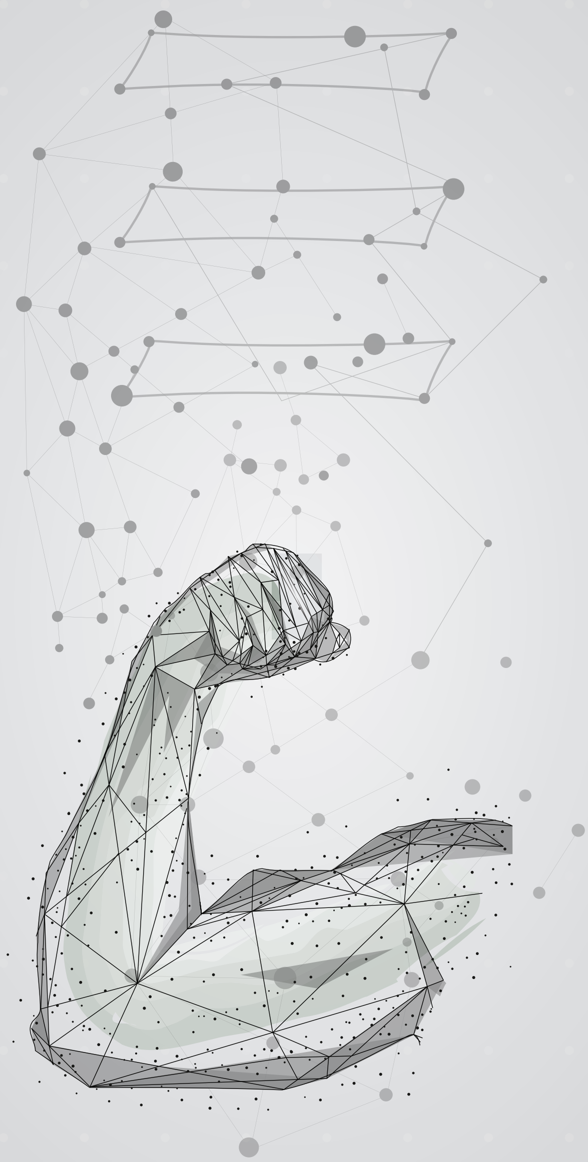


We Stand Together

Annual Report 2020

CONTENTS

2020
ANNUAL REPORT

EFG HERMES AT A GLANCE

Our deeply rooted industry knowledge and talented team are what prompt our stakeholders to believe in us and lead our communities to value us

The Leading Financial Services Corporation in FEM

Over its 36-year history of success, EFG Hermes has gone from strength to strength. From a leading Egyptian investment bank to a fully integrated financial service provider with presence in 13 markets across four continents — EFG Hermes has evolved not only to match shifting market dynamics but also meeting growing stakeholder needs. Through organic growth, strategic mergers and acquisitions, and a lateral business strategy, EFG Hermes has transformed itself into a leading financial services corporation with a diverse product range, encompassing both investment banking services as well as non-bank financial services. The Firm leverages its expansive on-the-ground presence across the world, an ever-expanding portfolio of services, and commitment to driving shareholder value to cement its leadership position across some of the world's most rapidly growing markets.

What We Do

Through its two platforms, the Investment Bank and Non-Bank Financial Institutions (NBFIs), the Group is able to consistently bring innovative products to the table, offering a comprehensive service portfolio to meet the evolving needs of its growing base of institutional investors and retail clients. During 2020, the Firm further expanded its foothold across fast-growing and increasingly attractive markets despite volatility that plagued markets the world over.

The Investment Bank

Securities Brokerage

EFG Hermes Securities Brokerage offers its client base, be they individual retail investors or some of the most prominent institutional investors and high-net-worth-individuals, an unrivalled access to FEMs opportunities. Today, the division stands as the leading brokerage house in both the MENA region and across the wider FEM space, with presence in Egypt, Kuwait, the UAE, Saudi Arabia, Oman, Jordan, Pakistan, Kenya, Nigeria, Bangladesh, and Vietnam.

Throughout 2020, EFG Hermes continued to strengthen market shares across its footprint, ranking first on the Egyptian Stock Exchange (EGX), both the Dubai Financial Market (DFM) and NASDAQ Dubai, the Kuwaiti Stock Exchange (KSE), and the Nairobi Securities Exchange (NSE). It placed second in Abu Dhabi and Nigeria (by value traded) and secured a third-place spot in Oman. The division currently covers 95% of the MSCI Frontier and MSCI Emerging Frontier indices and can execute in over 75 markets across Frontier and Emerging markets.

Investment Banking

Since the division's launch in 1995, EFG Hermes Investment Banking has climbed the regional rankings to become a leader in M&A advisory, Equity Capital Market (ECM) executions, and Debt Capital Market (DCM) capabilities. Leveraging its ability to tap a global client base and utilize its unrivalled network of MENA clients to raise demand for compelling opportunities, the division continued to execute a growing number of transactions across an expanding global footprint. In 2020, the division posted yet another year of record-breaking 24 transactions worth a total of USD 1.7 billion despite the incredibly challenging circumstances. Over the last twelve months, EFG Hermes Investment Banking team closed 14 DCM transactions at a value of USD 757.6 million, 3 ECM transactions worth USD 828.1 billion, and 7 M&A deals valued at USD 99.0 million.

Research

EFG Hermes Research is the leading provider of real-time, high-quality coverage of FEM. The division brings together equities, macro, strategy, and index research to offer fair and comprehensive analysis that helps guide EFG Hermes' other lines of business and the Firm's large client base when making financial decisions. Leveraging a team of experienced analysts and presence in numerous markets around the world including Cairo, Dubai, Pakistan, Kenya, Nigeria, Saudi Arabia, Oman, and the UK, the division provides unmatched insights on 299 equities across 22 markets as of year-end 2020. In 2018, EFG Hermes launched EFG Hermes One, an innovative, retail-oriented online trading platform that has quickly become the go-to information provider for analysts and clients looking for reliable daily insights on local and regional markets.

Asset Management

EFG Hermes Asset Management is the MENA region's largest asset manager serving an increasingly diverse client base including multinational corporations, endowments, foundations, and family offices with a continued focus on long-term and institutional clients. The division offers a wide array of tailored products including mutual funds and discretionary portfolios with both country-specific, regional, conventional, and sharia-compliant mandates. As of year-end 2020, the division recorded USD 2.1 billion in regional AUM and EGP 19.1 billion in the local Egyptian market.

Private Equity

EFG Hermes Private Equity today is widely recognized as a leading player in the field with an unparalleled ability to raise money from around the world to invest across the MENA region and Europe. The division invests across a wide spectrum of sectors with a specific focus on renewable energy, education, and healthcare. The division manages its renewables investments through its Vortex Energy platform, which was established in 2014 to invest in renewable energy projects. The EFG Hermes Egypt Education Fund is a USD 150 million investment fund launched in 2018, as part of a USD 300 million education platform in partnership with Dubai-based education provider GEMS Education. Rx Healthcare Management was established to manage diverse investments across the healthcare sector to meet the ever-growing demand for healthcare products and services across Egypt as well as the MENA and Africa regions at large.

Non-Bank Financial Institutions

EFG EV Fintech

Launched at the end of 2017, EFG EV Fintech is the first fintech-focused startup accelerator and early-stage venture capital fund in Egypt. It was established as a joint venture between EFG Finance and Egypt Ventures, a government-backed VC fund. The company's goal was to invest in more than 20 fintech startups in a period of five years and bolster Egypt's fintech ecosystem in the process. To maximize its impact, EFG EV Fintech offers two separate investment programs. In partnership with Falak Startups, the company operates an accelerator for seed-stage startups, which invests up to EGP 1 million in cash and EGP 300,000 worth of support functions in up to 10 companies per year. EFG EV Fintech works closely with its startups and supports them from investment to exit. In parallel, the venture capital arm invests up to EGP 5 million per company in later-stage startups, bridging the gap between seed finance and series-A funding. To date, EFG EV Fintech boasts the largest fintech portfolio in Egypt and its investee startups are making waves in the Egyptian entrepreneurship ecosystem.

Tanmeyah

EFG Hermes Finance acquired Tanmeyah Micro-enterprise Services in 2016 and it has since become the Firm's flagship company under its NBFI platform. Tanmeyah, which today stands as the number one non-bank provider of microfinance solutions in Egypt, provides financing for micro and very small businesses across Egypt. Through its financing programs, the company gives its thousands of clients access to the necessary capital to find a path out of poverty which supports them to grow their businesses. The company also offers products and services that complement the diverse needs of small businesses. As of year-end 2020, Tanmeyah had 285 operational branches catering to the needs of over 335,000 borrowers in 25 of the 27 Egyptian governorates.

EFG Hermes Corp-Solutions

EFG Hermes Corp-Solutions is a leading provider of leasing and factoring solutions, in addition to value-added advisory services offered to a wide range of clients, including large corporations and SMEs alike. The Firm's leasing arm was established in 2015 under EFG Hermes Leasing, offering its clients a range of tailored solutions with the fastest turnaround time in the industry. Seeking to further diversify our NBFI platform, the Firm introduced EFG Hermes Factoring in 2018, offering alternative sources of financing to companies seeking to grow their businesses and meet their working capital needs. In July 2020, EFG Hermes consolidated its factoring and leasing arms to form EFG Hermes Corp-Solutions, offering a full range of financing solutions to suit clients of all sizes.

valU

valU, which was launched in 2017, is EFG Hermes' first fintech product offering consumer finance services and is part of a wider diversification strategy by the Firm as it looks to tap into new, growing segments of the financial sector. The innovative solution gives customers the ability to use their smartphones to buy now and pay later

from 898 merchants across Egypt over convenient installments from 6 to 60 months. With strong marketing efforts since inception, valU has quickly grown in popularity with over 91,000 active users as of year-end 2020.

PayTabs Egypt

Established in Saudi Arabia in 2014, PayTabs is an award-winning global fintech solutions platform. Following the successful replication of its business model into other countries in the region, the company began eyeing the Egyptian market, seeking to capitalize on the lucrative opportunities available in it as well as a flexible and ever-evolving market landscape poised for digital payment growth. In 2019, EFG Hermes partnered with PayTabs to establish PayTabs Egypt as part of the Firm's growing NBFI platform, working together to build a cutting-edge platform to facilitate financial inclusion and catering to both the online and digital payment needs of multiple consumer segments.

Bedaya

Bedaya offers move-in finance solutions with the fastest turnaround time in the market, with loan tenures over 10 years. It was founded in 2019 as a joint venture between EFG Hermes, Talaat Moustafa Group (TMG), and GB Capital, the NBFI arm of GB Auto. Each partner holds a third of the firm's equity, with Bedaya's initial paid-in capital set at EGP 150 million.

Tokio Marine Egypt Family Takaful

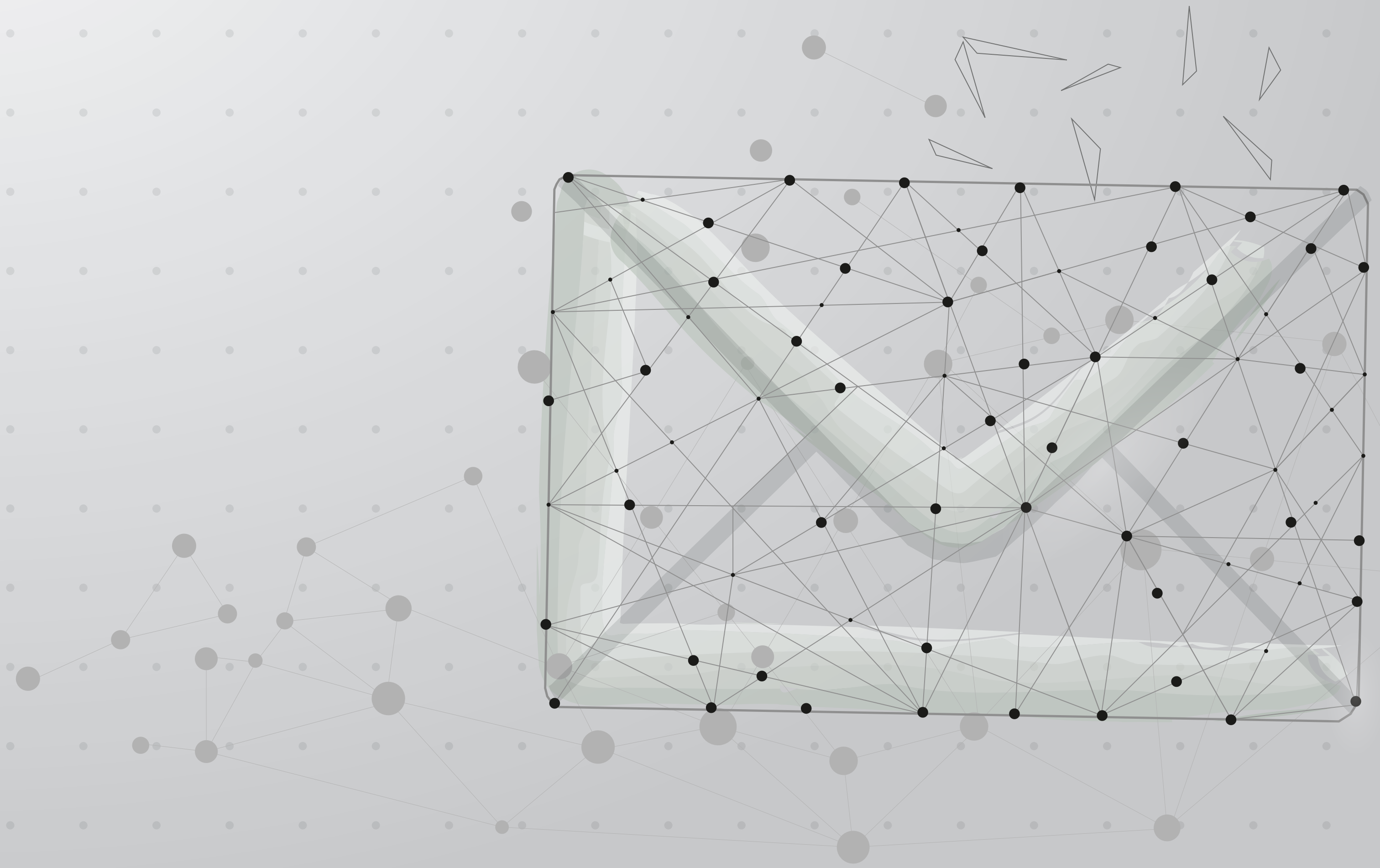
In 2020, EFG Hermes and GB Auto entered into an agreement to acquire a 75% stake in life insurance player Tokio Marine Egypt Family Takaful. Under the agreement, EFG Hermes Finance and GB Capital, the NBFI arm of GB Auto, will each own 37.5% of the company. Tokio Marine Egypt Family Takaful is owned by Japan-based Tokio Marine Group, a world-renowned leader in insurance and reinsurance and the largest general insurer in Japan. The company is set to offer individual and corporate clients a variety of solutions covering health, home, life, and car insurance.

95%

MSCI Frontier and MSCI Emerging Frontier indices covered by the Firm's Brokerage Division

CHAIRPERSON'S FOREWORD

We work actively to engage, inform, and unlock value for all



We Stand Together

We had to constantly look at the best ways to ensure the health and safety of our employees and clients, while maintaining our operations and remaining profitable throughout.

Each year companies attempt to take inventory of the challenges and opportunities that are presented to them and they look for ways to capitalize on their strengths and address their weaknesses in order to continue growing and creating value. The year 2020 was a bit different. It was about sustaining growth while operating in high intensity survival mode.

As the leading financial services corporation in frontier emerging markets, EFG Hermes is an organization that is quite familiar with volatility. The 13 countries in which we operate have had their fair share of economic and political upheavals over the years, and we have become quite proficient at navigating through the turbulence. With a diverse service offering and an expansive geographic footprint, we have managed to minimize our operational and country risk, but 2020 was the first time in our history that we have witnessed the entire world go through the same challenges at the same time.

The Coronavirus pandemic has been called "the great equalizer" in the sense that it has stopped us all in our tracks regardless of where we live and what we do for a living. It has also exposed certain vulnerabilities such as inequalities in healthcare systems and there is no doubt that it is disproportionately affecting socially disadvantaged groups and low-income populations but at the end of the day, we are all at risk, we are all connected, and we must all stand together to put an end to it.

For multinational companies such as EFG Hermes, we were also faced with the challenge of dealing with the laws and regulations of multiple jurisdictions when it came to abiding by public health guidelines and government mandated shutdowns. It has been a delicate balance to maintain. We had to constantly look at the best ways to ensure the health and safety of our employees and clients, while maintaining our operations and remaining profitable throughout. The beautiful thing is that we not only managed to do so, but we also managed to score a number of major wins for the company, a true testament to our resilience.

Because we had the foresight to establish our NBFI platform years ago, we have been able to survive the cyclical nature of capital markets in the past, and last year was no different.

Our NBFI Platform, which was originally launched in 2015 to oversee our activities in the non-bank financing sector, continued to grow, outperform the market, and contribute positively to our bottom line. In 2020, we successfully merged our factoring and leasing arms under one entity and we added a new payment solutions provider, PayTabs Egypt, to our NBFI roster. The two new companies join our existing NBFI success stories; valU, our online installment sale service app, Tanmeyah Microfinance, Egypt's leading provider of microloans, and Bedaya, our mortgage service provider.

All of these assets were particularly crucial for us last year as more and more retail moved online due to COVID-19 health and safety measures. During the crisis, we found ourselves perfectly positioned to expand on our NBFI product offering which is part of our overall goal to widen our portfolio of NBFI companies and to bolster financial inclusion in Egypt.

In 2020, we also received the approval of the Central Bank of Egypt to conduct due diligence on the Arab Investment Bank, an acquisition target that we are pursuing in partnership with the Sovereign Fund of Egypt (TSFE). Together, we aim to acquire 76% of the capital of the Bank. When concluded, the transaction will mark another important step in our strategy to transform EFG Hermes from a pure play investment bank into a universal bank that provides both banking and non-banking services to its clients in our home market of Egypt. It will also help to further the stability of our business and will be of great benefit to our shareholders.

Even during this remarkably challenging year, EFG Hermes remained the market leader and precedent setter it has always been. In terms of transactions, we concluded our first cross-border M&A transaction in East Africa since entering the Kenyan market in 2017 with advisory services to Pakistan's United Bank Limited (UBL) on the sale of its Tanzanian subsidiary to Exim Bank Tanzania Limited. We also continued to ramp up our operations in KSA with the successful conclusion of advisory on the USD 700 million IPO of Dr. Sulaiman Al Habib Group on Tadawul early in the year and advisory on Alkhorayef Water & Power Technologies' USD 144 million IPO on the Tadawul a year later in March 2021.

Our Securities Brokerage continued to top the league tables across our footprint with first place rankings in our key markets; Egypt, Kuwait, Dubai, and Kenya. We are also very proud of the fact that we were able to maintain the corporate access that we are renowned for by seamlessly transitioning our signature investor conferences to a virtual format. Two virtual investor conferences were held in 2020 and the third took place in March 2021.

The virtual conferences were a great success with a record number of attendees and thousands of virtual meetings being held between companies and investors across the globe. Everyone is adapting to the new normal and making the best of the situation that we are faced with. Along the way, we have learned that you can have virtual conferences, road shows, and meetings from the safety of your own home and office, and still achieve your objectives. I believe that once the lockdowns and constraints are lifted and we have regained our freedom to move, travel, and communicate without risk, the world will continue to conduct virtual activities alongside face-to-face meetings.

Throughout, we have also continued to maintain our values and ESG principles. The challenges of the past year have not adversely affected our commitment to sustainability, good governance, and giving back to our communities; on the contrary, they have strengthened our resolve to lead by example as a responsible investor. We continued to be leaders in green investments and products. Our renewable energy platform Vortex Energy divested its solar platform (Vortex III) in 2020, but we are already making plans to begin investing in a number of new renewable assets including both solar and wind.

The EFG Hermes Foundation continued to work on its longstanding sustainable development initiatives in the Naga' El Fawal and El Deir villages south of Egypt where we are committed to carrying out a comprehensive integrated development plan. The Foundation has also partnered with the Egyptian Food Bank and the Ministry of Social Solidarity to support thousands of families through the hardships of the pandemic in the Luxor governorate.

None of these remarkable achievements would have been possible without our people. I am extremely proud of our management, board members, and each and every member of our team across the 13 countries in which we operate, for having pulled through despite the pressure and the adverse conditions that prevailed and still prevail. I will continue to say that our best and most valuable asset is our people. Despite the impact of COVID-19, they have stood up to the challenge and proven the true resilience of the organization.

I would like to thank the shareholders and our esteemed Board of Directors for their support during these very difficult times. Our multinational board resides in seven different countries including the US, the UK, France, Greece, Pakistan, the UAE, and Egypt, which meant we had to accommodate different time zones, but nonetheless, we managed to hold all our board meetings virtually and we were one of the very first public companies to hold a virtual Annual General Meeting (AGM) with electronic voting and attendance.

I am very grateful for the year that we have had and for the fact that we were fortunate enough to have built a large resilient organization that can withstand challenges, even ones of such great magnitude as COVID-19. I am very well aware that we are among the most privileged, and that many businesses, particularly small and medium sized enterprises, in our home country and across the globe have been severely impacted by the crisis. We are also painfully aware that many of us have endured personal losses and hardships and have had to live with the pain of seeing family, friends, and loved ones fall ill from the Coronavirus. I am however optimistic that there is some light at the end of the tunnel as vaccine rollout continues to accelerate and an economic recovery that favors emerging markets begins to take shape. As economic activity gains omentum, we can hopefully reverse some of the damage that has been done.

I am certain that together we will overcome.

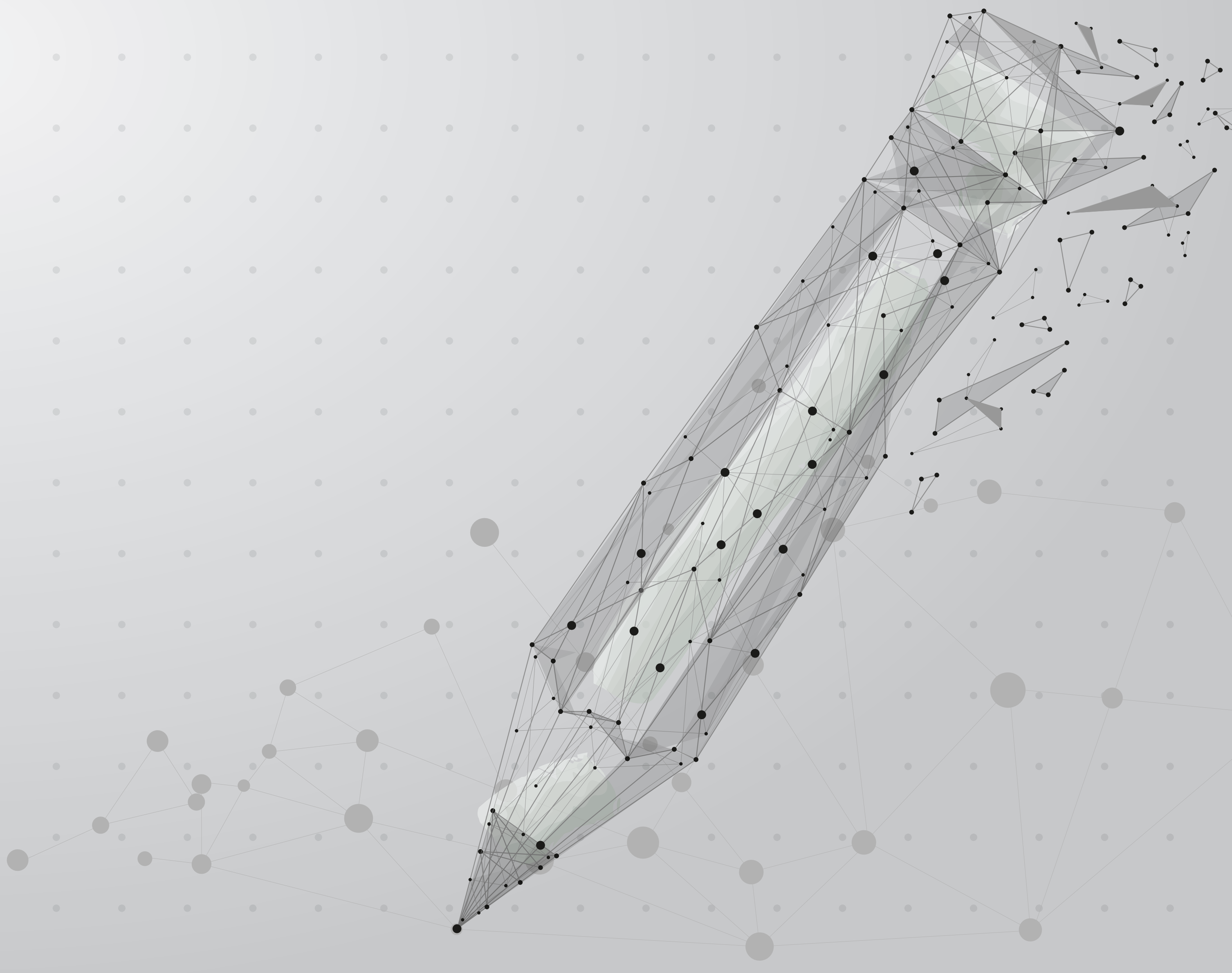
7

Countries make up the footprint from which the Firm's Board of Directors hail

Despite the impact of COVID-19, our people have stood up to the challenge and proven the true resilience of the organization.

A NOTE FROM OUR CEO

Our vision is guided by our unwavering commitment to the six guiding principles – the “Six Ps” that drive our success



A Note from our CEO

Although the Firm continued to make accomplishments under each pillar, what set us apart this year was one thing: perseverance.

Each year I use this space to reflect on the year that has passed, its challenges and achievements as well as the headwinds and the tailwinds that shaped us as an organization. 2020 was a year unlike any other, not just for us as EFG Hermes but also for the world, yet despite its challenges and circumstances, I am proud to say the year was marked with numerous accomplishments. As is customary, this year we continued our progress in terms of our six pillars; the 6Ps, that guide our strategic progress: recruiting People with the most talented minds to join our growing family, our Positioning in the various markets in which we operate, the new Products and services we offer our clients, our proximity to clients in terms of our on-the-ground Presence and expertise, the Profitability we deliver our shareholders in terms of absolute figures and ROEs, and our Public responsibility towards the communities that we operate in continue to be primary areas of focus in every step that we take as a group.

Although the Firm continued to make accomplishments under each pillar, what set us apart this year was one thing: perseverance. Faced with a pandemic that continues to impact the lives of our employees, clients, and their loved ones, and one that claims lives daily, it is only through the incredible, collective effort of each and every one, from healthcare professionals to front-line workers, teachers to parents, employees both at home and at the office, that we have persevered as individuals and — for us here at EFG Hermes — as a Firm during the past 12 months. Our resilience in the face of challenges speaks volumes to the strength of the teams we have put together across our platforms, from the buy-side to our NBFIs as well as our sell-side divisions. Our revenue streams are well diversified, our systems are robust and, most importantly, we are backed by an incomparable and agile group of people working tirelessly in each of our jurisdictions.

We were fortunate to enter this latest crisis with an unleveraged balance sheet, but we were also proactive in managing our liquidity, prudent in implementing IFRS 9 (a year in advance of the required deadline), and sensibly provisioned for our growing NBFI loan book. Amid the chaos, we also started looking for ways to enhance our business model and increase opportunities for cross selling, which prepares us for more growth that should come in a post-COVID world. Our investment banking division successfully concluded 24 transactions worth an aggregate value of USD 1.7 billion, displaying our ability as a leading adviser across our markets executing high-value transactions in sub-optimal market conditions. On the Private Equity front, realized incentive fees of EGP 349 million from the strategic exit from our controlling stake in Vortex Solar significantly contributed to the Group's performance for the period. Our NBFI platform continues to bring in stellar results, with our consumer financing platform valU recording its highest-ever bookings since launch.

Our outstanding support functions began preparing well in advance for potential work-from-home scenarios, allowing our employees to continue to serve clients at the level to which they have become accustomed, even as lockdowns across our multiple jurisdictions became a reality.

Perhaps our crowning achievement this year is being named Sustainability Champion by Egypt's Financial Regulatory Authority (FRA) in its first publication recognizing players in the non-bank financial service industry championing sustainable development. Since 2014, EFG Hermes has made sustainability a fundamental strategy plank when it comes to our vision for the future. Our operations are aligned with the principles of the United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs), in addition to Egypt's journey to inclusive development as outlined in the nation's Vision 2030. In 2020, the Firm began laying the groundwork to implement frameworks to integrate ESG principles in decision making processes, investment strategies, client advisory solutions, and even in research products in the year ahead. With responsible investing becoming a strategic necessity around the globe, the Firm will continue to work toward growing its ESG ecosystem, identifying risks and impacts the business has on its stakeholders, as well as measuring and mitigating those impacts to drive shared value.

The past few years have seen the Firm build a robust business model to help withstand another year of volatility, with the challenges that plagued us in 2020 expected to carry into 2021. As always, we will remain committed to driving value for all our stakeholders, be that in terms of returns, employee engagement, or community development, and we could not be better positioned to come out the other end of the storm as strong, if not stronger than before.

Karim Awad
EFG Hermes Group CEO

1.7 USD BN

Value of Investment Banking Transactions in 2020

MANAGEMENT DISCUSSION AND ANALYSIS

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

Management Discussion and Analysis

Despite the impacts of COVID-19 on global capital markets, EFG Hermes was able to witness growth at its Investment Bank and NBFI platforms in 2020. The Group successfully maintained its leading positions in the brokerage space across its footprint and was also able to execute successful exits on the private equity front throughout the year. EFG Hermes' NBFI platform maintained its double-digit growth trajectory in 2020, a testament to the value it provides to stakeholders through its comprehensive and innovative offering.

EFG Hermes' Investment Bank platform recorded a revenue increase of 12% Y-o-Y on the back of a solid performance from the Group's buy-side and Capital Markets and Treasury revenues. The Group's successful exit from Vortex Solar, as well as higher incentive fees booked by FIM, supported the Investment Bank's top line for the year. On the sell-side front, despite recording a decline in revenues due to the impact of the pandemic on capital markets, EFG Hermes' Brokerage arm successfully led in Egypt, Dubai, Kuwait, and Kenya in terms of market share. The Investment Banking division successfully concluded 24 ECM, M&A, and DCM transactions worth an aggregate of USD 1.7 billion — the highest number of transactions the division has recorded in a single year.

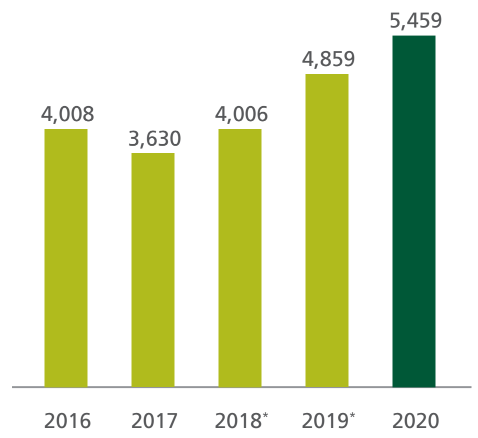
The Group's NBFI platform recorded a top line increase of 13% Y-o-Y and contributed 26% to EFG Hermes' revenues in FY20. The NBFI platform's growth came on the back of a stellar performance by consumer financing business valU, which recorded a more than four-fold increase in revenues in FY20. Additionally, valU acquired a consumer financing license from the FRA in the tail-end of the year, marking the complete regulation of all the Group's NBFI operations. Microfinancing business Tanmeyah continued to contribute the lion's share of revenues for the NBFI platform in FY20. At the Group's factoring and leasing operations, 2020 saw the merger of these two divisions under EFG Hermes Corp-Solutions with a goal to capitalize on cross-selling opportunities and grow their contributions to the top line. Both leasing and factoring performed exceptionally well over the past year and recorded improved results on the back of strong bookings at the leasing business and a significant expansion in the factoring portfolio.

EFG Hermes recorded an increase of 12% Y-o-Y in operating revenues to EGP 5.5 billion in FY20. Top line growth for the year was driven by improved performance at the Group's Investment Bank platform, which was primarily supported by solid results at the Group's buy-side operations and Capital Markets and Treasury revenues in FY20. Additionally, EFG Hermes' top line results for the period were supported by the continued growth of the NBFI platform, which recorded double-digit growth across the majority of its divisions. Despite an unfavorable operating environment due to the impacts of the pandemic, EFG Hermes' fees and commissions recorded a small uptick in growth at 2% Y-o-Y to EGP 3.5 billion, contributing 64% of the Group's revenues in FY20. Moreover, the Group's Capital Markets and Treasury Operations reaped the rewards of recovering regional capital markets and the subsequent revaluation of seed capital and investments and delivered a top line expansion of 36% Y-o-Y to EGP 1.9 billion in FY20.

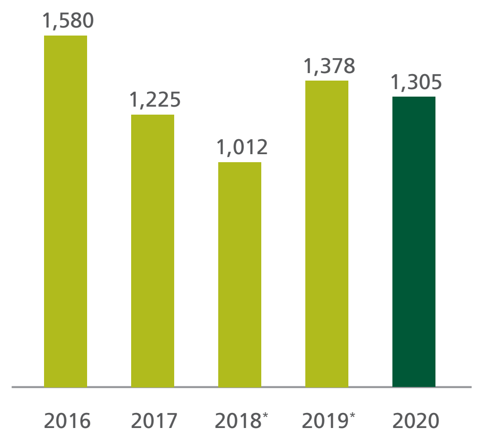
Group operating expenses recorded an increase of 17% Y-o-Y to EGP 3.6 billion on the back of an increase in employee expenses as EFG Hermes continued to expand its team, as well as an increase in provisions and impairment charges over the course of the year. The Group's ratio of employee expenses to operating revenues remained below management's threshold of 50% and stood at 42% in FY20.

EFG Hermes recorded an increase of 4% Y-o-Y in net operating profit to reach EGP 1.9 billion, yielding a margin of 34% in FY20. Net profit after tax and minority interest came in at EGP 1.3 billion, representing a decline of 5% Y-o-Y on the back of higher tax charges over the course of the year, which included deferred taxes for unrealized gains on investments as well as the reversal of FY19 deferred tax gains at the holding level in FY20.

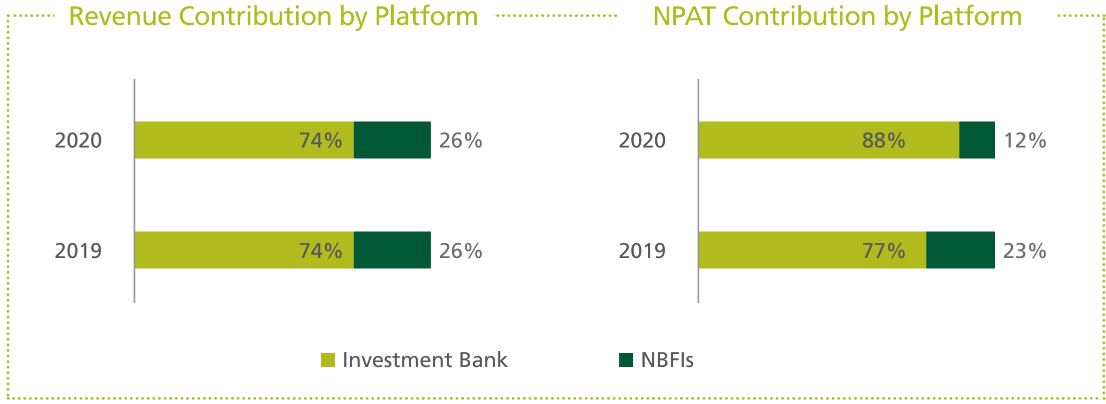
Group Revenues (EGP mn)



Group Net Profit (EGP mn)



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



Group Financial Highlights

In EGP mn	FY20	FY19	Change
Group Operating Revenue	**5,459**	**4,859**	**12%**
Investment Bank	4,062	3,620	12%
NBFIs	1,396	1,240	13%
Group Operating Expenses	**3,604**	**3,080**	**17%**
Group Net Operating Profit	**1,855**	**1,779**	**4%**
Group Net Operating Profit Margin	34%	37%	-
Group Net Profit after Tax & Minority Interest	**1,305**	**1,378**	**-5%**
Investment Bank	1,150	1,061	8%
NBFIs	155	317	-51%

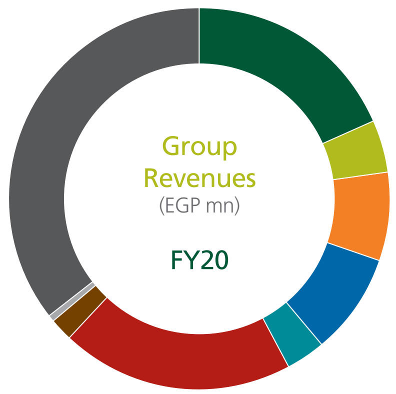
The Investment Bank

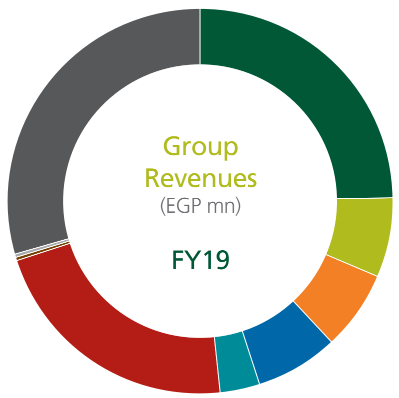
Securities Brokerage

EFG Hermes Securities Brokerage completed USD 55.1 billion in executions, representing a minor decline of 1% Y-o-Y on the back of lower capital markets activity in Saudi Arabia, Qatar, Egypt, and the Group's Structured Products due to the pandemic. 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 36.4% in FY20. The Group successfully retained 49.0% of the 19.8% of foreign participation in the market during the year and 11.1% of the retail business in Egypt. In parallel, EFG Hermes ranked first on the DFM and second on the ADX, hitting market shares of 32.5% and 27.6%, respectively in FY20. In Saudi Arabia, the Group delivered a fourth-place finish among pure brokers (non-commercial banks) at a 2.2% market share in FY20. Moreover, the Firm maintained its position as the largest broker operating on the Kuwait Exchange, closing out the year with a market share of 34.1% in FY20. In Oman, the Group improved its ranking, coming in at third place up from fourth in the previous year, with a market share of 24.5% in FY20. EFG Hermes ranked thirteenth in Jordan with a market share of 6.0% in FY20. in addition to a 3.8% market share in Pakistan. The Group successfully ranked first in Kenya, recording a market share of 51.6% to come up from second place in the previous year, and ranked second in Nigeria with a market share of 19.8% in FY20.

Securities Brokerage recorded revenues of EGP 1.0 billion, representing a decline of 17% Y-o-Y in FY20 on the back of lower revenues booked across multiple markets as well as the Group's Structured Products due to the impacts of the pandemic on capital markets.

Egyptian equities continued to represent the highest contribution to the Brokerage commission pool, representing 25.6% of the total, followed by Kuwait at 19.8%, and Frontier Markets, including Nigeria, Kenya, Pakistan, and other Frontier executions, which came in third with a 14.8% contribution in FY20.





	FY20	FY19
Securities Brokerage	1,007	1,208
Investment Banking	237	328
Asset Management	413	321
Private Equity	468	341
Leasing	184	157
Tanmeyah	1,077	1,048
valU	111	25
Factoring	25	9
Capital Markets & Treasury Operations	1,938	1,422

Investment Banking

EFG Hermes Investment Banking successfully executed 24 ECM, M&A, and DCM worth an aggregate value of USD 1.7 billion in FY20, marking the division's largest number of transactions in a single year.

On the ECM front, EFG Hermes Investment Banking acted as joint book runner on the USD 700 million IPO of Saudi-based healthcare company Dr. Sulaiman Al Habib Group on the Tadawul exchange. The team also acted as sole bookrunner on the USD 50 million accelerated equity offering of a 7% stake on the EGX for Fawry for Banking and Payment Technology. Despite the challenging environment, the transaction witnessed positive aftermarket performance and unlocked increased value for shareholders' residual stake. Additionally, the team acted as buy-side advisor to Abu Dhabi Developmental Holding Company's (ADQ) Alpha Oryx on the purchase of a 4.99% stake in courier giant Aramex worth USD 77.4 million, through an accelerated equity offering.

In the M&A space, the team acted as sell-side advisor to Food Company (Americana), the largest integrated food company in the Middle East, on the sale of its stake in the Egyptian Starch and Glucose Company (ESGC), through a mandatory tender offer (MTO) on the EGX for a total value of USD 27 million. Moreover, the team successfully advised Pakistan's United Bank Limited (UBL) on the sale of the assets and liabilities of its Tanzanian subsidiary, UBL Tanzania (UBLT) to Exim Bank Tanzania Limited. The division also acted as the sell-side advisor to Japan-based Tokio Marine Group on the sale of a 75% stake of its Egyptian life insurance subsidiary Tokio Marine Egypt Family Takaful to EFG Hermes Finance and GB Capital. The acquisition aims to expand the scope of EFG Hermes' and GB Auto's NBFI offerings through the introduction of innovative insurance products that will unlock additional value for both companies going forward. Building on its longstanding relationship with Heidelberg Cement, the team successfully advised on its restructuring plans, which included an MTO and the delisting of both Suez Cement and Tourah Portland Cement Company for USD 12.3 million and USD 6.0 million, respectively in FY20. The division also successfully advised EFG Hermes Private Equity on the sale of a 100% stake in leading water desalination group, Ridgewood Group, for a total value of USD 27.0 million in FY20.

In the debt-raising space, EFG Hermes successfully concluded a USD 127 million sukuk issuance for the Arab Company for Urban Development, the real estate development arm of Talaat Mostafa Group (TMG), acting as sole financial advisor, sole lead arranger, sole bookrunner, and underwriter. The issuance marked Egypt's first ever corporate sukuk issuance, as well as the largest EGP-denominated private sector corporate debt issuance in the Egyptian capital market. The team also successfully issued a second securitization bond for Premium International for Credit Services worth USD 11 million, which comes as part of the company's two-year program to issue EGP 2 billion (USD 125 million) in securitized bonds. In the third quarter of the year, the division successfully completed the third issuance of Premium International for Credit Services securitization program, amounting to USD 10.1 million. Additionally, the division issued the first tranche of Tanmeyah's EGP 3 billion securitization program, amounting to USD 34.4 million, which marks the largest securitization transaction amongst microfinance companies in Egypt. The team also arranged an international debt facility for private equity firm Actis for a value of USD 14.5 million. In the final quarter of the year, EFG Hermes' Investment Banking Division completed eight debt transactions. The division successfully concluded a seven-year USD 265 million debt arrangement for Orascom Development Egypt (ODE), to refinance outstanding debts and fund growth plans over a two-year period. The team also advised on the USD 38.1 million sukuk issuance by Cairo for Investment and Real Estate Development (CIRA), one of the largest private educational players in Egypt, marking the first sukuk issuance in the Egyptian education sector and the division's second sukuk issuance in 2020. Additionally, the division concluded two securitization issuances for Talaat Mostafa Group (TMG) worth an aggregate value of USD 83.5 million. Moreover, the division capitalized on encouraging regulatory developments following the publication by the Financial Regulatory Authority (FRA) of Decision No. 172-2018 regarding the rules and procedures for the issuance of short-term debt instruments and successfully advised on a series of debt arrangements. The team advised ADES Investments for a USD 13.0 million debt facility, a USD 23.2 million facility for New City Housing and Developments (NCHD), and completed the advisory for USD 95.5 million worth of debt financing for Marakez.

The Group's Investment Banking division recorded revenues of EGP 237 million, representing a decline of 28% Y-o-Y in FY20.

Asset Management

EFG Hermes Egypt Asset Management recorded a 17.2% increase in AUMs to reach EGP 19.1 billion as of year-end 2020 on the back of strong inflows from money market funds and equity portfolios.

In parallel, EFG Hermes' regional asset management arm Frontier Investment Management "FIM" saw a strong 40% increase in AUMs and surpassed the two billion mark to reach USD 2.1 billion in FY20. FIM's strong performance for the year added 10.9% to total AUMs in FY20.

The Group's Asset Management division recorded a solid 28% Y-o-Y revenue increase to EGP 413 million in FY20.

Private Equity

EFG Hermes Private Equity division completed the sale of its managing stake in Vortex Solar, the sole owner of a 365 MW solar PV farm in the UK, at an enterprise value of c. GBP 500 million in FY20. The strategic exit saw EFG Hermes Holding (which has a 5% indirect share in Vortex Solar) receive GBP 11 million in cash sales proceeds compared to an initial investment outlay of GBP 7.5 million, which resulted in a capital gain of GBP 1.6 million on the holding level. Additionally, the Private Equity division recorded a carry of GBP 16.7 million from the exit.

The division's education platform, the Egypt Education Fund, which is jointly owned with Dubai-based GEMS Education, holds a portfolio of three investments, including a portfolio of four operational schools located in East Cairo currently serving an excess of 6,000 students. Additionally, the Fund owns a school in Al Rehab that is currently under construction and is anticipated to begin operations in 2022. The division also has a majority stake in a leading transportation provider Option Travel.

On the healthcare front, the division acquired an 80% stake in United Pharma (UP) through EFG Hermes' healthcare investment management arm, Rx Health Management, at the tail-end of 2019. In 2020, United Pharma witnessed a successful turnaround under the stewardship of the Rx Health Management team and achieved the targets it had set out for UP in 2020. United Pharma successfully aligned with the Ministry of Health's (MOH) Good Manufacturing Practice (GMP) guidelines and captured a market share of 10% despite the turbulent market conditions in FY20. Additionally, UP has upsized its facilities and overall capacities to support the company's growth trajectory going forward.

In parallel to the division's progress at United Pharma, the Rx Healthcare platform has begun eyeing a number of highly promising opportunities across the generic products and injectables segments with an aim to further expand the healthcare platform's investments in the pharmaceutical space.

The Private Equity division recorded a revenue increase of 37% Y-o-Y to EGP 468 million in FY20. The division's growth came on the back of its strategic exit from Vortex Solar in FY20.

Research

EFG Hermes Research continued to expand its coverage in 2020, and successfully added another 20 stocks across its coverage universe over the course of the year. The expansion included the initiation of coverage on the world's largest company, Aramco, as well as widening the team's coverage of banks in Vietnam. Additionally, the team started the initiation of coverage on several stocks in fast-growing sectors, including healthcare and electronic payments. Active coverage increased from 287 stocks in 2019 to 299 by year-end 2020. EFG Hermes initiated coverage of new equities in Nigeria (2), Vietnam (7), Pakistan (1), Saudi Arabia (1), and Kuwait (1). This expansion leaves EFG Hermes Research with enhanced in-depth coverage of a variety of dynamic markets and growth sectors. As of year-end 2020, the department's coverage universe encompassed Egypt (45), UAE (24), Kuwait (16), Qatar (11), Saudi Arabia (66), Oman (14), Pakistan (31), Vietnam (17), Kenya (10), Nigeria (14), Bangladesh (11), Jordan (6), Morocco (6), Tanzania (6), United Kingdom (5), Ghana (4), Uganda (3), Sri Lanka (4), Georgia (2), Mauritius (2), Rwanda (1), and the Netherlands (1). Despite the impacts of the pandemic and with it the flurry of social distancing measures seen across the globe, the team was able to perservere and adapt to the situation. The team managed to host three online conferences as well as a number of virtual roadshows to continue delivering the exceptional services that the division's clients have come to expect of them. The Research team reaped the rewards of its efforts and ranked in first place for Frontier markets and second in MENA in the 2020 Institutional Investor Poll for MENA and Frontier Research.

EFG Hermes Leasing

EFG Hermes' leasing line of business significantly grew its market share to 9%, up from 4.5% in FY19, leaving the Group among the top five leasing companies in Egypt in FY20. The division's aggressive cross-selling strategy saw the team execute larger ticket sizes compared to the previous year. The team's efforts drove a 38% Y-o-Y increase in the division's total outstanding portfolio to EGP 4.7 billion in FY20.

1.4 EGP BN

NBFI Platform Revenues in 2020

Leasing revenues increased by 17% Y-o-Y to reach EGP 184 million in FY20.

Factoring

EFG Hermes' factoring portfolio more than doubled in FY20, driven by division capitalizing on the cross-selling opportunities through its merger with the Group's leasing operations under EFG Hermes Corp-Solutions in 2020. The Group's factoring portfolio grew to EGP 819 million in FY20, recording a strong increase from EGP 369 million in the previous year. The division recorded a revenue increase of 178% Y-o-Y to EGP 25 million in FY20.

Tanmeyah

EFG Hermes' microfinance subsidiary Tanmeyah saw a 6% Y-o-Y decline in its outstanding portfolio to EGP 3.0 billion. The contraction came on the back of an externally challenging environment due to the pandemic, which saw lower traffic at Tanmeyah's branches. The number of active borrowers declined by 7% Y-o-Y to 335,000 and the number of loans declined by 11% Y-o-Y to 312,000 in FY20.

However, despite the impact of the pandemic, Tanmeyah was able to continue growing its branch network and inaugurate five new branches and closed out the year with a total of 285 branches. Additionally, Tanmeyah officially piloted its new e-payment channel via Damen across 26 of its branches towards the tail-end of the year and has witnessed positive results in its early-stage trials. Tanmeyah also partnered with a local micro insurance provider and sold over 103,000 issuance certificates in FY20 and is looking to expand on this offering going forward.

Tanmeyah recorded a 3% Y-o-Y increase in revenues to EGP 1.1 billion in FY20.

valU

valU is a state-of-the art fintech solution offering Egyptian consumers payment-on-installment-programs. The Group's consumer financing service witnessed an exceptional performance despite the harsh market conditions over the course of the year. Early on in the year, valU successfully partnered with Souq.com, an Amazon subsidiary and the leading e-commerce platform in the Middle East, to strengthen valU's online merchant network and drive the growth of online sales. Additionally, valU added Carrefour, the largest mega store in Egypt, to its network of partners. With Carrefour now in valU's network, the Group's consumer financing platform has successfully partnered with Egypt's four largest megastores, including Hyper One, Spinney's, Carrefour, and El Morshedy.

In 2020, valU introduced an innovative solution called "WAQTY", the first online instant transaction approval product for non-valU customers who hold valid credit cards issued from Egyptian banks. The platform supported the growth of valU's transactional base by providing clients with an automated approval process. Additionally, valU collaborated with Raseedi, the first airtime optimization solution in Egypt, to launch an alternative lending initiative based on customers' telecommunication behavior.

valU closed out the year with 91,000 customers, reflecting an increase of 56% Y-o-Y in FY20. The company also reaped the rewards of its merchant expansion strategy and recorded a strong increase to 898 merchants in FY20, up from 485 in the previous year. Additionally, over 196,000 transactions were completed using the valU platform in FY20, representing an increase of 255% Y-o-Y in FY20. valU's total outstanding portfolio grew by a stellar 130% Y-o-Y to reach EGP 832 million in FY20.

The Group's consumer financing platform recorded revenues of EGP 111 million in FY20, up from EGP 25 million in the previous year. It is worthy to note that valU successfully acquired its consumer finance license from the FRA in 2020, signaling the complete regulation of EFG Hermes' NBFIs operations.

> *EFG Hermes' NBFI platform maintained its double-digit growth trajectory in 2020, a testament to the value it provides to stakeholders through its comprehensive and innovative offering.*

SELL-SIDE OVERVIEW

Our sell-side business consistently works to identify, create, and deliver investment opportunities for clients around the globe

Sell-Side Overview

EFG Hermes' sell-side divisions surpassed expectations in 2020, coming out on top once again to post another year of solid operational and financial results

To say 2020 was a challenging year would be an understatement. The COVID-19 pandemic roiled markets in ways no one could have expected, with lockdowns across the world hampering economic activity, investor sentiment dwindling, and markets experiencing sizeable volatility as a result. The pandemic uncovered numerous deficiencies in the financial system we were operating in, with markets that were even teetering on vulnerability before the pandemic suffering major setbacks. Having said that, EFG Hermes' sell-side divisions surpassed expectations in 2020, coming out on top once again to post another year of solid operational and financial results all while deepening and expanding its product and service roster.

Our Securities Brokerage division performed well during the year, maintaining top rankings across our footprint as market activity began to pick up toward the end of the year on the back of a resumption in economic activity spurred by vaccine optimism. The division ranked first on the Egyptian Stock Exchange (EGX), both the Dubai Financial Market (DFM) and NASDAQ Dubai, and the Kuwaiti Stock Exchange (KSE). It placed second in Abu Dhabi and secured a third-place spot in Oman. While we continued to hold on strong to our leading rankings in MENA markets, it was our frontier division that performed exceptionally well in 2020, with the division reaping the rewards of the work they've put in to enter Sub-Saharan Africa and South and Southeast Asian markets. The division ranked first on the Kenyan exchange for the first time and placed second by value traded in Nigeria based on a calculated strategy to expand both its retail and high-net-worth investor base.

The Investment Banking division outperformed all expectations during the year, and even managed to close an IPO for Dr. Sulaiman Al Habib Group on Tadwaul — a major achievement considering global market conditions. While the division had lined up several ECM and M&A transactions across the FEM space, most ECM activity was dampened during the year due to the pandemic. As a result, the division ramped up its capabilities in the DCM space, an asset class that the division had already built the foundations for in years previous to hedge against turbulence in equity markets. We booked an incredible 24 transactions for the year, 14 of which were DCM transactions at a value of USD 757.6 million.

EFG Hermes' Research division continued to lead the provision of in-depth, real-time market insights in the region, especially as global market conditions continually shifted during the year. The division was named leading Frontier Research House and second MENA Research House by Institutional Investors' 2020 poll. During the year, it expanded its coverage to 20 new equities from key MENA markets and fast-growing FEMs; continued to diversify its product offerings; and successfully hosted two virtual investor conferences with global institutional investors that collectively manage trillions of dollars in assets.

Prospects for 2021 leave a lot of room for optimism, with the COVID-19 vaccine acting as the first step towards restoring normalcy across markets. We're positive about a pickup across our footprint, with investors already showing signs that they're looking to allocate bigger portions of their portfolios to FEM markets. A weaker dollar and higher equity valuations in other parts of the world have only served to accelerate the pickup we were seeing at the end of 2020. FDI inflows are also expected to rise, increasing local currency values and subsequently lowering interest rates, which will further accelerate business activity.

In terms of operations, our priorities in the new year will remain largely unchanged. On the geographic expansion front, we will continue to look for new markets to penetrate as we build our on-the-ground presence across geographies characterized by solid growth fundamentals and strong investor interest. We're looking to deepen our foothold in key frontier markets by replicating the success we've seen in our home market of Egypt and use this strength as a springboard into other markets. On the Investment Banking front, we're also keen to continue to expand our product offering, capitalizing on the headway we've made in the Egyptian debt space in particular, especially with our securitization and sukuk offerings, as we continue to diversify our revenue streams. We have lined up a solid ECM and M&A transaction pipeline for the year ahead, particularly in Saudi Arabia where we anticipate a significant increase in activity. Coupled with the incredible strength of our Research division, which will continue to expand in scope and breadth to offer clients the in-depth coverage they have come to expect from us, we are confident that we have the tools in place to capitalize on the expected upswing in FEMs. All in all, it is shaping up to be an exciting year for each of our sell-side teams, and I am confident that 2021 will be yet another record-breaking year for all our divisions.

Mohamed Ebeid
Co-CEO for the Investment Bank,
EFG Hermes

23%

Of group revenues came from sell-side operations

EFG HERMES FRONTIER

Our Frontier division continues to grow in compelling FEMs by solidifying its leadership positions throughout its footprint

EFG Hermes Frontier

Overview

In 2020, EFG Hermes' Frontier division capitalized on the solid base it built over the last three years since its launch to effectively and swiftly navigate hurdles posed by the COVID-19 pandemic across its footprint. We continued to hold on to our robust positioning across our FEM market base, relying heavily on the track record the team has worked diligently to build and continues to build even through region-wide lockdowns and having to work remotely during the peak of the crisis.

FEM economies faced multiple challenges over 2020, including oil price collapse in March, nationwide lockdowns that significantly impacted economic activity, and global dwindling in investor sentiment that impacted foreign portfolio flows. COVID-19 vaccine advancement has driven optimism back into FEMs, with the year ending on an optimistic note as domestic liquidity shored back into key markets, which EFG Hermes Frontier was poised to capitalize on, particularly with increased activity by local investors in Nigeria, Kenya, and Pakistan.

Despite these generally volatile market dynamics, EFG Hermes Frontier continues to strengthen its foothold across its key markets in Sub-Saharan Africa and South and Southeast Asia, increasing domestic penetration with local accounts and continuing to deliver outstanding research products thanks primarily to the strength and stability of the team. EFG Hermes retained all members of staff during the year, allowing it to come out of the year as resilient as ever. The success of the team allowed the division to garner several accolades, including being named the Top Frontier Research House on the Institutional Investor 2020 poll, with analysts nabbing the top two and three spots in terms of frontier research analysts.

Sub-Saharan Africa

In Kenya, the division reported a second year of outstanding results. EFG Hermes now stands as the top-ranked brokerage player in the country just three years after entering the market with a 51.6% market share, significantly outpacing all other players in the country. In 2020, the division deployed a calculated strategy to expand its retail and high-net-worth investor base in Kenya by leveraging the group's existing EFG Hermes One application. Aiming to launch in 2021, the extension of the application in the market would be the first of its kind in Kenya. This would not only firmly establish the Firm's positioning in the country but allow it to replicate the trading application's success in other frontier markets.

In Nigeria, EFG Hermes leveraged the significant strides taken in 2019, which were anchored in EFG Hermes' expertise and Primera Africa's on-the-ground presence in the country, to reinforce its standing and traction with domestic and foreign institutional investors alike. To date, the Firm stands as the second leading broker in the country with 19.8% market share. The division has been mandated to conduct numerous investment banking transactions in Nigeria that were delayed due to COVID-19 and is currently exploring avenues to establish a fixed income trading desk in the market.

South and Southeast Asia

In 2019, EFG Hermes partnered with Asia Commercial Bank Securities (ACBS) of Vietnam, giving clients access and intelligence to trade on the Hanoi Stock Exchange (HNX), the Ho Chi Minh City Exchange, and UPCOM. The Firm increased its market share of foreign inflows this year as it worked to expand its reach in one of Asia's most compelling capital markets despite being the only non-local investment bank operating in the country.

Following an extensive restructuring program for its Pakistani operations in 2019 in response to macro and political challenges, 2020 saw the market turn around once COVID-related lockdown restrictions were lifted. Volumes soared toward the end of the year driven by high-net-worth and retail investors, a turnaround the Firm was able to capitalize on and establish its presence further within the domestic equity franchise in Pakistan.

Outlook

The division remains optimistic about its FEM strategy in 2021 as several indicators point to an FEM pickup for the year. Foreign inflows were already being seen toward the end of 2019, a trend we expect to continue into the FEM asset class and which EFG Hermes Frontier is poised to reap the benefits of. We expect to continue to see domestic yields come under pressure, but for domestic institutional as well as high-net-worth and retail investors to continue to be quite active across our footprint.

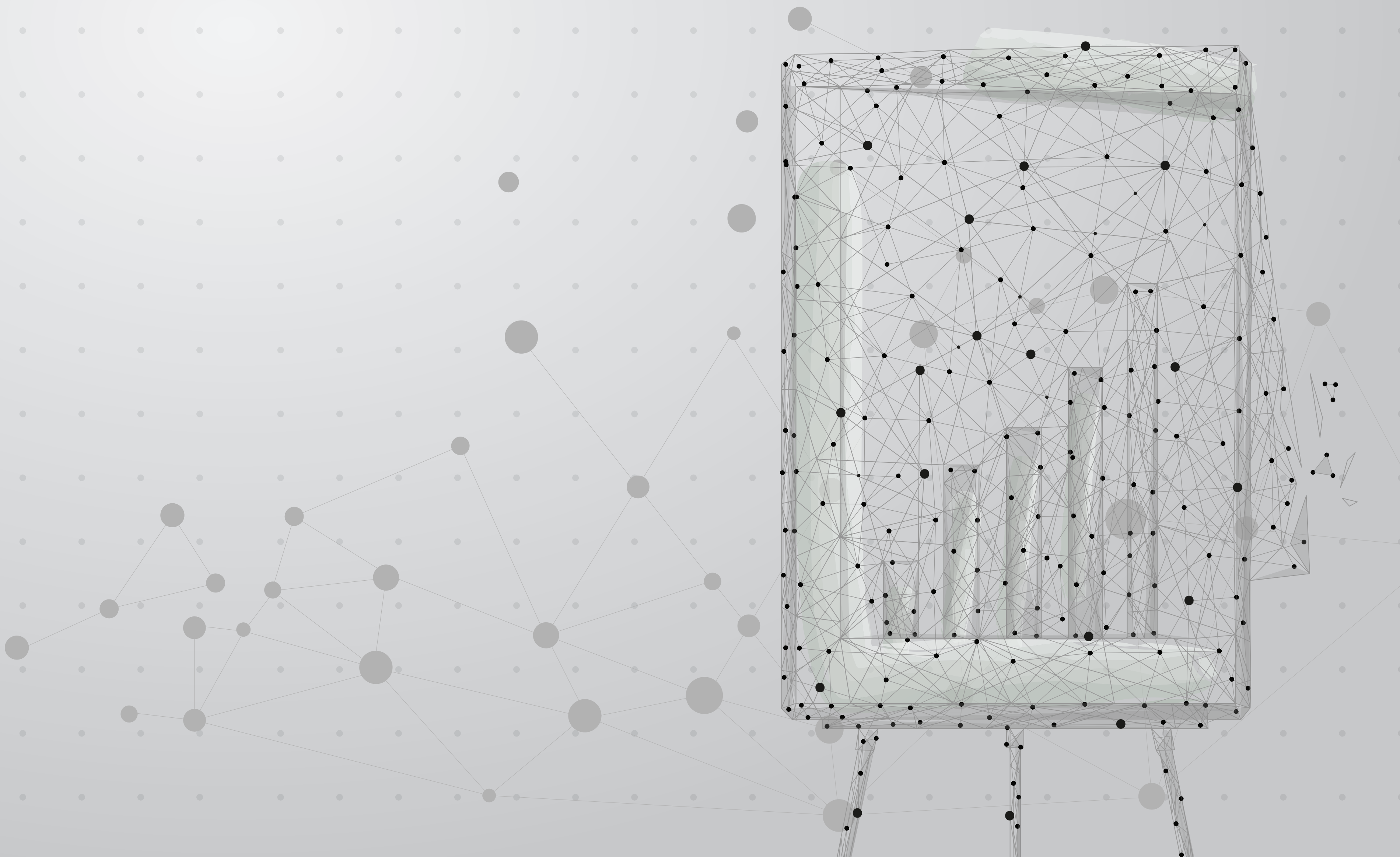
In 2021, we plan to further consolidate the base we have built over the last several years. As a post vaccine world and what that means for markets begins to take form, markets are expected to normalize, and deals in our pipeline that were postponed should come to fruition. We will continue our push in particular into Asian markets, exploring opportunities in Vietnam and Indonesia through strategic partnerships. We also expect to lay the groundwork to launch new products across our FEM universe, including fixed income desks, DCM products, and others that will drive growth for the division and the Firm in the year to come.

51.6%

Market share in Kenya, the top broker in the country

INVESTMENT BANKING

The Investment Banking team works to expand into new products that lead the charge throughout the industry



Investment Banking

By 2020, the division had executed a total of 281 ECM, DCM, and M&A deals across its footprint, worth an aggregate value of USD c.120 billion.

Overview

EFG Hermes Investment Banking division has EFG Hermes Investment Banking division has cemented its regional leadership position in M&A advisory, ECM and DCM executions, becoming the trusted partner for MENA and non-MENA FEM clients and partners. The division is constantly expanding its reach, executing some of the largest and noteworthy deals across its focus markets. EFG Hermes Investment Banking deploys the largest and most diverse group of professionals in the region who bring deep understanding of companies, industries, markets, and economies with proven global knowledge and execution expertise. The team's on-the-ground presence combined with a flexible business model that quickly adapts to changing market dynamics have allowed the Firm to offer advisory on a multitude of value-added services to an ever-growing client base.

By 2020, the division had executed a total of 281 ECM, DCM, and M&A deals across its footprint, worth an aggregate value of c. USD 120 billion. It holds a 5% market share of overall deal executions according to 9M2020 rankings from Refinitiv's ECM MENA League Tables, has placed among the top five on Bloomberg and Thomson Reuters' Middle East ECM League Tables since 2015, and first on the 2019 Refinitiv ECM League Table.

2020 Operational Highlights

2020 was a challenging one for markets the world over due to an overall slump in investor sentiment as a result of the COVID-19 pandemic and lockdown measures that dampened economic activity. While the division had lined up a healthy transaction pipeline across the FEM space for 2020, the unraveling situation put much of them on hold. The crisis necessitated a swift and calculated shift of focus toward the DCM space, an asset class that the division had laid groundwork on in years previous as part of its product diversification strategy. As a result, the division managed to book an outstanding 24 transactions for the year by leveraging improved efficiencies across the full spectrum of its operations, its growing network of strategic relationships, and improved execution capabilities. With 40 of some of the most talented investment banking professionals, the division closed several cross-border deals during the year, many entirely remotely. EFG Hermes' Investment Banking team closed 14 DCM transactions at a value of USD 757.6 million, three ECM transactions worth USD 828.1 billion, and seven M&A deals valued at USD 99.0 million. Its success was recognized by multiple international awarding bodies this year, having been named Best Investment Bank in Egypt at the 2020 Euromoney Awards for Excellence, Best Corporate and Investment Bank in Egypt by Asiamoney, Best Investment Bank in the Middle East and Best Investment Bank in Egypt by Global Finance, as well as Best Investment Bank in Egypt in the EMEA Finance African Banking Awards.

As part of its drive to continue to expand its presence in the Kingdom of Saudi Arabia, EFG Hermes successfully completed advisory on Dr. Sulaiman Al Habib Group's SAR 2.63 billion (USD 700 million) IPO on Tadawul, with the Firm acting as joint bookrunner on the deal. The transaction laid solid foundations for further ECM executions in Saudi Arabia in 1Q21. At home, the Firm concluded advisory on a USD 50 million sale of a c. 7% stake in Fawry, following on from the success of the IPO in 2019. EFG Hermes acted as sole bookrunner on behalf of the selling shareholders on the electronic payment platform operator's accelerated offering.

In the M&A space, EFG Hermes Investment Banking began 2020 with the conclusion of a share purchase agreement between Japan-based Tokio Marine Group, GB Capital, and EFG Hermes Finance, which saw the sale of a 75% stake in Tokio's Egyptian life insurance subsidiary Tokio Marine Egypt Family Takaful, valued at USD 5.4 million (EGP 84.75 million). On the frontier front, EFG Hermes successfully completed advisory to Pakistan's United Bank Limited (UBL) on the sale of the assets and liabilities of its Tanzanian subsidiary, UBL Tanzania (UBLT) to Exim Bank Tanzania Limited. The UBL advisory is EFG Hermes' first cross-border M&A transaction in East Africa since entering the Kenyan market in 2017.

2020 saw the division turn its focus towards developing its DCM capabilities and product offering, particularly in the securitization and sukuk space. In November, the division concluded a seven-year USD 265 million debt arrangement for Orascom Development Egypt (ODE). The Firm acted as financial advisor, lead manager, global coordinator, and bookrunner for the transaction. It also successfully concluded debt arrangements for ADES Investments (USD 13.0 million), NCHD (USD 23.2 million), Marakez (USD 95.5 million), and Actis (USD 14.5 million).

Securitization is a new and burgeoning asset class in Egypt, coming into increased focus over the last two years. EFG Hermes has capitalized on such growth, making numerous strides to offer key securitization issuances for clients in 2020 and closing six securitization transactions at a combined value of USD 532 million. The Firm acted as financial advisor, MLA, and underwriter on the USD 10.9 million second issuance and USD 10.1 million third issuance of Premium International for Credit Services securitization program. The division also acted as financial advisor, MLA, and underwriter on the USD 27.9 million first issuance and USD 55.6 million second issuance of a securitization program for TMG Holding and a USD 34.9 million securitized bond for Tanmeyah Microenterprises.

The division closed two sukuk deals in 2020 at a value of USD 68 million as part of its drive to build its debt franchise in Egypt. In April, the Firm acted as sole financial advisor, sole lead arranger, sole bookrunner, and sole underwriter for an EGP 2 billion sukuk issuance for TMG Holding, Egypt's first ever corporate sukuk issuance, which was 2.5x oversubscribed. Additionally, during the year, the division acted as sole financial advisor, lead arranger, and bookrunner on the USD 38 million sukuk issuance of Cairo for Investment and Real Estate Development, the first of its kind in Egypt's education space.

2020 Deals

Throughout the year, EFG Hermes concluded an outstanding number of landmark deals across MENA and non-MENA frontier emerging markets.

ECM Deals

Sulaiman Al Habib IPO – Joint bookrunner on the USD 700 million initial public offering of the Saudi healthcare operator.

Aramex Accelerated Offering – Advisor on the USD 77.7 million accelerated equity offering of a stake Dubai-based logistics firm Aramex.

Fawry Accelerated Offering – Sole bookrunner on the USD 50.4 million accelerated equity offering of a 7.1% stake in payment platform Fawry.

M&A Deals

Tokio Marine Family Takaful Egypt Stake Sale – Sell-side advisor on the USD 5.4 million sale of a 75% stake in the Egyptian insurance player.

Americana Stake Sale – Sell-side advisor to the USD 26.6 million sale of a 97.5% stake in the Kuwait-based food and beverage player to the Egyptian Starch and Glucose Company.

Masria Digital Payments Stake Sale – Sell-side advisor on the sale of a 43% stake in Masria Digital Payments to AfricInvest, a leading Pan-African private equity platform.

Exim Bank Tanzania Limited Sale – Advisory on Pakistan's UBL sale of the assets and liabilities of its Tanzanian subsidiary, UBL Tanzania to Exim Bank Tanzania Limited.

Suez Cement MTO – Advisory on the mandatory tender offer and delisting of Suez Cement amounting to USD 12.3 million.

Tourah Cement MTO – Advisory on the mandatory tender offer and delisting of Tourah Cement amounting to USD 6.0 million.

Ridgewood Sale – Advisory on the sale of 100% of Ridgewood worth USD 27 million to a joint venture between Hassan Allam Utilities and Almar Water Solutions.

DCM Deals

ODE Debt Arrangement – Financial advisor, lead manager, global coordinator, and bookrunner for the transaction, worth USD 265.0 million.

ADES Investments Debt Arrangement – Worth USD 13.0 million.

NCHD Debt Arrangement – Worth USD 23.2 million.

Marakez Debt Arrangement – Worth USD 95.5 million.

Actis Debt Arrangement – Worth USD 14.5 million.

EFG Hermes (HSB) Short-term Bond – Worth USD 31.8 million.

Premium Card Securitization Program – Financial advisor, MLA, and underwriter on the USD 10.9 million second issuance and USD 10.1 million third issuance of a securitization program for Premium Card.

TMG Holding Securitization Program – Financial advisor, MLA, and underwriter on the USD 27.9 million first issuance and USD 55.6 million second issuance of a securitization program for TMG Holding.

Tanmeyah Securitized Bond – Sole financial advisor, lead manager, and arranger of a USD 34.9 million securitization bond for Tanmeyah.

TMG Holding Sukuk Program – Sole financial advisor, lead arranger, bookrunner, and underwriter on the EGP 2 billion sukuk issuance for TMG Holding.

CIRA Sukuk Program – Sole financial advisor, lead arranger, and bookrunner on the USD 38 million sukuk issuance of Cairo for Investment and Real Estate Development.

2020 Financial Highlights

The division reported total revenues of EGP 237 million in FY20, a 28% decrease compared to EGP 328 million in FY19. EFG Hermes Investment Banking fees and commissions contributed approximately 4% of EFG Hermes' total revenue in FY20.

> *The division managed to book an outstanding 24 transactions for the year by leveraging improved efficiencies across the full spectrum of its operations, its growing network of strategic relationships, and improved execution capabilities.*

Outlook

In recent years, the EFG Hermes Investment Banking division has significantly expanded both its product offering and geographic footprint, entering some of the world's most rapidly growing markets in Sub-Saharan Africa and Southeast Asia. In the coming year, the division plans to continue to build on the successful franchise it has developed over the years, deepening its ECM and M&A capabilities across its footprint and expanding its presence in the DCM space.

As equity markets began to pick up toward the end of the year, the division expects its ECM pipeline to ramp up in 2021, both in the MENA region and FEMs. Having already lined up several deals in the kingdom for the year to come, EFG Hermes Investment Banking is particularly bullish on activity in Saudi Arabia, remaining confident that the strong fundamentals that underpin the market will drive economic growth across the wider region. Egypt is also expected to fare better in terms of IPO activity in the year to come, with improved market dynamics already being seen toward the end of 2020 as foreign trading activity picks up. The division is working on several listings, two of which are lined up for foreign companies on the EGX, which are expected to take place in the first quarter of 2021.

The division will also continue to carve out a greater space in the DCM asset class, particularly securitization and sukuk in its home market of Egypt, and work to expand this expertise across its footprint. At the same time, post-COVID alternative financing is becoming ever important, including bridge facility arrangements and short-term financing deals. With the division's already established merchant banking platform, which has seen it deploy USD 50.9 million in 2020 alone to facilitate financing for clients, it plans to continue to grow its merchant banking capabilities to both serve clients and generate business.

SECURITIES BROKERAGE

The division continues to make gains in key exchanges as we work to expand our foothold in both legacy markets and new geographies

Securities Brokerage

Overview

As the leading brokerage house in the MENA region, EFG Hermes Securities Brokerage offers its growing client base a range of diverse products and services and an unparalleled coverage of more than 75 MENA and frontier emerging markets. Despite the challenges of the COVID-19 pandemic, which impacted all sectors around the world, the division continued to hold an on-the-ground presence in Egypt, Kuwait, the UAE, Saudi Arabia, Oman, Jordan, Pakistan, Kenya, Nigeria, and Bangladesh, with offices in the UK and the US. The division's growing client base ranges from individual retail investors to some of the most prominent institutional investors and high-net-worth-individuals in the region and the world. EFG Hermes Securities Brokerage's all-encompassing portfolio of products and services is supported by the Firm's award-winning Research division, which provides clients with real-time market intelligence and unique insights, and the division's online trading platform, which allows for instant market access from desktops, laptops, and mobile phones.

2020 Operational Highlights

The past year saw unprecedented conditions brought on by the pandemic, but equity markets continued to perform relatively well, allowing EFG Hermes Securities Brokerage to reap the benefits of the already solid positioning it holds in the markets in which it operates, benefiting from increased volumes brought on by the pandemic induced volatility.

EFG Hermes Securities Brokerage reported another year of solid operational results, despite ongoing global challenges brought on by the COVID-19 pandemic. Markets continued to improve as the year progressed, on the back of a relative resumption of economic activities. Higher executions in Kuwait and frontier markets were overshadowed by lower executions in Saudi Arabia, Qatar, Egypt, and our Structured Products Desk, leading executions to be flat on a Y-o-Y basis, declining by 1%. Brokerage revenues fell 17% Y-o-Y to EGP 1 billion, mainly on lower revenues generated by MENA markets, with the exception of Kuwait and Egypt, lower revenues generated by frontier markets, with the exception of Kenya and Pakistan, losses incurred by the Fixed Income Desk in 1Q20, and lower revenues generated by the Structured Products Desk. In terms of pure commissions booked in different markets, Egypt remained the top contributor to Brokerage commissions, at 25.6%. Frontier markets recorded a 14.8% contribution, while UAE markets (Dubai, Abu Dhabi, and Nasdaq Dubai) stood at 13.1%, and Kuwait at 19.8%.

Egypt's equity market picked up towards year-end, following a year of government measures to cushion the economic impact of the COVID-19 pandemic. EFG Hermes maintained its number one ranking on the EGX, with the Firm's market share at 36.40% in 2020. Foreign participation came in at 19.8%, with EFG Hermes successfully capturing 49.0% of foreign institutional flows.

In the UAE, the Dubai market continued to gain ground from the second half of the year, allowing the Firm to retain its number one ranking on the DFM, with a market share of 32.5%. On the ADX, EFG Hermes' market share stood at 27.6%, securing a second-place finish.

In Kuwait, trading activity picked up toward the end of the year, especially following Kuwait's upgrade to EM status by MSCI inclusion in November. This allowed the Firm to hit the highest number of executions ever traded by the Brokerage division since its inception, at USD 2.7 billion. The division continued to rank first in the market, with a market share of 34.1% in 2020 compared to 33.7% in 2019, capturing the lion's share of foreign institutional flows during the year.

Supported by local investors, the Tadawul All Share Index continued its upwards trajectory, following the decline in the first half of the year, allowing the Firm to capitalize on this momentum and capture significant inflows from all tiers of investors. The Firm's market share came in at 2.22%, ranking fourth among brokerage firms not linked to commercial banks.

EFG Hermes Oman's market share climbed to 24.5%, with the Firm coming in third place. Foreign participation stood at 12.3% of market turnover, with EFG Hermes capturing 19.8%.

	FY20		FY19	
	Market Share	Rank	Market Share	Rank
Egypt	36.4%	1st	47.8%	1st
UAE – DFM	32.5%	1st	33.5%	1st
UAE – ADX	27.6%	2nd	39.1%	1st
UAE – NASDAQ Dubai	58.3%	1st	65.9%	1st
Kuwait	34.1%	1st	33.7%	1st
Kenya	51.6%	1st	34.5%	2nd
Nigeria	19.8%	2nd	26.2%	3rd
Oman	24.5%	3rd	18.4%	4th
KSA	2.2%	4th*	6.1%	5th
Jordan	6.0%	13th	8.3%	6th
Pakistan	3.8%	n/a	6.2%	n/a

**Among brokers not linked to commercial banks*

Frontier Emerging Markets

Despite generally challenging market dynamics, EFG Hermes Frontier continued to hold its position in the territories it operates. As such, EFG Hermes Frontier continued to noticeably contribute to the Group's 2020 financial performance.

In Kenya, inflows from retail investors buoyed the market in 2020. As such, the division reported a second year of strong performance, with EFG Hermes now the top-ranked brokerage player in the country with a 51.6% market share, significantly outpacing all other players in the country.

Meanwhile in Nigeria, EFG Hermes leveraged the strides made the year previous to cement its position with both retail and foreign institutional investors. To date, the Firm stands as the second leading broker in the country with a 19.8% market share.

The Pakistani market witnessed a challenging year due to the COVID-19 pandemic but ended the year on a strong note following the resumption of normal business operations after the lifting of the country's lockdown measures, as well as several positive macro and political developments. EFG Hermes Pakistan's market share came in at 3.8%, capitalizing on increased inflows from high-net-worth and retail investors.

In Vietnam, the market continued to recover from its slump during the start of the year. The Firm boosted its market share of foreign inflows in 2020 as a result and continued to expand its reach in the country as one of its key strategy planks for growth in Southeast Asia. As such, the Firm retained 0.05% market share during the year.

EFG Hermes One

Launched in 2017 in partnership with Saxo Bank, EFG Hermes One grants users one-click access to multiple global markets, seamlessly integrates the SaxoTraderGo platform to expand access and capabilities and provides access to EFG Hermes' award-winning research products. The innovative online platform enables local and regional investors to explore new opportunities in global capital markets and trade multiple asset classes from a single account from anywhere in the world.

One of the main highlights of the year was the performance of EFG Hermes' Bahrain subsidiary, OLT Investments International. The Firm's online platform in collaboration with Saxo Bank has managed to increase its client base and assets under platform threefold during 2020 compared to 2019, putting the Firm amongst the significant players in the region in this domain. The Firm was well placed to capture the new business initiated as a result of the increased interest in global markets due to the volatility seen last year. During the year, the success of EFG Hermes One spurred the Firm's interest in replicating the application to suit the Kenyan market, with plans already laid out to that effect set out for 2021.

Structured Products

2020 saw EFG Hermes Securities Brokerage's Structured Product Desk's revenues decline 35% to EGP 59 million. The Structured Product Desk was launched in 2016 as part of the Firm's strategy to grow its capital market business and deliver product diversity to the franchise.

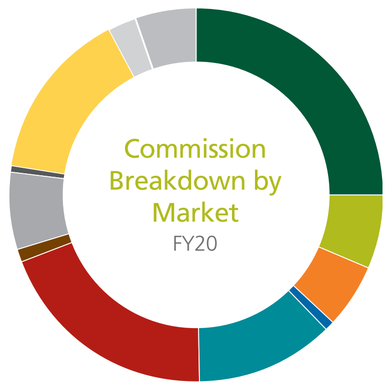
Unique Corporate Access

In light of the unprecedented circumstances imposed by the COVID-19 pandemic, 2020 saw EFG Hermes cement its commitment to connect global investors with opportunities across its FEM footprint despite the difficult circumstances through launching a new conference format. The Firm held two successful investor conferences, virtually for the first time, in place of the flagship One-on-One Conference.

In June, the first Virtual Investor Conference spanned three weeks, and facilitated more than 6,500 meetings, bringing together executives from 72 companies and 14 countries, with 480 institutional investors representing 160 institutions managing assets in excess of USD 15 trillion. The second Virtual Investor Conference in September saw an even greater and more diverse turnout, with 157 companies from 25 countries around the world holding direct meetings with more than 650 institutional investors from 240 global institutions managing assets more than USD 17 trillion.

2020 Financial Highlights

EFG Hermes Securities Brokerage revenues fell 17% y-o-y to EGP 1 billion in 2020, on lower revenues generated by various products and across the Firm's jurisdictions.



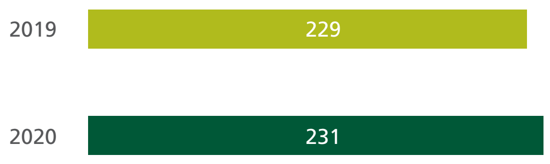
	FY20
Egypt	25.6%
DFM	6.6%
ADX	5.4%
NASDAQ Dubai	1.1%
KSA	12.1%
Kuwait	19.8%
Oman	1.10%
Qatar	6.8%
Jordan	0.53%
Frontier	14.8%
Structured Products	2.7%
Others*	5.2%
Total	**100%**

Brokerage Revenue
(EGP mn)

	FY20	FY19
Egypt	474	523
UAE	114	142
KSA	89	114
KSA	142	116
Kuwait	16	12
Pakistan	49	38
Kenya	36	67
Nigeria	33	55
Frontier	59	98
Structured Products	(30)	16
Others**	25	27
Total Revenue	**1,007**	**1,208**

** Others include: Jordan, Oman, Bahrain, and UK (GDRs)*
*** Others include: Jordan, Oman, and Bahrain*

Average Daily Commissions
(USD '000)



Awards

The team's success has garnered recognition from numerous international ranking institutions and awarding bodies this year, including Best Brokerage Services by MENA FM and Africa Global Funds; Best Broker in Egypt, Kenya, and Nigeria by the EMEA Finance African Banking Awards; Best Broker in the Middle East, UAE, KSA, Kuwait, and Oman by the EMA Finance Middle East Banking Awards; and Broker of the Year in KSA, Oman, Egypt, and Kuwait by Global Investor Group MENA Awards.

Outlook

With FEM markets pegged for market recovery and an uptick in inflows in the year to come, the team will continue to capitalize on the significant achievements made during 2020. It will work to grow its foothold in its primary MENA markets and build on the successes achieved in Sub-Saharan Africa to build out an East and West financial hub through its Kenya and Nigeria outposts. At the same time, it will work to grow its standing in Southeast Asia, building on the tremendous success in Pakistan and Vietnam as well as stellar execution capabilities across the region. All in all, the division will continue to launch new products, hone its service offering, and forge partnerships that will continue to place it as a broker of choice throughout its footprint.

75

MENA and Frontier markets covered

EFG Hermes Securities Brokerage reported another year of solid operational results, despite ongoing global challenges brought on by the COVID-19 pandemic.

RESEARCH

The team leads the charge in terms of quality and breadth of coverage, garnering top spots on some of the world's most prestigious investor polls and rankings

Research

Overview

Having initiated coverage on 20 stocks last year, bringing the total coverage to 299 stocks across 22 markets as of year-end 2020, the 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. This has proved particularly invaluable considering the unprecedented circumstances seen in 2020 and the subsequent impact on global markets. The team's ability to constantly expand its coverage and product offering, while remaining at the forefront of an increasingly competitive industry has earned the team multiple accolades in recent years, with EFG Hermes Research being named the leading Frontier Research House and the second-ranked MENA Research House in Institutional Investor's 2020 poll.

2020 Operational Highlights

Despite the impact of the COVID-19 pandemic on overall market conditions, and in line with the division's coverage expansion and product diversification strategy, 2020 saw EFG Hermes Research continue to build out its research coverage and improve the quality of its products. During the year, the division initiated coverage on 20 new stocks from key MENA and frontier markets. On the product diversification front, the division continued to tailor its offering to meet clients' evolving needs and interests, with increased focus on fintech stocks, such as Fawry.

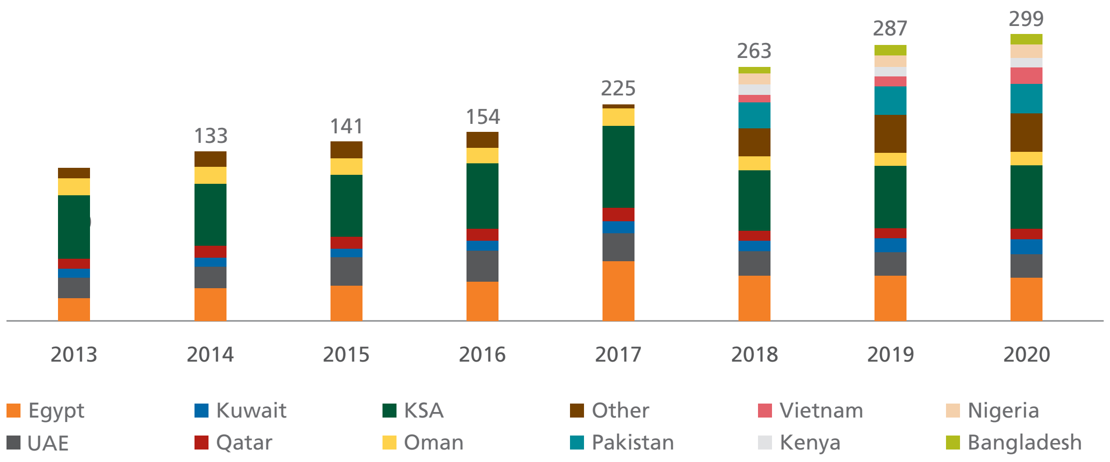
2020 also saw EFG Hermes Research, as a result of the pandemic, host two successful virtual investor conferences for the first time, which replaced the flagship One-on-One Conference. The first Virtual Investor Conference, held in June over a span of three weeks, facilitated more than 6,500 meetings, bringing together executives at 72 companies from 14 countries, with 480 institutional investors representing 160 institutions managing assets in excess of USD 15 trillion. The second Virtual Investor Conference in September saw an even greater and more diverse turnout, with 157 companies from 25 countries around the world holding direct meetings with more than 650 institutional investors from 240 global institutions managing assets more than USD 17 trillion.

The department's unmatched ability to adapt to changing market dynamics and react to the evolving needs of its increasingly diverse client base has earned EFG Hermes several accolades over the years. EFG Hermes Research was, once again, named the top Frontier Research House and ranked second in MENA in the Institutional Investor 2020 Poll. The division continues to lead the way in terms of quality, frequency, and breadth of coverage with five analysts from the division ranking amongst the top 15 MENA analysts in the poll. Analysts from the frontier division ranked second and third in the poll for the year.

Following the introduction of MIFID II, EFG Hermes Research's ability to stand out from its competition, thanks to its deep and comprehensive analysis, has allowed the Firm to thrive, even given the new regulatory framework. After the sell-side decoupled research from brokerage commissions for European clients, the EFG Hermes Research team sells their research on an account-by-account basis to clients across Europe and the UK.

> *EFG Hermes Research was, once again, named the top Frontier Research House and ranked second in MENA in the Institutional Investor 2020 Poll.*

Evolution of Companies Under Active Coverage (Number of Companies at Year-End)



EFG Hermes Research Digital Portal

In today's increasingly digital world, and with the acceleration of the digital transformation brought on by the COVID-19 pandemic, EFG Hermes understands that instant access to high-quality research products has become a necessity for investors, analysts, as well as the Firm's other departments. As such, the department continued to work on enhancing EFG Hermes' digital research portal in 2020, striving to further improve the overall user experience by ensuring a greater degree of personalization and access. The improved platform not only gives users access to one of the most comprehensive research libraries available in the region, encompassing all historical news, reports, and commentaries produced by the Firm's research team, but also allows for reports to be saved and archived for a later time, while also allowing clients to tailor their mailing preferences to receive only the coverage that most interests them.

Outlook

The COVID-19 pandemic led to unprecedented circumstances around the globe, impacting all markets. In 2021, the division expects a significant recovery in earnings as markets recover following vaccine rollouts. At this time of particular uncertainty, clients, investors, and analysts are looking for incisive, accurate, and timely research to help them navigate volatile markets. EFG Hermes Research is ideally positioned to capture this demand. Over the next year, the division will look to broaden the variety of its products, to provide more diversified insights for the Firm's client base and divisions. EFG Hermes Research will start to analyze ESG for its stock coverage, which will be a consideration as to how stocks are valued. The division will continue to expand its frontier coverage, with a particular focus on Asian stocks, with an aim of reaching 360 stocks under coverage in 2021.

BUY-SIDE OVERVIEW

The buy-side division was key to the Firm's success in 2020 as it worked to expand into new and compelling verticals

Buy-Side Overview

Despite dwindling investor appetite for emerging markets and the instability onset by the year, EFG Hermes continued to outperform its regional benchmarks and peer institutions.

EFG Hermes prides itself on being a regional financial services powerhouse able to weather the most unexpected of circumstances. The events of the year, which saw slumps in global economic activity and adverse market conditions across the world, put our resilience as an institution and ability to navigate challenging conditions to the test. Yet, in spite of dwindling investor appetite for emerging markets and the instability onset by the year, EFG Hermes continued to outperform its regional benchmarks and peer institutions, generating positive results while adding value to its stakeholders. The year further saw our divisions capitalize on opportunities in the market, introduce new products, and contribute to total Group revenues.

During 2020, the asset management division's total revenues amounted to EGP 413 million, increasing by 28% Y-o-Y. Additionally, the division's local and regional assets under management (AUMs) both witnessed considerable increase, with Egypt AUMs increasing by 17.2% to EGP 19.1 billion and regional AUMs increasing 40% to USD 2.1 billion. The division has also embarked on creating the framework to launch new investment products in anticipation of renewed interest in the region and demand in the emerging market asset class in the wake of market recovery later in the year.

Our renewable energy platform Vortex Energy witnessed strong results during the year, with the divestment of its solar platform (Vortex III) for a total of c. GBP 500 million following the divestment of Vortex Wind in 2019. The platform has also laid the groundwork in order to launch Vortex IV, which will see it begin to invest in a variety of renewable assets ranging from solar and wind to storages, distribution, and other asset classes across the entire transition theme. This will see us poised to position ourselves at the helm of renewables investments, given the ever-growing interest in sustainable energy investments and responsible investment strategies.

Building on the strides made in the pharmaceuticals sector following the acquisition of United Pharma in 2019, Rx Healthcare Management continued to expand on its investments through the company. During 2020, we were able to enhance our offering, adding over 30 new products to our portfolio while exploring potential opportunities for exports across the region. With the onset of the COVID-19 pandemic, the company additionally experienced increased demand for medical solutions in the face of heavy hospital traffic and will see the company continue to expand on its offering in order to meet that demand.

On the education front, EFG Hermes continued to leverage its partnership with GEMS Education in order to broaden its offering of leading educational solutions across the country. The closures caused by the COVID-19 pandemic resulted in the company adapting its offering in order to continue to benefit its students, becoming the first in Egypt to launch online schooling while supporting other institutions in their transition to e-learning. The company is also currently in the process of establishing a K-12 school in the Rehab district of Greater Cairo, marking the fifth institution in its portfolio. Additionally, the company has paved the way for a new venture through its acquisition of a majority stake in Option Travel, a transportation solutions provider as it seeks to introduce specialized school buses with child safety at the core of its design.

In spite of the challenges posed by the year resulting from market slumps, declined economic activity, and global closures and uncertainty, our division was able to overcome them and capitalize on new market opportunities in an innovative manner. This has allowed EFG Hermes not only to provide its shareholders with gains but also to instigate positive impact that will benefit local communities at large. As mass vaccination rolls out and markets stabilize, we expect to see the recovery initiated at the end of the year continue into 2021. The milestones we have achieved during the year will leave us well poised to capitalize on new opportunities, further our investments offerings and create increased value for our stakeholders, which will cement our position as the leading financial services group in the region, generating investment opportunities that are equally lucrative and sustainable.

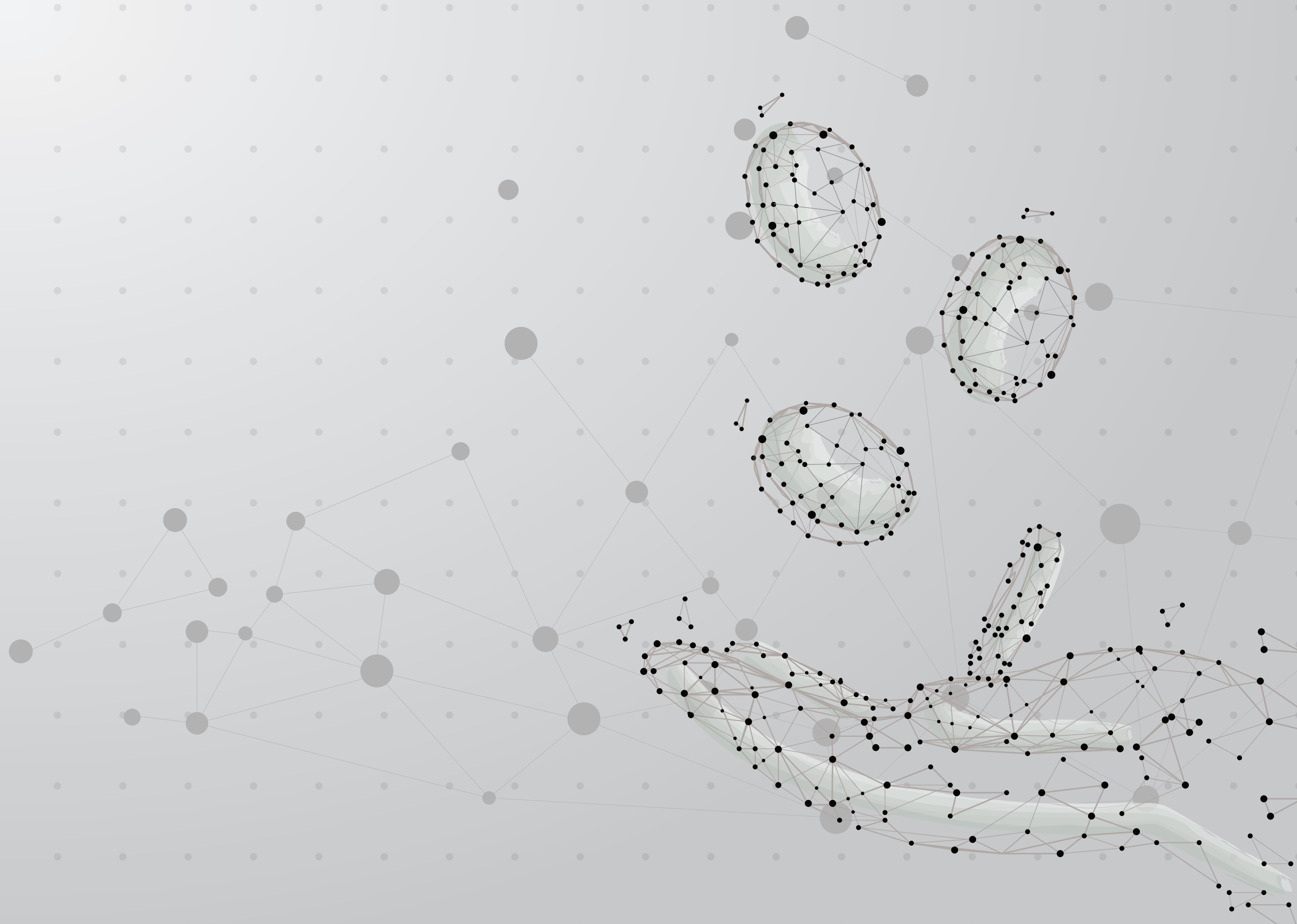
Karim Moussa
Co-Chief Executive Officer, EFG Hermes Investment Bank

2.1 USD BN

Regional AUMs in 2020

ASSET MANAGEMENT

With funds consistently outperforming regional benchmarks, the division is the only regional asset manager with this kind of track record we have managed to amass since inception



Asset Management

Overview

EFG Hermes Asset Management is the only asset manager in the MENA region with an established track record as an investment manager, with the division's funds consistently outperforming regional benchmarks. Throughout its decades-long track record in the industry, the division has offered its diverse client base a wide spectrum of mutual funds and discretionary portfolios with both country-specific and regional mandates. The division's mandates range from equity, money market, fixed income, and indexed to Sharia- and UCTIS-compliant mandates. The team serves a growing roster of clients, with a specific focus on long-term and institutional investors, offering tailored products accounting for individual needs, unique financial objectives, and risk appetites.

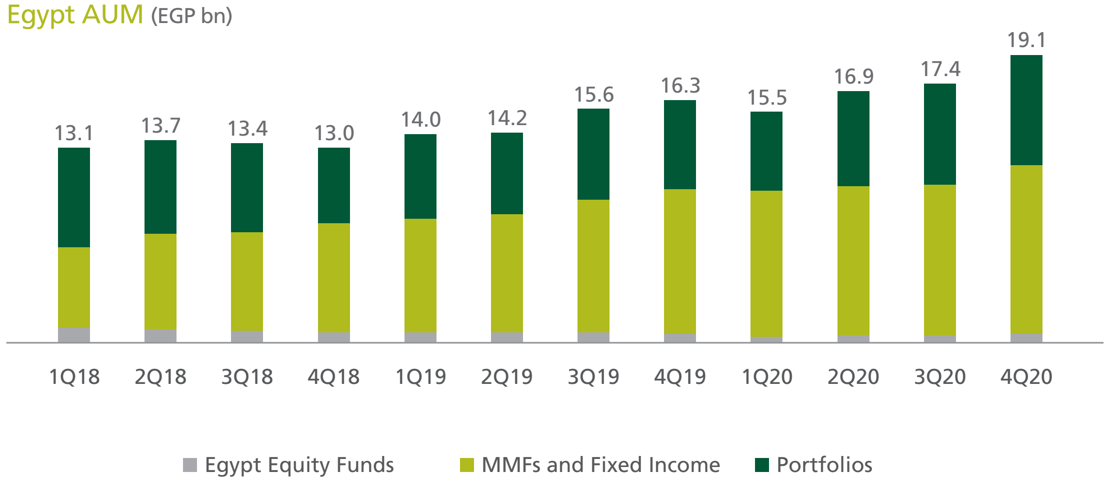
2020 Operational Highlights

2020 saw the MENA region face unprecedented challenges, including lockdowns that impacted economic activity and a general slump in investor appetite for the emerging market asset class. Despite challenging market conditions due to the COVID-19 pandemic and dwindling sentiment, EFG Hermes Asset Management's fund and portfolio performance continued to beat peer averages, allowing the division to maintain its standing as the region's asset management house of choice.

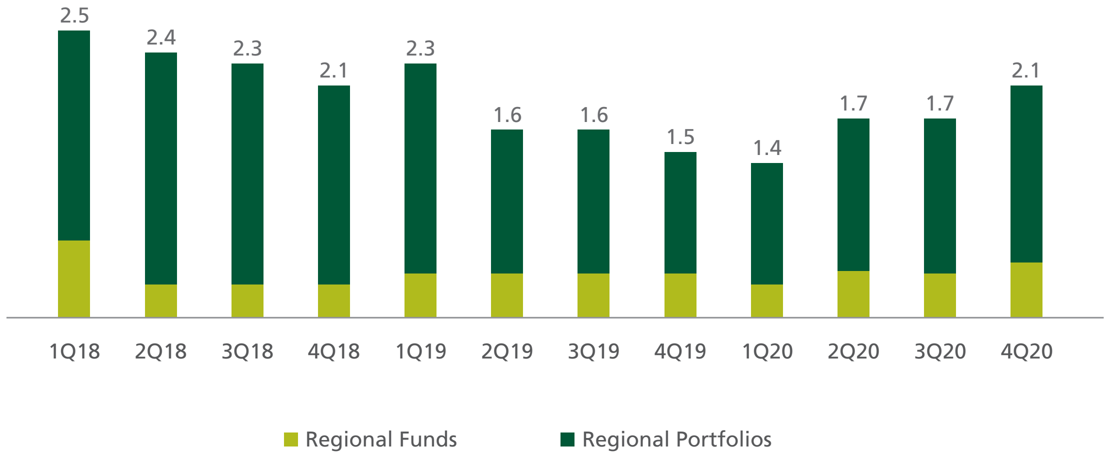
During the year, Egypt's AUM rose 17.2% Y-o-Y to EGP 19.1 billion on the back of MMFs and stronger performance from equity markets as sentiment picked up toward the end of the year. In terms of regional performance, the division saw AUM up 40% in FY20 to USD 2.1 billion, with strong performance across all funds and managed accounts as markets recovered towards the end of the year, recovering from the sell-off seen in March due to COVID-19.

In 2020, the Credit team laid the groundwork to launch new investment products to cover the emerging market asset class, considering the expected pickup in inflows in the region with an eye to satisfying the unique and evolving needs of its clients and solidify its position at the forefront of the competitive asset management space.

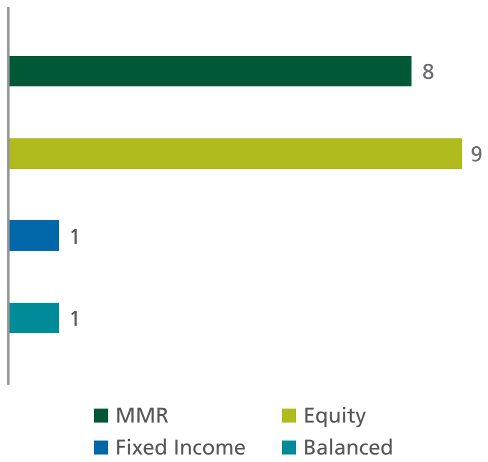
Egypt AUM (EGP bn)



Regional AUM (USD bn)



Local Funds Managed by EFG Hermes Asset Management in Egypt



2020 Financial Highlights

Asset Management revenue rose 28% Y-o-Y in FY20 to EGP 413 million compared to the EGP 321 million reported in FY19 largely due to strong incentive fees booked by the regional asset management, FIM in the final quarter of the year.

Awards

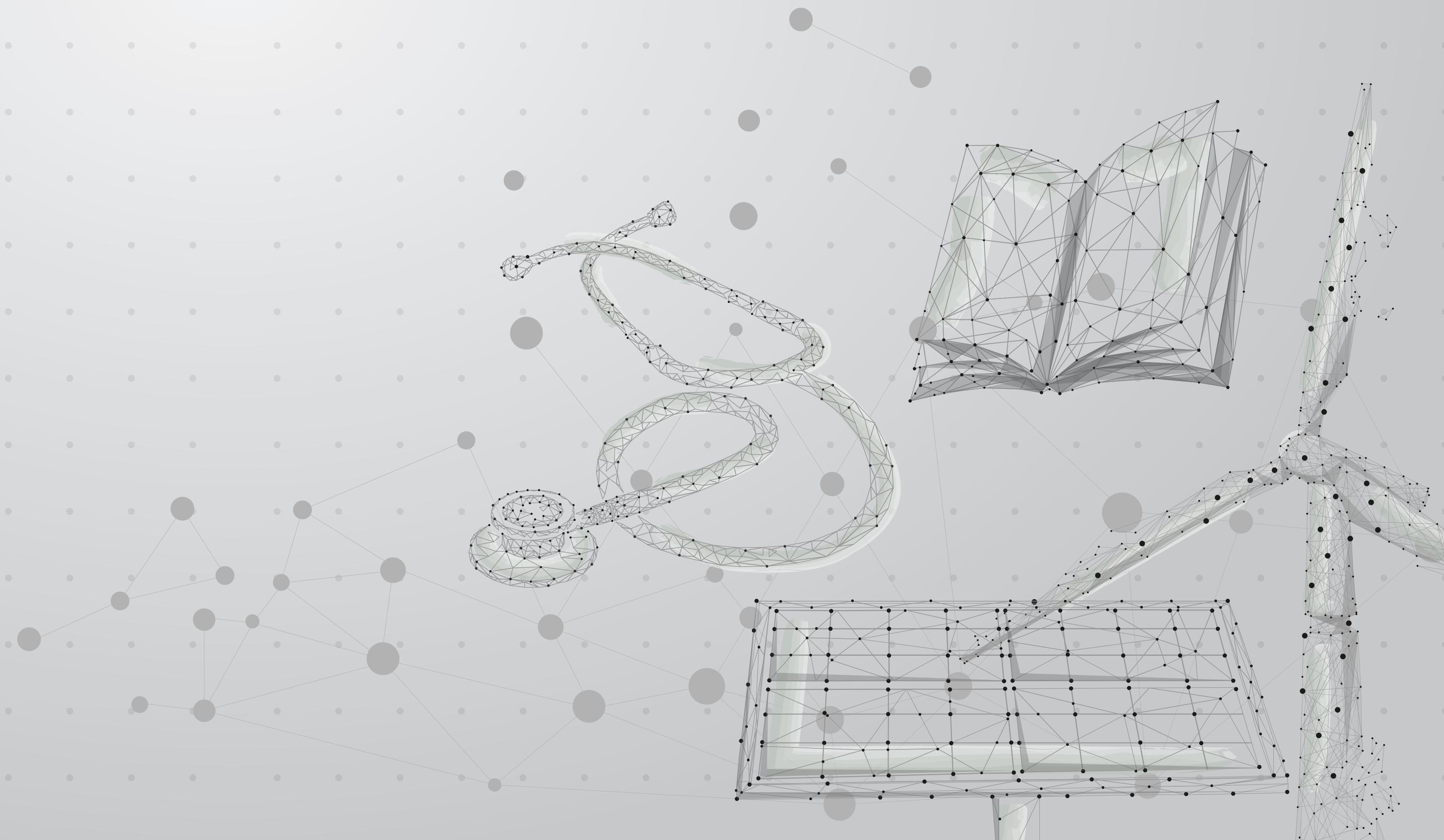
Due to its continued resilience in the face of the current market climate and its comparatively superior performance to regional peers, EFG Hermes Asset Management was named Best Asset Manager in Egypt and Pan-Africa by the EMEA Finance African Banking Awards 2020 for the second year running, as well as the Best Asset Manager in the UAE by the EMEA Finance Middle East Banking Awards.

Outlook

We are optimistic about what the year ahead holds for both emerging and frontier markets, expecting to see solid inflows continue from their pickup toward the end of 2019 as markets began to find their footing once again. The division enters the new year confident that its solid fundamentals and decades of experience navigating macroeconomic and geopolitical headwinds will see it continue to grow and deliver value to its stakeholders regardless of the operating environment. As such, in the new year, the division will press on with product diversification strategy to solidify its position as the region's leading asset management house by continuing to provide clients with a breadth of service offerings catered to their needs.

PRIVATE EQUITY

EFG Hermes Private Equity has managed to achieve an asset configuration that offers exposure to some of the most exciting global market opportunities and sectors



Private Equity

Overview

With a successful track record spanning two decades, EFG Hermes Private Equity is a leading player in the field today. Rather than adopting a generalist approach to its investments, the division embraces a specialized approach focusing on specific themes and verticals, allowing them to create dedicated teams who have gained expert knowledge of their respective fields. EFG Hermes Private Equity believes in impactful, responsible investment strategies and has specifically chosen to focus on education, renewables, and healthcare. The division seeks to continue driving investments in these fields, which have recently gained traction among global investors. Being a pioneer in these verticals, EFG Hermes Private Equity cemented its presence and expertise years prior, thus remaining at the forefront of strategic and high-impact investments across the region.

The division manages its renewables investments through its Vortex Energy platform, which was established in 2014 to invest in renewable energy projects. The platform has witnessed immense success, completing the entire investment lifecycle from origination through to divestment. Vortex Energy has previously divested Vortex I and Vortex II, which held a 49% stake in a 998 MW pan-European portfolio, including 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 United Kingdom.

The EFG Hermes Egypt Education Fund is a USD 150 million investment fund launched in 2018, as part of an education platform in partnership with Dubai-based education provider GEMS Education. The fund targets investments in Egypt's K-12 private education sector, in line with the Firm's aim to make investments that are impactful across areas of key development for Egypt.

Rx Healthcare Management was established to manage diverse investments across the healthcare sector in order to meet the ever-growing demand for healthcare products and services across Egypt as well as the MENA and Africa regions at large. The Firm has acquired a stake in leading medical solutions provider United Pharma, which will enable it to make strides in covering the shortage of IV solutions and injectables' availability in Egypt and other neighboring markets while further propagating its impactful investment strategy across the entirety of the healthcare value chain.

2020 Operational Highlights

Vortex

2020 saw a year of positive returns for Vortex Energy, attesting to the strength of the Firm's focused strategy. The division divested its managing stake in Vortex Solar (Vortex III) in the third quarter of the year, at a total enterprise value of c. GBP 500 million. This comes following divestments of Vortex Wind (Vortex I and Vortex II) in 2019. Throughout the year, Vortex has sought to adopt a more active investment approach, focusing on investing in renewable assets including both solar and wind, batteries, and other products across the entire renewable energy spectrum in preparation for Vortex IV. This comes as a natural progression as interest increases from global investors and as the division develops as a fund manager, focusing from wind and solar assets to a comprehensive approach towards the entirety of the renewable energy sector.

RX Healthcare Management

In 2020, the division further specialized its investments to focus on the pharmaceuticals sector following its acquisition of United Pharma the previous year. The company's product offering includes a diverse range of generic categories specifically catering to underserved therapeutic areas as well as IV products. During the year, the company sourced more than 30 different products to add to its portfolio. In addition, it will seek to expand its business by exporting products to countries across the region. The company continued to perform well throughout the year, with medical solutions witnessing heavy demand particularly in the face of increased hospital traffic. The division is currently exploring further acquisitions to enhance its offering and expand its pharmaceuticals platform.

Egypt Education Fund

Upon the onset of the COVID-19 pandemic, the division was poised for growth due to its track record of innovation in the education space, introducing new solutions and benefiting from new opportunities in the market. The company was the first in Egypt to launch online schooling and was well positioned to assist other institutions in their transition to e-learning in the face of government-imposed lockdowns and restrictions. The year also allowed the company to enhance its educational service offering to consistently offer best-in-class services, supported by its qualified management team and an expanded capital base.

In 2020, the platform additionally set into motion several plans to further diversify its investments and broaden its activities in the sector. Its portfolio currently consists of four schools in East Cairo, serving more than 6,000 students. In addition, it is currently in the process of establishing a K-12 school in the Al Rehab City in New Cairo that will see it leverage its premium educational resources. The company had also acquired a majority stake in Option Travel, a leading transport provider in Egypt. This latest acquisition will enable the company to offer specialized buses that will center on the health and safety of children. This will serve to support its educational platform, replacing the multi-purpose buses currently in use across Egypt.

2020 Financial Highlights

Revenues for the division in 2020 amounted to EGP 468 million, marking a 37% increase from the EGP 341 million recorded in 2019.

Outlook

In the coming year, the EFG Hermes Private Equity division will seek to expand on its existing verticals, further driving impactful investment strategies across Egypt and regional markets. The three sectors have garnered increased attention from global investors, attesting to their relevance to the investment world as well as shifting investment trends towards a more impact-centric approach. The division will continue to seek out additional investments to complement its existing ones, allowing it to adopt a more comprehensive approach to its fund management.

NBFI PLATFORM

We are always ready to push the boundaries and challenge the status quo

NBFI Platform

We are confident that our companies will continue to grow and innovate to generate increasingly valuable services to our clients and stakeholders.

2020 saw no shortage of unprecedented events that had a resounding impact on business operations the world over. Yet despite the challenges, I could not be prouder of the strides our NBFI platform has achieved, delivering outstanding financial and operational results while continuing to generate value for our stakeholders. Through our diversification strategy and robust operations, EFG Hermes Finance has been able to weather the instability caused by the onset of the COVID-19 pandemic, while continuing to expand on its service offering and product portfolio with a full suite of non-banking financial services ranging from microfinance, leasing, and factoring to consumer financing, mortgage, payment solutions, and insurance. Collectively, the Group's NBFI platform has successfully generated growth in excess of EGP 1.4 billion in 2020, an increase of 13% from the EGP 1.2 billion posted in 2019.

Building on the successes it achieved in the previous year, Tanmeyah continued to expand on its branch network, growing to a total of 285 physical branches with 335,000 clients served, down 7% from 2019. Additionally, the company embarked on the first ever securitization program issued by a microfinance provider, with the help of EFG Hermes' Investment Banking team. The first tranche was disbursed in May 2020, amounting to a total of EGP 545 million, and was oversubscribed more than once. This overwhelming success attests to the strength of Tanmeyah's portfolio, risk management capabilities, and the robustness of its operations. The company expects to launch the program's second tranche upon the maturity of the first in the second quarter of the upcoming year.

During the year, EFG Hermes Finance consolidated its leasing and factoring arms into one entity, EFG Hermes Corp-Solutions, to offer its corporate and SME clients a comprehensive range of financing solutions and value-added services. The company's leasing arm saw a 15% increase in its client base, with a number of new industries witnessing increased activity, including digital, education, healthcare, and real estate. Meanwhile, our factoring arm focused on expanding awareness of factoring facilities across the market, successfully leveraging the merger in order to offer more than EGP 819 million in factoring facilities for the year. Corp-Solutions' merger successfully contributed a total of EGP 209 million in revenues to the NBFI platform.

valU, our consumer financing platform continued on the trajectory it had embarked on the previous year to expand its operations and engage an ever-growing base of users. During 2020, the company added a number of strategic new retailers to its roster of partnerships and continued to grow its client base. The year also saw valU venture into new sectors including healthcare, education, and sporting club memberships. At the same time, the company entered into a key partnership with EFG Hermes Corp-Solutions to offer valU merchants bespoke financing services as part of the platform's strategy to uncover key cross selling opportunities throughout the Group. The success of the company throughout the year only serves to underscore valU's drive to continually expand its service offering to add value to its stakeholders and empower them to meet their financial needs. Total GMV more than tripled during the year, and the company was able to turn profitable.

Our latest venture, PayTabs Egypt, is already well on its way to cementing its position as a leading payment solutions provider, offering unique selling points and making a number of strategic partnerships in its first year of operations. The company was able to capitalize on new market opportunities and venture into several new sectors including retail, tourism, hospitality, education, and real estate. Additionally, the company was able to launch a number of initiatives during the year targeting SMEs in line with national financial inclusion efforts. Additionally, a total of 300 new partner merchants were added for the year.

At the same time, we continued to build out our latest additions to the EFG Hermes Finance portfolio, our insurance and mortgage finance offerings. In 2019, we established Bedaya in partnership with GB Capital, to create a mortgage finance venture serving Egypt's large, growing population of homebuyers. Later in the year, we deepened our partnership with GB Capital, entering into a definitive sale and purchase agreement to acquire a 75% stake in life insurance player Tokio Marine Egypt Family Takaful that was concluded in June. The year to come will see us continue to develop these arms as we work to offer clients a fully integrated service offering in the non-bank financial institution space and enhance our cross-selling abilities throughout the Group.

Each of our companies has surpassed our expectations in terms of performance, innovation, and ability to overcome the most unexpected of obstacles, while capturing new opportunities and adapting to the external environment. Their performance and achievements throughout the year serve as the biggest testament to EFG Hermes's adaptability and strength as an institution as well as to the ever-growing demand for non-banking financial services in the Egyptian market.

With the onset of the new year, and with it hopefully an end to the pandemic and improved market conditions, we are confident that our companies will continue to grow and innovate to generate increasingly valuable services to our clients and stakeholders. We look forward to the triumphs our subsidiaries will achieve in the coming year as they continue on their upward growth trajectories.

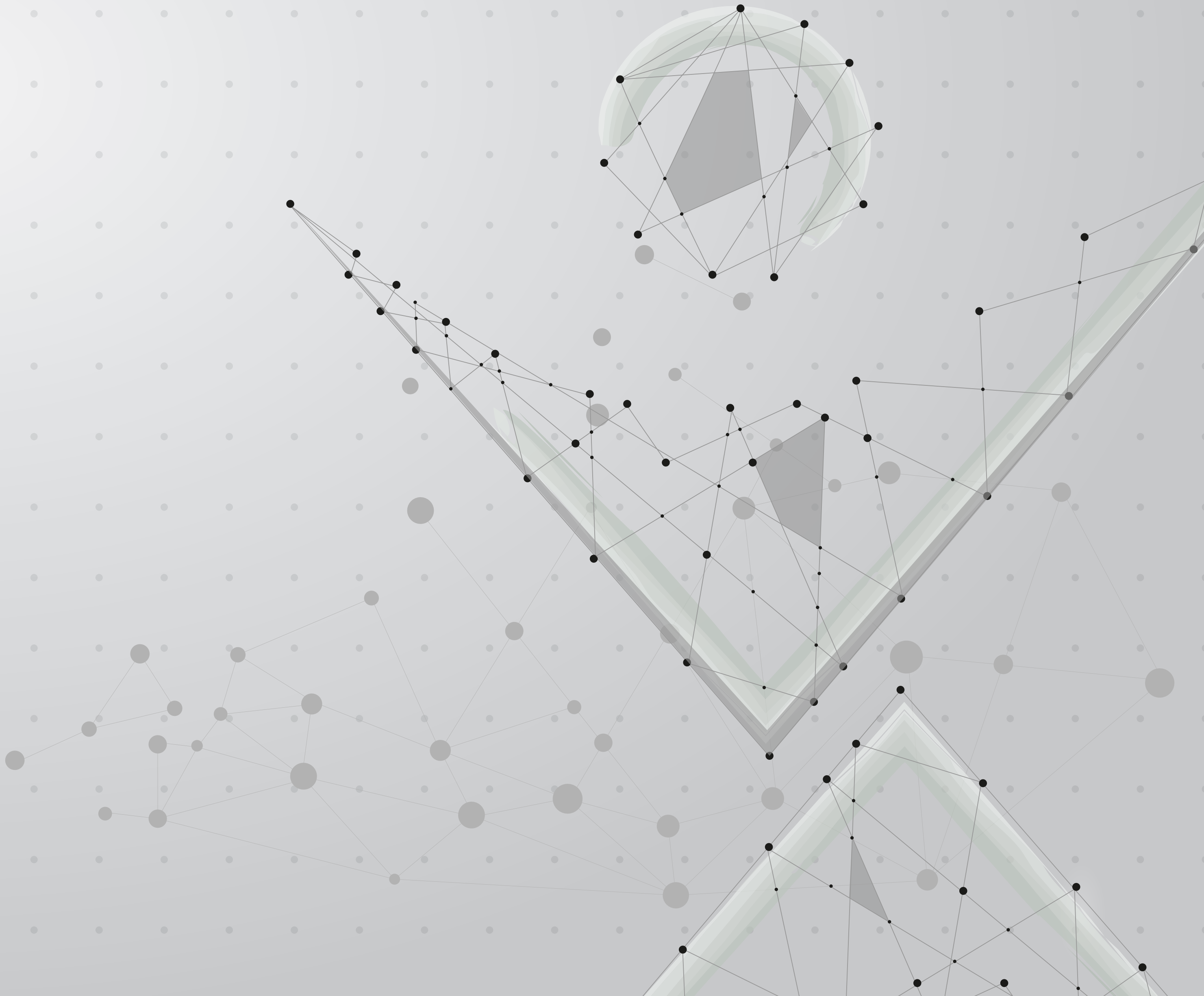
Walid Hassouna
Chief Executive Officer, EFG Hermes Finance
Group Head of Debt Capital Markets

13%

Growth across the NBFI platform

TANMEYAH

Tanmeyah is the nation's leading microfinance solution platform, providing Egyptians with access to vital financing to support their livelihoods



Tanmeyah

During 2020, a key priority for Tanmeyah was to invest heavily in its technological infrastructure, both as the company sought a smooth transition to remote working and as a means of streamlining its operations.

Overview

Tanmeyah Microenterprise Services, Egypt's pioneer in microfinance solutions provider, offers financing solutions to lower-income, small, and micro enterprise owners to support their business goals and growth aspirations. Established in 2009, the company was acquired by EFG Hermes in 2016 as part of the Firm's efforts to grow their NBFI platform. The company is focused on offering its solutions to businesses located in high-need areas, wherein individuals typically lack access to support from traditional banks, with a view towards promoting financial inclusion and offering support to the development of these communities. In addition to financing solutions, Tanmeyah offers a range of complementary services to support small businesses including microinsurance. The company extends credit facilities of up to EGP 50,000 for microenterprises and between EGP 50,000 and EGP 100,000 for small businesses. Tanmeyah's operations and strategic objectives not only serve to contribute to the CBE's efforts to promote nationwide financial inclusion, but also offer underserved segments of the population the support they need to launch their businesses, allowing for community development, increased economic growth, and an improved standard of living.

2020 Operational Highlights

Tanmeyah witnessed a robust start to 2020, leaving the company poised to build on the successes it had witnessed in the previous year. During the year, Tanmeyah further expanded its branch network, adding 14 extra branches in 2020, bringing the total to 285 branches across the country. The company's total number of employees increased by over 650 throughout the year, bringing total staff to 5,075 employees. At year-end 2020, Tanmeyah's total number of clients had reached over 346,000 and the company's portfolio reached EGP 3.1 billion. Although the onset of the COVID-19 pandemic posed challenges to Tanmeyah, the company was able to quickly regroup and carry forward with its strategy for the year. These expansions and operational successes attest to Tanmeyah's solid operations and the team's tireless efforts throughout the year, even in the face of a challenging and uncertain global environment.

Although there are several healthy and uninterrupted funding sources available to Tanmeyah, diversification of funding sources continues to be a key priority for the company to allow it to achieve its strategic objectives and grow its operations unhindered. As such, Tanmeyah securitized a portfolio of EGP 545 million, the first tranche of an EGP 3 billion program, making it the largest securitization transaction amongst microfinance companies in Egypt. Tanmeyah received a Prime1 (sf) credit rating in spite of the outbreak, a reflection of its exceptional crisis management stemming from its rebound following Egypt's 2011 revolution. Launched in May 2020, the transaction was oversubscribed by several banks.

Upon the onset of the COVID-19 pandemic, Tanmeyah's management team issued a set of guidelines prioritizing the health and safety of employees. In parallel, the company worked in the early months of lockdown to increase its technological capabilities to offer the team the necessary systems and infrastructure to work from home. In addition, the company employed several measures to support the team and ensure their health and safety. It provided facemasks and sanitizers on site and decreased physical employee presence to 25% capacity. In addition, the company offered 4,500 antibody tests beginning in early April for early detection among Tanmeyah employees, which worked to manage the spread of the virus across the company. Tanmeyah additionally implemented a policy to cover employees' medical and treatment expenses with regards to the pandemic. To provide around-the-clock medical care, the company worked with its insurance providers to offer support and create a nationwide database of medical professionals across the country as well as set up a separate dedicated phone line to answer queries from employees seeking medical advice.

During 2020, a key priority for Tanmeyah was to invest heavily in its technological infrastructure, both as the company sought a smooth transition to remote working and as a means of streamlining its operations. The data science unit supported its digitalization efforts, helping Tanmeyah make use of key data with ease through its dashboards, resulting in optimizing operational synergies across the company.

The year was not without its challenges for the company with sales slowing down as a result of the lockdown. In addition, the company adopted IFRS 9 early in the year, which predicts risk using expected credit loss. This caused Tanmeyah to approach its risk management prudently, focusing on collections rather than sales throughout the year. As the company adapted to the challenges of the year and stabilized its risk, it resumed its focus on issuance, with sales picking up in 4Q20.

To alleviate financial burden of its customers, the company offered a partial payment or extension program on installments due. The offers were valid for April, May, and June as the company choose to follow the FRA directive to banks extending a six-month postponement to installments to support the company's stakeholders, benefiting a total of over 85,000 clients.

Throughout the year, Tanmeyah launched two new products after reassessing its product portfolio. It introduced its Women in Individual Lending program, which extends loans to individual women seeking to launch or expand their home-based businesses. This followed a decision to halt its Group Lending program launched in December 2018. Tanmeyah also formed a partnership with tricycle manufacturer Pullman in August to offer facilities in Assiut, as a pilot phase. This program comes following the end of the tuk-tuk light vehicle program previously in place by the company. On the microinsurance partnership front, Tanmeyah continued to perform well, selling more than 103,000 policies during the year, a 10% Y-o-Y increase.

During the year, Tanmeyah also focused heavily on its market positioning. The company primarily used channels such as social media as well as traditional marketing campaigns to strengthen its corporate image and increase its customer base. In mid December, Tanmeyah launched a one-month TV and radio campaign. Tanmeyah developed a CRM module for its in-house call center and outsourced additional call center agents to tackle the higher traffic on its hotline.

2020 Financial Highlights

In spite of the challenges posed by the local and global environment, Tanmeyah saw increased revenue growth during the year, posting a total of EGP 1.1 billion, a 3% increase from the EGP 1.05 billion recorded at year-end 2019.

Outlook

In 2021, Tanmeyah will seek to further enhance its technological capabilities, with the end goal of completely digitizing its operations. The company has already taken steps to launch this strategy, disbursing handheld devices to many of its loan officers, with more expected to follow in the coming year.

In line with its commitment to promoting financial inclusion, the company entered into a partnership with Damen, a leading e-payment network to offer payments through their points of sale. Early phases of the partnership were launched in December 2020 across 26 branches with a full roll out to all Tanmeyah branches expected by January 2021.

Tanmeyah will also seek to expand its footprint by venturing into a number of sectors. In addition, the company will leverage new regulations for microfinance providers allowing them to work with SMEs to diversify its offering and develop a range of products tailored to their needs, cementing its position as a pioneer in the microfinancing space.

284

Total branches as of 2020

Tanmeyah will leverage new regulations for microfinance providers that allow them to work with SMEs to diversify its offering and develop a range of products tailored to their needs, cementing its position as a pioneer in the microfinancing space.

valU

Our innovative consumer finance platform allows clients to meet their lifestyle needs with ease and peace of mind as they buy now and pay later

valU

> *During 2020, valU witnessed three-fold growth, with the number of customers growing to more than 170,000 users and over 80,000 transactions in excess of EGP 1.5 billion.*

EFG Hermes Finance launched valU, its innovative consumer financing solutions arm, in 2017 as part of the platform's efforts to diversify its non-bank financial services offering and capitalize on global trends shifting towards fintech solutions and increased smartphone adoption across Egypt. valU offers clients a range of convenient repayment options to purchase products and services with customized installment programs. With authorized capital of EGP 750 million and paid-in capital of EGP 175 million, valU is a pioneering fintech solution provider in the country, empowering customers to make purchases from over 35 product and service categories through more than 898 partner merchants across 3,500 retail and online stores as well as 134 websites. valU allows customers to make use of installment programs lasting up to 60 months and brings them a variety of offers across its retail and online network. The launch of the company additionally forms part of EFG Hermes' wider strategy to promote nationwide financial inclusion, in line with national development strategies and global practices.

2020 Operational Highlights

On the operational front, valU made great strides throughout the year, capitalizing on new opportunities and providing an expanded scope of services, as usage increased during the lockdown imposed as a result of the COVID-19 pandemic. During 2020, valU witnessed three-fold growth, with the number of customers growing to more than 170,000 users and over 265,000 transactions in excess of EGP 1.5 billion as well as increased shopping limits amounting to more than EGP 2.2 billion. In addition, the company doubled its on-ground sales team during the year and established a tele-sales unit to allow for home visits to onboard new clients throughout the pandemic.

valU continued to expand on its partnerships throughout the year, adding several new key retailers to its roster, including Cairo Festival City, Majid Al-Futtaim, El Mawardy, Adidas, El Sallab, Oriental Weavers, and Huawei. In addition, the company renewed some of its existing strategic partnerships, including Apple retailers in Egypt, Samsung, IKEA, and e-commerce platform Souq.com. valU also successfully partnered with Le Marché as the exclusive financing partner for the 2020 edition of its exhibition, empowering customers to purchase furniture with convenient installment plans and 5% cashback. It has also expanded its e-commerce network to include Homzmart, Rush Brush, and Hapilin. The company also teamed with external partners including Souq.com, 2B, Edfa3ly, Homzmart, and Carrefour to offer a number of promotions, including the valU Friday Mega Campaign, where customers could win a variety of prizes.

During 2020, valU also worked on expanding the scope of its product offering, embarking on service financing and establishing solid partnerships in the process. The company partnered with El Gouna International School and Dubai-based education provider, GEMS Education, to offer financing plans for K-12 education. valU has also ventured into the medical services sector, teaming up with a number of aggregated medical services database providers, including Salamtak, El Nada Hospital, and Rofayda, to provide installment programs for their services. Following the extension of its regulation by the FRA, valU additionally ventured into sporting club membership financing during the year, signing on a number of clubs including New Giza Sporting Club, to offer customers plans for new membership and renewal fees. Finally, valU has ventured into the food and beverages sector, partnering with a number of caterers like The Cookery Co. and Chef Sarhan. In addition, valU worked throughout the year to invest in its platform's capabilities. The company integrated new features into the application, allowing customers to browse online and offline merchants as well as imbedding deep links to online merchants, redirecting customers to checkout using valU through their respective websites. Moreover, the valU app now offers an Arabic platform to ensure it serves a larger customer base and reaches out to new customer segments.

valU also introduced upgrades to the platform including increased capacity and performance to allow customers to conduct their transactions quickly and seamlessly as well as enhance overall customer experience. Furthermore, valU launched a new segmentation approach in July that helped understand customers' purchasing behavior and preferences. This along with enhanced communication tools allowed for a better user interface for valU's targeted users, enabling us to introduce new notification features such as segmented push and in-app notifications, segmented geo-locations, as well as targeted in-app pop-ups. Sending out segmented campaigns has impacted the business positively, with the funnel conversion rate increasing 3% Y-o-Y.

COVID-19 Measures

With the onset of the COVID-19 pandemic, valU immediately adopted a work-from-home policy to ensure the health and safety of its employees. However, following the significant increase in transactions owing to the lockdown, the company moved to a 50% work-from-office rotation with all necessary precautions in place to account for the increased volume of activity and ensure business continuity. valU continues to operate this policy and regularly revises its business continuity plans to align them with all health guidelines and directives from relevant government authorities to ensure the wellbeing of its team.

valU additionally availed a number of new programs and waivers to support both clients and merchants through the duration of the pandemic. The company introduced a waiver of upfront and purchase fees for its Super Hattrick program for the months of May and June and extended its payment cycle to grant customers a grace period of approximately two months. valU further postponed installment payments for its Uber joint program with the Saudi Development Fund, which facilitates vehicle purchases for Uber drivers, requiring participants to pay the interest rate for a period of three months, with no further payments during the postponement period.

170K

valU customers in 2020

valU also introduced a new product called Waqty during the height of the pandemic to grant non-valU customers transactional credit with instant approval for e-commerce transactions without any documentation requirements. Waqty is the first online transactional approval product in the market, enabling users to pay a 20% down payment using their credit card and accordingly receive instant access to finance on their desired products and receive them at their doorstep. In addition, the company emphasized e-commerce in its merchant acquisition strategy, as well as when advising customers, with promotions through the application in addition to other communication channels in response to the lockdown with the aim of meeting consumer demand while promoting health and safety.

2020 Financial Highlights

valU's total operating revenues (offsetting interest expense on bank facilities) hit EGP 111 million in 2020 compared to EGP 25 million in 2019.

Outlook

In the coming year, valU will seek to expand on its e-commerce service offering, providing increased support to brick-and-mortar merchants seeking to develop their online presence, as well as increasing operational synergies and cross-selling opportunities with partners across the Group, including PayTabs Egypt and EFG Hermes Corp-Solutions. This will serve to provide value-added services to valU's merchants by granting them access to immediate liquidity, largely through Corp-Solutions' factoring arm, as well as supporting them in expanding their business ventures.

The company is also currently working on expanding into new sectors to broaden its service offering and meet the ever-evolving needs of its customers. A key sector of focus for valU is medical services, with the company working on securing laboratory services, radiology, and pathology to its existing roster. The company is currently in the process of finalizing a partnership with leading medical diagnostics solutions provider Integrated Diagnostics Holdings to this effect.

In addition, as the Egyptian government and the CBE issue more directives to promote financial inclusion, valU stands poised to capitalize on greater opportunities across the market, as trends shift towards fintech and digital platforms. This will serve to create more business for valU as well as allow the company to promote a cashless society, support increased financial inclusion, and foster sustainable development and prosperity across the country.

Finally, valU is currently introducing its online shopping platform "Shop'it", where valU customers can purchase their desired products from their favorite vendors in installments, gaining access to multiple products from various categories all on one platform.

As the Egyptian government and the CBE issue more directives to promote financial inclusion, valU stands poised to capitalize on greater opportunities across the market, as trends shift towards fintech and digital platforms.

	FY20	4Q20	4Q19
valU App Customers	91,000	23,000	20,630
Limits Activated Value (EGP mn)	1,224	372	250
Outstanding Portfolio (EGP mn)	832	832	362
Number of Transactions	196,000	69,000	26,684
UBER Cars Delivered	13	1	2
Number of Merchants	898	898	106

EFG Hermes Corp-Solutions

The consolidation of our exceptional leasing and factoring teams has expanded our cross-selling opportunities to create value for our clients

EFG Hermes Corp-Solutions

Overview

EFG Hermes Corp-Solutions is a leading provider of leasing and factoring solutions, in addition to value-added advisory services to a range of clients including large corporations and SMEs alike. The Firm's leasing arm was established in 2015 under EFG Hermes Leasing, offering its clients a range of tailored solutions with the fastest turnaround time in the industry. Seeking to further diversify our NBFI platform, the Firm introduced EFG Hermes Factoring in 2018, offering alternative sources of financing to companies seeking to grow their businesses and meet their working capital needs. Our factoring arm was one of the earliest players in the Egyptian market and has grown to capture a significant market share of 14% since its establishment. In July 2020, EFG Hermes consolidated its factoring and leasing arms to form EFG Hermes Corp-Solutions, offering a full range of financing solutions to suit clients of all sizes.

2020 Operational Highlights

The successful merger of EFG Hermes Leasing and EFG Hermes Factoring at the start of the year allowed for increased bidding capital, enabling the company to attract bigger tickets and more lucrative business opportunities as well as increasing operational synergies between the two teams. This in turn allowed for increased cross-selling to offer comprehensive solutions to clients. The merger was finalized at the height of the COVID-19 pandemic and accordingly faced a number of challenges. Among these was merging of the two business lines' teams and coordinating their efforts. Despite having to adhere to social distancing regulations and, therefore, limiting the number of staff members operating in person at any given time, the team continued to offer clients unmatched customer service across business lines, allowing the company to hold firm to its leading market position.

Leasing

EFG Hermes Corp-Solutions' leasing arm witnessed a considerable increase in business volume during the year as a result of the COVID-19 pandemic. This was mainly spurred by the counter-cyclical nature of leasing, which accounts for increased business during times where there is a shortage of liquidity as well as the team's eagerness to offer support to existing clients, grow the business, and improve our ranking in the market. These efforts were heavily supported by our risk team whose work not only allowed us to exert stringent controls and mitigate risks but to also achieve growth.

Furthermore, in 2020, the company was able to increase its client base by 15% with a number of industries seeing increased activity, including digital, healthcare, education, food and beverage as well as real estate, which in turn feeds into a number of subsectors such as raw materials and contracting. As it stands, EFG Hermes Corp-Solutions holds a market share of 9% in the industry as a result of its exemplary service standard and varied product offering.

Factoring

Factoring continues to be a novel and relatively unfamiliar industry in the Egyptian market. Accordingly, a priority for the company's factoring arm throughout the year was to raise awareness regarding the mechanisms and processes of factoring to allow the business line to gain traction in the market. A key tool to promote awareness was cross-selling across the EFG Hermes Corp-Solutions' business lines by offering leasing clients limited factoring facilities, thereby allowing them to gain a better understanding of the way factoring can support their business. This bore positive results allowed for increased familiarity with factoring products in the market as well as clients seeking to increase limits for their factoring facilities.

Real Estate and Hospitality	29.4%
Materials	13.4%
Information Technology	2.1%
Industrials	13.2%
Healthcare	9.3%
Energy	0.9%
Consumer Staples	4.7%
Consumer Discretionary	26.7%
Financial Services	0.3%

EFG Hermes Corp-Solutions' factoring arm is able to work with clients of all sizes and across all industries offering a range of solutions that are able to meet the needs of various clients and offer them greater opportunities for growth. Among these solutions are debt factoring and export factoring, activities that offer benefits to clients, particularly SMEs, to which traditional debtors are often hesitant to offer their services. As such, the division stands as one of the leading factoring providers in the industry, with a market share standing at 14%.

Throughout the year, the company worked to obtain more facilities to include factoring through both increasing limits for leasing facilities as well as allocating sub-limits to factoring operations. These efforts resulted in the team availing a total of EGP 819 million for its factoring business.

2020 Financial Highlights

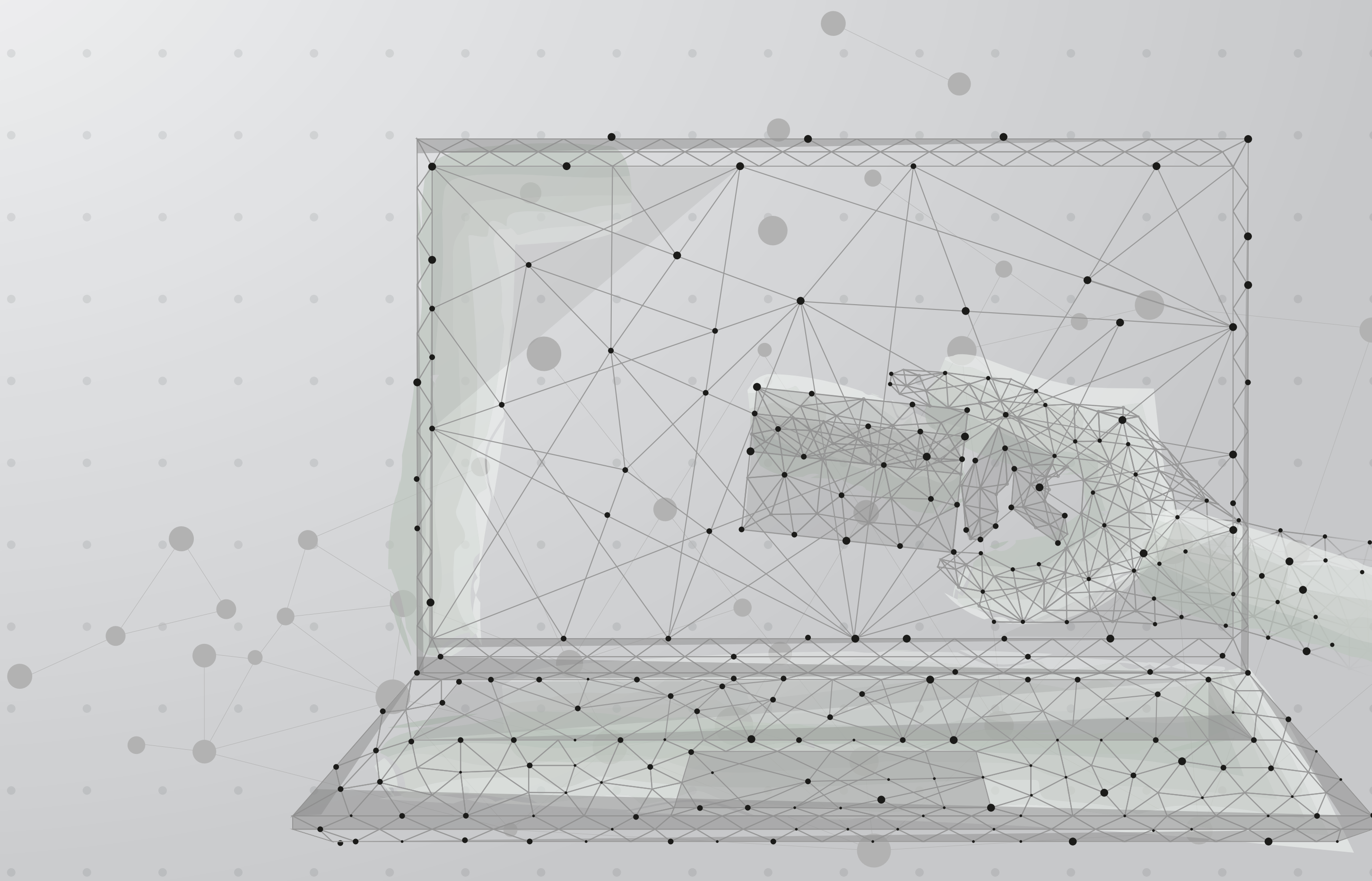
EFG Hermes Corp-Solutions' leasing arm's total contribution to group revenues amounted to EGP 184 million, a 17% increase from the EGP 157 million recorded in 2019. Meanwhile, the company's factoring arm contributed a total of EGP 25 million to group revenues, marking an increase of 178% from the EGP 9 million contribution in 2019.

Outlook

In the coming year, EFG Hermes Corp-Solutions will seek to grow its portfolio both by sector and client size by continuing to offer the level of service each line of business has come to be known for. Offering bespoke solutions tailored to each individual client based on size, industry, and risk appetites will allow the company to continue to gain partnership opportunities, facilities, and clients, a key aim as we move forward. As the company grows, it plans to further cement its presence among SME clients and grow its market share to become one of the market's top three players.

PayTabs Egypt

The newest addition to the NBFI platform, PayTabs Egypt is an up-and-coming payment gateway that contributes effectively to financial inclusion



PayTabs Egypt

PayTabs Egypt made great strides in enhancing its product offering during the year, having positioned itself as a comprehensive payment solutions platform, rather than solely a payment gateway.

Overview

Established in Saudi Arabia in 2014, PayTabs is an award-winning global fintech solutions platform with presence in more than seven countries. Following the successful replication of its business model into other countries in the region, the company began eyeing the Egyptian market, seeking to capitalize on the lucrative opportunities available in it as well as a flexible and ever-evolving market landscape poised for digital payment growth. In 2019, EFG Hermes partnered with PayTabs to establish PayTabs Egypt as part of the Firm's growing NBFI platform, working together to build a cutting-edge platform to facilitate financial inclusion and catering to both the online and digital payment needs of multiple consumer segments.

2020 Operational Highlights

Having entered the market at the onset of the COVID-19 pandemic, PayTabs Egypt was poised to capitalize on the increased demand for digital, contactless, and cashless service offerings. The company partnered with three of the largest banks in Egypt to obtain its license for operations from the Central Bank of Egypt (CBE) in April, allowing it to begin offering its services at the height of the imposed lockdown. This proved to be indispensable to businesses as they quickly pivoted their models to digital platforms to adapt to new conditions and in turn, allowed for the company to kickstart operations with a solid portfolio base.

The company was also met with challenges, owing to the transition to work-from-home protocols in early March, in line with PayTabs Global's guidelines. Due to existing operational synergies between PayTabs Global and PayTabs Egypt, the technological infrastructure necessary to support the transition to remote work was already present and afforded the team flexibility in adapting to their new environment. In addition, the company adopted a 100% remote onboarding mechanism for merchants upon receiving approval from the CBE to ensure minimal physical interaction between parties.

A primary focus for the company was increasing brand awareness and building a solid reputation through engagement and outreach across social media platforms. This saw successful results in the first six months of operations, with PayTabs Egypt emerging with a sound identity in the Egyptian market, allowing it to position itself as one of the top three payment solutions providers in just nine months in the market.

Since its launch, PayTabs Egypt has worked to integrate its payments platform across the entirety of EFG Hermes' NBFI platform, with the aim of improving synergies across the Group. The company has done so through an array of roles, including complementing their payment cycles by facilitating cash payments and solutions, improving their digital capabilities, as well as helping consumer lending, microfinance, and insurance entities introduce digital platforms. This not only allowed PayTabs Egypt to serve external entities, but also to act as a partner to the Group's subsidiaries and allow for increased synergies.

Forming strategic partnerships was a key area of focus for PayTabs Egypt throughout the year. The company engaged several external partners to support our sales team in introducing the PayTabs platform. This crowdsourcing model for sales allowed for the team to increase their outreach with outstanding results. Within six months of receiving our licensing, PayTabs Egypt was able to avail its solutions to a total of 300 merchants across a variety of industries such as retail, tourism, and hospitality, among others. In addition, the company was able to penetrate new industries as a result of increased digital presence that ensued due to the lockdown. This included education, where the company facilitated online tuition payments, as well as food and beverage where the company enabled online payments for goods.

PayTabs Egypt worked throughout the year to adjust its offering and introduce tailored features to its platform to accommodate consumers in the Egyptian market and to promote financial inclusion and accessibility for the unbanked segment of the population. Recognizing the importance of integrating local payment tools, the company partnered with Meeza to integrate its cards and wallets as a payment option across its platforms. Additionally, the company introduced a new acceptance tool utilizing QR codes to offer payment tools to micro-merchants, who are typically ineligible for other payment methods such as bank points of sale.

PayTabs Egypt also made great strides in enhancing its product offering during the year. The company positions itself as a comprehensive payment solutions platform, rather than solely a payment gateway. Accordingly, the team built its capacities to allow for seamless integration with merchants' existing sales channels. Through this process, merchants can log into a dashboard and offer access to the gateway across their challenges using a number of forms, including links, QR codes, and open graphs. This allows PayTabs Egypt to afford solutions that add value to merchants and meet local market needs.

Additionally, PayTabs Egypt partnered with leading real estate developer IGI to offer a first-of-its-kind service to the real estate sector. Through this partnership, PayTabs Egypt will be able to digitize customers' expressions of interest and offer their payment gateway to collect installment payments; moreover, they will avail their technological capabilities to create a community management application, which will add value to customers and residents.

As part of its commitment to supporting the entrepreneurial ecosystem in the Egyptian market, PayTabs Egypt has embarked on various initiatives to support SME growth. The company employs a segregated pricing model based on client size and type to afford them solutions that are able to support them in achieving their business goals. PayTabs Egypt adopted a subscription model for SME clients, allowing them to pay a monthly fee in exchange for full access to the PayTabs platform in lieu of a per transaction fee. The adoption of this model allowed PayTabs Egypt to partner with some of the country's leading accelerators and venture capital firms to support SMEs. In addition, the company regularly participates in a number of startup summits and conferences such as RiseUp Summit, Career Summit, and the World Youth Forum. This, combined with their presence in the GrEEK Campus, a key startup hub, allows for frequent engagement with SMEs, allowing PayTabs Egypt to tailor solutions targeting growth and development for these companies. Following the CBE initiative to support SMEs, the company launched a three-month fee waiver for SME customers processing more than EGP 100,000 to support businesses impacted by the adverse impacts of the COVID-19 pandemic.

Outlook

In the coming year, PayTabs Egypt will seek to build on its efforts in increasing brand awareness and establishing a solid identity in the Egyptian market through increased partnerships and engagement across the company's social media platforms. Furthermore, the year will see the company establish itself as the leading payment solutions provider in Egypt.

In line with the CBE's efforts to promote financial inclusion across the country and serve the unbanked segment of the population, PayTabs Egypt aims to introduce several initiatives to support microbusinesses. These initiatives will launch quarterly to offer a blanket of support to an array of businesses and segments. The company will also seek to adapt its onboarding process to align with the CBE's guidelines and strategies.

In 2021, PayTabs Egypt will also seek to build on its technical offerings to provide its clients with a comprehensive digital payment solutions platform, meeting technological capacities of all scales. The company will also improve products serving existing clients, introducing new features and enhancements to help companies build on their offerings. In addition, PayTabs Egypt will work to introduce a range of new products targeting new industries to meet market needs and cement itself as the payment solutions provider of choice to local partners.

300

PayTabs Egypt merchants

As part of its commitment to supporting the entrepreneurial ecosystem in the Egyptian market, PayTabs Egypt has embarked on various initiatives to support SME growth.

CORPORATE GOVERNANCE

Sound corporate governance policies and transparent business practices form the cornerstone of our sustainable success

Corporate Governance

EFG Hermes stands as a regional leader in the corporate governance realm, a position it has earned through its rigorous rules and procedures that the Group's staff follows during their everyday operations. The Firm's prudent management and corporate frameworks that have been at the heart of its success over the years will continue to play a central role as the Group evolves and cements itself as a leading financial services provider not just in the MENA region, but also across the entire FEM space.

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

Since 2017, the Group has implemented a new Corporate Governance Framework that addresses new country-specific policies and works to blend EFG Hermes' group-wide strategy with the more focused subsidiary development programs. The new 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 or 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 for all regulated Egyptian subsidiaries. EFG Hermes is fully compliant with FRA regulations and EGX listing rules. Moreover, EFG Hermes Holding complies with the new FRA mandated regulations requiring all regulated companies in Egypt to have at least one female board member.

Management and Control Structure

Board of Directors

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

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

Due to restrictions imposed by the COVID-19 pandemic, 2020 saw numerous changes in function and structure when it came to governance procedures. All face-to-face interactions, including the Annual General Meeting (AGM), committee proceedings, and executive committee meetings were held virtually, making EFG Hermes the first EGX-listed company to conduct an AGM through virtual channels. We collaborated with an EGX-affiliated company to implement an e-voting system during the AGM, which was completed to great success. The year also saw increased levels of collaboration between divisions, particularly with at least 50% of staff across our footprint working from home, to ensure that the challenges posed by the pandemic did not impact 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. 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 as well as 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. Both internal and external auditors play a key role in providing an independent assessment of our 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 is comprised of four members, all of whom are non-executive. The committee meets at least once per quarter or as required. In 2020, the meetings were held virtually. The committee is responsible for 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 is comprised of four members, all of whom are non-executive. The committee meets at least once per quarter or as required. In 2020, the meetings were held virtually. The committee overseas 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 is comprised of 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. 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 2020, the meetings were held virtually.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is comprised of one executive and four non-executive board members. It assesses and oversees the appointment of Board Members, the Group CEO, and Group Executive Committee members. It is their 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 international best practices. It 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 committee meets on an as-needed basis.

Executive Committee

The Executive Committee is appointed by EFG Hermes' Board of Directors and is comprised of 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 issues that emerge that are material to the business.
2. Approving transactions within its authority limit in relations 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 consider business commitments for Board approval.
7. Receiving and considering reports on operational matters 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, 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 2020, most meetings were held virtually.

Shareholder Information

Shareholders

EFG Hermes 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 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 2020, a total of 10,999 shareholders were listed in the Firm's share register.

Executive Holdings and Management Transactions

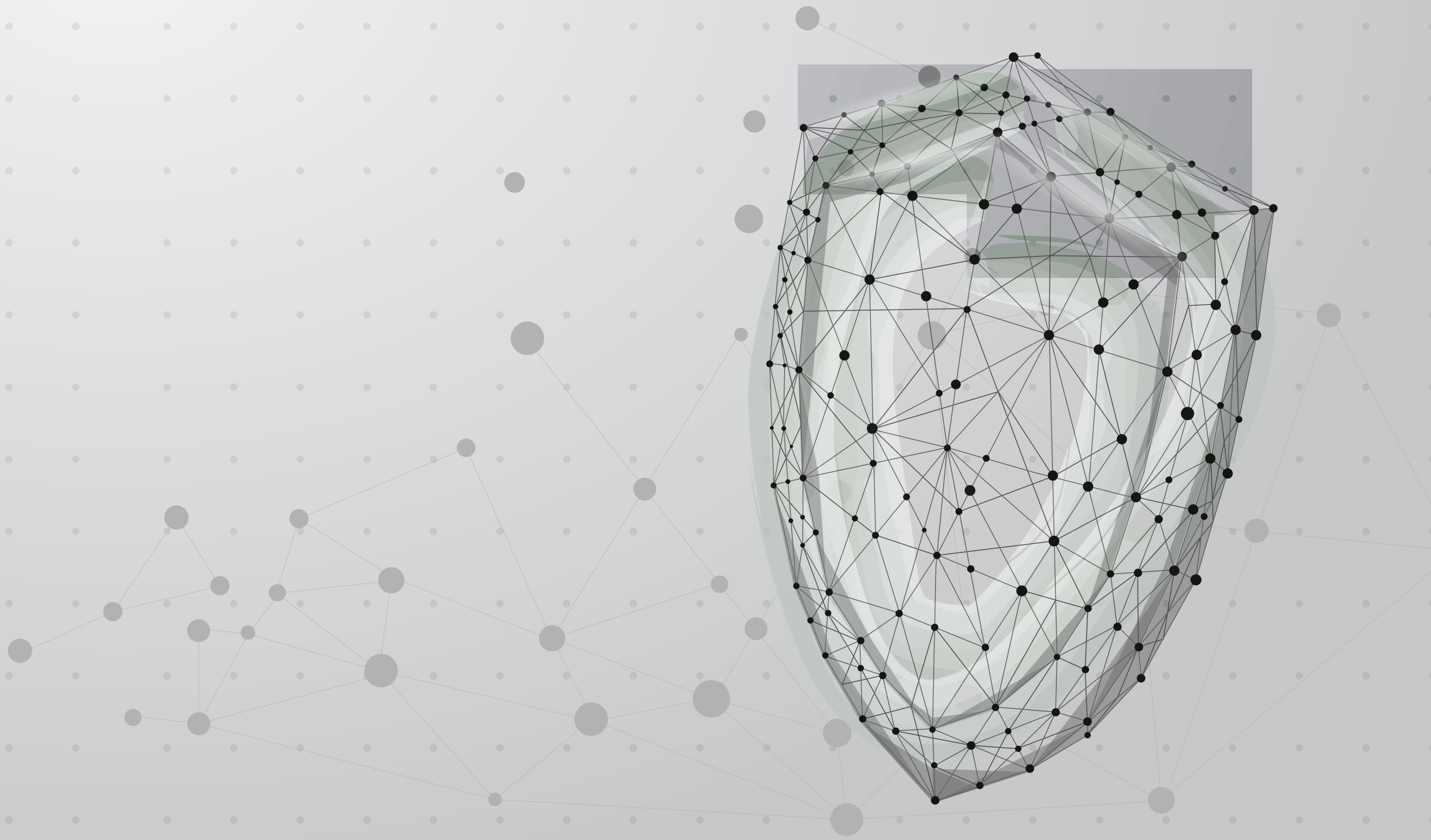
As of 31 December 2020, the EFG Hermes Board of Directors held a total of 876,788 EFG Hermes shares, representing 0.11% of the total 768,618,223 shares of EFG Hermes.

Share Ownership Information

All information relating to EFG Hermes 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

Prudent compliance and risk frameworks have been key to managing challenges and ensuring business continuity



Risk and Compliance

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

Risk and Compliance

As EFG Hermes' product portfolio continues to grow and the Firm penetrates new markets, it is confronted with a growing number of unique rules and regulations. This has made the need for sound and prudent compliance and risk policies increasingly important to help guide the decision-making and day-to-day operations of the entire Group. To this end, the Risk and Compliance Department has developed a solid set of frameworks to govern EFG Hermes' compliance and risk strategies in accordance with global best practices.

The department's 38 compliance officers continued to ensure that each of the Firm's new and existing business lines adhered to appropriate statutory provisions, official regulations, and internal policies. In parallel, the 45-member Risk Management team worked 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 function, an independent function that reports directly to the Audit Committee, covers the entire EFG Hermes Group including its subsidiaries, business lines, and support functions. The team is made of eight auditors and a CIA covering investment banking and NBFI activities, in addition to 35 auditors in Tanmeyah Microfinance. In line with the Audit Committee's pre-approved strategy for the year, Internal Audit is in charge of carrying out systematic reviews and periodic spot checks. To make the review process as efficient as possible, the frequency of reviews is based on the function/department risk level and the previous review's internal audit score. As such, high- and medium-risk departments are reviewed annually and low-risk departments with effective scores are reviewed every other year. In parallel, the division also performs quarterly follow-ups on previous audit findings to ensure they have been adequately addressed and corrected. It also provides a multitude of services ranging from in-depth assessment of operations, adherence to regulatory requirements, and monitoring of corporate governance.

2020 Operational Highlights

Risk and Complieance

During 2020, the Risk and Compliance team was instrumental in ensuring that the Firm's business continuity was not at risk. With many offices working on rotational schedules, 100% of staff working from home during the first five months of lockdown, and 50% doing so following the easing of restrictions, the division had to ensure that the situation on the ground in each country was continually assessed to ensure the safety of all staff and the continuity of operations.

Highlights for the year include:

- Completed the full compliance monitoring annual program despite the logistical impediments.
- ISO renewal.
- Established a full-fledged disaster recovery site in Saudi Arabia.
- Early adoption of IFRS 9 new accounting standards.

Internal Audit

As the Firm's NBFI platform continues to grow and add to its product offering, the Internal Audit Department has been working alongside the new subsidiaries to establish adequate reporting lines and build 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 effective monitoring of new products and subsidiaries particularly in the early phases of launch in addition to assessing compliance with regulatory requirements. During 2020, the full annual plan laid out for the NBFI platform in terms of compliance, risk, and audit standards was complete despite overarching challenges posed by the year. As for Tanmeyah, a new head of Internal Audit was hired, who was instrumental in revamping the entirety of the team. At the same time, intensive training for the company's field auditors took place to communicate changes and challenges posed by the pandemic. Additionally, a full review of branch operations was conducted during the year.

TeamMate continued to enhance the Internal Audit team's processes. The move was particularly important in light of the COVID-19 pandemic as more and more systems and processes necessitated a shift to digital channels and automated functions. The new digital tool also helped the division store, analyze, and process the vast quantity of financial data related to various Group operations across its footprint to allow for a more accurate and efficient auditing process. The introduction of TeamMate is in line with the wider digital transformation strategy the Group has embarked on to ensure it remains at the forefront of an increasing digital financial services industry. As the Group transitions to a fully digital system, the internal audit scope has also been extended to assess potential cyber-security and data protection risks ensuring all client and EFG Hermes internal data is stored safely and well protected against possible cyber-attacks.

Employee Awareness

Communicating the Group's strategy, policies, and procedures to all employees continues to be the core element binding various geographies and lines of business as the Firm grows. To guarantee that all new staff are promptly integrated in the Group's operating framework, the team takes part in the HR onboarding package to orient new employees on key audit, compliance, and risk issues at least once a year or on as-needed basis if a high-risk situation arises. As business partners, the Internal Audit function continues to serve the Firm as a consultant by suggesting ways to improve the business, add value by providing advice when needed, and enhancing current procedures to help improve the organization's daily operations.

The Firm, under the monitoring and guidance of the Compliance division, continued conducting 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 courses with the results reflected in end-of-year appraisals. The year saw us introduce a new ESG training module in the arsenal of development tracks for employees as ESG comes into increased focus, particularly by responsible investors.

Outlook

In the coming year, the Risk and Compliance department as well as the Internal Audit division will continue to work on streamlining operations in light of growth in the digital sphere, particularly with current market dynamics associated with the pandemic still in question. As the Group continues to expand into new lines of business and geographies, the departments will continue to work with other divisions to ensure new products, business lines, and subsidiaries are promptly integrated into EFG Hermes' control framework and that new regulations and laws related to these expansions are accurately reflected in operating policies.

OUR PEOPLE

Protecting what we value the most: we put our team, customers, and communities first in everything that we do and actively propel them forward

Our People

> *Capitalizing on the acceptance of online learning, we successfully ran all four pre-planned programs under the umbrella of The Academy, covering 61 employees from 14 departments across the Firm.*

Overview

Although 2020 was rife with challenges, it was also a year of firsts and achievements. Despite the obstacles, the HR division continued to deliver on its mandate without missing a beat. We found new ways of doing old things and efficient ways of doing new things. We delivered on pre-set plans, deferred others, and added new ones based on the evolving situation. At the heart of it all, we strived to work closely across the organization to ensure our employees felt cared for. If there was ever a time to show our employees how much we valued them, 2020 was the year. And while the employee experience has always been part of how we do things, it took center stage during this unusual year. Be it communication, revision of policies, or changes in our modus operandi, the impact of every decision on employees was considered more than ever before.

Catering to a Diverse Workforce

We have always taken the diversity of our employee base into account when considering policies, communication, processes, and other matters; "think global, act local" was more than a platitude for us. This took on new meaning throughout 2020, when the team learned to listen for subtle signs from constituents and react accordingly, be it those who wanted constant and regular contact and updates from a person rather than an email, those who just wanted to chat, and those who preferred to proceed as though it was business as usual. It was critical that the team stay abreast of any local legislation that affected stay-at-home orders, social distancing, quarantine requirements, and pandemic-related issues, and ensure they are captured in any corporate decisions or policies.

Navigating the Pandemic

The "human" in Human Resources was front and center in 2020. It was clear to us that we needed to focus on and address employee needs on both the individual and professional levels.

Moving quickly in response to lockdown measures, the Firm produced the Go-To Quarantine Guide, designed to compile available resources that would keep employees informed of pandemic-related developments across our geographic footprint, relieving them of the overwhelm of finding credible information sources themselves. We also included a multitude of resources aimed at helping employees and their families navigate the unprecedented situation we all found ourselves in without warning. We were painstakingly aware of the challenge of parents juggling (and struggling) with entertaining children at home, helping with schoolwork, and doing their own work, and tried to do what we could to alleviate these pressures.

In anticipation of the inevitability of COVID-19 reaching our workplace, it was essential to put in place a robust framework that clearly outlined a protocol for handling cases that was in line with local regulations and what the Firm deemed right for the safety and wellbeing of our employees and their families. We also needed to ensure that sick employees and their families were taken care of.

We also worked to impart a sense of normalcy when and where possible, and handle things as though it was business as usual even amid these changes. Despite the chaos and uncertainty, we successfully finalized the implementation of a major 3-year state-of-the-art HRIS, handled all interviews and hiring assessments virtually, and conducted the onboarding of new hires virtually. The division also kick-started the Firm's first ever Employer Branding project, aimed at redefining and articulating the Firm's employee value proposition, considering the transformation into a full-service financial institution.

Employee Development

In light of the irregular and unprecedented circumstances of the year, it was essential for our commitment to our employees' growth and development to remain unwavering. Accordingly, we needed to find ways to swiftly adapt, particularly after the world seemingly switched to virtual processes overnight. As a result, we pivoted and took our annual DNA (Development Needs Assessment) event online. Only in its second year, an event conceptualized to hand employees control of their career development, took place, as scheduled, a mere two weeks after the beginning of lockdown measures, resulting in learning opportunities for 649 employees.

The newfound focus on virtual posed a golden opportunity to introduce virtual classroom learning. The key was to find the right content and learning partner, and nothing was timelier than the syndicated Think on Your Feet program. Delivered to managers navigating their teams through the unknown only a few weeks after lockdown commenced, the subject matter was relevant and actionable, and the delivery dynamic and engaging. We were finally able to bring employees to see virtual classroom learning as a viable option.

Capitalizing on the acceptance of online learning, we successfully ran all four pre-planned programs under the umbrella of The Academy, covering 61 employees from 14 departments across the Firm.

Outlook

As we plan for 2021, we are working to ensure we do not lose sight of the learnings of 2020. While the world slowly returns to a semblance of normalcy in some aspects, we continue to take advantage of the power of technology and remote interaction. Rather than simply tweaking programs and processes originally conceptualized for in-person interaction, to work virtually, we are revisiting our offering and re-building programs and workflows consciously for the virtual world, focusing on our annual DNA, promotions, hiring and onboarding processes, among others. While we look forward to bringing employees from all over EFG Hermes together in one classroom in person, we also plan to capitalize on the success of our virtual learning trials long after the pandemic is over.

EXECUTIVE COMMITTEE

The stalwart commitment of our executive management team to see our strategies to fruition have been the lynchpin of our success throughout the years

Executive Committee

Karim Awad
Group CEO and Chairman of the Executive Committee

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 21 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 that included streamlining its expenses and divesting its non-core assets, they 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 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 seven 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 full-fledged non-bank financial institution platform that currently includes leasing, factoring, microfinance, consumer finance, mortgages, 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 actively adopting progressive ESG standards.

Mr. Awad holds a BA in business administration from the American University in Cairo.

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 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 Brokerage division and has since held numerous positions within the Firm, the most recent prior to his current post being Co-Head of Brokerage, where he managed just in over two years to restructure the business and streamline its activities all while boosting profitability. He held the post of Head of Institutional Sales beginning 2006 where he 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 EFG Hermes Investment Bank, Head of Asset Management and Private Equity, and CEO, Vortex Energy

Mr. Karim Moussa joined EFG Hermes in 2008, with a primary responsibility of 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 Tanaga 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 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 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

Mr. Mohamed El Wakeel is the Group Chief Operating Officer at EFG Hermes. 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 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. 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's operations across multiple lines of business.

Abdel Wahab Mohamed Gadayel

Group Chief Risk and Compliance Officer, EFG Hermes

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 Abdel Khabir
Group Chief Financial Officer, EFG Hermes

Mr. Mohamed AbdelKhabir is EFG Hermes' 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
Chief Executive Officer, EFG Hermes Finance and Group Head of Debt Capital Markets, EFG Hermes

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

Mr. Hassouna is also a Non-Executive Board Member of valU, Tanmeyah Microenterprises, EFG Hermes Corp-Solutions, Tokio Marine Life Insurance, and Bedaya for Mortgage — all subsidiaries of EFG Hermes Finance. He is also a Board Member at Karm Solar and previously the CEO of valU.

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 GCC, in addition to several investment banking transactions. He has also been the Head of Structured Finance and Syndication in 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 Resources Officer, EFG Hermes

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 to business issues. As of 2017, Inji 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), 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

A diverse, world-class Board of Directors have been the guiding post of the institution in both headwinds and tailwinds

Board of Directors

Mona Zulficar
Chairperson, EFG Hermes

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 law firm consisting of 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 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 rights legislation including women's rights, freedom of opinion, and family courts. Ms. Zulficar served as VP of the Constitutional Committee, played a key role in drafting the 2014 Egyptian Constitution, and is currently member of the National Council for Human Rights.

Ms. Zulficar was recently elected President of the first Egyptian Microfinance Federation, currently the Egyptian Federation for Financing Medium, Small and Micro Enterprises, and 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 until 2011.

Ms. Zulficar holds a Bachelor of Science 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

Mr. Yasser El Mallawany is the Non-Executive Vice Chairman of EFG Hermes' 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.

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 bachelor's degree in accounting from Cairo University.

Karim Awad
Group CEO and Chairman of the Executive Committee

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 21 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 that included streamlining its expenses and divesting its non-core assets, they 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 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 seven 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 full-fledged non-bank financial institution platform that currently includes leasing, factoring, microfinance, consumer finance, mortgages, 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 actively adopting progressive ESG standards.

Mr. Awad holds a BA in business administration from the American University in Cairo.

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

Mr. Arapoglou's consulting career began in International Capital Markets and Corporate & Investment banking and later in managing, restructuring and advising publicly listed Financial Institutions and Corporates, primarily in Southeast Europe and the Middle East.

Mr. Arapoglou's 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, Chairman of the Hellenic Banks Association, and CEO of Commercial Banking at EFG-Hermes Holding SAE.

Mr. Arapoglou currently holds a number of non-executive board positions, including Chairman of Bank of Cyprus Group, Chairman of Titan Cement International S.A., Chairman of Tsakos Energy Navigation (TEN) Ltd, Independent board member of EFG-Hermes Holding SAE, and a member of the Board of Directors of Bank Alfalah Ltd. representing the International Finance Corporation (IFC).

Mr. Arapoglou is a member of the International Board of Advisors of Tufts University, Boston, Ma., and the Business Advisory Council for the International MBA program at the Athens University of Economics and Business.

Mr. Arapoglou 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 & 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 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 bachelor's degree 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, until October 2017.

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, before being appointed General Manager. Mr. Cheval also served as Director of Al Bank Al Saudi Al Fransi in Saudi Arabia, 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 Ecole Centrale de Paris' Engineering School and the University of Berkeley.

Zubyr Soomro
Chairman of the National Bank of Pakistan

Mr. Zubyr Soomro is a non-executive member of the EFG Hermes 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 has involved board roles in the Pakistan Poverty Alleviation Fund, Acumen Pakistan, and Grameen Foundation 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 April 2019, Pakistan's current government appointed him as Chairman of the National Bank of Pakistan, one of the largest banks in the country. It is majority 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.

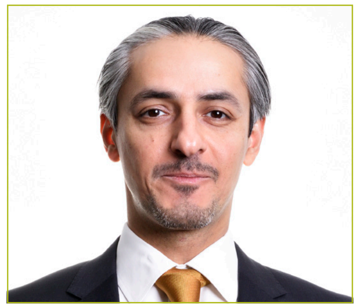
Mr. Soomro holds a Bachelor of Science degree from the London School of Economics, a master's degree from the School of Oriental and African Studies, and completed the Executive Education Program for Financial Inclusion in 2015 and 2017, as well as the Leadership in Uncertain Times program in 2020 from 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 competent and dedicated investment professional with more than 35 years of experience and a comprehensive background in Finance and Administration. Mr. Al Mutawa holds a Bachelor of Science 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 been a member of the board of directors of ADCB since 1997, as well as member of the bank's BRCC. Mr. Al Mutawa 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 & 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 & Finance Committee (BS&FC).

Mr. Al Mutawa is also Chairman of Makhazen Investment Company Abu Dhabi and member of the board of Abu Dhabi National Hotels Company.



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 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 the 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 & Resort Ltd, Morocco, and Chairman of Ghantout International and Bank Alfalah as well as Director of Royal Mirage Masdar, Abu Dhabi.

Mr. Al Otaiba holds a bachelor's degree 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 board. In 2014, Mr. Zaki founded Wafra Export, a fruit export company which owns a state-of-the-art packing house and grows it 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 included 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 Bachelor of Commerce 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 board. Mr. Collins is 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 globally, including in Asia, Europe, and the Middle East. It has consistently delivered superior returns from investments totaling more than USD 40 billion in enterprise value.

Ripplewood played an instrumental role in transforming and strengthening prominent financial institutions such as AS Citadele Banka of Latvia, Commercial International Bank of Egypt, and Shinsei Bank of Japan, and 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.

Prior to founding Ripplewood, Mr. Collins worked for Onex, Lazard Frères, Booz Allen Hamilton, and Cummins. Mr. Collins 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. Mr. Collins also served as an independent director at Weather Holdings, a large private emerging-markets telecom operator that was sold to VimpelCom.

Mr. Collins sits on the board of directors of Banque Saudi Fransi and SODIC. Mr. Collins is Chairman of AS Citadele Banka and is involved in several non-for-profit and public sector activities, including the Trilateral Commission and the Council on Foreign Relations, NEOM, McKinsey, and Yale Divinity School's Advisory Boards. Mr. Collins is Chairman of the Advisory Board for the Yale School of Management, 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 bachelor's degree in philosophy from DePauw University and 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 has been an Adjunct Professor and Visiting Fellow at New York University. Mr. Collins has served as a visiting lecturer at the Yale Law School and 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 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. Mrs. Critchley has a First-Class Honors Degree in Mathematics from University College London.

CORPORATE SOCIAL RESPONSIBILITY

Public responsibility has been core to the Firm since inception. As market leaders, we recognize that it is our duty to act as catalysts for change within our industry and within the communities where we do business

Corporate Social Responsibility

EFG Hermes aims to integrate best responsible practices aligned with those undertaken globally, across the environmental, social, and governance (ESG) spheres and throughout its operations.

EFG Hermes is committed to the belief that the Firm's success is not only defined by the profitability of our business but also by the impact we are capable of creating to improve lives across the communities in which we operate. As a pioneer in promoting impact investment strategies and incorporating sustainability into the fabric of our operations, we aim to instigate change across the markets in which we operate to pave the way for increasingly sustainable business practices among corporations.

EFG Hermes aims to integrate best responsible practices aligned with those undertaken globally, across the environmental, social, and governance (ESG) spheres and throughout its operations. The Firm further seeks to align its development frameworks with the UN Sustainable Development Goals (SDGs) and has been a member of the UN Global Compact (UNGC) since 2011, working to further integrate its internal policies with the 10 principles of human rights, labor, the environment, and anti-corruption as well as Egypt's Vision 2030.

As part of its efforts to weave sustainability across all Group operations, EFG Hermes launched its Social Purpose in 2014, which seeks to ensure that all products and services offered by the Firm are able to generate value for all stakeholders and lead various efforts to overcome global, social, economic, and environmental challenges. This was further supported by the issuance of our 2017 ESG policy, which seeks to align EFG Hermes' operations with sound and ethical practices. The Firm's Corporate Social Responsibility (CSR) department additionally spearheads several initiatives to ensure sound ESG practices in addition to overseeing the work of the EFG Hermes Foundation for Social Development, which seeks to support the most vulnerable segments of our community through projects, in collaboration with policymakers and other partners in order to promote sustainable development and economic prosperity.

In 2018, the Firm became 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 at the global level. In October 2020, EFG Hermes was included among 30 regional companies in Refinitiv and the Arab Federation of Exchanges' Low Carbon Select Index, which provides investors with access to low-carbon equities in the MENA region. These commitments form the basis by which the Firm approaches citizenship, allowing it to take measured and consistent steps to build out integrated sustainable business operations and initiatives that drive value for all stakeholders.

Responsible Investment Strategies

A core pillar of ESG integration at the Group level is the deployment of responsible investment strategies in order to define clear objectives and develop ever-evolving policies and practices capable of instigating positive change. In addition, our ESG considerations are integrated into the full investment cycle of all four business lines, working closely with the Group's investment professionals to account for the accurate determination of appropriate risks and opportunities throughout our operations.

EFG Hermes manages a large responsible investment portfolio that includes initiatives that directly align to meet goals set by the SDGs, across a range of sectors. The Group manages a number of investments in renewable energy through its platform, Vortex Energy, which has successfully achieved a C-o-C of 1.4x and blended returns of c. 13% to its investors from 2015 to 2020. In 2020, the platform divested its controlling and managing stake in Vortex Solar, a 365 MW solar PV portfolio (Vortex III), acquired in 2017 from TerraForm Power, at an enterprise value of c. GBP 500 million. Today, Vortex Energy is establishing Vortex Energy IV, which will provide investors with access to a portfolio of energy transition assets and investments, providing double-digit returns on investments in a sustainable and growing sector. Vortex Energy IV will target various portfolios and businesses, ranging from solar and wind generation assets to IPPs, battery storage and distributed generation, which are forecast to continue to grow and attract capital in the next decade. The project pipeline is targeting clean energy transition businesses that fall along a strategic investment spectrum from traditional businesses to growth and technology-led businesses. Vortex Energy IV is set to contribute to reducing global carbon emissions and achieving net zero policies.

It also manages the EFG Hermes Egypt Education Fund, a USD 150 million investment fund launched in 2018 in partnership with Dubai-based education provider GEMS Education, which aims to provide quality K-12 education and build capacities across the sector in Egypt. It is one of the fastest growing education platforms in the Egyptian market, having deployed almost USD 100 million in the market since establishment. In 2019, the platform acquired a majority stake in leading transportation service provider Option Travel, marking its third investment in the Egyptian market after acquiring four operational schools in the cities of Al Rehab and Madinaty earlier this year and kicking off the development of a fifth international school in Al Rehab, which brought the platform's total capacity to c. 10,000 students.

EFG Hermes also operates Rx Healthcare Management, which manages investments across the healthcare sector in order to increase the availability of quality healthcare products and services across the MENA and Africa regions. It invests in highly selective targets, with a clear growth trajectory across healthcare verticals, giving investors access to unique opportunities across the sector's value chain. The Firm's investment approach is predicated on providing growth capital through investing in controlling stakes (and on selective basis, in controlled minority stakes) in companies operating in the segments of pharmaceuticals manufacturing and other complimentary healthcare sub-segments. RxHM places a high value on ESG investment considerations, with target investments having to combine both financial viability and fulfil ESG criteria to ensure sustainable value add that fills a tangible healthcare gap in this highly underserved region. Its acquisition is a leading Egyptian medical solutions provider U Pharma through Nutritius Investment Holdings, a special purpose vehicle set up for the acquisition. The transaction 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.

In addition, the Firm 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, valU, PayTabs Egypt, EFG EV Fintech and EFG Hermes Corp-Solutions. Through these activities, EFG Hermes can ensure that each and every one of its activities are capable of generating positive impact on all stakeholders.

Global Recognition and Reporting

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 also 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. The Firm has also been recognized as a Community Honoree in the Global Finance Outstanding Crisis Leadership 2020 Awards.

Learning and Development

As part of its commitment to ensuring that sustainability remains at the core of all operations across the Firm's business lines, the department has launched initiatives to further promote sustainable practices among its employees. The Firm has instated policies to conserve energy by reducing electricity usage, minimize waste, and increase efficiency across our entire supply chain. Additionally, the Firm has partnered with Thomson Reuters to provide new e-learning materials during the year to introduce CSR and ESG Investigation courses and certifications at EFG Hermes. The Firm also regularly engages with stakeholders through social media campaigns to promote awareness on relevant sustainability matters and a deeper understanding of the SDGs.

EFG Hermes Foundation for Social Development

The EFG Hermes Foundation for Social Development was established in 2006 in order to positively impact the communities in which the Firm operates. The Foundation believes that partnerships are the true driving force behind realizing tangible impact and promoting sustainable development. Accordingly, it adopts a participatory approach to empower local communities and allow for its ESG programs to have maximum impact on the lives of its residents.

Naga' El Fawal and El Deir Integrated Development Project

In 2017, the Foundation launched a EGP 70 million sustainable integrated development project, in partnership with several actors, including civil society associations, government entities, and the private sector to benefit the Naga' El Fawal and El Deir villages in 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. The project marks 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.

To date, the project has had a number of achievements in the development of Naga' El Fawal, including the establishment of a health unit in the village, with all necessary medical equipment as well as the establishment of a new water network to replace the asbestos-contaminated one previously in place. The project has also seen a total of 94 houses rebuilt, featuring individual units for each resident family to replace the shared living quarters previously in place.

A key pillar of the project has been the development of a fully equipped community center, including a Montessori preschool, a center catering to children with disabilities, as well as a training facility, all of which are powered by solar energy. The Young Scholars Academy preschool seeks to offer quality education to the village's 150 children as well as the necessary social skills to provide them with solid foundations to continue their education. In addition, the preschool features a dedicated section to provide the village's 50 children with special needs with the necessary support to advance their learning and prepare for their integration into public schools in the future. In addition, the preschool has successfully created more than 40 sustainable jobs, including 38 teaching positions and six volunteers. The teachers additionally receive specialized training, including four who have successfully completed training on the Montessori philosophy of early education and 20 who have received training on early childhood development for children with special needs.

COVID-19 Pandemic

Recognizing the adversities faced by many people as a result of the onset of the COVID-19 pandemic, the Foundation mobilized several resources, engaging with EFG Hermes employees and partnering with a number of entities to deploy a coordinated response plan to cushion the most at-risk members of our society from the worst of the crisis.

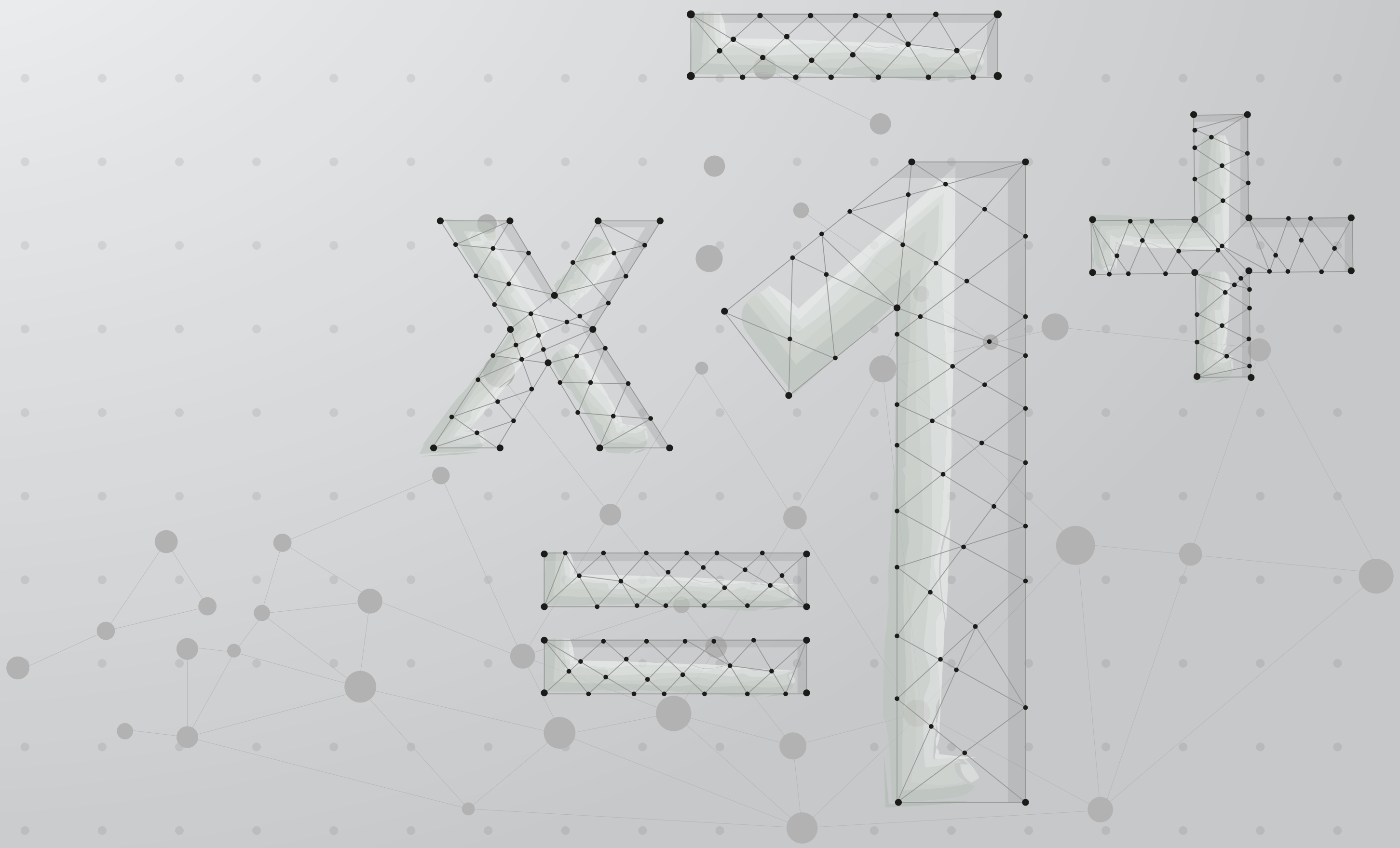
The Firm partnered with the Egyptian Food Bank to support a total of 10,000 families through the pandemic. Additionally, the Foundation has partnered with the Ministry of Social Solidarity's local administrative unit in the Luxor governorate to benefit an additional 1,500 families with cash donations. The Foundation also commissioned a group of women to produce 600 special EFG Hermes Foundation branded bags containing detergents which were later disseminated along with 1,700 flyers containing safety measures as per WHO and Ministry of Health guidelines to families across the Naga' El Fawal and El Deir villages. In addition to sharing crucial information and offering supplies to families in need, this initiative also created work opportunities for local women who support families with children with special needs in their care. In addition, the Foundation partnered with local officials in Luxor to create a quarantine unit with a capacity of 70 patients to curb the impact of the pandemic.

Outlook

In the coming year, EFG Hermes will continue to build on the foundations it has established thus far in integrating responsible ESG practices into its operations and becoming a wholly sustainable enterprise. More specifically, it will further engage local actors and key stakeholders to catapult greater action and generate maximum impact. As responsible investing gains momentum across the world, the Firm will seek to further focus its efforts to broaden the reach of its programs, deepening the integration of ESG practices into its operations as well as working hard to mitigate risks in order to generate shared value for all stakeholders and promote nation-wide sustainability and prosperity.

FINANCIAL STATEMENTS

Our sound financial performance is what allows us to build a sustainable institution that drives economic value for all stakeholders



Auditor's Report
To the shareholders of EFG – Hermes Holding Company

We have audited the accompanying consolidated financial statements of EFG – Hermes Holding Company which comprise the consolidated statement of financial position as at 31 December 2020, 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 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 the 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 the 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 December31 , 2020 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.

Emphasis of Matter
Without qualifying our opinion, as detailed in note No. (37) of the consolidated interim financial statements, most of the world countries, including Egypt, were exposed during 2020 to the new Covid-19 pandemic, causing disruption to most of commercial and economic activities in general and to the financial investments activities in Egypt in particular.

The Company has adjusted the assumptions used in calculating the expected credit loss, thus, it is possible that this will have a significant impact on the pre-defined operational and marketing plans, future cash flows associated with it , the associated elements of assets, liabilities and business results in the consolidated financial statements of the company during the following periods.

As indicated in the above-mentioned clarification, the company's management is currently taking several procedures to counter this risk and reduce its impact on its financial position and support its ability to continue. However, in light of the instability and the state of uncertainty as a result of the current events, the magnitude of the impact of that event depends mainly on the time period of the continuation of those effects at which the event is expected to end and its related effects and the company's ability to achieve its plans to confront this danger, Which it is difficult to determine at the present time.

KPMG Hazem Hassan
Cairo, March 17, 2021

Consolidated Statement of Financial Position

(in EGP)	Note no.	31/12/2020	31/12/2019 Restated *
Assets			
Non - current assets			
Investments at fair value through OCI	(11)	179,492,675	3,074,949,208
Equity accounted investees	(12)	103,095,770	55,000,000
Investment property	(13)	132,074,502	205,498,422
Fixed assets	(14)	651,958,068	524,799,639
Goodwill and other intangible assets	(15)	984,353,914	999,077,802
Deferred tax assets	(21)	24,995,255	93,647,802
Loans receivables	(10)	4,242,390,964	2,777,895,325
Total non - current assets		**6,318,361,148**	**7,730,868,198**
Current assets			
Cash and cash equivalents	(7)	7,397,790,093	9,984,123,272
Loans receivables	(10)	3,947,288,179	3,147,441,793
Investments at fair value through profit and loss	(8)	5,744,078,663	5,745,442,237
Investments at fair value through OCI	(11)	9,918,149,380	12,664,375,755
Accounts receivables	(9)	4,734,488,970	4,533,115,955
Other assets	(16)	621,212,320	529,278,412
Assets held for sale	(6)	59,640,898	-
Total current assets		**32,422,648,503**	**36,603,777,424**
Total assets		**38,741,009,651**	**44,334,645,622**
Equity			
Share capital	(24)	3,843,091,115	3,843,091,115
Legal reserve		833,933,867	803,102,208
Share premium		1,922,267,826	1,922,267,826
Other reserves		791,823,872	2,758,679,077
Retained earnings		6,235,979,897	4,330,582,531
Equity attributable to owners of the Company		**13,627,096,577**	**13,657,722,757**
Non - controlling interests	(25)	310,846,608	362,757,134
Total equity		**13,937,943,185**	**14,020,479,891**
Liabilities			
Non - current liabilities			
Deferred tax liabilities	(21)	301,270,105	211,537,049
Loans and borrowings	(23)	3,564,494,432	2,451,620,265
Total non - current liabilities		**3,865,764,537**	**2,663,157,314**
Current liabilities			
Due to banks and financial institutions	(17)	9,235,466,908	10,427,808,365
Loans and borrowings	(23)	1,033,616,102	1,432,435,583
Accounts payable - customers credit balance		5,486,303,627	7,677,341,560
Accounts payable - customers credit balance at fair value through profit and loss	(18)	2,022,981,775	5,086,573,832
Short term bonds	(19)	500,000,000	400,000,000
Creditors and other credit balances	(20)	1,927,757,515	1,868,337,640
Current tax liability		164,219,351	189,128,550
Provisions	(22)	566,956,651	569,382,887
Total current liabilities		**20,937,301,929**	**27,651,008,417**
Total liabilities		**24,803,066,466**	**30,314,165,731**
Total equity and liabilities		**38,741,009,651**	**44,334,645,622**

** See note (34) from the accompanying notes and accounting policies.*

The accompanying notes and accounting policies from page (141) to page (183) are an integral part of these financial statements and are to be read therewith.

" Auditor's report attached "

Mona Zulficar
Chairperson

Karim Awad
Group Chief Executive Officer

Consolidated income statement

		For the year ended	
(in EGP)	**Note no.**	**31/12/2020**	**31/12/2019**
Revenues			
Fee and commission income	(32)	2,922,038,065	3,066,836,823
Securities gains		371,758,025	485,380,880
Revenues from leasing activities		490,547,721	523,562,579
Interest and dividend income		2,247,248,364	2,576,352,851
Changes in the investments at fair value through profit and loss		576,420,133	11,232,779
Other income	(27)	156,912,385	76,313,533
Total revenues		**6,764,924,693**	**6,739,679,445**
Expenses			
Fee and commission expense		(237,680,811)	(329,069,400)
Interest expense		(1,102,679,260)	(1,289,194,772)
General administrative expenses	(31)	(3,217,700,365)	(2,933,133,961)
Provisions	(22)	(42,554,818)	(160,605,066)
Depreciation and amortization	(13,14,15)	(171,143,524)	(109,832,178)
Impairment loss on assets	(28)	(303,872,865)	(82,632,630)
Share of profit of equity-accounted investees		(4,237,980)	-
Foreign currencies exchange differences		(15,282,497)	(309,982,969)
Total expenses		**(5,095,152,120)**	**(5,214,450,976)**
Profit before income tax		1,669,772,573	1,525,228,469
Income tax expense	(29)	(329,046,528)	(128,067,515)
Profit for the year		**1,340,726,045**	**1,397,160,954**
Profit attributable to:			
Owners of the Company		1,305,403,129	1,378,102,955
Non - controlling interests	(25)	35,322,916	19,057,999
		1,340,726,045	**1,397,160,954**

The accompanying notes and accounting policies from page (141) to page (183) 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 31/12/2020	31/12/2019
Profit for the period	1,340,726,045	1,397,160,954
Other comprehensive income:		
Items that are or may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	(96,787,059)	(869,066,150)
Foreign currency translation differences - reclassified to profit or loss	(32,212,643)	88,869,430
Investments at fair value through OCI - net change in fair value	(678,272,788)	36,724,275
Investments at fair value through OCI - net change in fair value - reclassified to profit or loss	(474,568,773)	(436,794,148)
Investment at FVTOCI - reclassified to Retained Earnings	(2,176,473)	-
Actuarial loss re-measurement of employees' benefits obligations	(2,002,429)	-
Related tax	12,221,624	32,014,376
Other comprehensive income, net of tax	**(1,273,798,541)**	**(1,148,252,217)**
Total comprehensive income	**66,927,504**	**248,908,737**
Total comprehensive income attributable to:		
Owners of the Company	34,980,736	267,862,247
Non - controlling interests	31,946,768	(18,953,510)
	66,927,504	**248,908,737**

The accompanying notes and accounting policies from page (141) to page (183) are an integral part of these financial statements and are to be read therewith.

Consolidated statement of changes in equity
as at December 31,2020

	Attributable to owners of the Company				Other reserves						
(in EGP)	Share capital	Legal reserve	Share premium	General reserve	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 31 December, 2018, as previously reported	3,843,091,115	773,338,368	1,922,267,826	158,269	2,862,298,138	1,025,754,218	(26,442,387)	3,597,789,315	13,998,254,862	437,723,286	14,435,978,148
Effect of change in accounting policies	-	-	-	-	-	7,151,547	-	(20,254,702)	(13,103,155)	(9,734)	(13,112,889)
Restated balance as at 31 December, 2018	**3,843,091,115**	**773,338,368**	**1,922,267,826**	**158,269**	**2,862,298,138**	**1,032,905,765**	**(26,442,387)**	**3,577,534,613**	**13,985,151,707**	**437,713,552**	**14,422,865,259**
Total comprehensive income											
Profit	-	-	-	-	-	-	-	1,378,102,955	1,378,102,955	19,057,999	1,397,160,954
Other comprehensive income	-	-	-	-	(743,123,068)	(367,117,640)	-	-	(1,110,240,708)	(38,011,509)	(1,148,252,217)
Total comprehensive income	-	-	-	-	(743,123,068)	(367,117,640)	-	1,378,102,955	267,862,247	(18,953,510)	248,908,737
Transactions with owners of the Company											
Transferred to legal reserve	-	29,763,840	-	-	-	-	-	(29,763,840)	-	-	-
Dividends	-	-	-	-	-	-	-	(594,519,147)	(594,519,147)	(56,287,566)	(650,806,713)
Changes in ownership interests											
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	(772,050)	(772,050)	2,400,911	1,628,861
Share of NCI in the increase/(decrease) of subsidiaries paid- in capital	-	-	-	-	-	-	-	-	-	(2,116,253)	(2,116,253)
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**	**362,757,134**	**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**
Total comprehensive income											
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)	-	174,044	(1,268,245,921)	(3,376,147)	(1,271,622,068)
Total comprehensive income	**-**	**-**	**-**	**-**	**(126,465,076)**	**(1,141,954,889)**	**-**	**1,305,577,173**	**37,157,208**	**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											
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	(238,627)	(238,627)	3,766,613	3,527,986
Share of NCI in the increase/(decrease) of subsidiaries paid- in capital	-	-	-	-	-	-	-	-	-	-	-
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**

The accompanying notes and accounting policies from page (141) to page (183) 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 31/12/2020	31/12/2019
Cash flows from operating activities			
Profit before income tax		1,669,772,573	1,525,228,469
Adjustments for:			
Depreciation and amortization	(13,14,15)	171,143,524	109,832,178
Provisions formed	(22)	42,554,818	160,605,066
Provisions used	(22)	(8,684,029)	(30,774,632)
Provisions reversed	(22)	(35,255,180)	-
Gains on sale of fixed assets		(836)	(1,312,253)
Gains on sale of investment at FVTOCI		(474 568 773)	(436,794,148)
Changes in the fair value of investments at fair value through profit and loss		(576,420,133)	(11,232,779)
Share of profit of equity-accounted investees		4,237,980	-
Impairment loss on assets	**(28)**	303,872,865	82,632,630
Foreign currency translation differences		(27,818,033)	(290,871,047)
Foreign currencies exchange differences		15,282,496	309,982,970
Operating profit before changes in current assets and liabilities		**1,084,117,272**	**1,417,296,454**
Changes in:			
Other assets		(53,187,325)	169,821,624
Creditors and other credit balances		94,960,732	81,797,760
Accounts receivables		(258,963,589)	(2,889,353,659)
Accounts payable		(1,995,952,225)	5,587,368,506
Accounts payable - customers credit balance at fair value through profit and loss		(3,063,592,057)	4,102,638,104
Investments at fair value through profit and loss		2,208,024,926	(3,909,802,860)
Income tax paid		(173,872,403)	(188,929,693)
Net cash (used in) provided from operating activities		**(2,158,464,669)**	**4,370,836,236**
Cash flows from investing activities			
Loans receivables		(2,477,553,478)	(479,670,207)
Payments to purchase fixed assets and other intangible assets		(101,158,922)	(125,857,883)
Proceeds from sale of fixed assets		152,699	1,449,760
Proceeds from sale of assets held for sale		-	313,425,000
Proceeds from sale of investment FVTOCI		17,567,402,835	6,361,664,555
Payments to purchase investment FVTOCI		(14,767,315,832)	(12,316,939,303)
Payments to purchase equity accounted investees		(52,333,749)	(50,000,000)
Acquisition of subsidiary (net of cash acquired)		-	(1,360,716)
Net cash provided from (used in) investing activities		**169,193,553**	**(6,297,288,794)**
Cash flows from financing activities			
Dividends paid		(132,802,448)	(614,008,582)
Proceeds from short term bonds		500,000,000	400,000,000
Payments for short term bonds		(400,000,000)	-
Proceeds from loans and borrowings		1,538,044,191	1,003,034,395
Payment for loans and borrowings		(981,195,693)	(554,805,028)
Net cash provided from financing activities		**524,046,050**	**234,220,785**
Net change in cash and cash equivalents		(1,465,225,066)	(1,692,231,773)
Cash and cash equivalents at 1 January	(30)	(333,600,555)	1,291,482,285
Cash and cash equivalents at 31 December	(30)	**(1,798,825,621)**	**(400,749,488)**

The accompanying notes and accounting policies from page (141) to page (183) 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, 2020

(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, and collection. 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 tasquek.

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 16, 2021.

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. Change in accounting policies

- On March 18, 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015 , which include some new accounting standards as well as introducing amendments to certain existing standards published in the official gazette on 25 April 2019.
- As per the Financial Regulatory Authority (FRA) decree on April 12,2020, the implementation of the new Egyptian Accounting Standards and the accompanied amendments issued in decree No.69 of 2019 was postponed for the interim financial statements of year 2020, due to the outbreak of COVID-19 pandemic. This was issued in view of the current circumstances and the resulting economic and financial implications as well as the application of precautionary measures including restrictions on the presence of human resources with its full capacity on regular basis in face of the widespread of the pandemic.
- As per the Prime minister decision No 1871 for the year ended 2020 dated
- 20 September 2020 the application of the accounting standards No. (47) "Financial Instruments", No. (48) - "Revenue from Contracts with Customers" and No (49) " Lease Contracts" have been postponed till1 January 2021.
- The group has early adopted the new standards EAS 47 (Note no.38-11, 38-14), EAS 48 (Note no. 38-4) and EAS 49 (Note no. 38-21) including any consequential amendments to other standards as it's also required to apply EAS (1),(25),(26),and (40) at the same date.
- Changes in accounting policies resulting from the adoption of EAS 47 and EAS 49 have been applied using the modified retrospective approach, and therefore the comparative information has not been restated.
- The following tables show the effects of applying the new standards on the opening balances on 1 January 2020:

A. The following table shows the effect of applying the new standards on retained earnings opening balance.

	Retained Earnings
Balance as at December 31, 2019	4,330,582,531
Effect of applying EAS 47	680,784,118
Effect of applying EAS 49	(9,042,470)
Balance as at January 1,2020	**5,002,324,179**

B. The following table shows the settlement between the items of the balance sheet and the classification of financial instruments on January 1, 2020:

Financial assets	FVTOCI -debit Instrument	FVTOCI -Equity	FVTPL -debit Instrument	FVTPL -Equity	Amortized Cost	Total
Cash and Cash equivalents	--	--	--	--	9,984,123,272	9,984,123,272
Loans Receivables	--	--	--	--	5,925,245,600	5,925,245,600
Investments	12,704,250,778	898,748,229	5,450,713,122	2,430,202,287	--	21,483,914,416
Accounts Receivables	--	--	--	--	4,521,946,503	4,521,946,503
Other assets	--	--	--	--	524,534,183	524,534,183
Total	**12,704,250,778**	**898,748,229**	**5,450,713,122**	**2,430,202,287**	**20,955,849,558**	**42,439,763,974**

C. The following table shows the classifications and book value of the financial assets according to old and new standards on January 1, 2020:

Financial assets	Old classification EAS No. (26)	New classification EAS No. (47)	Book Value EAS No. (26)	Book Value EAS No. (47)
Cash and Cash equivalents	Held to Maturity	Amortized Cost	9,984,123,272	9,984,123,272
Loans Receivables	Held to Maturity	Amortized Cost	5,925,337,118	5,925,245,600
Investments	Available for sale	FVTOCI	15,739,324,963	13,602,999,007
Investments	Trading	FVTPL	5,745,442,237	7,880,915,409
Accounts Receivables	Held to Maturity	Amortized Cost	4,533,115,955	4,521,946,503
Other assets	Held to Maturity	Amortized Cost	529,278,412	524,534,183
Total Financial assets			**42,456,621,957**	**42,439,763,974**

D. The following table shows the settlement between the book value of the financial assets according to EAS No. (26) and EAS No. (47) on January 1, 2020:

Financial Assets	Book Value EAS 26 31-Dec-19	Reclassification	Impairment loss on assets	Book Value EAS 47 1-Jan-20
Amortized Cost				
Cash and Cash equivalents	9,984,123,272	--	--	9,984,123,272
Loans Receivables	5,925,337,118	--	(91,518)	5,925,245,600
Accounts Receivables	4,533,115,955	--	(11,169,452)	4,521,946,503
Other assets	529,278,412	--	(4,744,229)	524,534,183
Total Amortized Cost	**20,971,854,757**	**--**	**(16,005,199)**	**20,955,849,558**
FVTOCI				
Investment equity /debt instrument	15,739,324,963	(2,135,473,172)	(852,784)	13,602,999,007
Total FVTOCI	**15,739,324,963**	**(2,135,473,172)**	**(852,784)**	**13,602,999,007**
FVTPL				
Investment equity /debt instrument	5,745,442,237	2,135,473,172	--	7,880,915,409
Total FVTPL	**5,745,442,237**	**2,135,473,172**	**--**	**7,880,915,409**
Total Financial assets	**42,456,621,957**	**--**	**(16,857,983)**	**42,439,763,974**

6. Assets held for sale

- On 29 December 2020, EFG – Hermes UAE Limited, (one of the subsidiaries) committed to a plan to sell its investment property (Index Tower) which has been classified as an asset held for sale, Efforts to sell the disposal group have started and a sale is expected by March 2021.
- The fair value of the asset as at 31 December 2020 has been determined by in pursuance of a Sale and Purchase Agreement ("the Agreement") signed on 5th January 2021. According to the Agreement, the sale price of the property has been determined at
- USD 3,790,334 equivalent to EGP 59,640,898. (note 13).

7. Cash and cash equivalents

	31/12/2020	31/12/2019
Cash on hand	34,596,734	43,812,994
Cheques under collection	465,001	5,960,252
Banks - current accounts	6,062,014,232	8,860,641,238
Banks - time deposits	1,301,851,385	1,073,708,788
Balance	**7,398,927,352**	**9,984,123,272**
Impairment loss	(1,137,259)	--
Balance	**7,397,790,093**	**9,984,123,272**

8. Investments at fair value through profit and loss

	31/12/2020	31/12/2019
Mutual fund certificates	2,786,033,100	266,399,637
Equity securities	128,071,075	28,329,478
Debt securities	660,445,570	815,671
Treasury bills	146,547,143	185,874,315
Structured notes	2,022,981,775	5,264,023,136
Balance	**5,744,078,663**	**5,745,442,237**

9. Accounts receivables

	31/12/2020	31/12/2019 Restated
Accounts receivables	4,115,936,535	7,318,317,170
Other brokerage companies	618,552,435	(2,785,201,215)
Balance	4,734,488,970	4,533,115,955

10. Loans receivables

	31/12/2020	31/12/2019 Restated
Micro finance receivables	1,472,517,097	1,911,963,284
Vortex Solar Investments Sarl	--	108,208,650
Finance lease receivables	4,681,487,371	3,033,094,455
Consumer finance receivables	678,470,013	305,948,541
Factoring receivables	765,476,795	331,442,135
Other loans	591,727,867	234,680,053
Balance	**8,189,679,143**	**5,925,337,118**
Current	3,947,288,179	3,147,441,793
Non-current	4,242,390,964	2,777,895,325
Balance	**8,189,679,143**	**5,925,337,118**

11. Investments at fair value through OCI

	31/12/2020	31/12/2019
Non-current investments		
Equity securities *	33,933,001	1,153,515,079
Mutual fund certificates	59,012,925	1,880,706,322
Debt instruments	86,546,749	40,727,807
	179,492,675	**3,074,949,208**
Current investments		
Debt instruments	9,919,679,373	12,664,375,755
Impairment loss	(1,529,993)	--
	9,918,149,380	**12,664,375,755**
Balance	**10,097,642,055**	**15,739,324,963**

** As the economic situation in Lebanon continued to worsen in 2020, in addition to potential additional defaults on debt, an overvalued currency, an economy that continues to contract by double digits and followed by a public health crisis with the outbreak of the COVID-19; management further assessed the situation in Lebanon and took a prudent decision to write-down 100% of the remaining investment in the Lebanese Bank Credit Libanais amounted to EGP 753,511,936 as at 31 December 2019.*

12. Equity accounted investees

	Percentage %	31/12/2020	31/12/2019
Interest in joint venture			
EFG- EV Finech	50	12,955,277	5,000,000
Bedaya Mortgage Finance Co	33.34	54,848,370	50,000,000
Interest in associate			
Tokio Marine Egypt Family Takaful S.A.E	37.50	35,292,123	--
Balance		**103,095,770**	**55,000,000**

13. Investment property

Particular	Buildings
Cost	
Balance as at 1/1/2019	256,628,710
Foreign currency translation differences	(9,068,720)
Total cost as at 31/12/2019	**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**
Accumulated depreciation	
Accumulated depreciation as at 1/1/2019	33,702,500
Depreciation for the year	9,467,141
Foreign currency translation differences	(1,108,073)
Accumulated depreciation as at 31/12/2019	**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**
Carrying amount	
Net carrying amount as at 31/12/2019	**205,498,422**
Net carrying amount as at 31/12/2020	**132,074,502**

Investment property net carrying amount amounted EGP 132,074,502 as at 31 December 2020, represents the following:-

- EGP 126,111,854 the book value of the area owned by EFG – Hermes Holding Company in Nile City building, and with a fair value of EGP 404,820,000.
- EGP 3,223,213 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 9,750,000.
- EGP 2,739,435 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 11,292,450.

14. Fixed assets

Particular	Land & Buildings	Leasehold improve-ments	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Cost							
Balance as at 1/1/2019	362,557,982	56,923,015	268,704,586	319,618,165	27,215,851	--	1,035,019,599
Additions	--	19,935,978	27,081,269	56,665,271	6,853,588	--	110,536,106
Disposals	--	--	(1,136,107)	(610,545)	(2,472,656)	--	(4,219,308)
Acquisition from subsidiaries	--	--	--	525,470	--	--	525,470
Foreign currency translation differences	(98,586)	(304,790)	(17,950,297)	(17,455,934)	(1,233,533)	--	(37,043,140)
Total cost as at 31/12/2019	362,459,396	76,554,203	276,699,451	358,742,427	30,363,250	--	1,104,818,727
Balance as at 1/1/2020	362,459,396	76,554,203	276,699,451	358,742,427	30,363,250	167,924,399	1,272,743,126
Additions	--	7,091,994	12,921,684	61,240,291	7,905,514	42,464,093	576,623,131
Disposals	30,230))	--	186,628))	(204,298)	(359,655)	--	780,811))
Foreign currency translation differences	(21,768)	(244,070)	(3,292,266)	(3,721,672)	(201,845)	(3,720,500)	(11,202,121)
Total cost as at 31/12/2020	**362,407,398**	**83,402,127**	**286,142,241**	**416,056,748**	**37,707,264**	**206,667,992**	**1,392,383,770**
Accumulated depreciation							
Accumulated depreciation as at 1/1/2019	52,571,963	29,824,408	187,559,272	240,614,826	18,099,952	--	528,670,421
Depreciation	9,538,074	9,776,111	25,585,226	37,390,470	4,361,603	--	86,651,484
Disposals' accumulated depreciation	--	--	(1,116,853)	(601,345)	(2,246,648)	--	(3,964,846)
Acquisition from subsidiaries	--	--	--	35,031	--	--	35,031
Foreign currency translation differences	(33,769)	(99,706)	(14,146,558)	(16,101,749)	(991,220)	--	(31,373,002)
Accumulated depreciation as at 31/12/2019	62,076,268	39,500,813	197,881,087	261,337,233	19,223,687	--	580,019,088
Accumulated depreciation as at 1/1/2020	62,076,268	39,500,813	197,881,087	261,337,233	19,223,687	25,312,706	605,331,794
Depreciation	9,523,050	11,442,455	28,322,789	46,737,787	4,806,857	43,387,821	144,220,759
Disposals' accumulated depreciation	--	--	(115,309)	(153,984)	(359,655)	--	628,948))
Reclassified to intangible assets	--	--	(623,068)	(1,260,480)	--	--	(1,883,548)
Foreign currency translation differences	(8,559)	(121,380)	(2,564,850)	(3,127,186)	(165,665)	(626,715)	(6,614,355)
Accumulated depreciation as at 31/12/2020	71,590,759	50,821,888	222,900,649	303,533,370	23,505,224	68,073,812	740,425,702
Carrying amount							
Carrying amount as at 31/12/2019	**300,383,128**	**37,053,390**	**78,818,364**	**97,405,194**	**11,139,563**	**--**	**524,799,639**
Carrying amount as at 31/12/2020	**290,816,639**	**32,580,239**	**63,241,592**	**112,523,378**	**14,202,040**	**138,594,180**	**651,958,068**

Particular	Land & Buildings	Leasehold improve-ments	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Accumulated depreciation							
Accumulated depreciation as at 1/1/2019	52,571,963	29,824,408	187,559,272	240,614,826	18,099,952	--	528,670,421
Depreciation	9,538,074	9,776,111	25,585,226	37,390,470	4,361,603	--	86,651,484
Disposals' accumulated depreciation	--	--	(1,116,853)	(601,345)	(2,246,648)	--	(3,964,846)
Acquisition from subsidiaries	--	--	--	35,031	--	--	35,031
Foreign currency translation differences	(33,769)	(99,706)	(14,146,558)	(16,101,749)	(991,220)	--	(31,373,002)
Accumulated depreciation as at 31/12/2019	62,076,268	39,500,813	197,881,087	261,337,233	19,223,687	--	580,019,088
Accumulated depreciation as at 1/1/2020	**62,076,268**	**39,500,813**	**197,881,087**	**261,337,233**	**19,223,687**	**25,312,706**	**605,331,794**
Depreciation	9,523,050	11,442,455	28,322,789	46,737,787	4,806,857	43,387,821	144,220,759
Disposals' accumulated depreciation	--	--	(115,309)	(153,984)	(359,655)	--	628,948)
Reclassified to intangible assets	--	--	(623,068)	(1,260,480)	--	--	(1,883,548)
Foreign currency translation differences	(8,559)	(121,380)	(2,564,850)	(3,127,186)	(165,665)	(626,715)	(6,614,355)
Accumulated depreciation as at 31/12/2020	**71,590,759**	**50,821,888**	**222,900,649**	**303,533,370**	**23,505,224**	**68,073,812**	**740,425,702**
Carrying amount							
Carrying amount as at 31/12/2019	**300,383,128**	**37,053,390**	**78,818,364**	**97,405,194**	**11,139,563**	**--**	**524,799,639**
Carrying amount as at 31/12/2020	**290,816,639**	**32,580,239**	**63,241,592**	**112,523,378**	**14,202,040**	**138,594,180**	**651,958,068**

15. Goodwill and other intangible assets

		31/12/2020	31/12/2019
Goodwill	(15-1)	890,091,108	896,012,911
Customer relationships		46,024,888	54,151,875
Licenses		10,550,653	11,049,814
Software		37,687,265	37,863,202
Balance		**984,353,914**	**999,077,802**

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

	31/12/2020	31/12/2019
EFG- Hermes Oman LLC	--	5,921,803
EFG- Hermes IFA Financial Brokerage Company Kuwait – (KSC)	179,148,550	179,148,550
IDEAVELOPERS – 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	9,503,738
Frontier Investment Management Partners LTD	325,800,740	325,800,740
Balance	**890,091,108**	**896,012,911**

16. Other assets

		31/12/2020	31/12/2019
Deposits with others	(16-1)	38,910,748	42,270,033
Down payments to suppliers		89,543,602	37,048,024
Prepaid expenses		60,270,163	60,145,356
Employees' advances		56,309,877	67,812,584
Accrued revenues		257,587,316	172,093,322
Taxes withheld by others		19,983,975	35,542,115
Payments for investments	(16-2)	1,623,856	11,623,856
Settlement Guarantee Fund		21,480,174	27,213,955
Due from Ara Inc. Company		553,794	564,705
Due from Egypt Gulf Bank- Tanmeyah Clients		23,306,020	14,290,786
Receivables-sale of investments		9,826,622	36,242,640
Securitization surplus	(16-3)	15,331,670	9,363,743
Sundry debtors		47,511,555	15,067,293
Total		**642,239,372**	**529,278,412**
Deduct: Impairment loss		(21,027,052)	--
Balance		**621,212,320**	**529,278,412**

16.1. Deposits with others include an amount of EGP 15,052,172 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:

	31/12/2020	31/12/2019
AAW Company for Infrastructure	1,348,856	1,348,856
IDEAVELOPERS	25,000	25,000
Paytabs Egypt Solutions	250,000	250,000
EFG Hermes for Sukuk	--	10,000,000
Balance	**1,623,856**	**11,623,856**

16.3. Securitization surplus amounted to EGP 15,331,670 related to the surplus of securitization transactions executed by Tanmeyah Micro Enterprise Services S.A.E .

17. Due to banks and financial institutions

	31/12/2020	31/12/2019
Financial institutions	4,242,605,354	6,806,369,720
Bank overdraft	4,992,861,554	3,621,438,645
Balance	**9,235,466,908**	**10,427,808,365**

18. 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.

19. Short term bonds

- During December, 2019 Hermes Securities Brokerage (a subsidiary -100%) issued short-term bonds with a value of EGP 400 million 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 12.6 % that will be paid at the end of the issuance period. And it's non-expedited payment, within a two-year issuance program with a total value of EGP 2 billion, the bonds proceeds used to finance different company activities and pay it's financial obligations and the bond is fully paid during December 2020.
- During December, 2020 Hermes Securities Brokerage (a subsidiary -100%) issued short-term bonds with a value of EGP 500 million (Second 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 11.38 % 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.

20. Creditors and other credit balances

	31/12/2020	31/12/2019 Restated
Accrued expenses	1,324,420,865	1,280,583,052
Dividends payable (prior years)	212,075,506	229,732,294
Deferred revenues	38,914,452	73,702,962
Suppliers	160,997,015	111,183,920
Clients' coupons - custody activity	11,696,426	12,685,918
Tax authority	25,486,546	34,590,794
Social Insurance Association	16,109,322	10,285,853
Medical takaful insurance tax	9,605,682	11,136,578
Deposits due to others –finance lease contracts *	14,639,821	11,976,990
Sundry creditors	113,811,880	92,459,279
Balance	**1,927,757,515**	**1,868,337,640**

** Deposits due to others amounted to EGP 14,639,821 as at 31 December 2020 versus EGP 11,976,990 as at 31 December 2019 represents the deposits collected from the lessees of EFG Hermes Corp Solutions.*

21. Deferred tax assets (liabilities)

	Balance at 1/1/2020	Recognized in profit or loss	Recognized in equity	Foreign currency differences	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(10,198,671)	(474,999)	--	4,032	(10,669,638)	--	(10,669,638)
Claims provision	874,803	--	--	(25,644)	849,159	849,159	--
Impairment loss on assets	1,224,794	--	--	--	1,224,794	1,224,794	--
Prior year losses carried forward	6,411,486	12,628,942	--	1,098,709	20,139,137	20,139,137	--
Changes in fair value of cash flow hedges	6,612,597	--	(6,612,597)	--	--	--	--
Investment at fair value	(201,338,378)	(101,168,260)	11,906,171	--	(290,600,467)	--	(290,600,467)
Foreign currency translation differences	76,656,975	(75,736,143)	--	(5,814)	915,018	915,018	--
Revaluation of investment property	1,867,147	--	--	--	1,867,147	1,867,147	--
	(117,889,247)	**(164,750,460)**	**5,293,574**	**1,071,283**	**(276,274,850)**	**24,995,255**	**(301,270,105)**

22. Provisions

		31/12/2020	31/12/2019
Claims provision	(22-1)	312,567,570	344,922,430
Severance pay provision	(22-1)	213,356,835	193,507,962
Financial guarantee for contingent liabilities	(22-1)	41,032,246	30,952,495
Balance		**566,956,651**	**569,382,887**

22.1.

	Claims provision	Severance Pay provision*	Financial guarantee for contingent liabilities	Total
Balance at the beginning of the year	344,922,430	193,507,962	30,952,495	569,382,887
Formed during the year	5,182,810	27,292,257	10,079,751	42,554,818
Foreign currency differences	(526,103)	(2,518,171)	--	(3,044,274)
Amounts used during the year	(1,756,387)	(6,927,642)	--	(8,684,029)
Actuarial of employees' benefits obligations	--	2,002,429	--	2,002,429
No longer needed	(35,255,180)	--	--	(35,255,180)
Balance at the end of the year	**312,567,570**	**213,356,835**	**41,032,246**	**566,956,651**

** Related to group entities outside Egypt.*

23. Loans and borrowings

The borrower	Credit Limit	Contract date	Maturity date	31/12/2020	31/12/2019
EFG Hermes Corp-Solutions *	250 million	10/6/2015	10/6/2023	74,473,883	34,989,495
,,	150 million	4/6/2015	4/6/2022	77,230,237	92,310,061
,,	500 million	14/7/2015	14/9/2022	464,514,612	430,517,065
,,	400 million	4/11/2015	4/11/2022	354,726,305	239,586,874
,,	1 billion	9/8/2015	9/8/2023	638,994,688	159,899,712
,,	200 million	30/9/2015	30/9/2025	33,305,064	62,790,183
,,	325 million	14/3/2016	14/3/2023	250,074,996	187,516,809
,,	50 million	1/6/2016	1/6/2023	39,618,461	40,989,880
,,	200 million	12/6/2017	12/6/2025	78,310,630	81,980,207
,,	100 million	28/11/2016	31/10/2021	39,823,216	42,358,582
,,	120 million	15/12/2016	30/9/2021	1,061,181	3,208,767
,,	450 million	12/2/2017	28/2/2022	375,701,258	158,366,708
,,	250 million	19/2/2017	30/8/2024	195,170,136	63,916,082
,,	200 million	15/12/2016	30/9/2021	129,412,374	75,705,687
,,	20 million	24/4/2017	24/4/2023	2,044,979	2,862,971
,,	250 million	25/5/2017	25/5/2022	109,383,304	85,383,750
,,	200 million	29/5/2017	29/5/2024	139,283,053	152,647,995
,,	35.4 million	19/10/2017	19/10/2022	14,161,500	21,660,750
,,	90 million	1/12/2017	1/6/2022	22,375,602	43,681,257
,,	175 million	7/2/2018	7/2/2023	140,000,000	160,000,000
,,	500 million	24/9/2018	24/9/2025	140,730,595	165,876,506
,,	600 million	5/9/2018	5/9/2028	296,740,523	360,180,671
,,	100 million	3/5/2020	19/9/2021	98,796,378	--
,,	100 million	26/11/2020	26/11/2027	2,057,775	--
EFG – Hermes Pakistan Limited	36.8 million	12/5/2017	11/5/2023	36,833,250	38,859,750
Tanmeyah Micro Enterprise Services S.A.E	100 million	30/3/2019	30/9/2020	--	36,012,019
,,	50 million	1/6/2018	31/10/2021	34,358,483	36,166,173
,,	500 million	18/6/2017	18/6/2022	--	14,814,753
,,	81.3 million	10/3/2020	12/12/2022	54,208,666	81,313,000
Valu	140 million	10/11/2017	9/11/2023	24,340,549	69,121,051
EFG-Hermes Int. Fin Corp	802 million	7/11/2019	6/10/2020	--	561,575,000
EFG Finance Holding	1 billion	8/11/2020	27/10/2027	250,000,000	--
Lease liabilities**				480,378,836	379,764,090
Balance				**4,598,110,534**	**3,884,055,848**
Current				1,033,616,102	1,432,435,583
Non-current				3,564,494,432	2,451,620,265
Balance				**4,598,110,534**	**3,884,055,848**

** 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 320,184,603 in the name of EFG-Hermes Holding and Tanmeyah Micro Enterprise Services S.A.E that represents sale and lease back agreement.*

24. 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.

25. Non - controlling interests

	31/12/2020	31/12/2019
Share capital	173,095,207	173,443,584
Additional paid-in capital	120,463,104	137,607,690
Legal reserve	20,012,721	16,960,569
Other reserves	8,243,820	11,619,967
Retained earnings	(46,291,160)	4,067,325
Profit for the year	35,322,916	19,057,999
Balance	**310,846,608**	**362,757,134**

26. Contingent liabilities

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

	31/12/2020	31/12/2019
AED	83,670,000	83,670,000
Equivalent to EGP	358,425,546	365,487,294
Group off-financial position items:		
Assets under management	55,489,735,019	54,780,900,131

- 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 represents in :

Client portfolios related to securitization transactions	308,043,699
Balances with custodians	242,216,718
Land and Buildings related to Sukuk transactions	2,600,000,000
Total Assets	**3,150,260,417**
Bonds	480,937,181
Sukuk	2,600,000,000
Total liabilities	**3,080,937,181**

27. Other income

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

28. Impairment loss on assets

	For the year ended	
	31/12/2020	31/12/2019
Accounts receivables	63,234,718	16,139,267
Loans receivables	213,211,453	66,493,363
Cash and cash equivalents	918,321	--
Other Debit Accounts	16,540,748	--
Investment Through OCI	661,330	--
Good will	5,921,804	--
Investment property	3,384,491	--
Total	**303,872,865**	**82,632,630**

29. Income tax expense

	For the year ended	
	31/12/2020	31/12/2019
Current income tax	(164,296,068)	(201,050,305)
Deferred tax	(164,750,460)	72,982,790
Total	**(329,046,528)**	**(128,067,515)**

30. Cash and cash equivalents

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

	For the year ended	
	31/12/2020	31/12/2019
Cash and due from banks	7,398,927,352	9,984,123,272
Due to banks and financial institutions	(9,235,466,908)	(10,427,808,365)
Treasury bills less than 90 days	37,713,935	42,935,605
Effect of exchange rate	--	67,148,933
Cash and cash equivalents	**(1,798,825,621)**	**(333,600,555)**

31. General administrative expenses

	For the year ended	
	31/12/2020	31/12/2019
Wages , salaries and similar items *	2,326,480,742	2,144,181,550
Consultancy	132,583,223	78,495,164
Travel , accommodation and transportation	16,443,710	68,516,047
Leased line and communication	136,288,932	123,136,658
Rent and utilities expenses	57,693,419	115,421,571
Other expenses	548,210,339	403,382,971
Total	**3,217,700,365**	**2,933,133,961**

** In 2018 the group based on the compensation committee recommendation approved enrolling a number of employees in a three years retention program whereby these employees would receive a cash bonus during the company's annual bonus cycle that is based on the share price of EFG- Hermes Holding at the end of the relevant year. The line item (Wages, salaries and similar items) includes an amount of EGP 180,185,535 relevant to this program for the period ended December 31, 2020.*

32. 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, 2020										
	Holding & treasury	Brokerage	Asset management	Investment banking	Private Equity	Leasing	Micro finance	Consumer Finance	Factoring	Adjustments	Total
Fee and commission income	--	1,265,460,421	413,076,406	225,434,765	444,171,336	--	536,274,421	54,588,689	--	(16,967,973)	2,922,038,065
Securities gains	403,312,836	(31,467,136)	--	--	(87,675)	--	--	--	--	--	371,758,025
Revenues from leasing activity	--	--	--	--	--	490,547,721	--	--	--	--	490,547,721
Interest and dividend income	1,086,692,660	143,792,700	606,176	16,021,380	24,308,668	3,180,130	859,127,089	82,595,145	48,684,740	(17,760,324)	2,247,248,364
Changes in the investments at fair value through profit and loss	575,158,504	1,231,882	--	--	29,747	--	--	--	--	--	576,420,133
Other income	97,286,213	19,876,391	465,140	752,079	1,671,500	1,253,632	18,791,741	--	16,815,689	--	156,912,385
Total revenues	**2,162,450,213**	**1,398,894,258**	**414,147,722**	**242,208,224**	**470,093,576**	**494,981,483**	**1,414,193,251**	**137,183,834**	**65,500,429**	**(34,728,297)**	**6,764,924,693**
Fee and commission expense	(1,494,846)	(226,093,744)	(1,314,329)	(323,748)	(564,167)	(2,612,218)	(14,884,820)	(220,170)	(584,184)	10,411,415	(237,680,811)
Interest expense	(195,672,687)	(173,354,069)	--	(5,173,532)	(1,791,368)	(308,708,192)	(322,727,393)	(26,251,405)	(39,541,724)	(29,458,890)	(1,102,679,260)
Share of profit of equity-accounted investees	(4,237,980)	--	--	--	--	--	--	--	--	--	(4,237,980)
Foreign currencies exchange differences	(22,893,994)	7,611,497	--	--	--	--	--	--	--	--	(15,282,497)
Net revenues	**1,938,150,706**	**1,007,057,942**	**412,833,393**	**236,710,944**	**467,738,041**	**183,661,073**	**1,076,581,038**	**110,712,259**	**25,374,521**	**(53,775,772)**	**5,405,044,145**
General administrative expenses	(970,234,712)	(981,432,265)	(326,453,108)	(172,934,963)	(137,403,236)	(72,843,791)	(526,341,179)	(81,313,451)	(15,080,473)	66,336,813	(3,217,700,365)
Provisions	(3,032,863)	(28,062,060)	(466,968)	(933,940)	--	--	(10,058,987)	--	--	--	(42,554,818)
Depreciation and amortization	(50,885,785)	(36,704,951)	(13,976,321)	(306,430)	(322,262)	(210,462)	(61,886,315)	(5,096,107)	(1,754,891)	--	(171,143,524)
Impairment loss on assets	(4,870,664)	(8,276,685)	175,756	--	(61,092,982)	(42,399,645)	(159,912,923)	(12,058,428)	(2,876,253)	(12,561,041)	(303,872,865)
Total expenses	**(1,253,323,531)**	**(1,446,312,277)**	**(342,034,970)**	**(179,672,613)**	**(201,174,015)**	**(426,774,308)**	**(1,095,811,617)**	**(124,939,561)**	**(59,837,525)**	**34,728,297**	**(5,095,152,120)**
Profit (loss) before income tax	909,126,682	(47,418,019)	72,112,752	62,535,611	268,919,561	68,207,175	318,381,634	12,244,273	5,662,904	--	1,669,772,573
Income tax expense	(164,829,374)	(16,482,044)	5,706,662	(3,673,562)	(44,649,431)	(13,132,095)	(89,794,554)	--	(2,192,130)	--	(329,046,528)
Profit (loss) for the year	744,297,308	(63,900,063)	77,819,414	58,862,049	224,270,130	55,075,080	228,587,080	12,244,273	3,470,774	--	1,340,726,045
Total assets	**15,235,530,517**	**12,970,294,465**	**732,519,271**	**486,365,824**	**549,470,933**	**4,436,713,125**	**2,840,234,466**	**709,545,695**	**780,335,355**	**--**	**38,741,009,651**
Total liabilities	**4,370,594,109**	**12,430,741,458**	**183,059,976**	**217,864,954**	**412,085,009**	**3,875,767,975**	**2,173,064,286**	**466,958,499**	**672,930,200**	**--**	**24,803,066,466**

For the year ended December 31, 2020	Holding & treasury	Brokerage	Asset management	Investment banking	Private Equity	Leasing	Micro finance	Consumer Finance	Factoring	Adjustments	Total
Fee and commission income	--	1,417,472,976	321,927,365	262,729,077	461,066,552	--	592,791,043	18,411,961	940,420	(8,502,571)	3,066,836,823
Securities gains	466,155,933	19,222,177	--	--	2,770	--	--	--	--	--	485,380,880
Revenues from leasing activities	--	--	--	--	--	523,187,579	--	--	--	375,000	523,562,579
Interest and dividend income	1,394,200,324	168,666,381	701,063	84,995,463	15,773,204	8,382,967	926,042,338	19,745,249	27,923,052	(70,077,190)	2,576,352,851
Changes in the investments at fair value through profit and loss	10,934,043	836,423	--	--	--	--	--	--	--	(537,687)	11,232,779
Other income	54,550,426	12,915,594	679,255	659,052	1,851,374	(4,945,513)	3,463,849	--	7,139,496	--	76,313,533
Total revenues	**1,925,840,726**	**1,619,113,551**	**323,307,683**	**348,383,592**	**478,693,900**	**526,625,033**	**1,522,297,230**	**38,157,210**	**36,002,968**	**(78,742,448)**	**6,739,679,445**
Fee and commission expense	(6,755,678)	(188,413,564)	(2,048,041)	(1,111,399)	(138,105,643)	(1,514,725)	(15,674,866)	(114,476)	(1,601,006)	26,269,998	(329,069,400)
Interest expense	(181,777,105)	(227,210,296)	17,317	(19,679,654)	--	(367,619,455)	(458,562,913)	(13,003,349)	(25,290,383)	3,931,066	(1,289,194,772)
Foreign currencies exchange differences	(315,222,841)	4,702,185	--	--	--	--	--	--	--	537,687	(309,982,969)
Net revenues	**1,422,085,102**	**1,208,191,876**	**321,276,959**	**327,592,539**	**340,588,257**	**157,490,853**	**1,048,059,451**	**25,039,385**	**9,111,579**	**(48,003,697)**	**4,811,432,304**
General administrative expenses	(851,044,925)	(1,045,510,499)	(267,412,826)	(185,263,487)	(118,437,119)	(46,121,939)	(411,442,605)	(55,307,196)	(16,236,255)	63,642,890	(2,933,133,961)
Provisions	(106,264,261)	(27,042,458)	(5,148,188)	(2,397,778)	--	--	(19,752,381)	--	--	--	(160,605,066)
Depreciation and amortization	(38,930,355)	(17,526,027)	(11,390,071)	(275,177)	(258,672)	(164,990)	(35,573,727)	(4,310,807)	(1,402,352)	--	(109,832,178)
Impairment loss on assets	--	(242,124)	(175,756)	(82,194)	--	(6,500,000)	(50,577,728)	(5,733,768)	(3,681,867)	(15,639,193)	(82,632,630)
Total expenses	(1,499,995,165)	(1,501,242,783)	(286,157,565)	(208,809,689)	(256,801,434)	(421,921,109)	(991,584,220)	(78,469,596)	(48,211,863)	78,742,448	(5,214,450,976)
Profit (loss) before income tax	**425,845,561**	**117,870,768**	**37,150,118**	**139,573,903**	**221,892,466**	**104,703,924**	**530,713,010**	**(40,312,386)**	**(12,208,895)**	**--**	**1,525,228,469**
Income tax expense	68,970,232	(43,526,684)	51,924	1,613,578	(10,458,859)	(21,113,627)	(123,755,180)	(33,916)	185,017	--	(128,067,515)
Profit (loss) for the year	494,815,793	74,344,084	37,202,042	141,187,481	211,433,607	83,590,297	406,957,830	(40,346,302)	(12,023,878)	--	1,397,160,954
Total assets	**16,433,431,241**	**19,056,514,911**	**601,046,969**	**502,453,810**	**846,494,582**	**3,186,660,224**	**2,985,570,472**	**380,298,063**	**342,175,350**	**--**	**44,334,645,622**
Total liabilities	**5,140,047,337**	**18,769,259,300**	**105,968,407**	**237,246,845**	**346,513,406**	**2,801,782,335**	**2,329,467,605**	**259,439,164**	**324,441,332**	**--**	**30,314,165,731**

(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, 2020				
	Egypt	GCC	Lebanon	Other	Total
Total revenues	5,678,667,673	910,836,902	--	175,420,118	6,764,924,693
Segment assets	28,170,967,092	10,093,748,380	1,354,003	474,940,176	38,741,009,651

	December 31, 2019				
	Egypt	GCC	Lebanon	Other	Total
Total revenues	4,942,337,465	1,448,694,530	69,758,255	278,889,195	6,739,679,445
Segment assets	26,168,809,351	16,959,809,628	754,676,026	451,350,617	44,334,645,622

33. Tax status (the holding company)

- As to Income Tax, the years till 2017 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committe. And as to years 2018/2019, have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2017 and all the disputed points have been settled with the Internal committee and as to years 2018/2020 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 2019/2020 had been examined and the settlement procedures are currently taking place.
- As to Property Tax, for Smart Village building and Nile City building the company paid tax till December 31,2020.

34. Corresponding figures

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

	(As reported) for the year ended 31/12/2019 EGP	Reclassifications EGP	(Restated) for the year ended 31/12/2019 EGP
Balance sheet			
Assets			
Loans receivables	5,287,946,442	637,390,676	5,925,337,118
Account receivables	5,211,753,787	(678,637,832)	4,533,115,955
liabilities			
Creditors and other credit balances	1,909,584,796	(41,247,156)	1,868,337,640

35. 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
Egyptian Portfolio Management Group	66.33	33.67
Hermes Securities Brokerage	97.58	2.42
Hermes Fund Management	89.95	10.05
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	73.1	26.9
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
IDEAVELOPERS	--	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 Investment Funds Co.	99.998	--
Financial Group for Securitization	100	--
Beaufort Investments Company	--	100
EFG Hermes-Direct Investment Fund	64	--
Tanmeyah Micro Enterprise Services S.A.E	--	93.518
EFG – Hermes Frontier Holdings LLC	100	--
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

** 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.*

36. 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.

36.1. 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.

36.2. 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 revaluate assets and liabilities at the financial position date as disclosed in foreign currency accounting policy.

36.3. 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.

36.4. 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.

36.5. 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.

36.6. 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.

36.7. 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.

36.8. 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.

36.9. 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.

36.10. 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.

36.11. Accounting classifications and fair values

The following table shows the settlement between the items of the balance sheet and the classification of financial instruments as at 31 December 2020:

Financial assets	FVTOCI - debit Instrument	FVT OCI - Equity	FVTPL -debit Instrument	FVTPL -Equity	Amortized Cost	Total
Cash and Cash equivalents	--	--	--	--	7,397,790,093	7,397,790,093
Loans Receivables	--	--	--	--	8,189,679,143	8,189,679,143
Investments	10,004,696,129	92,945,926	2,829,974,488	2,914,104,175	--	15,841,720,718
Accounts Receivables	--	--	--	--	4,734,488,970	4,734,488,970
Other assets	--	--	--	--	621,212,320	621,212,320
Total Financial assets	**10,004,696,129**	**92,945,926**	**2,829,974,488**	**2,914,104,175**	**20,943,170,526**	**36,784,891,244**

37. Significant events

With the outbreak of COVID-19 pandemic all over the world, including Egypt, year 2020 witnesses a slowdown in the economic activities. The Egyptian government introduced a number of precautionary measures to prevent the spread of the pandemic. These measures include:

First: Procedures from Central bank of Egypt and Financial regulatory authority

- The central bank of Egypt "CBE" has applied exceptional measures in response to the pandemic situation such as:
  1)- lowering interest rates by 3%;
  2)- instructing all banks to postpone due instalments for 6 months with no delay penalties, when applicable.

- The financial regulatory authority "FRA" has taken exceptional procedures to relief the financial burden of its clients dealing with companies under its supervision by postponing all due installment for six months without any delay penalties, when applicable. This applies to the Leasing and Factoring businesses only. Other directive measures were applied to the Micro-finance which included grace periods for repayments.

Second: Precautionary procedures from the Group

Business continuity

- The Group approved a plan to split the employee work force whereby 50% of the employees will work from the office in different locations, while the remaining 50% will work remotely from home. The management is closely monitoring the situation to ensure the safety of the Group's employees.

Business decisions

In response to the COVID-19 pandemic, the Group's NBFIs platform has offered various financial relief solutions to different businesses, as follows:

- Pricing adjustment in-line with the CBE rate cut; where applicable;
- Offer new products & programs with different tenors and reduced or without admin fees;
- Postpone & reschedule due instalments for 6 months, after receiving clients' consent;
- Waive delay & early settlement penalties/fees;
- Grace period for new loans issued.

Expected Credit Losses

The outbreak of pandemic COVID-19 all over the world has stifled economic activities and shaken financial markets. Moreover, the spread of the virus and the heighten uncertainties continued to be an overhang on markets. Amid that, the assumptions used in models to calculate the Expected Credit Loss "ECL" are adjusted to reflect a judgement of what the future economic conditions might convey and taking into consideration measures taken by governments and policy makers in an attempt to mitigate and relief industries. This has resulted in businesses taking a more prudent approach, which was reflected in the level of impairment loss on assets (ECL) booked by different segment amid the current ambiguity of what the future might hold.

The Group is currently closely monitoring and evaluating all developments related to the spread of the emerging virus considering our current knowledge and available information, we do not expect that the new (COVID-19) virus to be a threat to the continuance in the upcoming future.

38. Significant accounting policies applied

38.1. Basis of consolidation

38.1.1. 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.

38.1.2. 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.

38.1.3. 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.

38.1.4. 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.

38.1.5. 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.

38.1.6. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising fromintra-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.

38.2. Foreign currency

38.2.1. 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.

38.2.2. 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.

38.3. 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 re-presented as if the operation had been discontinued from the start of the comparative period.

38.4. Revenue

38.4.1. 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.

38.4.2. Dividend income

Dividend income is recognized when declared.

38.4.3. Custody fee

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

38.4.4. 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".

38.4.5. 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.

38.4.6. 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.

38.4.7. Management fee

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

38.4.8. 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.

38.4.9. 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.

38.4.10. 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.

38.4.11. 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.

38.5. 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.

38.5.1. 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.

38.5.2. 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.

38.6. Property, plant and equipment

38.6.1. 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.

38.6.2 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.

38.6.3 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.

38.6.4. Reclassification to investment property

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

38.7. 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.

38.8. 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.

38.9. 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 is useful life. The estimated useful life of investment property is 33 years.

38.10. 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.

38.11. Financial instruments
Policy applicable from 1 January 2020

38.11.1 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.

38.11.2. 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.

38.11.3. 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.

38.11.4. 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.

38.11.5. 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 profit or loss. Other net gains and losses 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.

38.11.6. 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.

38.11.7. 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.

38.11.8. 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.

38.11.9 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.

Policy applicable before 1 January 2020
The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

38.11.10 Non-derivative financial assets and financial liabilities – Recognition and Derecognition
The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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 offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

38.11.11. Non-derivative financial assets – Measurement
Financial assets at fair value through profit or loss
A financial asset is classified as at fair value through profit or loss if it is classified as held for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

38.11.12. Non-derivative financial liabilities – Measurement
A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

38.11.13. 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 certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

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 recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

38.12. Share capital
38.12.1. 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.

38.12.2. 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.

38.13. 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

38.14. Impairment

Policy applied from January 1, 2020

38.14.1. 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.

38.14.2. 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.

38.14.3. 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.

38.14.4. 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 asses.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

38.14.5. 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.

38.14.6. 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.

Policy applied before January 1, 2020

38.14.7. Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been an estimates used to determine the recoverable amount.

38.14.8 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property 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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized 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 amortization, if no impairment loss had been recognized.

The provision for doubtful debts is calculated on the investment cost of the leased assets (cost of leased assets in addition to its return at the date of calculating the provision) which are uncertainly collected i.e. (doubtful rent value) after deducting the credit deposits held by the Company. The Company's provisions committee specifies the provision percentage for each credit class which is calculated according to the risk rates of the doubtful rent values or according to the negative changes of the credit indicators, this provision is reviewed regularly or whenever there is a need to do so.

38.15. 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.

38.16. 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.

38.17. 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.

38.18. 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.

38.19. 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.

38.20. Micro-enterprises Receivables

38.20.1. 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.

38.21. Leases

The Group has applied EAS 49 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under EAS 20. The details of accounting policies under EAS 20 are disclosed separately.

Policy applicable from 1 January 2020

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.

This policy is applied to contract entered in to, or after 1 Jan 2020.

38.21.1. 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.

38.21.2. 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'.

Policy applicable before 1 January 2020
For contracts entered into before 1 January 2020, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

38.21.3. As a lessee
In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent

to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

38.21.4.As a lessor
When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.
To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

38.22. 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.

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