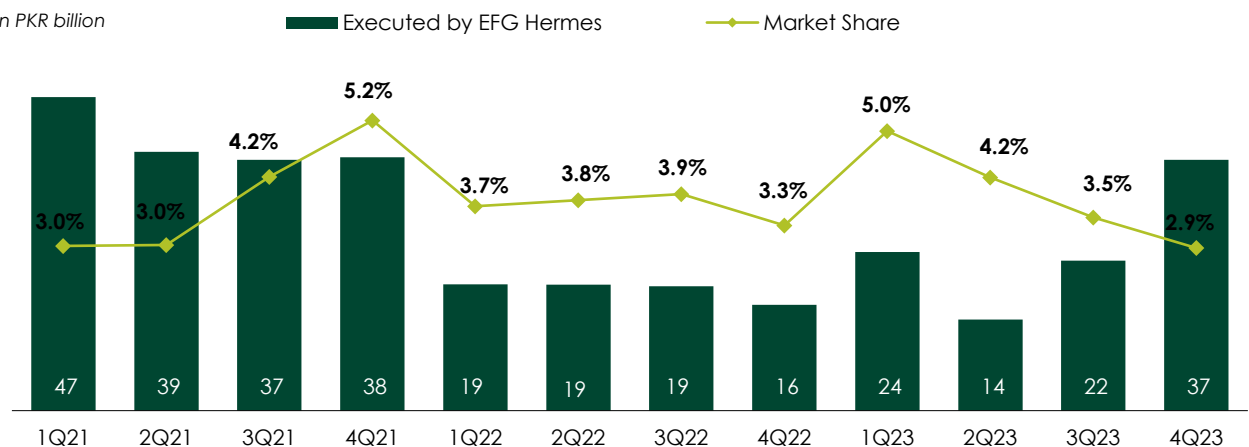
### Kuwait

In KWD million



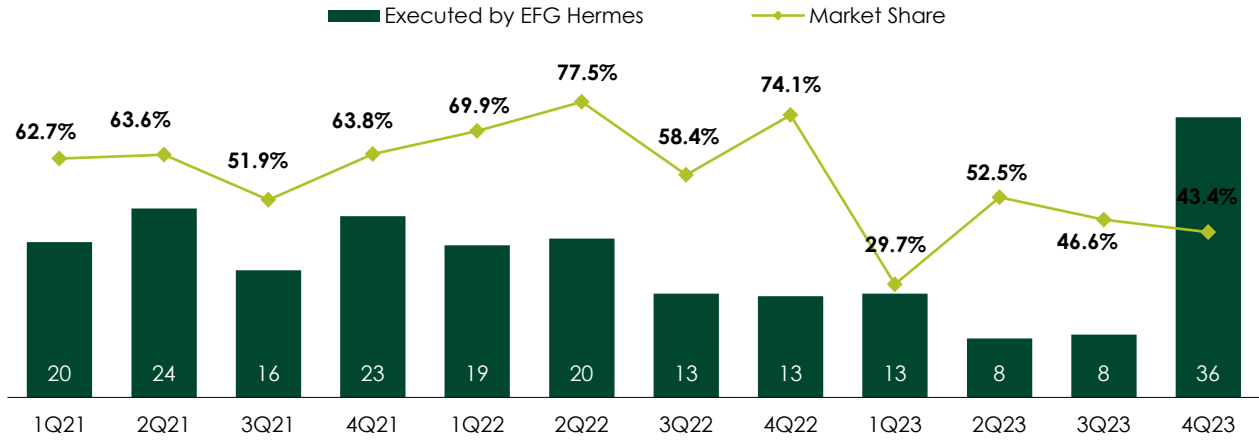
### Pakistan

In PKR billion



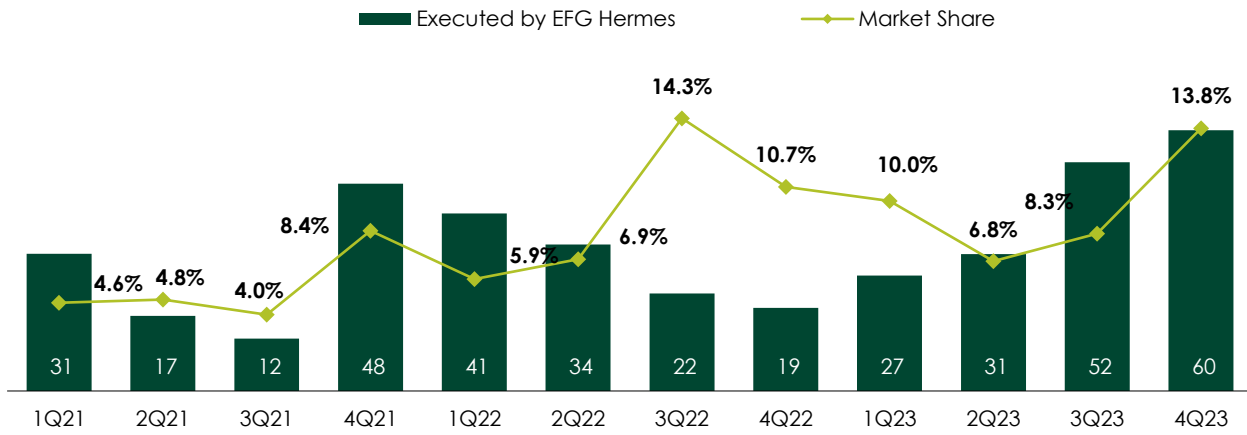
**Kenya**

In KES billion



**Nigeria**

In NGN billion





### Disclaimer

In this earnings release, EFG Hermes may make forward looking statements, including, for example, statements about future new product launches, future fund raising, investment banking transactions, private equity exits, non-bank finance business outlook and the overall business strategy of the firm. Such forward looking statements by their nature may involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. Examples may include financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions; and the effect of current, pending and future legislation, regulations and regulatory actions. Furthermore, forward looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue. EFG Hermes does not undertake any obligation to update or revise any forward looking statements.

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EFG Hermes Holding SAE has its address at Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October and has an issued capital of EGP 7,298,030,040.

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#### Listings & Symbols

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

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

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

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

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