EFG Holding

Years of Realizing More

Annual Report **2023**

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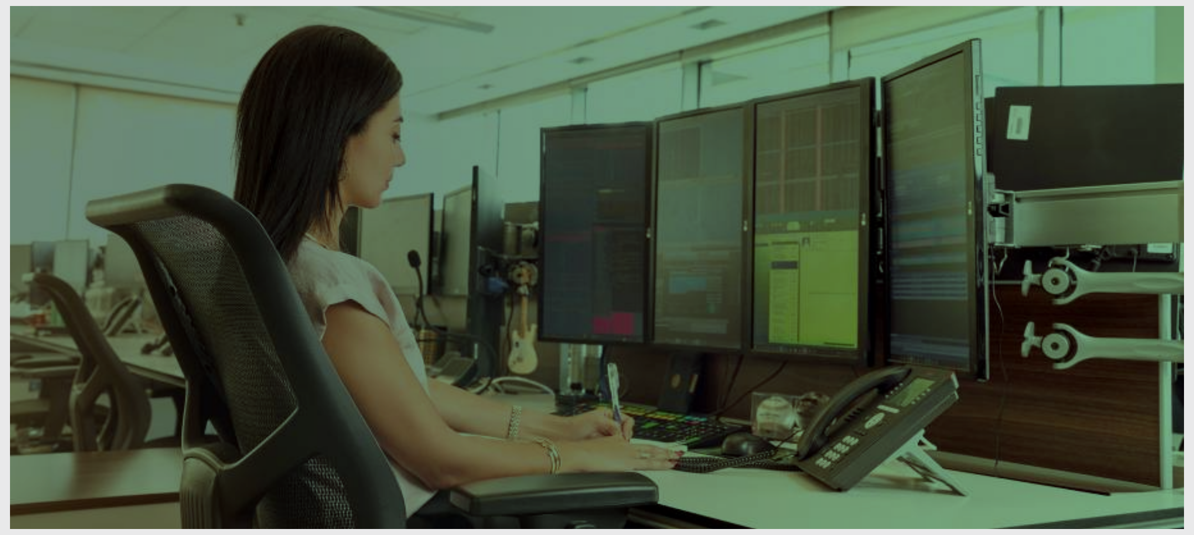

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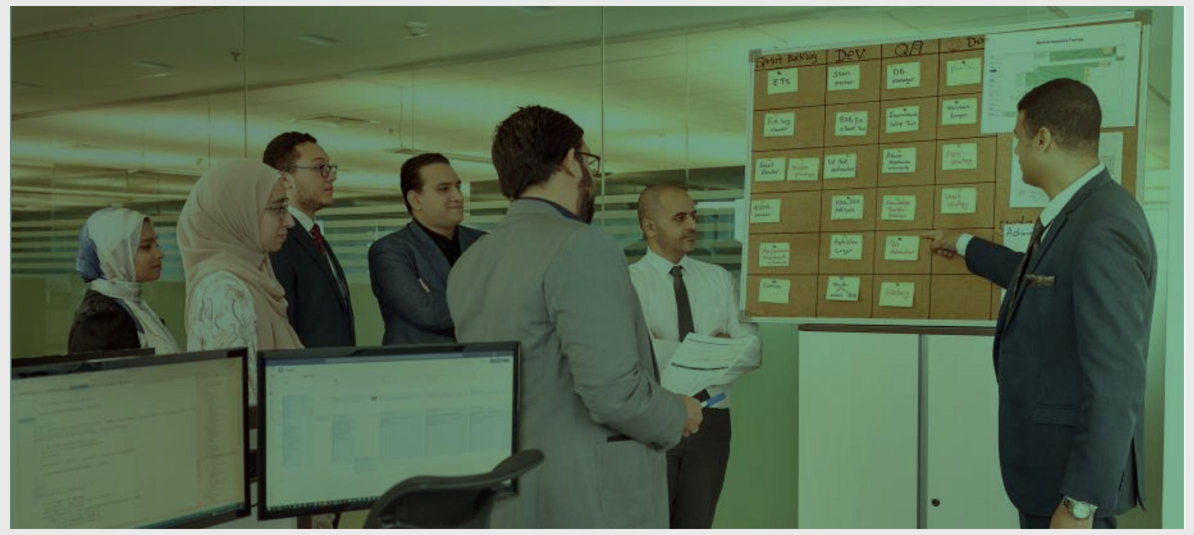

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AT A GLANCE

With a remarkable 40-year track record of success, EFG Holding continues to be the partner of choice for regional and global clientele through its expanding roster of financial services that unlock access to the most compelling investment prospects across multiple countries in the Middle East and North Africa (MENA) region.

Over the years, the Firm has successfully transformed its business model to become a full-fledged, impact-driven universal bank in Egypt, boasting the leading investment bank arm in the MENA region. With an expansive on-the-ground presence in nine countries spanning three continents, and three fast-growing verticals, EFG Holding leverages its deep-rooted understanding of the markets where it operates and the unique synergies inherent in its business model to unlock value-accretive opportunities for clients across its footprint.

Operational Footprint

EFG Holding leverages its three distinct verticals — the Investment Bank (EFG Hermes), Non-Bank Financial Institutions (NBFI) (EFG Finance), and the Commercial Bank (aiBANK) — to provide a comprehensive range of groundbreaking financial products and services tailored to meet the needs of a diverse clientele, including individual clients and businesses of all sizes. In 2023, the Group delivered an exceptional performance across all its verticals, which stands as a testament to its strategic foresight and ability to navigate challenging economic conditions.

The Investment Bank (EFG Hermes)

Securities Brokerage

EFG Hermes Securities Brokerage, the MENA region's premier brokerage house, offers its clients a wide range of innovative and tailored products and services, secure multi-platform trading tools, market intelligence and insights, and unparalleled execution capabilities, ensuring maximum generated returns tailored to diverse investor preferences and risk profiles. The division boasts an expansive four-continent execution presence across the MENA region and frontier and emerging markets, including Egypt, Kuwait, UAE, Saudi Arabia (KSA), Jordan, Oman, Bahrain, Pakistan, Kenya, Nigeria, and Bangladesh, with regional offices in the US and the UK.

Despite the ongoing political and macroeconomic instability that marked the majority of 2023, EFG Hermes' Brokerage division delivered a solid performance across the board. KSA's performance improved, and Egypt continued to outperform both in terms of volumes and performance, as investors continued to hedge against inflation and devaluation. Brokerage revenues rose 73% Y-o-Y to EGP 3.1 billion, reflecting higher volumes and market appreciation in Egypt, representing 56% of total Brokerage revenues.

The Brokerage division continued to outperform, maintaining its first-place rankings on the Egyptian Exchange (EGX) and the Dubai Financial Market (DFM), as well as its second-place rankings on the ADX in Abu Dhabi and the Nairobi Securities Exchange (NSE) in Kenya. In Kuwait and KSA, EFG Hermes Brokerage continued to make progress and capture additional market share.

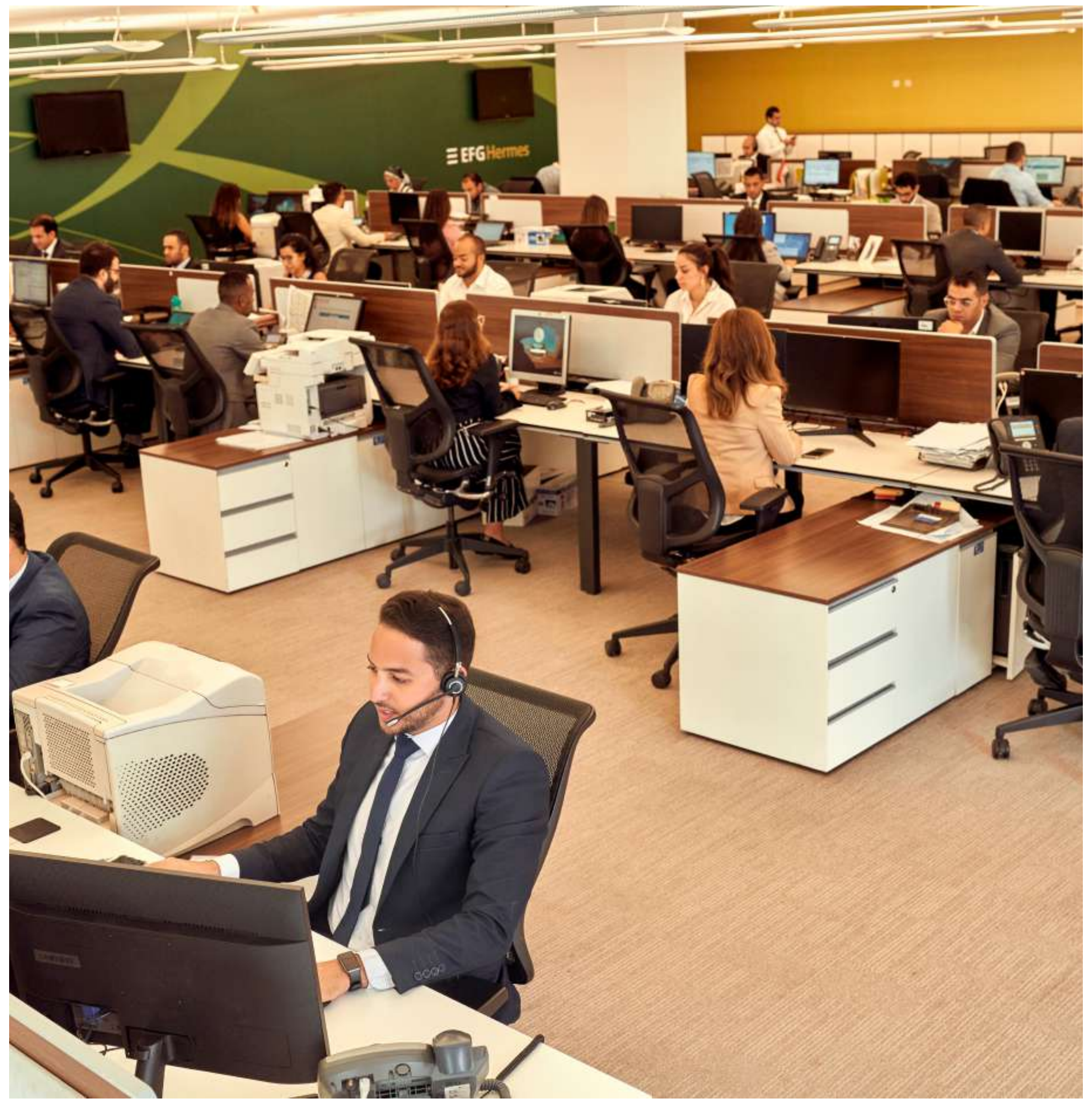
Investment Banking

EFG Hermes Investment Banking is the region's most trusted advisory house. It has successfully cemented its leading position as the regional investment banking franchise of choice for partners and clients in the MENA region. The division continues to offer unrivaled advisory capabilities in the mergers and acquisitions (M&A), debt (DCM), and equity capital market (ECM) spaces. The Investment Banking team leverages its extensive market know-how and a wide network of MENA clients to bring to market compelling opportunities, carrying out the majority of the largest, most prominent transactions in the region.

In 2023, the division continued to reinforce its leadership position in the GCC with successful advisory mandates on several high-profile IPOs in KSA, Oman, and Dubai. The team successfully concluded advisory on 28 ECM, DCM, and M&A transactions across its footprint, with an aggregate value of over USD 7.6 billion.

Research

EFG Hermes' award-winning Research division unlocks in-depth insights into the region's most promising and compelling companies, markets, sectors, and economies, allowing clients to make informed financial and investment decisions that match their objectives. The division offers unrivaled equity, macro, strategy, and index research, anchored by industry professionals and an expansive footprint in Egypt, the UAE, Pakistan, Kenya, Nigeria, and KSA.



The division covers

370 stocks in **10** sectors across **29** markets

Asset Management

EFG Hermes' Asset Management division offers its client base a wide range of mutual funds and discretionary portfolios with both country-specific and regional mandates, including equity, money market, fixed income, indexed, and Shariah- and UCTIS-compliant mandates. The division unlocks value-accretive investment prospects, market insights, and other value-added services tailored to different individual preferences, financial objectives, and risk appetites.

Assets Under Management (AUM) increased 38.5% Y-o-Y in 2023 on the back of market appreciation across all asset classes, particularly equities that accounted for 75% of the increase in AUM. The Asset Management team was recently named "Best Asset Manager in Egypt" and "Best Asset Manager in Africa" by EMEA Finance African Banking Awards.

Private Equity

EFG Hermes' Private Equity platform drives value-accretive investments in strategic and impactful sectors by providing rapid and flexible investment capital. As a long-term impact investor, the division invests in businesses operating in key industries, including renewable energy, education, and healthcare, that generate lucrative financial returns and create positive social and environmental impacts.

The division's investments in the infrastructure landscape are managed through the flagship Vortex Energy platform, which was established in 2014 as part and parcel of the Firm's efforts to ramp up its investments in the global renewables space and work toward a net-zero future.

In the education sector, EFG Hermes' Egypt Education Platform (EEP) is a USD-150-million investment fund established in 2018 as part of a USD-300-million education platform in collaboration with Dubai-based education provider GEMS Education. The fund now includes approximately 25 assets, including K-12 schools, pre-schools, an education content development business, and a transportation business to serve the platform's transportation needs.

Rx Healthcare Management was established to manage healthcare investments that serve the rapidly growing sector and the region's high demand for healthcare solutions.

Non-Bank Financial Institutions (EFG Finance)

Tanmeyah

Tanmeyah, an EFG Finance company and a leading provider of financial services in Egypt with a concerted focus on the micro and small enterprise segments. Since its establishment in 2009, Tanmeyah has grown to become a leader in the field of working capital financing for owners of low-income, generating projects. Tanmeyah offers a broad spectrum of financial solutions focused on servicing governorates where business owners typically lack access to finance from conventional banks.

Tanmeyah continued its growth trajectory in 2023, recording a portfolio value of EGP 4.6 billion, a Y-o-Y increase of 8%, with a total client base of 336,356 active borrowers.

EFG Corp-Solutions

EFG Corp-Solutions consolidates the Group's factoring and leasing business lines. As a constituent part of the NBFI platform, the entity offers its clients a comprehensive suite of innovative leasing and factoring tools and advisory services — a one-stop shop financial enabler of business growth and development supporting small, medium, and large corporates.

At the end of 2023, EFG Corp-Solutions recorded aggregate bookings amounting to EGP 11 billion, up 14.6% Y-o-Y from the EGP 9.6 billion recorded at year-end 2022.

Valu

Valu is the MENA region's leading universal financial technology powerhouse. Launched in 2017 as a Buy-Now, Pay-Later (BNPL) provider, Valu has transformed to become a pillar in the regional fintech ecosystem and promoter of financial inclusion through six distinct sub-brands: "U," a BNPL solution; "Business," a B2B services platform, "Akeed," Valu's unique savings platform; "Flip," Egypt's most widely accepted gift card; "Sha2labaz," an instant cash redemption program; "Ulter," a high-value financing program for large purchases; and "Invest," an investment platform that allows customers to invest in a diverse number of funds.

In 2023, Valu achieved remarkable growth with more than 1.5 million app customers and more than 1.9 million transactions, while revenues doubled Y-o-Y and reached EGP 1.9 billion. Throughout the year, the company continued to innovate with the rollout of new products, services, and strategic partnerships.

> In 2023, the Group delivered an exceptional performance across all its verticals, which stands as a testament to its strategic foresight and ability to navigate challenging economic conditions.

PayTabs Egypt

Established in KSA in 2014, PayTabs is an award-winning payment processing powerhouse with an expansive presence spanning 10 markets. In 2019, EFG Holding's NBFI platform (EFG Finance) partnered with the fintech player PayTabs to launch PayTabs Egypt — a formidable digital payments platform and an integral part of the Firm's NBFI platform. Over the years, PayTabs Egypt has significantly contributed to the nation's directives for financial inclusion and digital transformation by becoming the leading online payment gateway for a wide range of consumer segments and businesses across key industries. Today, PayTabs Egypt offers seamless digital payment solutions for corporates, SMEs, startups, and freelancers.

Despite market challenges, PayTabs Egypt delivered exceptional growth in 2023 driven by growing demand for e-payment and digital solutions. The company ended the year with over 6,000 registered merchants and a Y-o-Y growth of 4x, with over 7.1 million transactions completed through the platform.

EFG EV Fintech

EFG EV Fintech is Egypt's flagship boutique micro-VC arm that seeks out and supports strategic fintech companies backed by innovative concepts and entrepreneurs from start-to-finish. Established in 2017 as a joint venture (JV) between EFG Holding's NBFI platform (EFG Finance) and Government-backed venture capital fund, Egypt Ventures, the company boasts the country's largest fintech portfolio, with prominent companies operating in key sectors, including insurance-tech, regulatory-tech, agri-fintech, digital and open banking, and SME lending.

By the end of 2023, EFG EV Fintech successfully concluded two exits and fully deployed its funds, with exits covering 100% of the paid-in capital, translating into substantial gains.

Bedaya

Bedaya Mortgage Finance (Bedaya) is one of Egypt's leading providers of non-bank mortgage financing solutions, with offerings spanning residential, commercial, and administrative real estate properties. It was originally established in 2019 as a JV between Talaat Mostafa Group (TMG), Ghabbour Capital (GB Capital), and EFG Holding's NBFI platform (EFG Finance).

Despite a challenging 2023 marked by high interest rates and exchange rate fluctuations, Bedaya achieved 80% of its revised revenue targets for the year, with profits being driven primarily by the retail segment with its high demand for property investments.

Kaf

Kaf is a tech-enabled insurance company delivering innovative and impactful insurance solutions for the Egyptian market that drive value for individuals and businesses in the life and savings arenas. Kaf was originally founded in 2020 as a result of the acquisition of Tokio Marine Egypt Family Takaful by EFG Holding's NBFI platform (EFG Finance) and GB Capital.

Fatura

Fatura, a technology-backed B2B marketplace based in Egypt, has undergone significant transformations since being invested in by EFG EV Fintech in 2020. Following its acquisition by EFG Holding's NBFI platform in 2022, Fatura has taken steps to align with the broader strategic vision of EFG Finance. This integration has paved the way for a new corporate strategy for Fatura, signaling an exciting chapter of growth and opportunity within the EFG Finance ecosystem.

In 2023, Fatura achieved a gross merchandise value (GMV) of EGP 2.9 billion. This success is fueled by a serving a growing network of wholesale merchants, solidifying its position as a leading player in the Egyptian market. Furthermore, Fatura boasts an impressive 50,250 active retailers and 1,428 active wholesalers, showcasing its extensive reach. To ensure a seamless customer experience, Fatura maintains a remarkable 95% fulfillment rate.

Commercial Banking

aiBANK

aiBANK is transforming to become Egypt's only boutique bank with a unique focus on people, entrepreneurs, and businesses. Through a relentless commitment to customer centricity, the bank aims to offer market-leading retail, corporate, and Islamic banking, in addition to treasury and investment services tailored to consumers and businesses of all sizes.

In 2023, aiBANK made substantial investments in upgrading its IT infrastructure and recruiting top-tier talent to lead its transformation. aiBANK achieved record growth across its Retail and Business Banking segments, with customer deposits and loans up 15% Y-o-Y and 53% Y-o-Y, respectively. The Bank's capital adequacy ratio surpassed the market average at an impressive 18.64%, a testament to the institution's financial strength and stability.

EFG Holding

STRATEGIC DIRECTION

CHAIRPERSON'S NOTE

As we look back on EFG Holding's achievements and milestones in 2023, I am pleased to present this year's annual report, which celebrates our 40th anniversary.

EFG Holding has been shaped by three generations of visionary leaders and dedicated staff, from its humble beginnings to its current status as a global financial institution. Each generation has made a lasting impact on our organization, demonstrating a shared commitment to excellence and innovation. Throughout our history, EFG Holding has been fortunate to be guided by exceptionally talented and committed teams who have set an elevated standard of leadership in the market. Their exemplary dedication and strategic vision have ensured that we remain at the forefront, setting the pace and maintaining our position as a leader in the industry.

Our history is one of continuous evolution and adaptation, grounded in the founding principles established four decades ago. From our modest origins, we have grown into a leading force in the financial industry, driven by innovation and a quest for excellence. Today, we honor the visionary leaders and staff members who have shaped EFG Holding's trajectory. Our success is not only reflected in financial terms but also in our dedication to nurturing talent and fostering innovation. We are proud to uphold a tradition of excellence and collaboration that spans generations.

Despite challenges in global markets, our management has guided our business with foresight and prudence, ensuring resilience and profitability for EFG Holding. The Firm's leadership has been pivotal in navigating uncertainties and positioning us for future success.

EFG Hermes Securities Brokerage has achieved significant revenue growth and market leadership in key regions, such as Egypt, the UAE, and KSA. The Investment Banking division has excelled in facilitating transformative transactions, including notable IPOs and deals in various markets.

Asset Management has shown strong performance with increases in AUMs regionally and domestically. Notable achievements include securing large mandates and expanding investment horizons in private equity. In 2023, EFG Finance played a vital role as a comprehensive financial solutions provider, while aiBANK demonstrated robust performance despite market challenges.

Today, we honor the visionary leaders and staff members who have shaped EFG Holding's trajectory. Our success is not only reflected in financial terms but also in our dedication to nurturing talent and fostering innovation.

As a pioneering financial institution in the region, we embrace our responsibility to tackle major global challenges. In 2023, we focused on sustainability within clean energy, education, and healthcare, aiming to contribute to the sustainable development goals (SDGs) while benefiting our investors and the communities that we serve. Vortex Energy led efforts in clean energy with significant investments, including a USD-80-million equity investment in EO Charging. We promoted impact investment through ETFs and provided affordable renewable energy financing. In education and healthcare, Valu facilitated innovative financing, enhancing access and services. We prioritized financial inclusion through aiBANK, supporting SMEs and low-income mortgages. Our EFG Foundation improved community resilience in Upper Egypt, winning accolades for sustainable agriculture initiatives. Celebrating 10 years of sustainability reporting, we enhanced our transparency, issued our Carbon Footprint report, and reinforced commitments to global sustainability standards like the UN PRI and TCFD.

Looking ahead, we are optimistic about the future and committed to building on our past successes. With the support of our stakeholders, partners, and shareholders, we are confident that EFG Holding will continue to thrive and shape the future of finance.

I extend my deepest gratitude to our esteemed Board of Directors for their unwavering guidance and support. I also commend our management team and all EFGians for their dedication to our shared goals. Together, we will continue to push boundaries and forge new paths to success.

Mona Zulficar

Chairperson,

EFG Holding

A NOTE FROM OUR GROUP CEO

As we stand at the threshold of 2024, we face it with optimism and a determined resolve to address the challenges and embrace the opportunities that await us. While some GCC countries experienced strong economic activity, the preceding year brought forth numerous challenges across other regions we operate in due to inflation, the devaluation of the EGP, and volatile geopolitics. Nevertheless, we navigated through these hurdles and closed the year on a positive note, achieving commendable results, demonstrating progress across various metrics, and maintaining robust operational performance.

While we acknowledge and celebrate these collective efforts, it is crucial to understand that mere effort is not enough to gauge our company's performance effectively. The upcoming year requires a strategic emphasis on directing our resources toward channels that deliver the intended outcomes. In 2024, our journey persists, expanding upon the groundwork established in the previous year. Our six strategic pillars — People, Positioning, Products, Presence, Profitability, and Public Responsibility — continue to serve as the guiding principles shaping our path forward.

In our dedication to the People pillar, we recognize that attracting, nurturing, and retaining top talent is essential for our advancement. In light of inflationary pressures, we are focused on adjusting salaries to guarantee fair compensation for individuals who play a pivotal role in our achievements. This strategy is designed to address challenges and cultivate a motivated and equitable workplace environment. Non-monetary rewards, including learning and development opportunities and crafting career paths for our brightest employees, remain a key area of focus for our management.

The Positioning pillar signifies the remarkable rebranding effort carried out in 2023. EFG Holding, which includes EFG Hermes, the investment bank; EFG Finance, the NBFI platform; and aiBANK, the commercial bank, positions itself as a trailblazing financial institution in Egypt and a leading investment bank in MENA markets. Our goal to achieve a top-five position in every business we operate remains unwavering, underpinning essential actions for 2024.

The Products pillar, a pivotal component of our strategy, necessitates a comprehensive evaluation of our product portfolio. Emphasizing innovation and technology, we will rationalize our offerings to concentrate on those that provide significant value, aligning with evolving market demands and customer preferences for enhanced competitiveness and sustainable growth. Furthermore, this strategic focus on product refinement will enable us to optimize resources and better cater to the ever-changing needs of our target audience, reinforcing our commitment to delivering excellence in our product offerings.

Our Presence underwent significant changes the previous year, marked by our exits from Oman and Jordan, with the process ongoing in Pakistan. Future strategic decisions will shape our geographic footprint, focusing on growth in Egypt, UAE, Kuwait, and KSA. Enhancing our market presence in KSA stands as a key priority for EFG Hermes in 2024, poised to elevate our investment banking operations significantly for the road ahead.

In our quest for Profitability, we are reallocating capital and leveraging technology to drive efficiency and growth. Our shared objective for 2024 is to enhance Return on Equity, optimize financial performance, and create sustainable value for our stakeholders.

Furthermore, by strategically reallocating resources and leveraging advanced technologies, we aim to not only boost Return on Equity but also strengthen our financial resilience and competitive position in the market, ensuring long-term success and prosperity for our organization.

> We are unwavering in our dedication to maintaining a robust balance sheet, fostering a diverse and dynamic business model, and nurturing a team of brilliant individuals who are the driving force behind our success.

The last pillar, Public Responsibility, highlights our profound dedication to ESG principles. This commitment, grounded in ethical conduct, goes beyond merely attracting investments to embodying sustainable and socially responsible business practices. Moreover, by prioritizing ESG principles and integrating responsible business practices into our core operations, we aim to

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not only uphold our commitment to doing what is right but also drive positive social and environmental impact, fostering long-term sustainability and value creation for all stakeholders involved.

We are unwavering in our dedication to maintaining a robust balance sheet, adopting a diverse and dynamic business model, and nurturing a team of brilliant individuals who are the driving force behind our success.

These pillars will continue to be the driving force guiding us forward this year. 2024 holds promise, characterized by our collective awareness of the changing business landscape. We must uphold our reputation as a highly dynamic organization supported by a team eager to excel. Embracing this mindset will ensure we maintain our momentum and effectively address any challenges.

In conclusion, I express my most profound appreciation to the Board of Directors and every member of the EFG Holding family. Your unwavering commitment has been instrumental in our achievements, and together, we will forge a future that embodies the strength, resilience, and adaptability synonymous with EFG Holding.

Karim Awad
Group Chief Executive Officer,
EFG Holding

MANAGEMENT DISCUSSION AND ANALYSIS

The Group booked its highest-ever recorded revenues of EGP 14.7 billion, representing a 34% Y-o-Y growth.

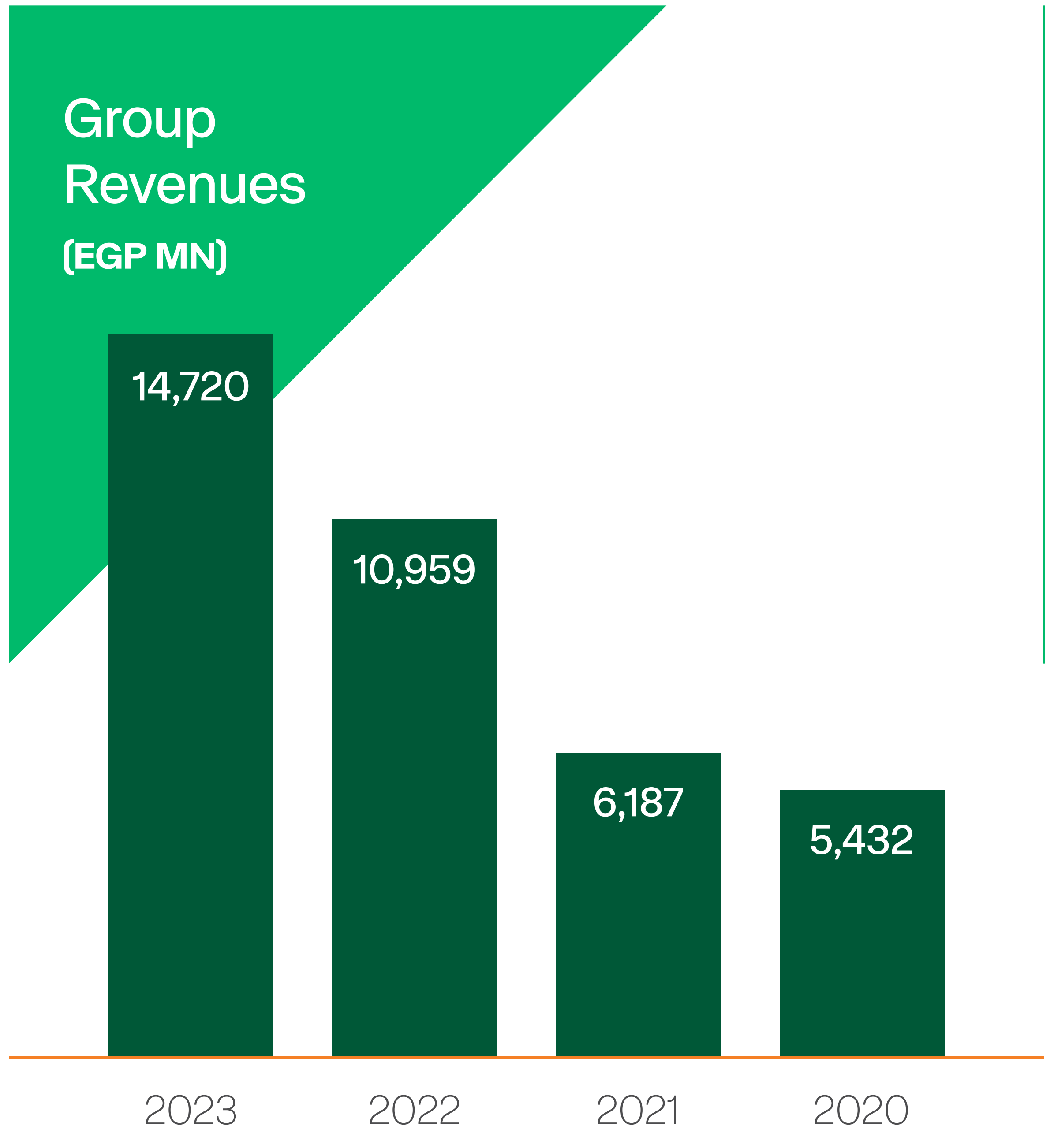
Overview

The Group booked its highest-ever recorded revenues of EGP 14.7 billion, representing a 34% Y-o-Y growth, fueled by the stellar performance of its Investment Bank's (EFG Hermes) sell-side and buy-side, Valu, and the Group's commercial bank arm, aiBANK.

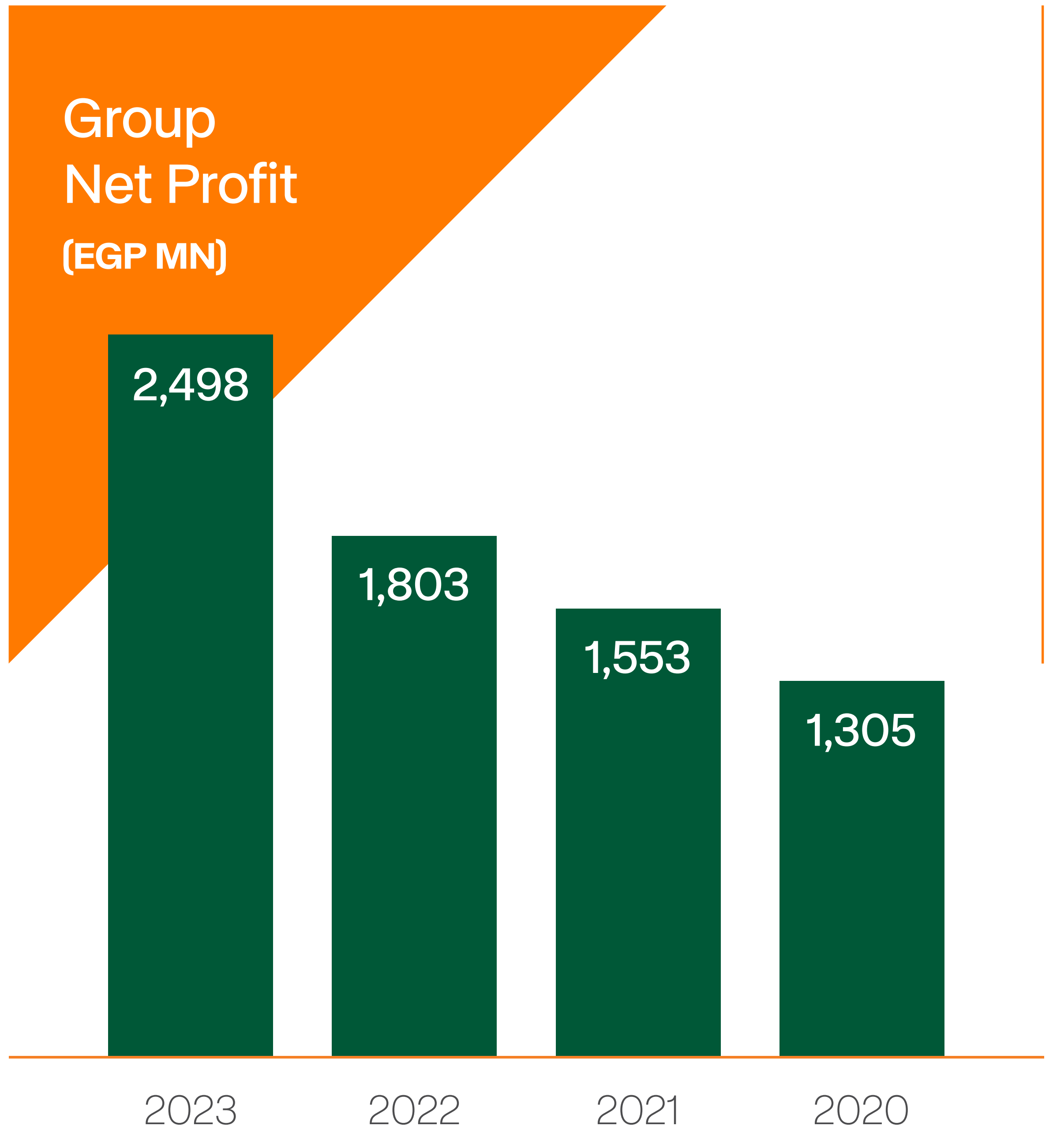
EFG Hermes, the leading investment bank in the MENA region, recorded revenues of EGP 8.1 billion at year-end 2023, reflecting a Y-o-Y increase of 32% and representing 55% of the Group's consolidated top line, driven primarily by its core operations, the sell-side, and the buy-side. The Firm's Investment Banking division continued to leverage its unrivaled placement and execution capacities to advise on the region's most prominent and compelling equity, debt, and M&A transactions. As a result of its immense efforts and having advised on a total of 28 transactions worth an aggregate of USD 7.5 billion, the division registered revenues of EGP 734 million, inching down 2% Y-o-Y. Sell-side revenues rose 51% to EGP 3.8 billion, lifted by Brokerage revenues, which grew 73% Y-o-Y to EGP 3.1 billion. Buy-side revenues leaped 75% Y-o-Y to close the year at EGP 1.3 billion, mainly driven by robust growth in the Asset Management business, with its revenues rising 84% Y-o-Y to EGP 1.0 billion.

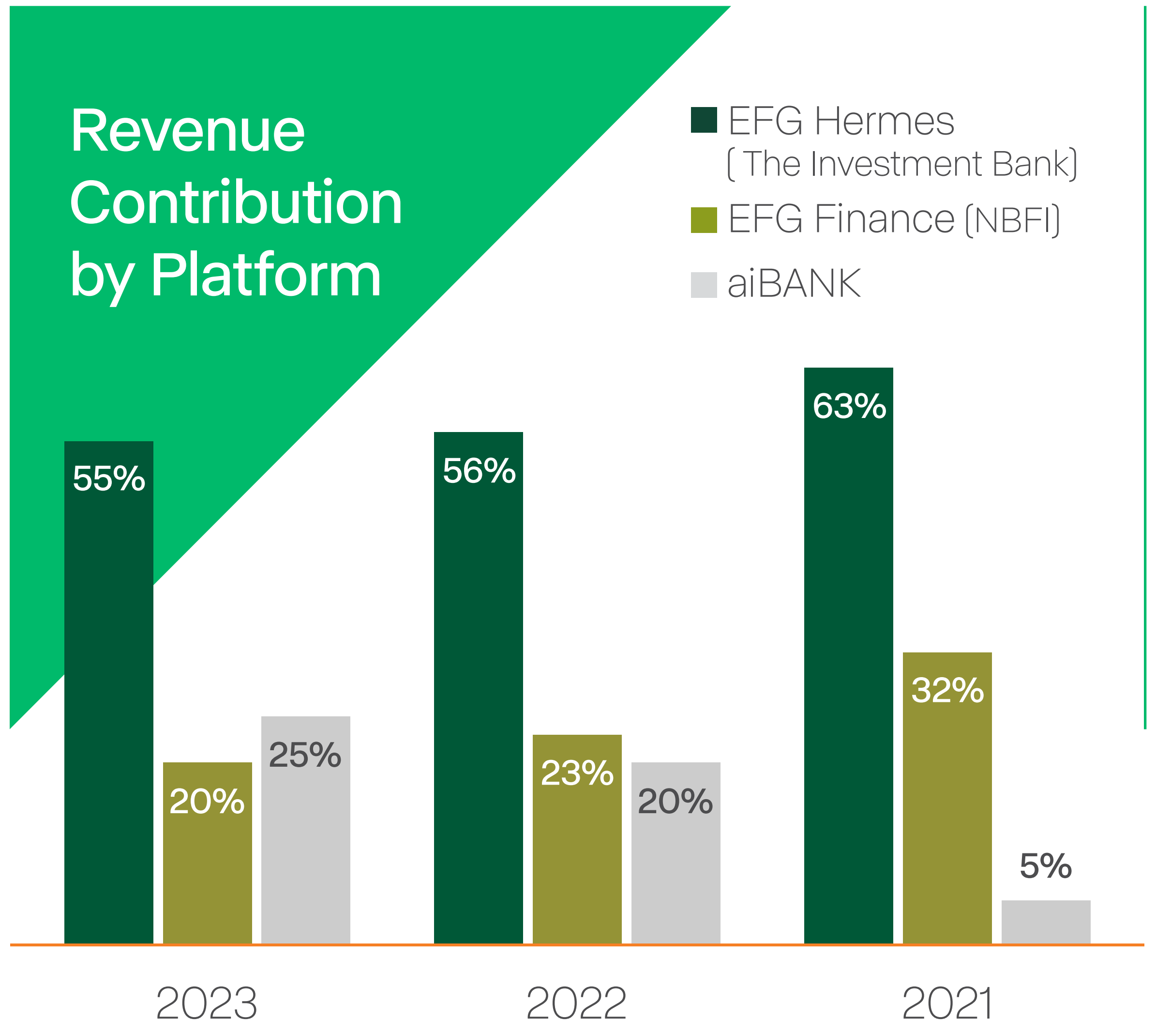
EFG Finance, the Group's NBFI arm, which represented 20% of the Group's total top line, reported revenue growth of 17% Y-o-Y to reach EGP 3.0 billion in FY23. This was underpinned by Valu, which was the main driver for EFG Finance's top and bottom line in FY23, with its revenues spiraling up 78% Y-o-Y to EGP 1.2 billion in FY23. The company continued to grow its operations, increase sales, and contain expenses, thus leading to significant growth in its profitability.

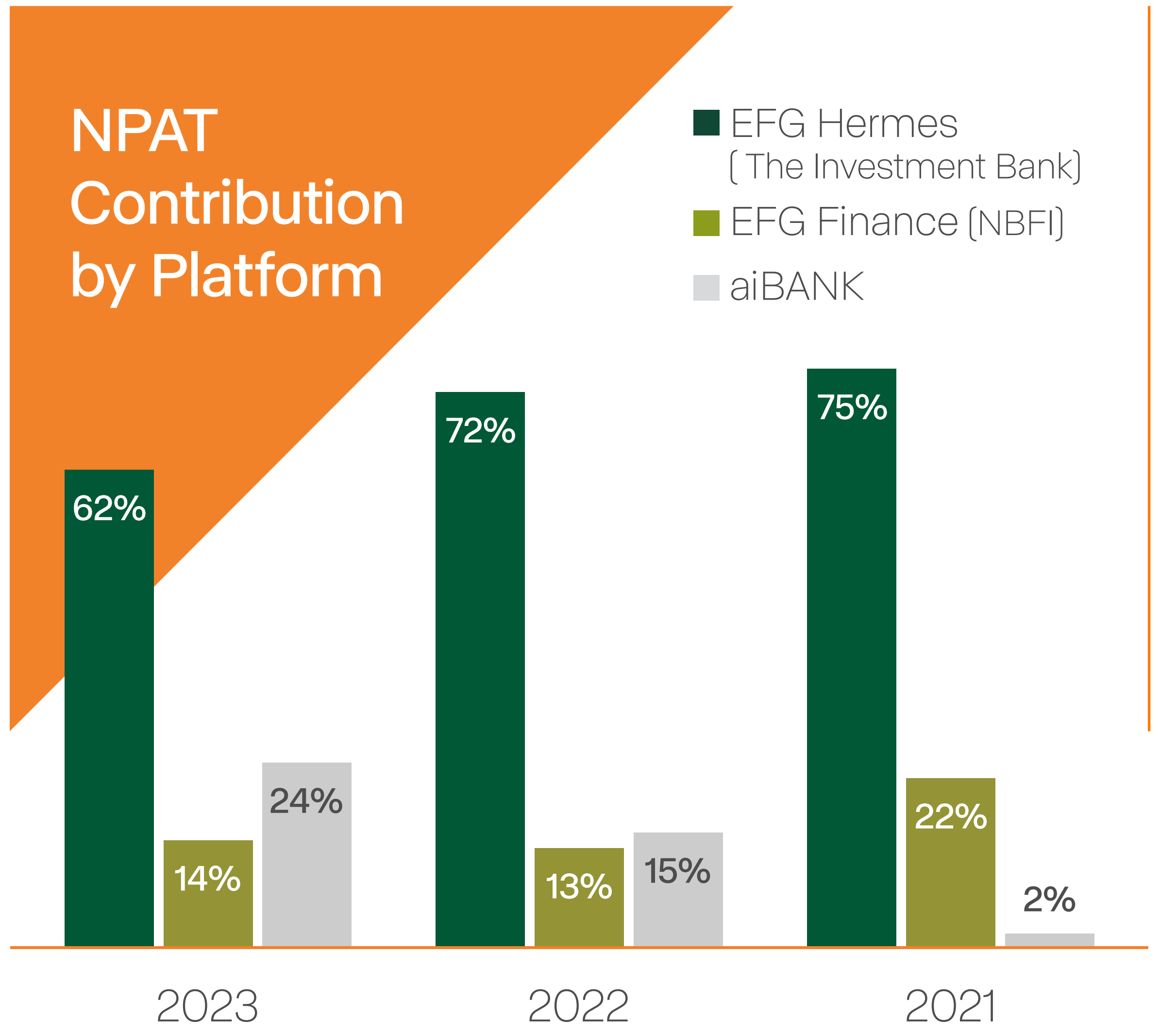
The Group's commercial bank, aiBANK, which contributed an impressive 25% to the Group's total top line, recorded revenues of EGP 3.6 billion, soaring 61% Y-o-Y, and a net profit after tax and minority of EGP 591 million, more than double the 2022 figure. This was driven by higher net interest income on the back of loan book growth and supported by an increase in the corridor rates.

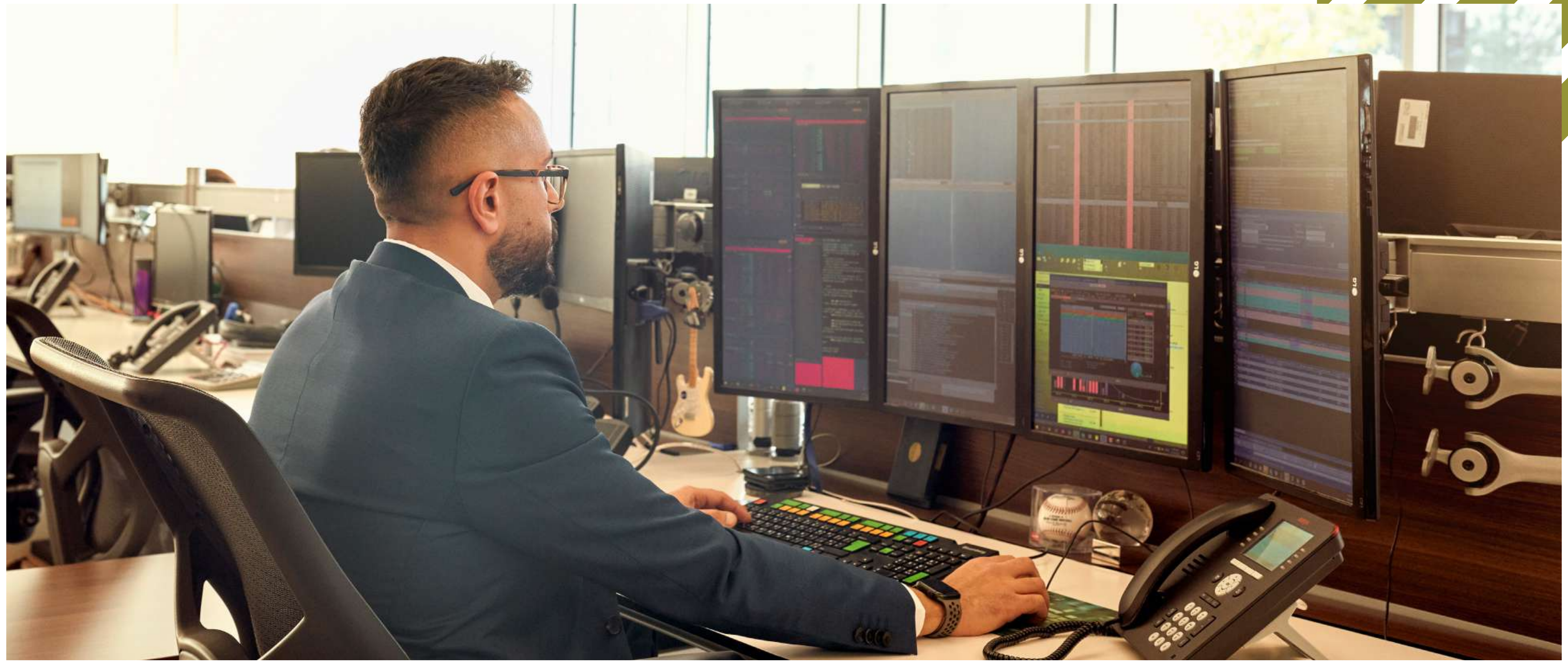


EFG Holding's operating expenses (including provisions and ECL) rose 35% Y-o-Y to EGP 9.8 billion on the back of higher employee expenses and other G&A, particularly at EFG Hermes, followed by aiBANK, and higher provisions and ECL across EFG Finance's lines of business and aiBANK. Its net profit rose 47% Y-o-Y to EGP 3.1 billion in FY23, driven primarily by the growth in profitability of Brokerage, Asset Management, Valu, and aiBANK. Meanwhile, the Group's net profit after tax and minority interest came at EGP 2.5 billion, up 39% Y-o-Y.



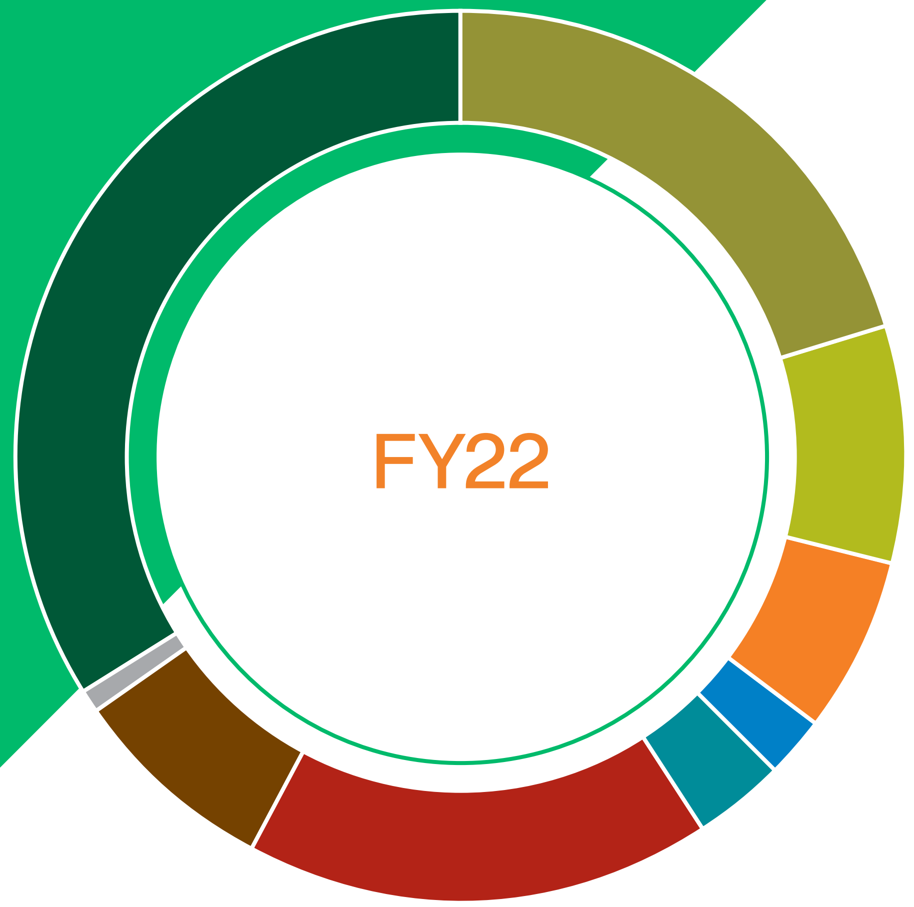






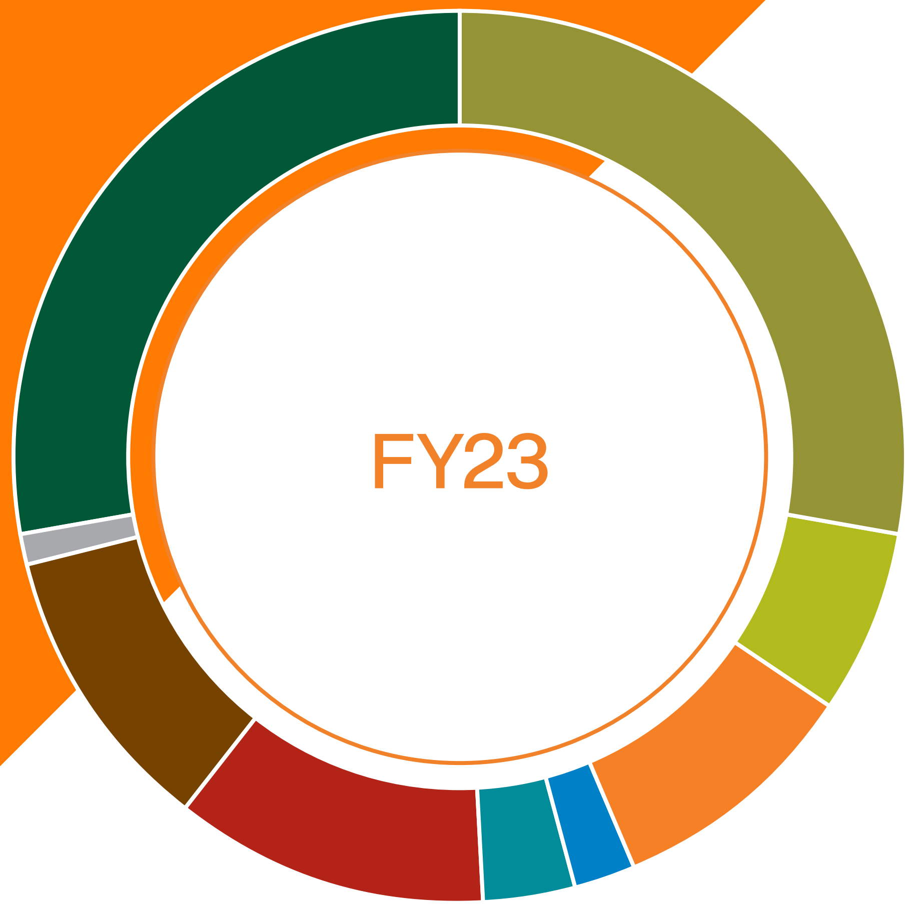
	FY23	FY22	Change
Group Operating Revenue	14,720	10,959	34%
Investment Bank	8,134	6,165	32%
NBFIs	2,978	2,549	17%
aiBANK	3,608	2,245	61%
Group Operating Expenses	9,841	7,268	35%
Group Net Operating Profit	4,880	3,691	32%
Group Net Operating Profit Margin	33%	34%	-
Group Net Profit after Tax & Minority Interest	2,498	1,803	39%
Investment Bank	1,558	1,296	20%
NBFIs	349	231	51%
aiBANK	591	275	115%

Group Revenue by LOB

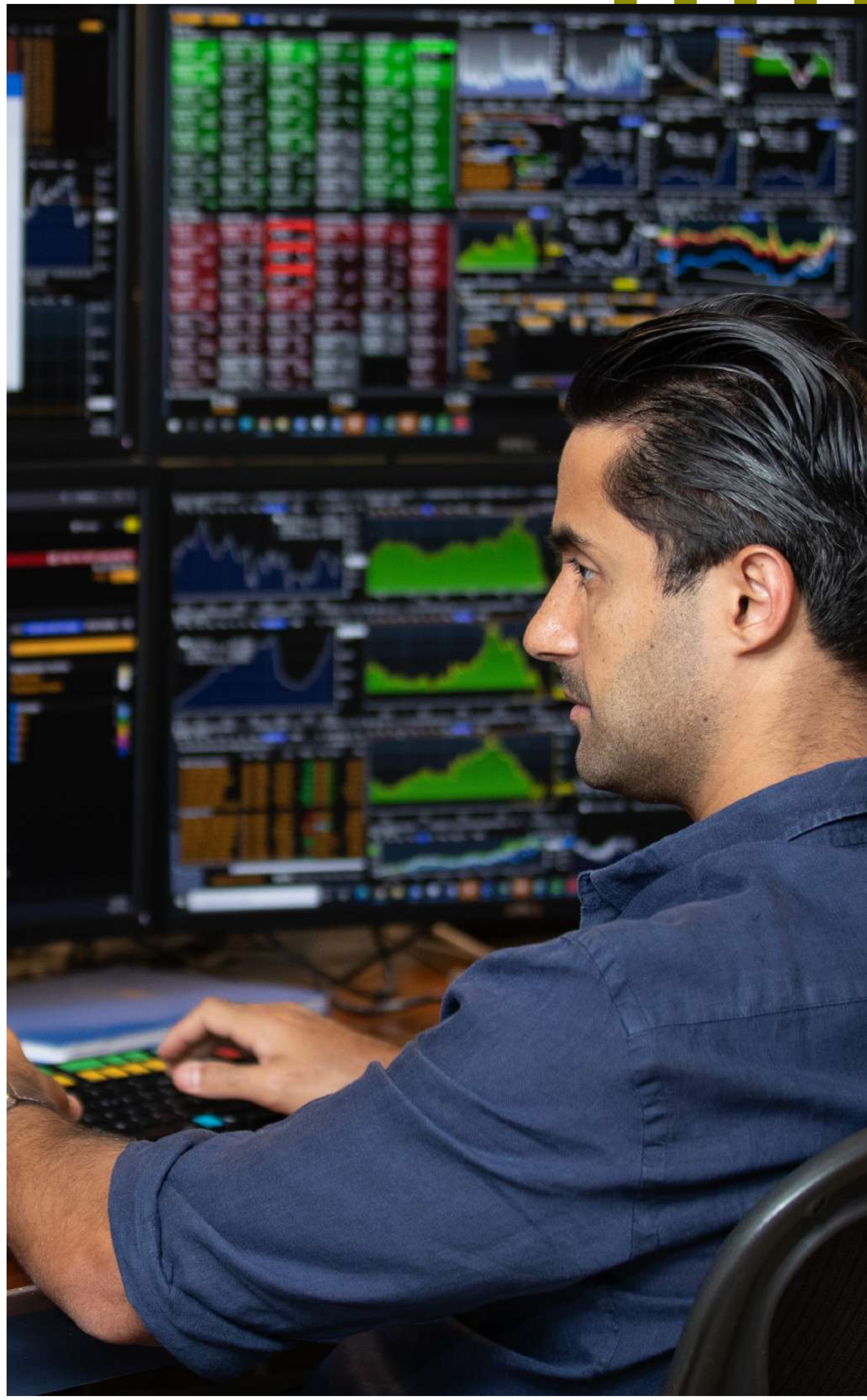


EGP mn	FY22
Securities Brokerage	1,780
Investment Banking	748
Asset Management	553
Private Equity	171
Leasing	294
Tanmeyah	1,476
Valu	650
Factoring	83
Holding & Treasury Activities	2,914

Group Revenue by LOB



EGP mn	FY23
Securities Brokerage	3,075
Investment Banking	734
Asset Management	1,019
Private Equity	246
Leasing	363
Tanmeyah	1,263
Valu	1,154
Factoring	120
Holding & Treasury Activities	3,060



8.1 EGP BN

Investment Bank Revenues in 2023, up 32% Y-o-Y

EFG Hermes (The Investment Bank)

Securities Brokerage

EFG Hermes Securities Brokerage concluded executions worth USD 81.7 billion in 2023, reflecting a decline of 15% Y-o-Y, mainly on the back of lower executions in Qatar, followed by Egypt, Abu Dhabi, and Kuwait. Meanwhile, executions came higher in KSA, Dubai, and from GDRs. Brokerage revenues rose 73% Y-o-Y to EGP 3.1 billion, reflecting higher volumes and market appreciation in Egypt and, thus, higher revenues generated by the Egyptian operations, including GDRs trading and Qatar, in addition to higher revenues generated from our core MENA and Frontier markets.

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

As a result of its solid performance during the year, EFG Hermes succeeded in sustaining its leading position as the broker of choice across its footprint, maintaining its first-place ranking on the EGX with a market share of 33.2%. Foreign participation came in at 9.44% during the year, with EFG Hermes successfully capturing over 55.30% of these institutional inflows. In the UAE, EFG Hermes maintained its first-place ranking on the DFM with a market share of 39% in 2023. On the ADX, EFG Hermes' market share stood at a solid 17.5% by the end of the year, maintaining its second-place ranking on the exchange. Following a very strong 2022 for EFG Hermes Securities Brokerage in Kuwait, and despite a slowdown in the Kuwaiti Financial Market in 2023, the division captured additional market share to reach 35.7% compared to 32.8% in 2022. Foreign participation accounted for 11.6% of the total market, of which EFG Hermes captured 66.4%. In KSA, EFG Hermes Securities Brokerage continued to grow its market share, recording 5.97% compared to 4.4% in 2022, on the back of several IPOs coming out of the Kingdom.

In Frontier, the Pakistani market started showing early signs of recovery due to the USD-3-billion loan approved by the IMF and support from the UAE and KSA. By the end of the year, the Firm had recorded a market share of 3.55% in Pakistan. In Kenya, the Firm was in second place for the year at a 38.54% market share, mainly driven by a one-off transaction executed by another broker in 1Q23. In Nigeria, the Firm placed fourth in 2023, with a market share of 9.46%.

Research

The Research department demonstrated impressive performance in 2023, characterized by strategic ventures and notable accomplishments across various sectors. Throughout the year, a total of 19 new areas were explored, with a notable focus on the Saudi Arabian market, where 10 additional companies were incorporated into the department's coverage. This transition was complemented by the introduction of a monthly Saudi-focused publication in May, presenting a curated list of top picks from the region, offering valuable insights for stakeholders interested in this pivotal market. By the end of the year, the Research division had recorded a total coverage of 370 stocks in 26 countries and 29 markets across MENA and Frontier markets.

In 2024, the department stands ready to delve further into the GCC IPO market, utilizing its expertise to navigate regulatory structures, pinpoint profitable opportunities, and furnish clients with thorough insights to capitalize on this burgeoning landscape.

> EFG Hermes succeeded in sustaining its leading position as the broker of choice across its footprint, maintaining its first-place ranking on the EGX with a market share of 33.2%.

Investment Banking

EFG Hermes' Investment Banking division has cemented its leading position as the regional investment bank of choice for partners and clientele in the MENA region. Leveraging decades of industry and market acumen, and backed by industry experts, the flagship division continues to advise on the region's largest, most prominent transactions in the M&A, ECM, and DCM spaces.

By the end of the year, the division had concluded advisory on 28 ECM, DCM, and M&A transactions across its footprint, with an aggregate value of over USD 7.5 billion, and recorded revenues of EGP 734 million, reflecting a slight decrease of 2% Y-o-Y from the EGP 748 million recorded in the previous year.

On the equity front, the team further solidified its position in the GCC ECM arena, achieving notable success with the completion of pivotal transactions across three different geographies. EFG Hermes acted as Joint Financial Advisor, Global Coordinator, Bookrunner, and Underwriter on the landmark USD-1.2-billion initial public offering (IPO) of ADES Holding Company, a leading oil and gas drilling and production services provider in the MENA region, on the Saudi Exchange. The groundbreaking IPO was oversubscribed 62.7 times, reaffirming EFG Hermes' leadership in seamlessly facilitating high-profile transactions in the evolving Saudi market. Further strengthening the Firm's rapid penetration of the Omani equity market, the team also successfully completed the advisory on the USD-748-million IPO of OQ Gas Network, the exclusive operator of the gas transportation network in Oman. Garnering USD 1.4 billion in demand from local, regional, and international investors, and being oversubscribed 13.9 times, EFG Hermes played a pivotal role in facilitating the largest ever IPO on the Muscat Stock Exchange, marking the Firm's second Omani listing in a year. Lastly, EFG Hermes acted as Joint Bookrunner on the USD 315 million IPO of Dubai Taxi Company, a leading provider of comprehensive mobility solutions in Dubai, on the Dubai Financial Market. The transaction garnered significant traction from regional and global investors, being 130x oversubscribed.

In the DCM space, the division continued to leverage its extensive expertise and deep market knowledge to drive impactful financial solutions, facilitating business expansion and generating sustainable value for its partners, especially amid prevailing market conditions and a high-interest rate environment. The division successfully advised Orascom Development Egypt's subsidiary, Orascom for Real Estate, on a syndicated 10-year loan agreement of USD 194.2 million to finance its leading project, O West, acting as Sole Financial Advisor, Lead Manager, and Bookrunner. Additionally, EFG Hermes executed the second issuance of the future flow securitized bond for CIRA Education worth USD 22.6 million, which comes as part of an approved EGP 2.0 billion program. Lastly, the team also advised Valu, Palm Hills Development, and Qasatli Mortgage Finance Company on their securitized bond issuances worth USD 30.8 million, USD 13.6 million, and USD 5.1 million, respectively.

In the M&A space, the Investment Banking division successfully completed the advisory to UAE investment firm Global Investment Holding Ltd on the acquisition of 30% in the Egyptian tobacco giant Eastern Company, in a transaction worth USD 625 million. This landmark transaction stands as one of the largest minority stake sales in Egypt's history and one of the biggest FDI transactions in Egypt in recent years, carrying significant positive implications for the broader economy.

Asset Management

During the year, the Asset Management division reported a commendable 84% growth in revenues, surpassing the EGP 1.0 billion mark, compared to the EGP 553 million recorded in 2022, on the back of the acquisition of new mandates. In Egypt, AUM increased 38.5% Y-o-Y in FY23, lifted predominantly by market appreciation (+38.2%) across all asset classes we manage, particularly equity. Equities, particularly equity portfolios, represented 75% of the increase in AUM, while MMFs/FI/balanced funds and portfolios accounted for the remaining 25% of the AUM improvement. Regional AUM from the Firm's regional arm, Frontier Investment Management (FIM) Partners, also grew 23.1% in 2023, supported by the markets' positive performance, which added 16% to the AUM growth. Positive market performance was underpinned by buoyancy in MENA equity markets and a recovery in the fixed-income asset class, while inflows mainly resulted from top-ups to existing accounts and the onboarding of three new accounts into the client base.

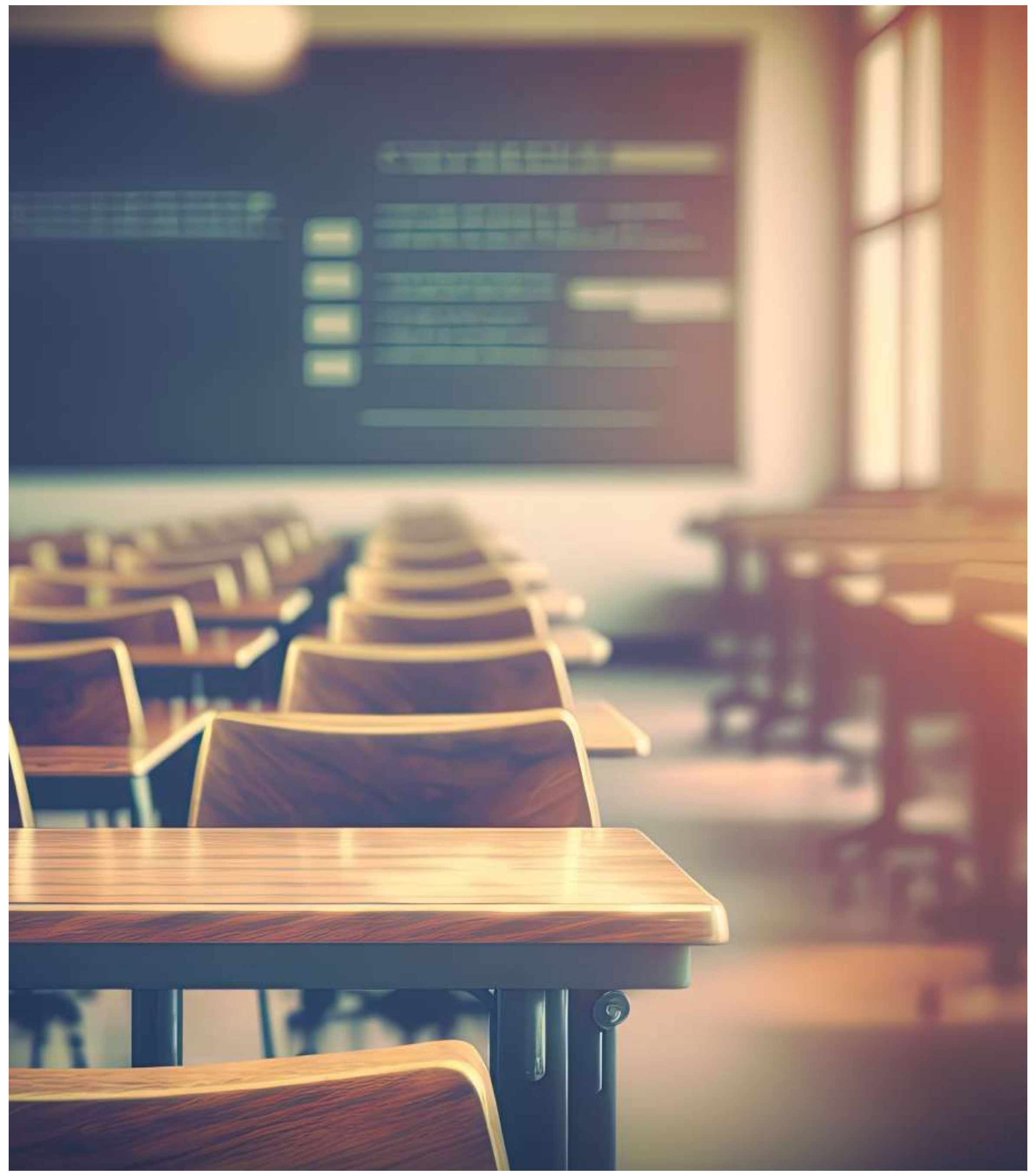
Private Equity

EFG Hermes' Private Equity division focuses on driving value-accretive investments in strategic and impactful sectors. As such, the division invests in businesses operating in key industries — including renewable energy, education, and healthcare — that generate lucrative financial returns and social and environmental impacts. In 2023, the division registered revenues amounting to EGP 246 million, indicating a jump of 44% Y-o-Y.

On the renewables front, the division manages investments through its dedicated Europe-focused platform, Vortex Energy. Vortex Energy currently manages two companies, Ignis Energy and EO Charging, and spans across two verticals within the Energy Transition sector: renewable energy and e-mobility, respectively. Vortex Energy has been progressing on its fundraising for Vortex Energy IV, LP, to enable further deployment of capital across the Energy Transition landscape.

The Firm's education platform, Egypt Education Platform (EEP), continues to cement its position as the region's largest performing education-focused platform, broadening its capacities in Egypt's education sector and diversifying its investment portfolio of leading international schools. The Fund's education platform (EEP) now encompasses around 25 assets, including K-12 schools, pre-schools, an education content development business, as well as a transportation business to serve the platform's transportation needs. The platform's total capacity is now reaching c.23,000 students with over 12,000 enrolled students across its different assets.

In the healthcare space, the Firm's healthcare-focused platform, Rx Healthcare Management (RxHM), delivered strong operational and financial results during 2023 as it continued to bolster its production capacities through United Pharma, which grew its revenues by over 15% Y-o-Y in 2023. It has continued to be the number-one supplier to the market for life-saving IV solutions, covering the widening market gap left by other market players, and has significantly contributed to stabilizing the hospital pharmaceuticals supply market. United Pharma increased its total sales of LVP and SVP products despite substantial raw material shortages in the market and continued currency devaluation outlook. It continues to focus on its strategic repricing of key products in its LVP product mix, supporting the mitigation of rising FX rates and inflation impacting the overall cost structure of the sector. The company aims to consistently develop its product portfolio, with new products currently in its R&D pipeline planned for launches between 2024 and 2025.



EFG Finance (NBFIs)

3.0 EGP BN

NBFI Platform Revenues in 2023, up 17% Y-o-Y

Tanmeyah

Tanmeyah, the Firm's microfinance arm, achieved sizeable growth across all performance metrics in 2023, particularly in terms of productivity and efficiency. By the end of the year, Tanmeyah's portfolio value came in at EGP 4.6 billion, reflecting a Y-o-Y increase of 8% from EGP 4.3 billion at year-end 2022. The company recorded a total client base of 336,356 active borrowers, mainly on the back of write-offs.

Tanmeyah's total number of issued loans amounted to 263,623 by the end of the year, compared to 371,107 loans booked in 2022. Tanmeyah's average ticket size increased by 50% Y-o-Y and 14% Q-o-Q in 4Q23; the increase is driven by the company's restructuring of its MEL product buckets, which was implemented in 3Q22 and, in part, due to the inflation seen in the economy.

By year-end 2023, Tanmeyah's revenues stood at EGP 1.3 billion, losing 14% Y-o-Y, largely on the back of lower sales in 1H23, the impact of higher corridor rates as loans repricing was not implemented up until 4Q23, and the compliance with

Responsible Lending in July 2023, which caps admin fees, as well as the elimination of top-ups as per the FRA's decree.

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

Valu

Valu, the MENA region's leading financial technology powerhouse, delivered an exceptional performance across all its metrics in 2023. By the end of the year, Valu had registered remarkable growth across all metrics, with over 1.5 million app customers (of which 521,000 were active borrowers), a 63% surge, and over 1.9 million transactions completed through the app. GMV reached EGP 3.0 billion. This was partially fueled by offers and promotions during November, in addition to organic growth compared to the previous quarter. During the quarter, total new issuances reached EGP 2.9 billion, growing 138% Y-o-Y. Gross outstanding portfolio (including securitized loans) totaled EGP 8.4 billion, up 106% Y-o-Y.

Valu finalized its seventh securitization wave during the last quarter worth EGP 1.15 billion, bringing total securitizations during the year to EGP 4.98 billion. Excluding securitized amounts, the gross loan portfolio stood at EGP 6.21 billion. Valu's merchant network as of December 2023 continued its growth trajectory, more than doubling Y-o-Y and growing by 14% Q-o-Q to stand at 6,568 merchants, thereby expanding its network among top brands.

EFG Corp-Solutions – Leasing

EFG Corp-Solutions' Leasing arm recorded a total value of bookings amounting to EGP 5.5 billion — an increase of 24% Y-o-Y from the EGP 4.4 billion recorded in 2022. The leasing business recorded revenues amounting to EGP 363 million — an increase of 23% Y-o-Y from the EGP 294 million registered in 2022.

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

The Leasing business witnessed a robust performance in the last quarter of the year, with new bookings totaling EGP 1.6 billion, marking an impressive Q-o-Q growth of 306%. These bookings accounted for more than 40% of the total bookings for FY23. Notably, the bookings were well-distributed across various sectors, with significant contributions from real estate tourism, healthcare, and automotive. The substantial growth in new bookings translated into an expansion of the on-books outstanding portfolio, which reached EGP 5.5 billion, reflecting a 28% Q-o-Q growth. Meanwhile, terminations for the quarter amounted to EGP 180 million, down from EGP 538 million in the previous quarter.

> By the end of the year, Valu had registered remarkable growth across all metrics, with over 1.5 million app customers, a 63% surge, and over 1.9 million transactions completed through the app.

EFG Corp-Solutions – Factoring

The Factoring portfolio demonstrated resilience amid economic challenges, with revenues jumping 45% Y-o-Y to EGP 120 million from EGP 83 million in 2022. The total outstanding portfolio declined a slight 7% Y-o-Y to reach EGP 2.4 billion at the end of FY23.

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

aiBANK

aiBANK concluded 2023 having achieved growth across all its segments, with revenues soaring 61% Y-o-Y to EGP 3.6 billion in FY23, driven by higher net interest income on the back of loan book growth and supported by an increase in the corridor rates.

Fees and commissions also witnessed an increase of more than 3x, largely on higher trade finance activities. aiBANK's operating expenses, including provisions and ECL, rose 46% Y-o-Y to EGP 1.8 billion in FY23, on the back of higher salaries, promotions, new hires, and inflation.

This is together with other higher G&A expenses that reflect growth of operations, the effects of inflation, and the impact of the EGP devaluation on USD-denominated expenses.

The increase in provisions and ECL mirrors the management's more conservative approach to enhance coverage ratios. In addition to loan portfolio growth, the Bank's net profit after tax more than doubled, up 117% Y-o-Y to EGP 1.1 billion (of which the Group's share is EGP 591 million) in FY23, as revenue growth outpaced the increase in expenses.

P&L (IN EGP MILLION)	FY23	FY22
Net Interest Income	2,540	1,791
Net Fees & Commissions	907	295
Other Revenues	161	159
Total Net Revenues	3,608	2,245
Employee Expenses	771	509
Other Operating Expenses*	1,077	755
Total Operating Expenses	1,848	1,264
Net Operating Profit (Loss)	1,759	981
Other Expenses	203	92
Net Profit (Loss)	1,557	888
Net Profit (Loss) After Tax and Minority	591	275
Minority		

*Includes other G&A and provisions and ECL

P&L Balance Sheet (IN EGP MILLION)	FY23	FY22
Cash & Due from Central Bank	4,241	2,096
Due from Banks	11,526	8,094
Net Loans & Advances	21,082	19,333
Financial Investments	21,626	23,103
Other Assets	3,005	2,770
Total Assets	61,479	55,397
Due to Banks	2,676	786
Customer Deposits	50,901	48,202
Other Liabilities	1,439	1,084
Total Liabilities	**55,015**	**50,072**
Total Shareholders' Equity	**6,464**	**5,325**
Balance Sheet Indicators:		
Loans/Deposits	45%	43%
NPLs	6%	8%
Coverage Ratio	124%	90%
Total Capital Adequacy Ratio	**19%**	**20%**

EFG HERMES

8.1 EGP BN

revenues

7.5 USD MN

aggregate value of transactions

SELL-SIDE OVERVIEW

Reflecting on the achievements and strides we've made throughout 2023, it's clear that EFG Hermes, EFG Holding's Investment Bank, has once again proven its resilience and prowess in the face of changing market conditions. Despite the challenges posed by global economic developments, regional political tensions, and fluctuations in interest rates, we've not only weathered the storm but emerged more robust and more determined than ever, particularly in the GCC region. The strategic initiatives undertaken have solidified our presence and positioned us as leaders in capital market development. In the face of economic difficulties in Egypt, the stock market continues to be a preferred option among local investors to counteract inflation and currency devaluation.

EFG Hermes Securities Brokerage achieved solid results in 2023, navigating a challenging operating environment to deliver steady growth and maintain market leadership across core markets. Despite economic and political uncertainties, we recorded significant revenue increases year-on-year, reflecting our focus on client service and innovation and maintaining market leadership across core markets, including Egypt, the UAE, and KSA, with a first-place ranking on the EGX with a market share of 33.2% in FY23 and successfully capturing over 55.30% of institutional inflows, showcasing our continued relevance and market leadership. Our performance also led to a decent revenue bump in KSA and the UAE, showcasing increased market activity. It is also evident that turnover increased in the market, especially in Kuwait, which reflected positively on revenue. Shifts in market activity were also conveyed through a market share increase in KSA.

Our Investment Banking division has stood out throughout the year, delivering exceptional results and spearheading transformative transactions across various markets. One of the breakthrough transactions of the year was our role in the ADES IPO on the Saudi Arabian Exchange, where we assumed multiple vital roles, including joint financial advisor, global coordinator, bookrunner, and underwriter. The USD-1.2-billion IPO highlighted our expertise and influence in the booming Saudi market, reinforcing our position and role as leaders in transformative transactions. On the Abu Dhabi Securities Exchange (ADX), EFG Hermes was a joint bookrunner for two substantial IPOs. The ADNOC Gas IPO, valued at USD 2.5 billion, and the ADNOC L&S IPO, totaled USD 769 million.

In the Muscat Securities Market (MSX), the division acted as a joint global coordinator for two IPOs. The OQ IPO, totaling USD 748 million and recognized as Oman's largest IPO ever, highlighted EFG Hermes' ability to navigate and coordinate global transactions in diverse markets. It also advised on the Abraj Energy IPO, valued at USD 244 million. On the Dubai Financial Market (DFM), the division played a pivotal role in two IPOs; it acted as the joint bookrunner for the Dubai Taxi Company IPO, totaling USD 315 million, and took on the role of joint global coordinator in the USD-210.5-million Al Ansari IPO, further solidifying the position of EFG Hermes in the Dubai market.

In addition to our success in the IPO arena, our division played a pivotal role in facilitating landmark M&A transactions, exemplified by our advisory role in the acquisition of a stake in Eastern Company from Egypt's state-owned Chemical Industries Holding Co. This transaction, valued at USD 625 million, marked one of the largest minority stake sales in Egypt's history and further solidified our reputation as a leading advisor in the region. Furthermore, our division demonstrated robust performance in the debt capital markets, advising on 16 securitizations that provided alternative financing solutions to support our clients' ambitious growth plans across different industries in the region.

In tandem with the growth of our Brokerage and Investment Banking divisions, our Research division delivered commendable performance in 2023, with a strategic focus on providing valuable insights to our clients. We expanded our coverage universe with 19 new initiations, with a significant focus on the Saudi Arabian

> Our Investment Banking division stood out throughout the year, delivering exceptional results and spearheading transformative transactions across various markets.

market, where we added nine new companies to our coverage universe. The launch of a monthly Saudi picks list served as a valuable resource for stakeholders seeking insights into one of the most important markets in the region. Additionally, we responded to investor interest by initiating coverage of companies in the energy and medical sectors, enriching our research offerings and providing actionable insights to our clients.

With a proactive approach toward leadership and client engagement, coupled with our robust pipeline of deals, we're poised for even greater success. Focusing on KSA, we aim to capitalize on opportunities in mid- to large-sized deals by nurturing relationships with key stakeholders and tapping into the burgeoning private sector landscape. Our robust pipeline for the year anticipates a significant increase in M&A activity, particularly in the UAE, KSA, and Egypt. There is a deliberate shift toward balancing M&A and ECM activities, building on the momentum gained from our strong ECM track record. In the DCM space, maintaining momentum and expanding into new markets, particularly in KSA, will be a key focus for 2024.

Additionally, market volumes in Egypt are expected to decrease starting in 2024 after the floatation of the EGP; this reduction has already begun slowly. Foreign investor activity is also likely to resume in Egypt, but we expect this shift to consolidate in the market gradually. Following the floatation of the EGP in 2023, we observed exits from some prominent foreign investors in the market. Although a positive recovery is expected in the upcoming year, it will take some time due to high interest rates.

As we navigate the complex world of investment banking, we remain steadfast in our commitment to innovation, strategic positioning, and prioritizing our clients' needs. Through these efforts, our goal is to maintain and strengthen our position as a leading player in the market.

Mohamed Ebeid
Co-CEO of EFG Hermes,
an EFG Holding Company

INVESTMENT BANKING

Overview

EFG Hermes' Investment Banking division has grown over the years to become the region's most trusted advisory house and has successfully cemented its leading position as the regional investment banking partner of choice for partners and clients in the MENA region. Leveraging decades of industry and market acumen, the division continues to advise on the region's largest, most prominent transactions in the M&A, ECM, and DCM spaces by leveraging the multidisciplinary experience of over 40 professionals. It provides its clients with key economic, industry, market, and company-focused insights, steering the region with its solid on-the-ground presence and expansive track record

By the end of 2023, the division recorded a total of 28 ECM, DCM, and M&A transactions across its footprint, with an aggregate value of over USD 7.5 billion.

Operational Highlights of 2023

In 2023, EFG Hermes' Investment Banking division demonstrated a robust performance. The division had a clear objective of solidifying its presence in the GCC, with a particular emphasis on the Saudi Arabian market. Notably, the division successfully diversified its operations, particularly in the ECM space, overseeing eight IPOs in the GCC and one technical listing, including two in KSA and two in Oman. These accomplishments highlighted the company's dedication to establishing a leading regional role on transformative transactions, requiring substantial effort and collaboration with regulators to ensure the execution of these offerings.

EFG Hermes' Investment Banking division concluded the year having captured a large share of the most substantial transactions in the GCC region. The division closed 18 DCM transactions valued at USD 624 million, nine ECM transactions valued at USD 6.3 billion, and one M&A transaction worth USD 625 million.

ECM

In 2023, EFG Hermes' Investment Banking division demonstrated significant prowess in the ECM arena across various markets. In the Saudi Arabian Exchange, one standout IPO was ADES, where EFG Hermes assumed the roles of joint financial advisor, global coordinator, bookrunner, and underwriter on the USD-1.2-billion IPO. Furthermore, EFG Hermes contributed to the success of the Lumi Rental Company IPO on the Saudi Exchange as a joint bookrunner for the USD-290-million initial public offering, solidifying its influence in the dynamic Saudi market.

On the ADX, EFG Hermes served as a joint bookrunner for two substantial IPOs. The ADNOC Gas IPO, valued at USD 2.5 billion, highlighted the division's capability in managing large-scale offerings in the energy sector. EFG Hermes also contributed as a joint bookrunner to the ADNOC L&S IPO, totaling USD 769 million.

In the MSX, the division acted as a joint global coordinator for two IPOs. The OQ IPO, totaling USD 748 million and recognized as Oman's largest IPO ever, highlighted EFG Hermes' ability to navigate and coordinate global transactions in diverse markets. Additionally, it also advised on the Abraj Energy IPO, valued at USD 244 million.

On the DFM, the division played a pivotal role in two IPOs; it acted as the joint bookrunner for the Dubai Taxi Company IPO, totaling USD 315 million, and took on the role of joint global coordinator in the USD-210.5-million Al Ansari IPO, further solidifying the position of EFG Hermes in the Dubai market.

2023 ECM Deals

ADES IPO – Joint financial advisor, global coordinator, bookrunner, and underwriter on the USD-1.2-billion initial public offering on the Saudi Exchange.

ADNOC Gas IPO – Joint bookrunner on the USD-2.5-billion initial public offering on the ADX.

ADNOC L&S IPO – Joint bookrunner on the USD-769-million initial public offering on the ADX.

OQ IPO – Joint global coordinator on the USD-748-million initial public offering on the MSX.

Dubai Taxi Company IPO – Joint bookrunner on the USD-315-million initial public offering on the DFM.

Lumi Rental Company IPO – Joint bookrunner on the USD-290-million initial public offering on the Saudi Exchange.

Abraj Energy IPO – Joint global coordinator on the USD-244-million initial public offering on the MSX.

Al Ansari IPO – Joint global coordinator on the USD-210.5-million initial public offering on the DFM.

Taqa Arabia – Listing of shares on the EGX.

M&A

In 2023, EFG Hermes' Investment Banking division demonstrated success in the M&A space, exemplified by its role as the sole financial advisor to UAE investment firm Global Investment Holding Ltd. The division facilitated the USD-625-million acquisition of a 30% stake in the renowned Egyptian tobacco giant, Eastern Company, from Egypt's state-owned Chemical Industries Holding Co. (CIHC). The transaction was one of the largest minority stake sales in Egypt's history and one of the biggest FDI transactions into Egypt in the last several years.

2023 M&A Deals

Eastern Company Sale – Sole financial advisor and broker to UAE investment firm Global Investment Holding Ltd on the USD-625-million acquisition of a 30% stake in the Egyptian tobacco giant, Eastern Company.

DCM

In the DCM space, the Firm's Investment Banking division recorded a robust performance during the year, advising on a total of 18 securitized bond issuances. It continued to provide alternative financing solutions to the market while supporting its clients in achieving their ambitious growth plans. Landmark DCM transactions for the year included the team's advisory on several securitization deals for the Firm's subsidiaries, including Valu's fourth, fifth, sixth, and seventh issuances totaling EGP 856.5 million, EGP 1.42 billion, EGP 922.3 million, and EGP 953.1 million, respectively. It also advised on EFG Corp-Solutions' third issuance, valued at EGP 1 billion, and Bedaya Mortgage Finance's second securitization issuance, worth EGP 958 million.

To further solidify its position as the partner of choice in the booming real estate industry, the team advised on Palm Hills Developments' EGP-638-million securitized bond in first quarter of the year and oversaw the initiation of its EGP-5-billion issuance program, with its first and second issuances totaling EGP 472.5 million and EGP 421 million, respectively. The division also advised on Madinet Masr for Housing and Development Securitization Program's (formerly Madinet Nasr for Housing and Development) second issuance, amounting to EGP 805.5 million, as part of a broader EGP-3-billion securitization program initiated in 2022.

Investment Banking provided advisory services for Al Taamir Mortgage Finance – Al Oula's first securitization program, overseeing an issuance worth EGP 998.5 million, marking the initial phase of a broader EGP-3-billion securitization program for the company. EFG Hermes also advised on the CIRA Education's second future flow securitization, valued at EGP 700 million. Additionally, EFG Hermes played a pivotal role in Premium International for Credit Services' (Premium) securitization program, advising on the eighth and ninth issuances, totaling EGP 193.65 million and EGP 153.6 million, respectively.

2023 DCM Deals

Al Taamir Mortgage Finance – Al Oula's First Securitization Program – EFG Hermes advised on Al Taamir Mortgage Finance – Al Oula's first securitization issuance worth EGP 998.5 million. This issuance marks the first in a wider EGP-3-billion securitization program for Al Oula.

Premium International for Credit Services (Premium) Securitization Program – Advised Premium on its eighth and ninth securitized bond issuances, worth EGP 193.65 million and EGP 153.6 million, respectively.

Palm Hills Developments (PHD) Securitization Program – Advised PHD on a successful EGP-638-million securitized bond, followed by the initiation of its EGP-5-billion issuance program, with two issuances worth EGP 472.5 million and EGP 421 million, respectively.

Hermes Securities Brokerage Company's (HSB) Short-Term Note Issuance – Advised on HSB's fourth issuance, an EGP-250-million senior unsecured short-term note issuance – the first tranche in a two-year program worth EGP 2 billion.

Egyptian Mortgage Refinance Company (EMRC) Securitization Program – Advised EMRC in a securitized bond offering worth EGP 472 million, the first issuance in a newly approved EGP-3-billion securitization program.

CIRA Education Securitization Program – Advised on the second issuance of a future flow securitization bond for CIRA Education, worth EGP 700 million.

Madinet Masr for Housing and Development Securitization Program (formerly Madinet Nasr for Housing and Development) – Advised MNHD on its second issuance, worth EGP 805.5 million, as part of a wider EGP-3-billion securitization program that kickstarted in 2022.

Valu Securitization Program – Advised Valu on its fourth, fifth, sixth, and seventh securitized bond issuances, worth EGP 856.5 million, EGP 1.42 billion, EGP 922.3 million, and EGP 953.1 million, respectively.

Bedaya Securitization Program – Advised on Bedaya Mortgage Finance's second securitization issuance worth EGP 958 million.

Qasatli Securitization Program – Advised on a second issuance for Qasatli, worth EGP 159.2 million, as part of an EGP-6.5-billion program.

EFG Corp-Solutions Securitization Program – Advised on the third issuance for EFG Corp-Solutions, worth EGP 1 billion.

Misr Italia Securitization – Advised on an EGP-986-million securitization for Misr Italia's second issuance.

The division closed 18 DCM transactions valued at USD 624 million, nine ECM transactions valued at USD 6.3 billion, and one M&A transaction worth USD 625 million.

TMG's Open Air Mall – Advised on an EGP-1.75-million debt financing for the project.

Orascom Development's O West Project – Advised and arranged a debt facility for the project worth EGP 6.0 billion.

Awards

Best Equity House in the Middle East	EMEA – Finance Achievement Awards 2022
Best Equity House in MENA	EMEA – Finance Achievement Awards 2022
Best Equity Deal in EMEA	EMEA – Finance Achievement Awards 2022
Best IPO in EMEA	EMEA – Finance Achievement Awards 2022
Best IPO in EMEA (mid-cap)	EMEA – Finance Achievement Awards 2022
Best IPO in MENA	EMEA – Finance Achievement Awards 2022
Best IPO in the Middle East (mid-cap)	EMEA – Finance Achievement Awards 2022
Best IPO in the Middle East	EMEA – Finance Achievement Awards 2022
Best M&A Deal in MENA (mid-market)	EMEA – Finance Achievement Awards 2022
Best M&A House in MENA	EMEA – Finance Achievement Awards 2022
Best Equity Bank in the Middle East	Global Finance – World's Best Investment Banks Awards 2024
Best Equity House – UAE	EMEA Middle East Banking Awards 2022
Best Customer-Centric Investment Banking Brand, Egypt – 2023	Global Brand Awards
Best Independent Advisory Firm – North Africa	Africa Global Funds Service Providers Awards 2023
Finance Advisory Company of the Year	Gulf Business Awards 2023
Investment Banking	Euromoney Market Leaders

Key Financial Highlights of 2023

The Investment Bank revenues rose 32% Y-o-Y to EGP 8.1 billion, driven primarily by its core operations, the sell-side and the buy-side.

2024 Outlook

As EFG Hermes' Investment Banking division looks ahead to 2024, both internal and external strategies reveal a proactive approach aimed at furthering its influence in the regional market. Internally, there is a notable emphasis on leadership, with senior members taking charge of key jurisdictions, fostering increased interactions with clients and availability, and helping further establish a strong regional footprint.

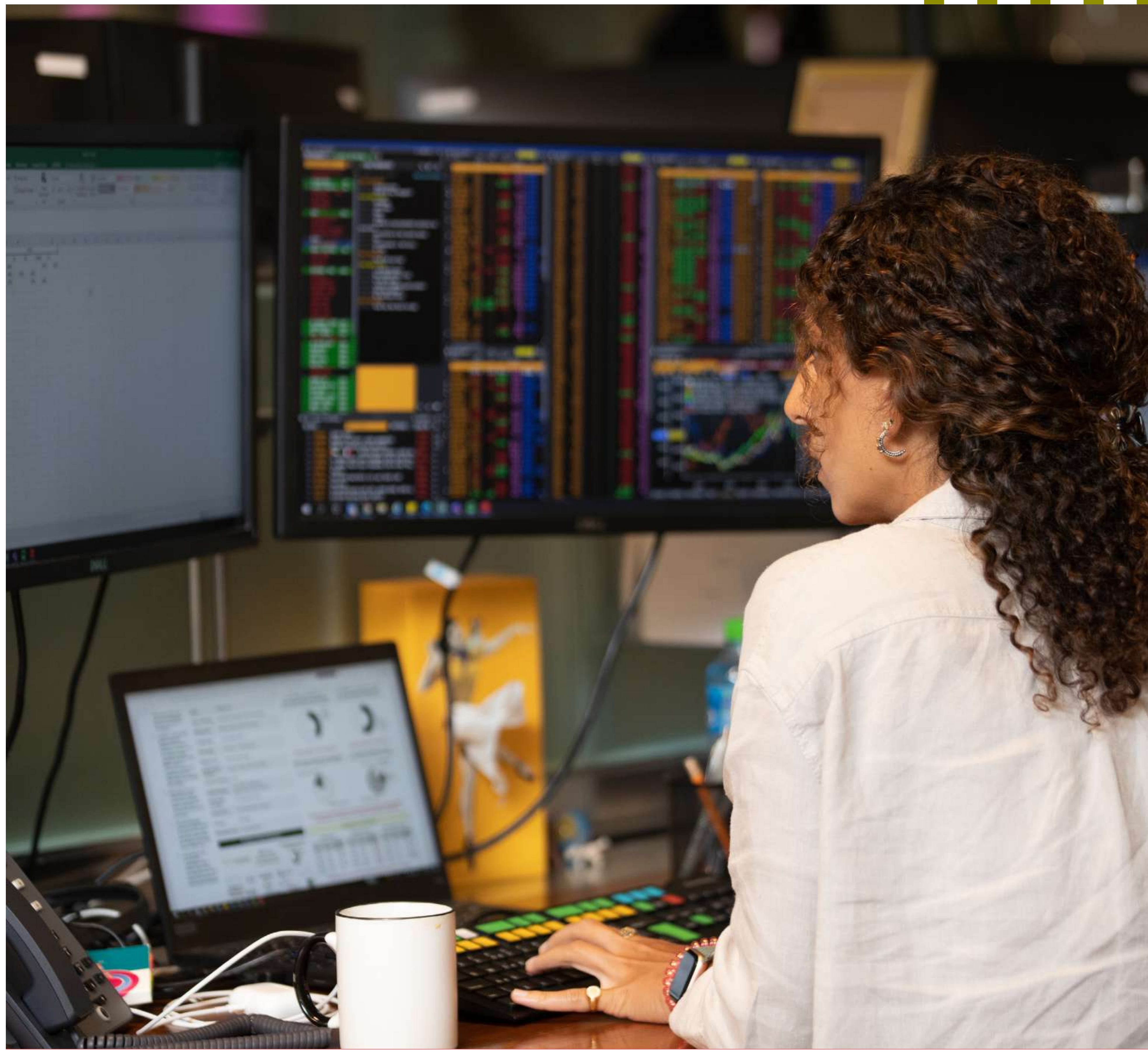
In KSA, where a plethora of private sector players exists, the strategy is to tap into mid- to large-sized deals. Building and strengthening relationships with key stakeholders is a priority, aiming to increase deal flow through these channels. In the UAE, with a robust understanding of important stakeholders, the goal is to continually expand private sector deal activity. Additionally, the division remains committed to covering Oman and Kuwait, anticipating a couple of deals per year as a valuable addition to overall performance. In Egypt, there is optimism for increased activity starting from the second quarter, contingent on a more favorable macro environment.

A robust pipeline entering the year sets the stage for a remarkable increase in M&A activity, particularly distributed between the UAE, KSA, and Egypt. There is a deliberate shift toward balancing M&A and ECM activities, building on the momentum gained from a strong ECM track record. In the DCM space, the expectation is to maintain the same momentum as the previous year and expand into the region, with a particular focus on establishing a presence in KSA in 2024. Overall, the division is poised for a positive year, leveraging its strategic initiatives, established track record, and expansive regional focus.

SECURITIES BROKERAGE

Overview

EFG Hermes Securities Brokerage, the MENA region's leading brokerage house, offers innovative and tailored products and services, secure multi-platform trading tools, market intelligence and insights, and unparalleled executional capabilities. Additionally, the division boasts an expansive four-continent execution presence across the MENA region and frontier and emerging markets, including Egypt, Kuwait, UAE, KSA, Jordan, Oman, Bahrain, Pakistan, Kenya, Nigeria, and Bangladesh, with regional offices in the US and the UK. The division's unmatched capabilities and global reach ensure maximum generated returns tailored to different investor preferences and risk profiles.

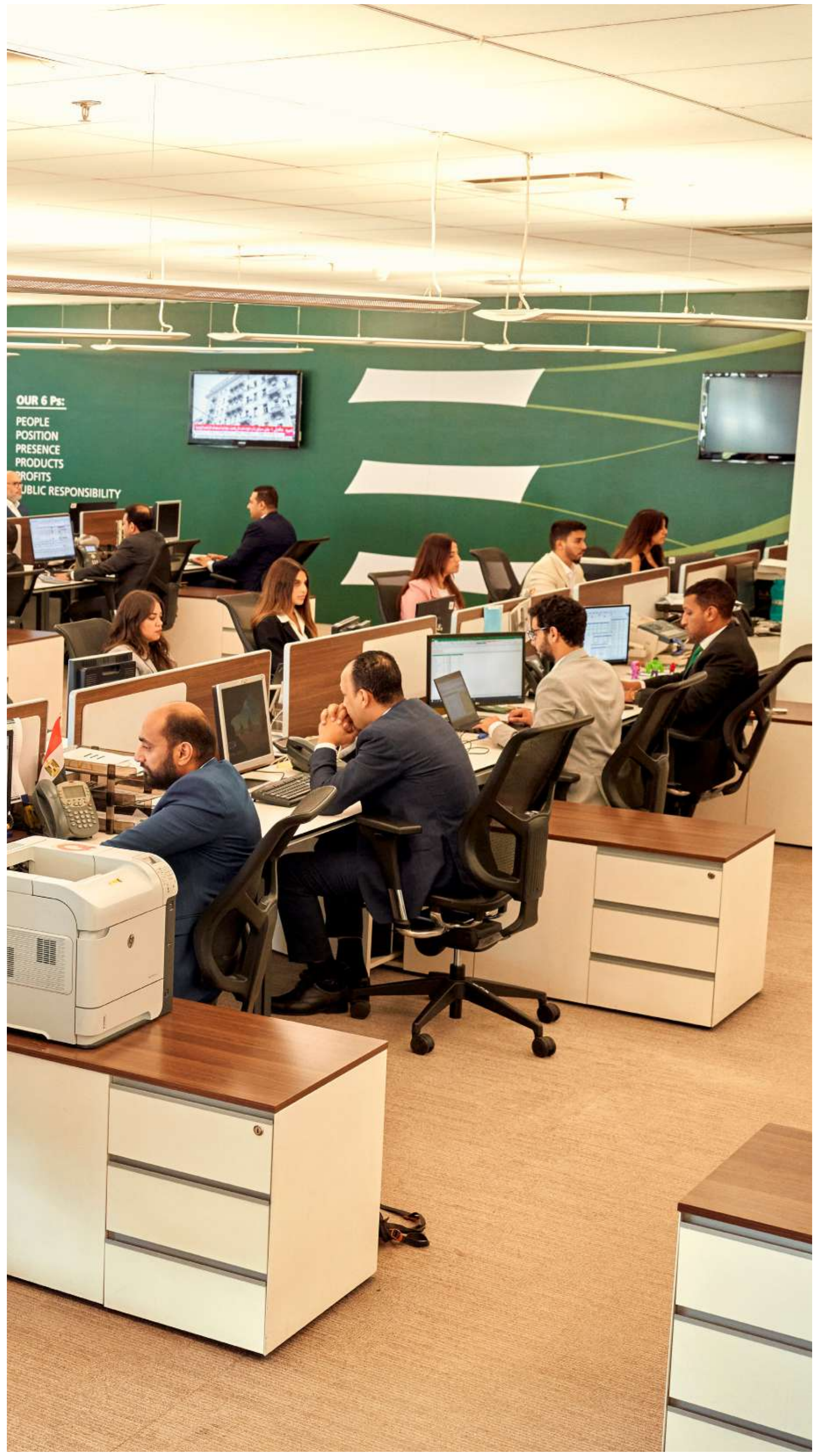


Operational Highlights of 2023

EFG Hermes Securities Brokerage recorded solid results during the year with enhanced performance across most of its core markets, which came on the back of a larger focus on enhancing performance, allowing it to achieve steady growth amid a challenging operating environment in frontier and emerging markets. As such, the division was able to maintain its solid market shares across the board, while traded volumes in some market decreased due to geopolitical changes.

On year-to-date basis, the division recorded a Y-o-Y surge of 73% in revenues to reach EGP 3.1 billion in 2023, reflecting higher volumes and market appreciation in Egypt and, thus, higher revenues generated by the Egyptian operations, including GDRs trading and Qatar, in addition to higher revenues generated from core MENA markets. In terms of pure commissions registered in regional markets, Egypt came in at first place with a contribution of 38.6%, while the UAE markets came in second place with a contribution of 18% in total. Meanwhile, KSA came in third place with a contribution of 14.8%, while Kuwait ranked fourth with a 12.1% contribution.

The division maintained its first-place ranking on the EGX with a market share of 33.2%, representing a slight Y-o-Y percentage-point decrease of 7%. However, its ability to relatively hold its market share and maintain its leading position with exceptional increase in market volumes is a testament to the division's



ability to capture increased inflows in the market. Foreign participation came in at 9.44% during the year, with EFG Hermes successfully capturing over 55.30% of these institutional inflows.

Following a very strong 2022 for EFG Hermes Securities Brokerage in Kuwait, and despite a slowdown in the Kuwaiti Financial Market in 2023, the division captured additional market share to reach 35.7% compared to 32.8% in 2022. During the year, the Kuwaiti market witnessed a decrease in trading volume, which pressured market performance in 2023. Nonetheless, foreign participation accounted for 11.6% of the total market of which EFG Hermes captured 66.4%, highlighting its ability to capitalize on the opportunities presented in the market.

On year-to-date basis, the division recorded a Y-o-Y surge of 73% in revenues to reach EGP 3.1 billion in 2023, reflecting higher volumes and market appreciation in Egypt and, thus, higher revenues generated by the Egyptian operations.

In the UAE, EFG Hermes Securities Brokerage continued to steadily grow its market share, mainly driven by strong institutional and retail activity on both the local and foreign fronts, through several large-ticket IPOs taking place on both the DFM and ADX. In Dubai, EFG Hermes Securities Brokerage sustained its first-place ranking on the DFM, with a market share of 38.96% at year-end 2023, down from the 41.1% registered in 2022. On the ADX, EFG Hermes' market share stood at a solid 17.4% by the end of the year, maintaining its second-place ranking on the exchange. It's also worth noting that the combined market share of both exchanges in 2023 was 22.6%, reflecting a decent increase from the combined market share of 19.4% recorded in 2022.

In KSA, EFG Hermes Securities Brokerage continued to grow its market share, recording 5.97% compared to 4.4% in 2022, on the back of several IPOs coming out of the Kingdom. At the same time, the division's growth in KSA was bolstered by the first Saudi Forum in London, which was organized by EFG Hermes in collaboration with the Saudi Exchange (Tadawul) and the participation of the Saudi Capital Market Authority (CMA). The forum was a catalyst for increased foreign institutional activity, as 2,300 meetings were conducted between over 50 of the top-listed Saudi companies and 200 institutional investors and fund managers from over 120 global investment firms.

The Jordanian market was relatively muted in 2023, but the division maintained its market share.

The division continued to develop and innovate its Direct Market Access (DMA) trading, which automatically links institutional investors to the system's database. This comes as part and parcel of the Firm's efforts to contribute to promoting digital transformation and streamlining the automation process. During the year, the Firm announced its partnership with Microsoft to launch the platform on Azure, Microsoft's cloud computing platform offering bespoke access, management, and development of technological services, to support swift trade executions. This is a testament to the Firm's ability to continuously innovate and introduce transformative financial solutions to its investors and expand its product suite.

In Dubai, EFG Hermes Securities Brokerage sustained its first-place ranking on the DFM, with a market share of 38.96% at year-end 2023.

	FY23		FY22	
	Market Share	Rank	Market Share	Rank
Egypt	33.2%	1	40.2%	1
UAE – DFM	39%	1	41.1%	1
UAE – ADX	17.45%	2	14.7%	2
UAE – NASDAQ Dubai	35.19%	2	30.08%	1
Kuwait	35.68%	2	32.8%	2
Kenya	38.54%	2	70.0%	1
Nigeria	9.5%	4	9.9%	5
KSA	5.97%	13	4.4%	6
Jordan (9M mkt share)	7.41%	9	6.3%	12
Pakistan	3.55%	N/A	3.7%	N/A

Frontier Markets

During the year, prevailing market conditions remained difficult for frontier markets on the back of an unstable macroeconomic environment that persisted during the year. In Pakistan, the market started showing early signs of recovery as a result of the USD-3-billion loan approved by the IMF, as well as support from the UAE and KSA. To that end, foreign investors were net buyers in the market, and among the local investors, insurance companies, corporates, and individuals were net buyers, while mutual funds and banks were net sellers. As a result, EFG Hermes Securities Brokerage's market share stood at 3.55%, compared to 3.66% in 2022.

In Kenya, a slowdown in the market persisted during the year on the back of the currency devaluations that pushed the Kenyan Shilling to it lowest ever rate against the USD. EFG Hermes slipped to second place during the year to reach 38.54% market share, mainly driven by a one-off transaction executed by another broker in 1Q23.

Meanwhile, the Nigerian market recovered from a negative sentiment on the back of improved performance bolstered by higher oil prices and subsidy removal, which benefited the oil and gas sector. The firm came in fourth with a market share of 9.46%, compared to 9.91% in 2022.

Online Trading

During the year, the Firm's world-class online trading platform, EFG Hermes ONE, continued to gain significant traction in the market on the back of continuous innovation and improvement in the app's processes. Currently, the app allows investors to tap into unmatched market insights and investment knowledge, execute informed trades, and monitor their portfolio in real time through a simple, user-friendly interface. GCC investors had significant demand on the app due to the strong performance of their markets. However, the higher interest rates and a volatile macro-outlook in the US and global markets resulted in a slight drop in revenues generated through the app on global trading.

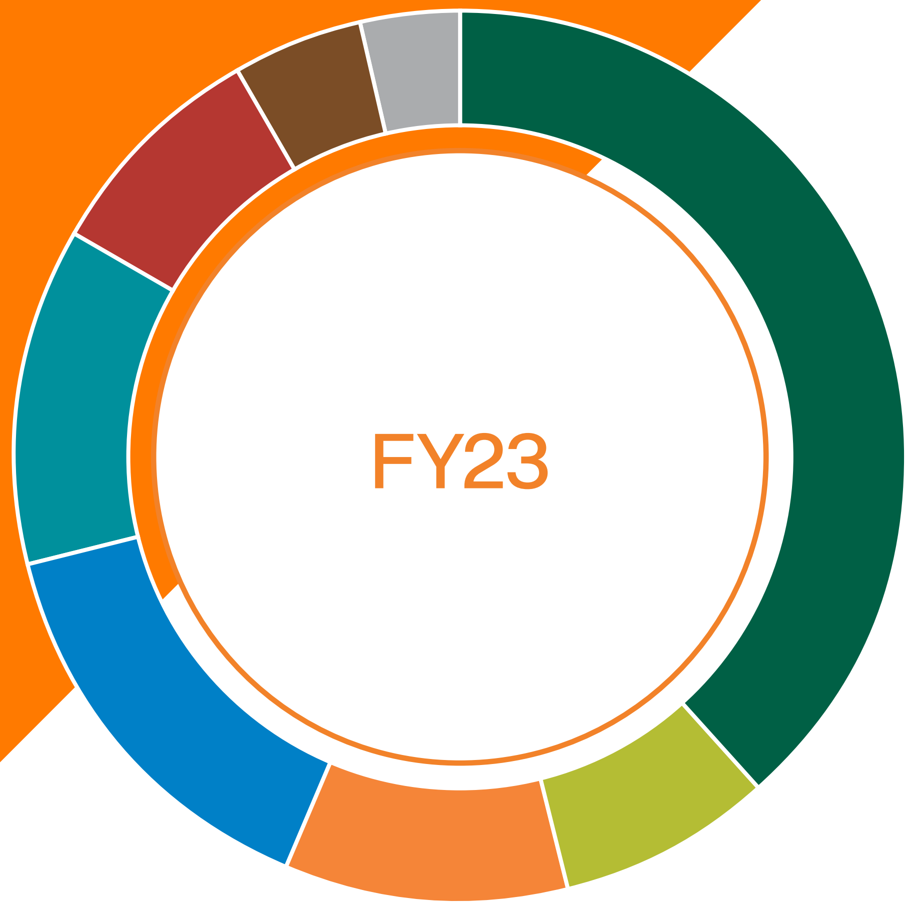
Structured Products

The Structured Product Desk was launched in 2016 pursuant to the Firm's strategy to enhance its capital market business and deliver a diverse product range to the franchise. During the year, the division's Structured Product Desk's revenues recorded EGP 32 million, representing a decline of 46% Y-o-Y in 2023.

Unique Corporate Access

The division continued to offer unique corporate access through its forums and conferences, bringing together large corporations from key markets around the world and institutional investors to fuel economic growth in its host countries and increase demand for its unmatched products. During the year, EFG Hermes organized the first Saudi forum in London in collaboration with the Saudi Exchange (Tadawul) and with the participation of the Saudi CMA. Additionally, the Firm held its 17th Annual One-on-One Conference in March 2023 in Dubai for the first time since the onset of the COVID-19 pandemic. The 18th iteration of the conference is set to take place in April 2025 and is anticipated to have an even greater turnout.

Commission Breakdown by Market



	FY23
Egypt*	38.6%
DFM**	7.8%
ADX	10.2%
KSA	14.8%
Kuwait	12.1%
Qatar	8.4%
Frontier Markets	4.8%
Others**	3.4%
Total	**100%**

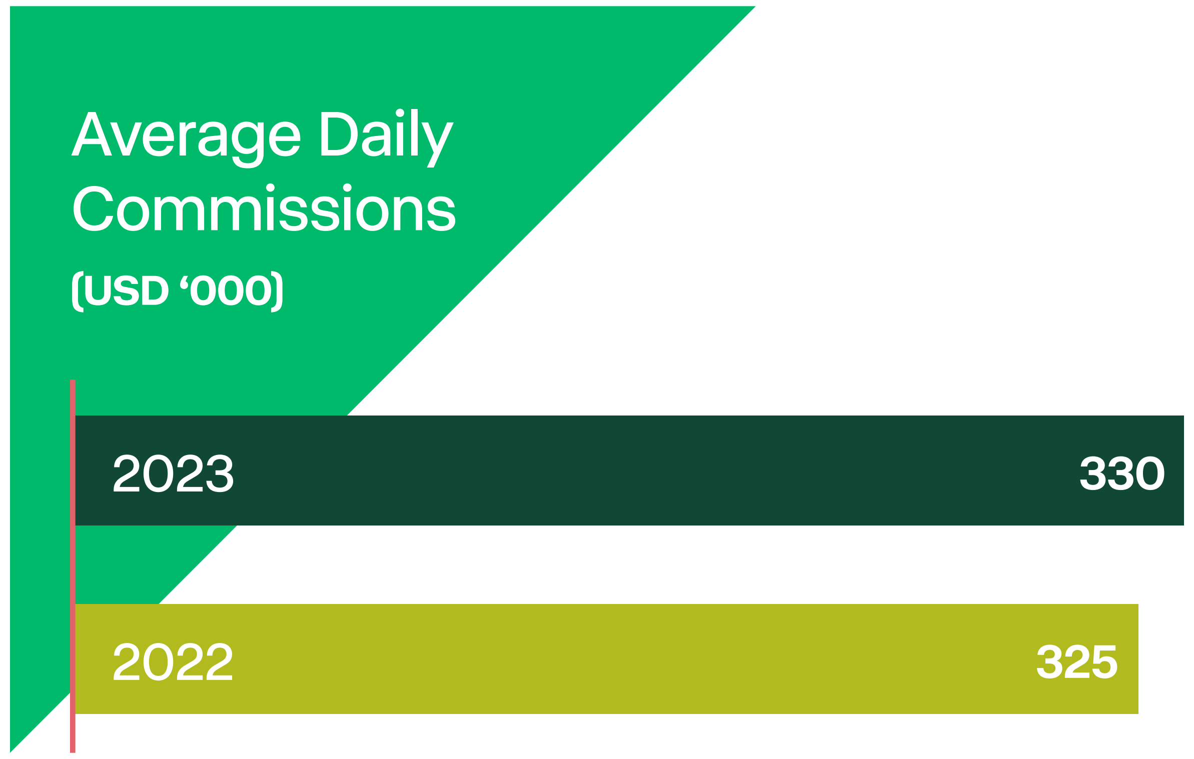
* Egypt includes UK (GDRs) share of 9.3% in FY23
**DFM includes Nasdaq Dubai's share of 0.04 in FY23
** Others include Oman, Jordan, Lebanon, Bonds, Structured Products, and EFG Hermes One

Brokerage Revenue*

(EGP million)

	FY22	FY23
Egypt**	812	1,710
UAE	316	513
KSA	198	308
Kuwait	225	291
Frontier Markets***	112	159
Structured Products	60	32
Others****	41	62
Total Revenues	**1,780**	**3,075**

*Brokerage revenues highlighted above represent operations and not markets
** Egypt revenues include UK (GDRs)
*** Frontier Markets include Pakistan, Kenya, Nigeria, and others
****Others include fixed income products, Jordan, and Bahrain



Outlook

Looking ahead, the division aims to capitalize on the recovery of its core markets by placing a larger focus on Egypt and the GCC markets: the UAE, KSA, and Kuwait. As such, the Firm exited Oman during 2023 and is in the last stages of exiting Jordan to refocus resources toward Egypt and the GCC markets. Moving forward, digitalization remains at the forefront of the division's priorities, as EFG Hermes Securities Brokerage continues to lead the way in terms of product innovation and market reach. The Firm will focus its resources on furthering its digital transformation strategy, which aims to fully digitalize the brokerage business in the near future. Part of the digitalization vision lies in the development of the firm's online trading platform, EFG Hermes ONE. To that end, EFG Hermes ONE will soon encompass digital onboarding and possible straight-through processing (STP), where markets allow, which will significantly streamline trading operations and, potentially, settlements. In addition, the Firm is continuously enhancing client experience through the incorporation of AI and machine learning to enhance the app's features and allow for more insight for investors.

Awards

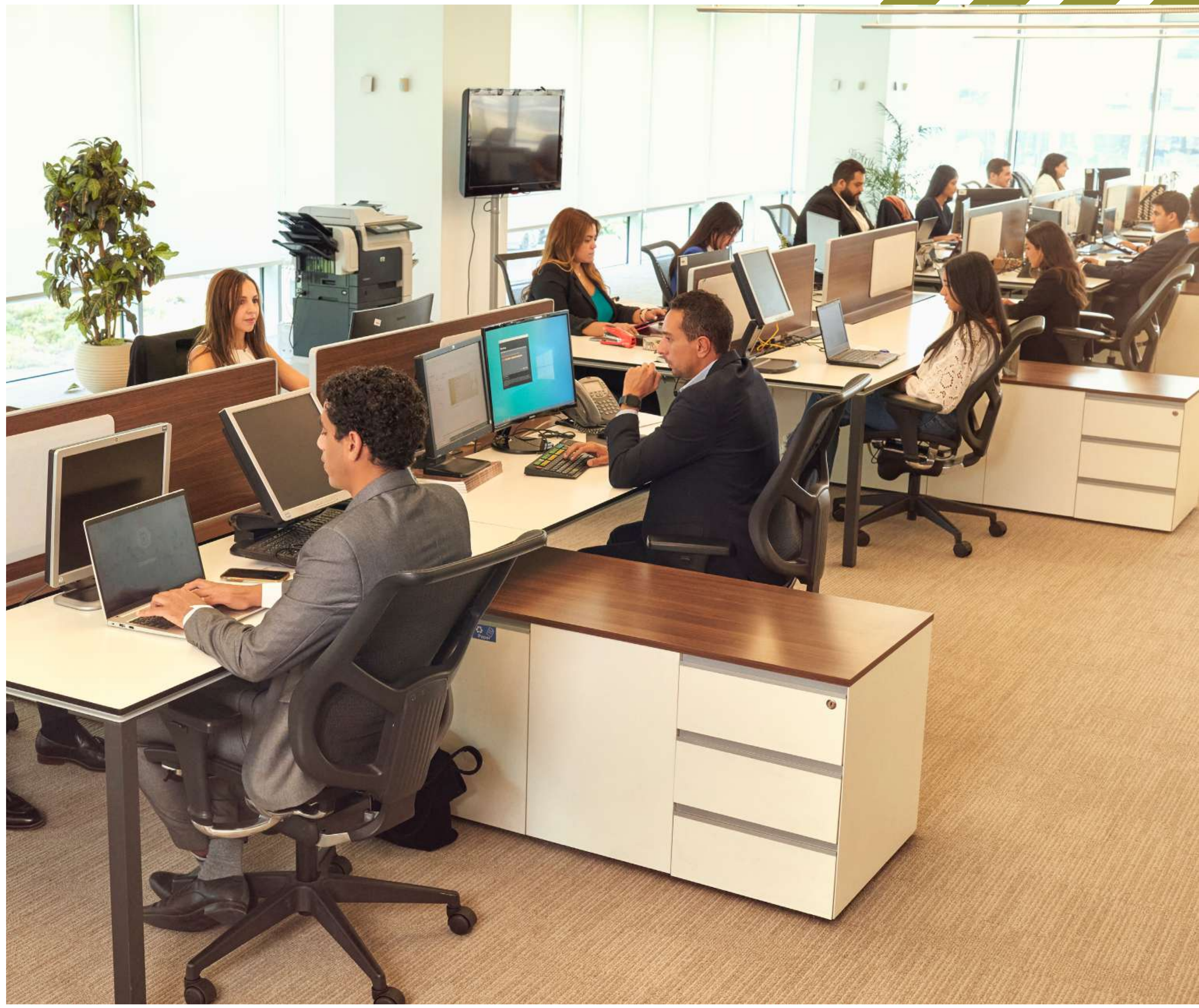
Best Broker – Middle East	EMEA Middle East Banking Awards 2022
Best Broker – Kuwait – EFG Hermes IFA	EMEA Middle East Banking Awards 2022
Best Broker – Saudi Arabia – EFG Hermes Saudi Arabia	EMEA Middle East Banking Awards 2022
Best Broker – Oman – EFG Hermes Oman	EMEA Middle East Banking Awards 2022
Best Broker – UAE	EMEA Middle East Banking Awards 2022
Best Performing Brokerage Firm	EGX Awards 2023
Best Broker in Egypt	Arab Federation of Capital Markets
Best Broker in Dubai	Arab Federation of Capital Markets
Best Broker in Africa – Pan Africa	EMEA Finance – African Banking Awards
Best Broker – Egypt	EMEA Finance – African Banking Awards
Best Broker – Kenya	EMEA Finance – African Banking Awards
Best Trading Platform: EFG Hermes One	Entrepreneur Middle East Tech Innovation Awards 2023
The Trading Platform of the Year	Africa Global Funds Service Providers Awards 2023
Best Trading Platform	Gulf Business Awards 2023
Online Trading Company of the Year: EFG Hermes One	Gulf Business Awards 2023
Online Trading Company of the Year	Euromoney Market Leaders

RESEARCH

Overview

For over 40 years, EFG Hermes' Research division has been the region's premier provider of in-depth, real-time market insights with macro, strategy, sector, and equity expertise provided by award-winning analysts. With 370 stocks under coverage in 10 sectors across 29 markets, the division sets the industry standard for delivering the most comprehensive and impactful MENA and FEM research to clients around the world.

With on-the-ground insights from analysts based across the Firm's footprint, the division's ability to provide differentiated research products that identify opportunities and allow clients to make informed investment decisions is unmatched. This has proved invaluable in 2023, considering the unprecedented geopolitical and macroeconomic turbulences that have threatened the stability of emerging and frontier markets and, in turn, impacted capital flowing into these markets from institutional and retail clients alike.



The division's increasing proficiency to constantly expand its coverage universe and tailor its product offering to the evolving needs of its clients has cemented its position in recent years as the research house of choice for equity and strategy research in MENA and FEM.

2023 Operational Highlights

In 2023, our Research division exhibited commendable performance, marked by strategic endeavors and noteworthy achievements across diverse markets. The year saw a total of 19 new coverage initiations, with a significant emphasis on the Saudi Arabian market, where 10 new companies were added to our coverage universe. This shift was complemented by the launch of a Saudi monthly in May featuring a Saudi picks list, serving as a valuable resource for stakeholders seeking insights into our most important market. Four out of the 19 new initiations this year were in the energy sector, while medical initiatives in KSA have also captured significant investors' interest, prompting us to respond with two new pharmacy chain initiations.

A pivotal aspect of our activities this year has been our involvement in eight dynamic IPOs in the GCC region. Our research served as invaluable support for the successful execution of the IPO of OQ Gas Networks on the MSX, the largest Omani IPO in over two decades. The division also guided the Investment Banking team on the IPOs of Dubai Taxi Company on the DFM and ADES Holding Company on the Saudi

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Exchange, as well as the successful IPOs of ADNOC L&S and ADNOC Gas Plc on the ADX, Lumi Rental Company on the Saudi Exchange, Abraj Energy Services on the MSX, and Al Ansari Financial Services PJSC on the DFM.

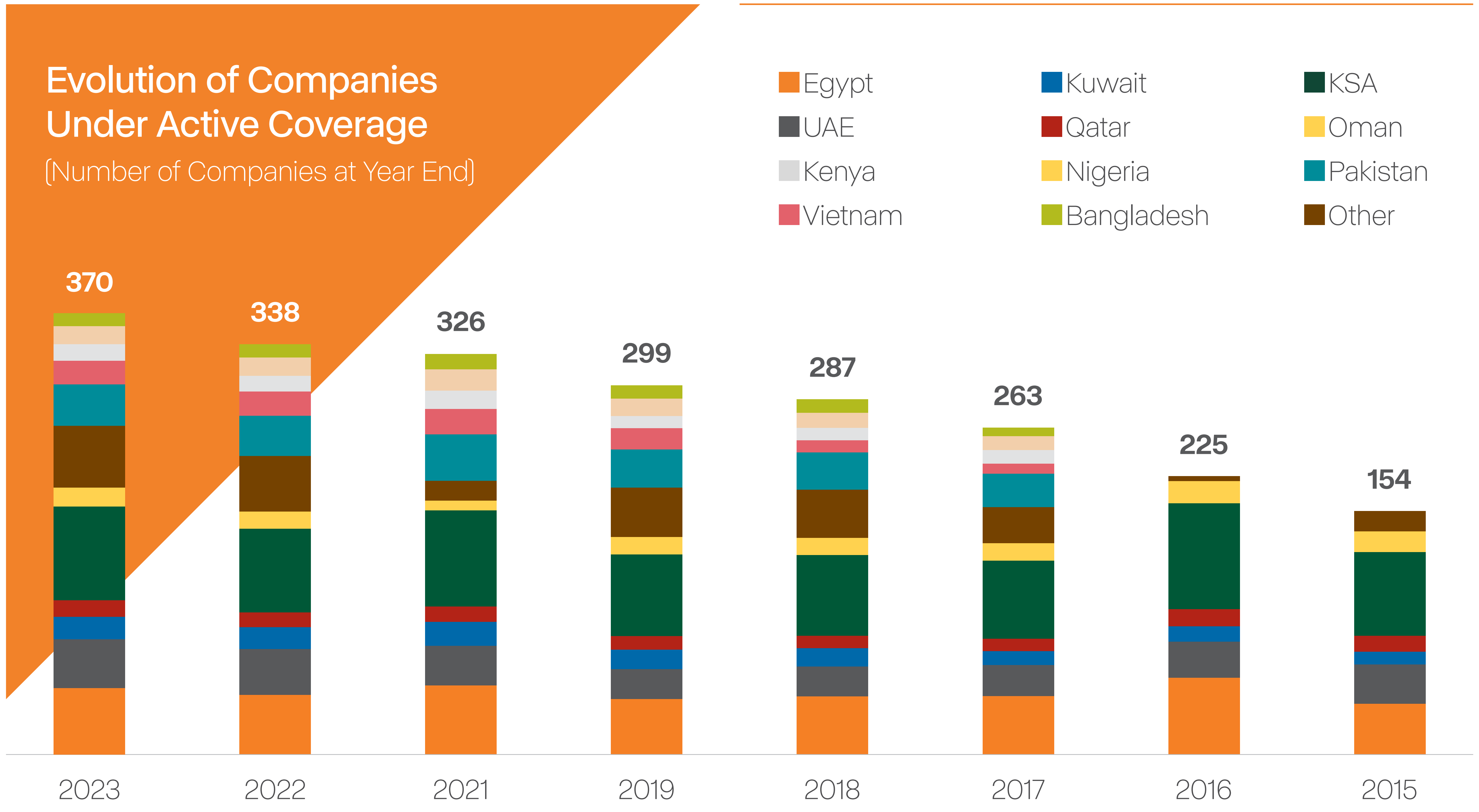
Our commitment to staying attuned to market shifts is evident in the adjustment of our focus within frontier and emerging markets. While Sub Saharan Africa has witnessed reduced interest, Southeast Asia has gained prominence, with Central Asia and Eastern Europe also emerging as areas of growing interest. This realignment is in response to changing client preferences and market dynamics. This year, we extended our coverage to Singapore, initiating research on Thai Beverage, as well as expanded our existing coverage in Abu Dhabi as the UAE IPO wave continues. Additionally, our Research team undertook extensive trips to Kazakhstan and the Philippines,

engaging with clients and meeting companies to enhance our understanding of these markets.

Hosting a substantial number of calls for companies across various sectors and markets during the year, totaling 77 interactions, exemplifies our dedication to providing insights that are not only beneficial for investors but also for companies and banks. Another highlight is the continued outperformance of the division's MENA Top 20 List against benchmarks. This success is a testament to its consistent analytical ability to identify and recommend top-performing companies in the region.

The team is actively implementing measures to digitize the client research experience, capitalizing on the achievements of the EFG Hermes Research Portal. By incorporating data analytics and other advanced techniques, we aim to deliver tailor-made and impactful research experiences to our clients. A notable addition to our product offerings this year was the launch of a new quantitative product. Developed by our data team, this tool provides a faster-moving list of ideas in the most liquid markets we cover, enhancing the agility and efficiency of our research capabilities.

In recognition of our dedication and accomplishments, the Research division has received accolades, including being named the Frontier Number One Research House by Institutional Investor 2023. Additionally, the Research team in Pakistan claimed the number one spot at the Asiamoney Awards. Winning the Best Research 2022 award on the Saudi Exchange further underscores our leading position, highlighting the extensive coverage we provide in the Saudi market.



Forward-Looking Strategy

Looking ahead to the upcoming year, EFG Hermes' Research division remains resolute in its strategic focus on IPOs within the GCC region. Despite fluctuations in global markets, the GCC's steady economic growth and increasing investor confidence continue to present promising opportunities for IPOs. The division is poised to deepen its understanding of this market, leveraging its expertise to navigate regulatory frameworks, identify lucrative prospects, and provide comprehensive insights for clients seeking to capitalize on this flourishing landscape. Simultaneously, Southeast Asia, Central Asia, and Eastern Europe will remain key areas of exploration for the division, as these regions show signs of emerging as attractive markets for investment. By extending its research efforts into these diverse and evolving markets, EFG Hermes Research aims to deliver comprehensive and forward-looking insights, ensuring that its clients are well-informed and positioned to capitalize on emerging opportunities.

BUY-SIDE OVERVIEW

Amid the headwinds of a volatile and high-interest rate environment, EFG Hermes remained steadfast in its commitment to excellence, navigating these challenges with a prudent strategy and unwavering determination. Our buy-side business has emerged with commendable results across both our Asset Management and Private Equity divisions, underscoring our resilience and adaptability in the face of adversity. Through strategic foresight, disciplined risk management, and a relentless pursuit of value creation, we not only faced the challenges but also positioned ourselves for sustained growth and success. Our ability to seize opportunities amid uncertainty and deliver optimal outcomes for our clients is a testament to the expertise and dedication of our teams.

The performance of EFG Hermes Asset Management remained resilient, exhibiting noteworthy rises in AUMs. Our AUMs in Egypt had an 38.5% increase, reaching a remarkable EGP 35.9 billion. Regionally, AUMs increased by 23.1% to USD 3.3 billion via Frontier Investment Management (FIM) Partners. This expansion demonstrates our division's tenacity and capacity to draw and hold on to investors' confidence, even in trying times for the market. Additionally, the division strategically strengthened its position by obtaining multiple large mandates, especially attracting the interest of institutional investors in the local and regional arenas. These accomplishments are witness to the knowledge, value, and steadfast dedication of our division to providing our clients with the best possible financial results.

On the Private Equity side of the house, Vortex Energy was remarkably resilient in the face of challenges in the global renewable energy business. Our portfolio firm, Ignis Energy, grew significantly despite supply chain problems and high interest rates. By the end of 2023, EUR 300 million had been invested in the company. Additionally, Vortex Energy increased the size of its fund significantly, broadening its investment horizons; as a result, its total AUMs now amount to about EUR 360 million. A turning point was reached when Vortex Energy strategically invested in EO Charging, a British company that offers technology-enabled charging solutions, to expand its portfolio and enter the electric car charging market for the first time. This strategic move not only broadens our company's scope but also completes the ecosystem of renewable energy generation and consumption, reinforcing our commitment to sustainability and innovation.

Similarly, the Egypt Education Fund (EEF) experienced notable growth and achievements throughout the year. With a focus on expanding educational opportunities, the EEF reported a significant increase in its numbers, reflecting a broader reach and impact within Egypt's educational landscape. Collaborating with the Sovereign Fund of Egypt, EEF spearheaded the establishment of several schools within the Cosmic Village school complex, thereby enhancing access to quality education in the region. Additionally, our fund's investments in GEMS and Hayah Schools delivered commendable performances, demonstrating excellence in educational delivery and student outcomes.

RxHM also delivered a solid performance in 2023. Our subsidiary, United Pharma, emerged as one of the premier medical solution providers in Egypt, boasting a considerable market share of +40%. RxHM remained vigilant in exploring new pharmaceutical opportunities, both regionally and locally, showcasing a commitment to sustained growth and innovation.

Looking forward to 2024, our strategic priority remains centered on surpassing market expectations and ensuring superior returns that yield long-term value for our investors and stakeholders. The resilience exhibited by our Asset Management division throughout 2023, notably in confronting the challenges posed by a global surge in inflation and sustained high interest rates, positions us favorably to thrive

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in a testing economic landscape. Our strategy moving forward places strong emphasis on resilience, aiming to secure more mandates both in Egypt and across our regional footprint. By maintaining a robust focus on risk management, strategic innovation, and client-centric solutions, our Asset Management division is poised to emerge stronger.

Simultaneously, the prospects for our Private Equity ventures are both dynamic and promising, marked by strategic expansions and targeted investments across a spectrum of sectors. RxHM and the EEF are strategically positioned to extend their influence into the GCC region, leveraging opportunities for growth and advancement within the rapidly evolving healthcare and education sectors. Meanwhile, Vortex Energy continues its trajectory of expansion, bolstering the scale of its funds while adhering to a disciplined investment approach that prioritizes energy generation. With an unwavering commitment to sustainability, Vortex Energy remains steadfast in directing investments toward renewable energy projects, sustaining its foothold in both European and US markets.

We remain resolute in our dedication to navigating challenges, seizing opportunities, and delivering tangible value to our esteemed investors and stakeholders. As we embark on the journey ahead, we remain steadfast in our commitment to innovation, integrity, and superior performance, ensuring that EFG Hermes continues to be at the forefront of global investment leadership.

Karim Moussa
Co-CEO of EFG Hermes,
an EFG Holding Company

ASSET MANAGEMENT

Overview

EFG Hermes' Asset Management division, the MENA region's leading asset manager, offers its clients a diverse and comprehensive suite of mutual funds and discretionary portfolios comprising country-specific and regional mandates, including money market, fixed income, indexed, and Shariah- and UCTIS-compliant mandates. Powered by a team of regional industry experts, EFG Hermes' Asset Management division caters to an ever-growing client base of individual and institutional clients, as well as government-backed entities. The division unlocks value-accretive investment prospects, market insights, and other value-add services that are tailored to different individual preferences, financial objectives, and risk appetites.

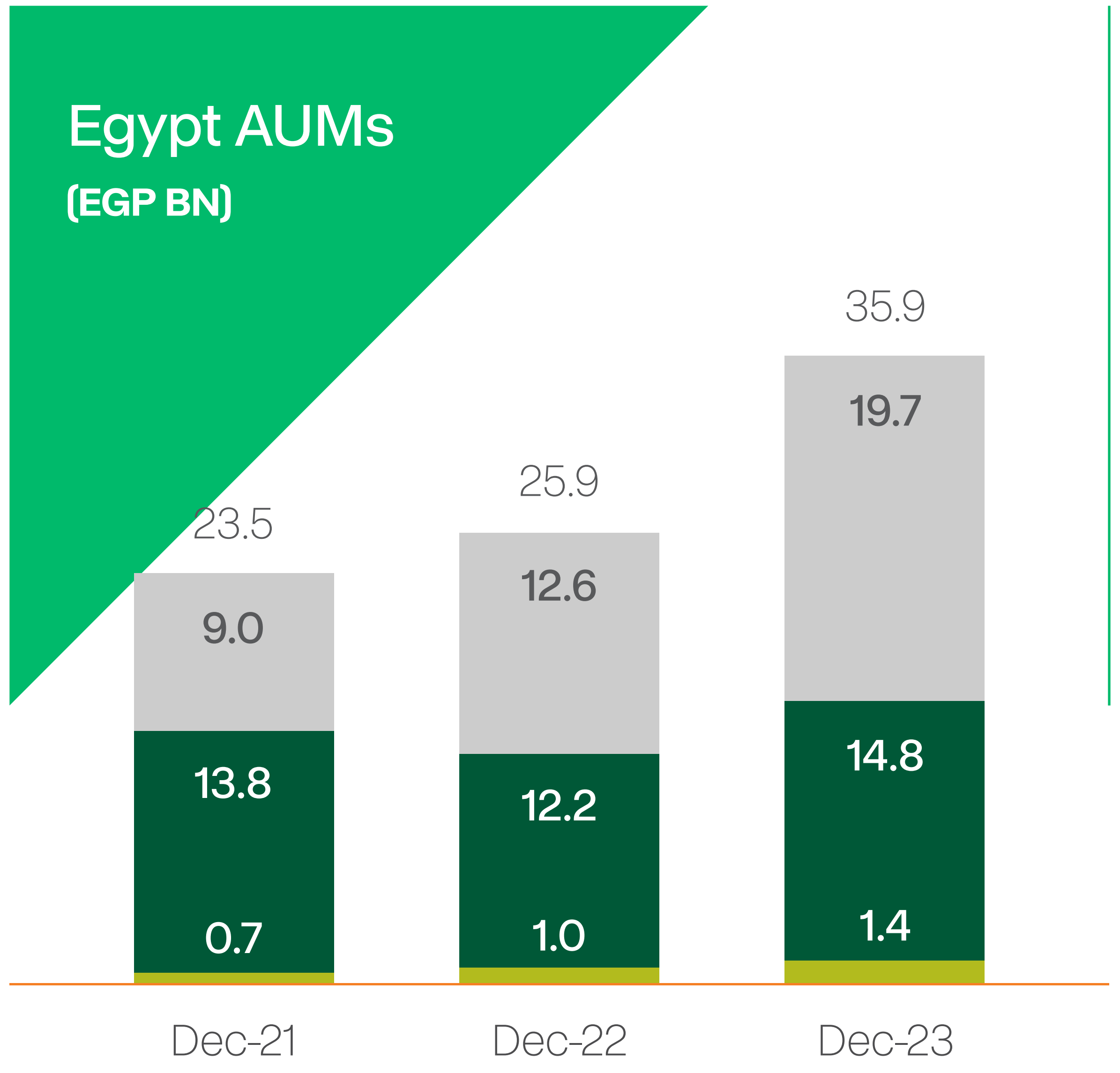
2023 Operational Highlights

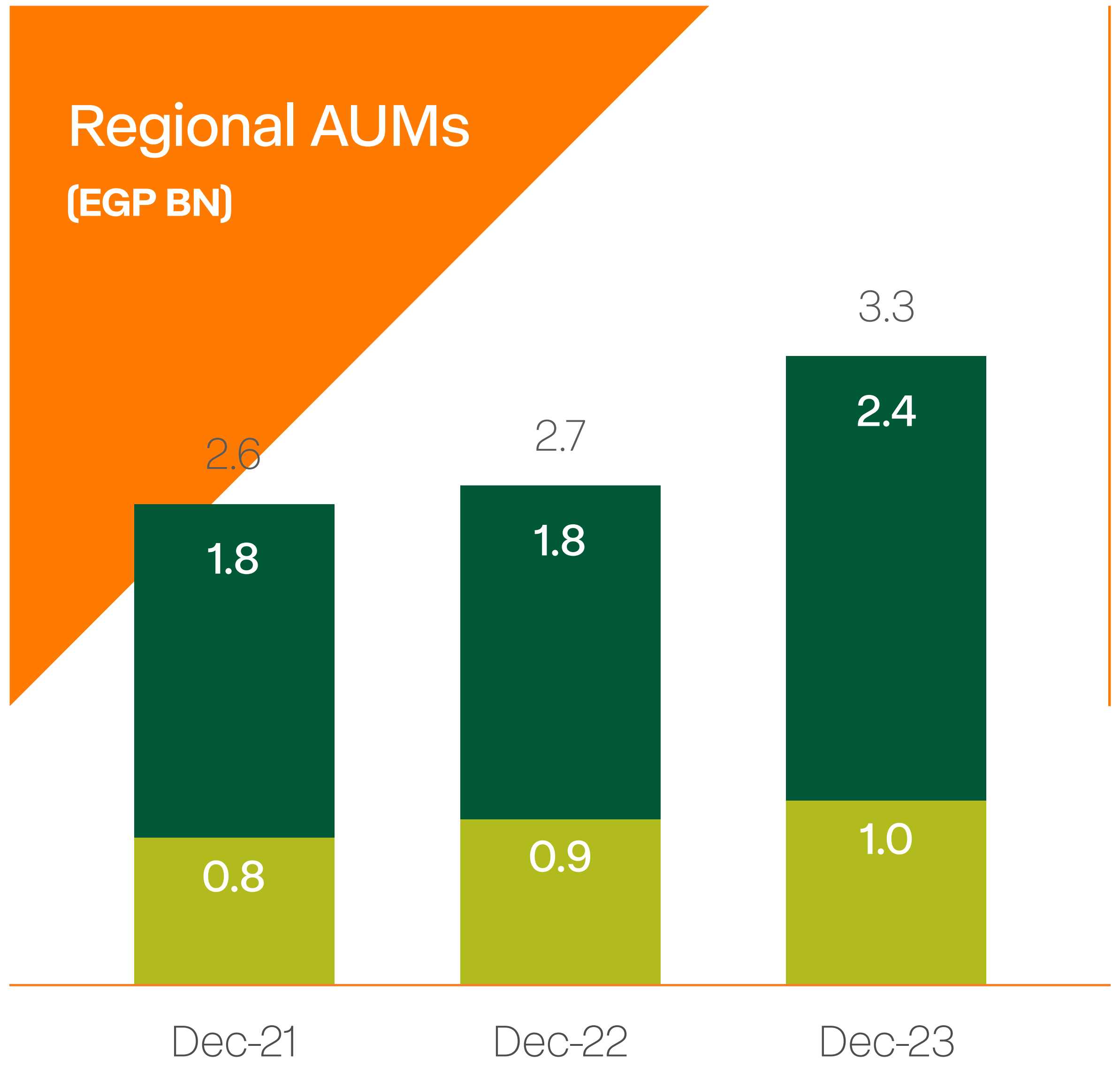
EFG Hermes' Asset Management expertly maneuvered a volatile, high-interest rate environment during the year to emerge with commendable achievements. The division continued to house the top-performing funds regionally and locally across markets, particularly the fixed income and money market spaces. The result of this outperformance was a 38.5% increase in AUMs in Egypt, reaching an impressive EGP 35.9 billion, up from EGP 25.9 billion recorded in 2022. Through the Firm's regional arm, Frontier Investment Management (FIM) Partners, regional AUMs grew 23.1% to USD 3.3 billion from USD 2.7 billion recorded in 2022.

The division strategically fortified its position in the market by successfully securing numerous substantial mandates, particularly garnering attention from institutional investors, both within the local landscape and across the broader regional sphere. Through targeted efforts, the division adeptly showcased its expertise and value proposition, resonating with discerning investors seeking trusted partners for their financial endeavors within the backdrop of a challenging market environment.

Key Financial Highlights

Building on these operational achievements, the division reported a commendable 84% growth in revenues, surpassing the EGP 1.0 billion mark, compared to the EGP 553 million recorded in 2022, on the back of the acquisition of new mandates.





Awards

In recognition of its outstanding performance, EFG Hermes Asset Management received prestigious accolades, being named the Best Asset Manager in Egypt and Best Asset Manager in Africa by the EMEA Finance African Banking Awards.

Forward-Looking Strategy

As the Asset Management division sets its sights on 2024, the strategic focus remains on outperforming the market and delivering superior returns with long-term value to investors and other stakeholders. Our resilience in 2023, particularly in navigating challenges posed by a global rise in inflation and persistently high interest rates, positions us well to continue thriving in a potentially complex economic environment. Our strategy for 2024 places a strong emphasis on resilience, looking to secure more mandates both in Egypt and across our regional footprint. By maintaining a robust focus on risk management, strategic innovation, and client-centric solutions, the Asset Management division is poised to emerge stronger, demonstrating its ability to adapt and excel even in the face of challenging economic conditions.

PRIVATE EQUITY

Overview

EFG Hermes' Private Equity platform drives value-accretive investments in sectors that are strategic and impactful by providing rapid and flexible investment capital. The platform's unmatched capacity building and technical assistance, combined with its strategic leadership management, are some of the factors enabling it to grow its businesses swiftly across its footprint. As a long-term impact investor, the division invests in businesses operating in key industries — including renewable energy, education, and healthcare — that generate not only lucrative financial returns but also social and environmental impacts.

On the renewables front, the division manages investments through its dedicated Europe-focused platform, Vortex Energy. The platform, which was launched in 2014, funds projects in the fast-growing energy transition industry to drive higher sustainable development and lay the foundation for the transition toward clean energy. Today, Vortex Energy is a leading energy transition investment manager that seamlessly executes deal sourcing, structuring, financing, asset integration, and divestment on a global scale.

In the ever-growing education sector, EFG Hermes' EEF is a USD-150-million investment fund that was launched in 2018. In line with its strategy to carry out socially impactful investments, EEF continues to grow and develop Egypt's underserved K-12 sector through investments in schools and greenfield developments, in addition to building a vertically integrated platform to manage and enhance operations more effectively.

In the healthcare space, the Firm's healthcare-focused investment platform, RxHM, was established to manage diverse investments across the healthcare sector to meet the rapidly growing demand for premium healthcare offerings across Egypt, the MENA region, and Africa at large. In 2019, the platform successfully completed the acquisition of a majority stake in United Pharma, a leading Egyptian medical solutions provider, in efforts to expand United Pharma's medical product offerings across the region.

2023 Operational Highlights

Vortex Energy

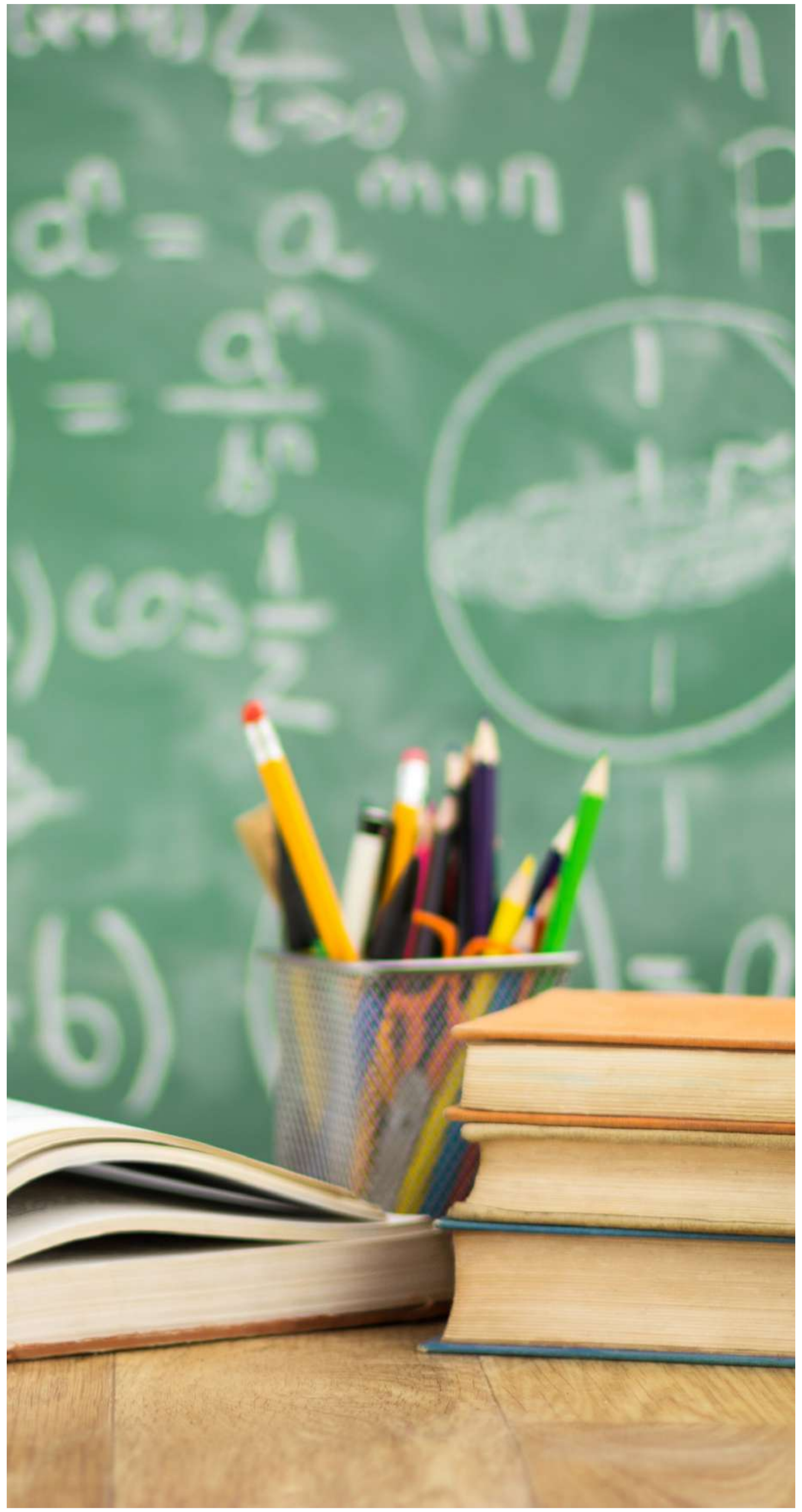
In the face of a challenging global landscape for renewable energy, marked by high interest rates and supply chain disruptions, Vortex Energy navigated through 2023 with resilience despite these obstacles; its portfolio company, Ignis Energy, demonstrated significant growth compared to the previous year, with a total of EUR 300 million invested in the company by year-end 2023. Moreover, Vortex Energy expanded its investment horizons, augmenting the size of its fund substantially, with total AUMs reaching approximately EUR 360 million. A prominent milestone was achieved as Vortex Energy diversified its portfolio by venturing into the electric vehicle charging sector for the first time with its investment in EO Charging, a British provider of technology-enabled charging solutions for electric vehicle fleets. This strategic move not only broadens the company's scope but also completes the ecosystem of renewable energy generation and consumption.

Egypt Education Fund

The Egypt Education Fund (EEF) experienced notable growth and achievements throughout 2023, with the platform now encompassing 25 assets. With a focus on expanding educational opportunities, the EEF reported a significant increase in its numbers, with a capacity of around 23,000 students and a current enrollment of over 13,000 students across its assets, reflecting a broader reach and impact within the educational landscape in Egypt. Collaborating with the Sovereign Fund of Egypt, EEF spearheaded the establishment of several schools within the Cosmic Village school complex, enhancing access to quality education in the region. The fund's GEMS and Hayah schools delivered commendable performances during the year, demonstrating excellence in educational delivery and student outcomes. Furthermore, Selah el Telmeez, the leading Egyptian learning guide and content creator for K-12 students acquired by the EEF in 2022, witnessed a substantial increase in revenue, signaling successful financial growth and sustainability within the fund.

RX Healthcare Management (RxHM)

RxHM delivered a solid performance in 2023. United Pharma has burgeoned into one of the premier medical solution providers in Egypt, boasting a considerable market share of +40%, while catering to essential healthcare needs. United Pharma has continued to be the number one supplier to the market for life-saving IV solutions in 2023, covering the widening market gap left by other market players, and it has significantly contributed to stabilizing the hospital pharmaceuticals supply market. RxHM remained vigilant in its quest for new pharmaceutical opportunities, both regionally and locally, demonstrating a commitment to sustained growth and innovation.



Forward-Looking Strategy

Private Equity's outlook remains dynamic and promising, characterized by strategic expansions and targeted investments across diverse sectors. RxHM and the EEF are poised to extend their reach into the GCC region, leveraging opportunities for growth and development within the burgeoning healthcare and education sectors.

Meanwhile, Vortex Energy maintains its trajectory of expansion by augmenting the size of its funds, adhering to a disciplined investment strategy focused on energy generation. With a steadfast commitment to sustainability, Vortex Energy continues to channel investments into renewable energy projects while sustaining its presence in the European and US markets.

EFG Holding

EFG FINANCE

3.0 EGP BN

in revenues

17%

Y-o-Y increase in revenue

EFG FINANCE OVERVIEW

EFG Finance is rapidly expanding and constantly evolving, with a growing portfolio of NBFI solutions across industries in Egypt. EFG Finance is home to several brands, including our leasing and factoring arm EFG Corp-Solutions; Bedaya, one of Egypt's leading providers of mortgage financing solutions; micro and small finance player Tanmeyah; insurance company Kaf; and digital payment platform PayTabs Egypt. Valu, which has developed into the MENA region's leading universal financial technology powerhouse, is a sub-brand of EFG Finance that is independently led by CEO Walid Hassouna.

In 2023, EFG Finance experienced a significant period of growth and achievement. Functioning as an all-encompassing ecosystem, our NBFI platform seamlessly merges multiple enterprises to provide holistic financial solutions for individuals and businesses at various stages of life and growth. The robust performance and steadfast dedication demonstrated throughout the year reaffirms our commitment to EFG Holding's enduring mission to offer individuals and businesses of diverse backgrounds and sizes access to the necessary financing and resources, empowering them to improve their quality of life, expand their enterprises, and enrich the communities where they reside and operate.

During the year, our leasing and factoring arm, EFG Corp-Solutions, navigated economic obstacles and the effects of high interest rates with a data-driven approach. It recorded aggregate bookings amounting to EGP 9.5 billion, flat in comparison to the EGP 9.6 billion in 2022. An efficient pivot in strategy targeting larger ticket transactions with more export-led business models underscored the company's commitment to effective risk management. EFG Corp-Solutions also concluded the year having issued its third securitized bond offering, worth EGP 1.0 billion, marking an expansion of the company's securitization program, with an increasing value from EGP 3.0 billion to EGP 6.0 billion.

PayTabs Egypt, our award-winning payment processing platform, continued to persevere with exceptional growth in 2023 despite economic pressures, with company targets achieved significantly before the end of the year. The company ended the year having registered 11.7 thousand merchants, with over 7.1 million transactions completed through the platform. PayTabs Egypt has also introduced, for the very first time in the country, card acceptance for gold trading with a strategic partnership with Gold Net Trading (GNT).

In the microfinance sector, Tanmeyah has transformed in the face of adversity, issuing over 5.6 billion financing facilities of several types and sizes to low-income generating projects across Egypt. Today, Tanmeyah dedicates 50% of its loans to women in business, and 63% is dedicated to young entrepreneurs and small business owners, extending beyond financial empowerment toward inclusivity. Having obtained the FRA's endorsement for its mobile application, the company is preparing for a first-quarter launch to improve customer reach.

Additionally, in 2023, Tanmeyah introduced a secure API gateway, facilitating the digital modularization of services and positioning itself for smooth integration into the evolving fintech landscape. Tanmeyah has strategically established partnerships, setting the stage for successful collaborations. One notable alliance was initiated with the European Bank for Reconstruction and Development (EBRD) in early 2024, focusing on enhancing green agri-finance and providing support for women in business. The positive outcomes of these partnerships are anticipated to materialize shortly. By the end of the year, Tanmeyah had recorded an outstanding portfolio value of EGP 4.6 billion and a total client base of 336,000 active borrowers.

> Functioning as an all-encompassing ecosystem, our NBFI platform seamlessly merges multiple enterprises to provide holistic financial solutions for individuals and businesses at various stages of life and growth.

Kaf, our tech-enabled insurance arm, underwent a significant shift in 2023, becoming the first insurance company to convert from Takaful to conventional insurance. This year, Kaf achieved significant milestones, with 2.2 million lives insured and demonstrating a growing impact on the Egyptian insurance landscape. Despite macroeconomic challenges, Kaf surpassed its profit targets by over 20%, achieving a business growth rate surpassing 50%. Kaf also successfully soft-launched a comprehensive mobile app for the B2B2C segment, positioning itself as a leading long-term savings platform for employees. The app provides unparalleled transparency and visibility within the Egyptian market, giving users an exclusive tool to track and display their savings and investment returns.

Our leading provider of non-bank mortgage financing solutions, Bedaya, pushed through obstacles in 2023. Despite challenges due to market turbulence, including a 10% increase in interest rates and ongoing exchange rate fluctuations, the company successfully reached 80% of its revised goals. The retail segment, particularly those investing in the property market, played a key role in driving profits. This underscores Bedaya's readiness to achieve targets and confidence in sustained growth. In February, Bedaya launched its second securitization issuance valued at EGP 958 million, facilitated by EFG Hermes, followed by another issuance in December worth EGP 843 million with GB Capital. These endeavors underscore Bedaya's dedication to efficient financial management and strategic growth.

Our continuing mission for 2024 is centered on extending financial access and providing essential tools to individuals from diverse backgrounds and businesses of varying scales. Against the backdrop of a challenging economic landscape both in Egypt and globally, compounded by prevailing inflation, the importance of our NBFI platform in offering vital financial services remains paramount. Our endeavors aim not only to support individuals and businesses in navigating these economic challenges but also to effectively contribute to the betterment of the communities in which they operate.

Aladdin ElAfifi
CEO, EFG Finance,
an EFG Holding Company

TANMEYAH

Overview

Tanmeyah is an EFG Finance company and a leading provider of financial services in Egypt with a concerted focus on the micro and small enterprise segments. Tanmeyah was established in 2009 and, since its inception, has grown to become one of the foremost entities in the field of working capital financing for owners of low-income generating projects. The financing programs support owners of microenterprises and small businesses in developing their businesses and projects, which contributes to improving surrounding communities. Tanmeyah facilitates access to finance in underprivileged areas through its on-ground presence in governorates across Egypt. It continuously seeks to expand geographically by opening new branches in rural and urban areas in Upper Egypt and Delta governorates.

Tanmeyah's financing programs start from EGP 1,000 and cater to low-income businesses while driving economic growth throughout Egypt and improving living standards. Tanmeyah has been actively promoting digitalization as part of Egypt's strategy toward achieving increased financial inclusion, and it has launched several applications offering digital services and online payment solutions to customers, enabling the company to serve a wider customer base. Today, Tanmeyah has issued over 2.2 million financing facilities of various types and sizes to low-income generating projects across Egypt.

2023 Operational Highlights

The adoption of responsible lending practices, driven by Tanmeyah's commitment to customer welfare and community development, and a push toward digital transformation emerged as a transformative force in 2023 and are expected to be the theme that drive growth in the foreseeable future for Tanmeyah. By the end of the year, Tanmeyah marked a notable reversal in trend toward a positive note, culminating in its highest quarterly sales and recording the highest sales since inception in December. This commendable improvement can be attributed to concerted efforts invested in enhancing the efficiency of loan officers and sales operations. A strategic initiative was implemented, which included the mass recruitment of well-qualified sales personnel and a concurrent focus on optimizing the performance of existing loan officers. This dual approach not only expanded the workforce but also significantly improved the overall efficiency of sales operations.

The company's digital transformation initiative is progressing well, nearing complete digitization of cash collection and on track to achieve full digital disbursement in 2024.

Tanmeyah experienced robust growth with a 10% quarter-on-quarter increase in its portfolio, equating to an absolute rise of EGP 421 million, primarily driven by heightened sales during 4Q23. The company's digital transformation initiative is progressing well, nearing complete digitization of cash collection and on track to achieve full digital disbursement in 2024, with plans to launch the Tanmeyah mobile application in 2024. Tanmeyah's average ticket size surged by 30% Y-o-Y and 36% Q-o-Q in 4Q23, attributed to the restructuring of its MEL product buckets in 3Q22 and inflation in the economy, including an increase in the minimum limit for MEL loans. Additionally, there's growing traction in VSE products, evidenced by a remarkable 115% Q-o-Q surge in 4Q23, facilitated by targeted hiring and focused promotional efforts within the VSE segment.

Amid these changes in strategy, 2023 saw a significant infusion of new talent into Tanmeyah. With 60–70% of the executive team comprising new appointments, this influx reinvigorated the company's leadership. This not only brought fresh perspectives and expertise but reflects the company's commitment to progress and sustained growth in a new and ever-evolving digital era.

Throughout the year, the company welcomed change as an opportunity to align its values with clients' needs. By recognizing the economic strain faced by its clients, Tanmeyah proactively reduced fees, reinforcing its commitment to responsible lending. This strategic shift is not a regulatory necessity but a manifestation of its dedication to fostering financial well-being within the communities the company serves. At the same time, it had to carefully manage risk with returns during the year, enacting a new core system upgrade, embedding new FRA-approved credit policies, and enhancing its governance and controls functions to build out a "three-lines-of-defense" model — all of which are part and parcel of the company's strategy to build out a responsible lending institution that acts as a force of good in the community in which it operates.

In this same vein, Tanmeyah is committed to being a client-centric organization by building strong partnerships with the customers it serves and developing new products and services that directly cater to their needs and streamline touchpoints with the company. With the approval of its mobile application by the FRA, the company is gearing up for a 1Q launch, aiming to enhance customer accessibility. Its commitment to digitalization is further evident in achieving 100% digital cash collections and

gradually moving toward cashless dispersion in the year ahead. It also launched a secured API gateway in 2023, which enables the digital modularization of services, positioning Tanmeyah for seamless integration into the fintech landscape.

The partnerships initiated with several organizations during the year ideally position Tanmeyah for collaborative success, with the benefits expected to manifest in the coming year. One of the partnerships initiated in 2023 was with the EBRD, which sought to bolster both green agri-finance and support for women in business. The company also joined forces with the International Finance Corporation (IFC) on a comprehensive project initiated this year to receive qualification for the esteemed "Protection Pathway Certification." This certification outlines a crucial framework guiding financial service providers to implement practices that safeguard clients from potential harm while transparently communicating these advancements to investors.

In the realm of ESG, Tanmeyah embraced the regulatory shift toward more transparent reporting and lending practices, driven by Egypt's push toward socio-economic growth and sustainable development under Egypt Vision 2030. Today, 50% of Tanmeyah's loans are dedicated to women in business, and 63% of its portfolio comprises loans extended to young entrepreneurs and small business owners. This commitment extends beyond financial empowerment; it also encompasses environmentally friendly practices in its offices, reflecting the company's dedication to a holistic approach to sustainable development.

Awards

Tanmeyah has been honored with a distinguished award by the Egyptian Federation for Micro, Small, and Medium Enterprises (MSMEs) in recognition of its invaluable support to the federation and the industry as a whole. It has also won the "Best Place to Work" award from The Global Economics Magazine.

With a 300% Y-o-Y growth plan, its branch expansion strategy is data-driven, identifying relocation opportunities, foreclosures, and new branch openings.

Forward-Looking Strategy

Looking ahead to 2024, Tanmeyah aims to transcend being solely a microfinance provider. Its vision is to evolve into a leading financial service institution for the underserved, offering diverse financing products to de-risk its lending portfolio. It anticipates a robust financial performance in 2024, targeting a 300% growth in profitability, a 15% growth in loans, a 24% increase in sales value, a 9% increase in ticket prices, 21% staff productivity growth, and a 15% expansion in its portfolio. This forward-looking strategy positions Tanmeyah as a resilient and adaptive force in the microfinance landscape.

In terms of team dynamics, Tanmeyah has undergone a comprehensive restructuring, ushering in new leadership and fresh perspectives. This substantial recruitment drive will continue into the year ahead, particularly in sales, and is part of Tanmeyah's growth strategy. With a 300% Y-o-Y growth plan, its branch expansion strategy is data-driven, identifying relocation opportunities, foreclosures, and new branch openings.

Following a push in 2023 to lay the foundation for launching several new products beyond vanilla microfinance lending, Tanmeyah is also intensifying its efforts to strengthen its digital presence. The company aims to leverage cutting-edge technologies to enhance customer experience, streamline operations, and foster financial literacy. Through strategic partnerships and technological investments, Tanmeyah is positioning itself at the forefront of digital transformation within the microfinance industry.

VALU

Launched in December 2017 as a Buy-Now, Pay-Later (BNPL) provider, Valu has evolved into the leading universal financial technology powerhouse in the MENA region. As a key component of EFG Holding's broader strategy to expand its product portfolio and offer comprehensive financial solutions nationwide through digital platforms, Valu has continuously challenged market norms by introducing cutting-edge and seamlessly integrated financial services. Today, Valu is a renowned name in Egypt, significantly contributing to financial empowerment and inclusivity in the market and serving as a cornerstone in the regional fintech landscape with its seven distinct brands.

With “U,” Valu has pioneered BNPL solutions in the MENA region, providing customizable financing plans for up to 60 months across more than 6,500 partners and over 2,000 online stores, covering a diverse array of categories. “Business” serves as a B2B services platform specializing in corporate HR employee management systems, benefits, payroll cards, and a spectrum of financial services. “Akeed” serves as Valu’s unique savings platform. “Flip” — Egypt’s first and most widely e-gift card that can be used by both Valu and non-Valu customers. “Sha2labaz” is an instant cash redemption program with convenient repayment plans. “Ulter” is a high-value financing program that allows customers to make high-value purchases. Lastly, “Invest” is an investment tool empowering customers to strategically invest through the AZ Valu Fund and EFG Hermes ONE.

6,500+
vendor partners

1.9BN+
transactions

2,000+
online partners

9.1 EGP BN+
gross merchandise value

4MN+
Valu app downloads

2023 Operational Highlights

In 2023, Valu achieved a remarkable financial performance, surpassing the previous year’s results. The company not only met but exceeded its targets, marking a significant leap in its overall operational and financial metrics. Valu witnessed an extraordinary surge in transactions, reaching 1.9 million, compared to 1.1

million recorded in 2022. This figure surpasses the cumulative transactions recorded from 2018 to 2022. The GMV soared to EGP 9.1 billion, showcasing an impressive growth rate of over 50% from the previous year's EGP 5.8 billion. The company's revenues doubled from EGP 928 million in 2022 to EGP 1.9 billion, underscoring Valu's robust financial performance.

Transformation and Expansion

In 2023, Valu underwent a rebranding initiative to transform its house of brands. It fortified its position as a pioneering force in the rapidly evolving fintech landscape, providing flexible and innovative solutions for all things money-related. From its inception as the first BNPL platform in the MENA region, Valu has consistently been a catalyst for innovation, reshaping the fintech industry. Now, it has expanded its horizons to host a comprehensive array of cutting-edge financial solutions, enriching the lives of individuals and empowering them to pursue their dreams.

Valu's strategic rebranding is more than just a change in appearance; it reflects the company's commitment to adaptability, innovation, efficiency, and excellence in serving an even wider range of clients across diverse sectors. Under the refreshed brand identity, Valu's logo, application, and overall visual representation have been modernized to capture the essence of a more dynamic and forward-thinking company.

The heart of this transformation lies in Valu's dedication to its core values — responsibility, innovation, forward-thinking, prioritizing people, and agility. The revamped Valu now offers an expanded suite of services and solutions, showcasing its enhanced capabilities and continuous investment in cutting-edge technologies. The new structure of Valu's offerings reflects five segmentations, each tailored to meet specific needs.

Throughout 2023, Valu closed its fourth, fifth, sixth, and seventh securitized bond offerings in collaboration with EFG Hermes Investment Banking, valued at EGP 856.5 million, EGP 1.42 billion, EGP 922.3 million, and EGP 953.1 million, respectively. The first two issuances came as part of a wider EGP-4.0-billion program, and the last was part of a renewed short-term program, all representing strategic steps forward in Valu's growth objectives.

Strategic Partnerships

In the dynamic landscape of 2023, Valu forged a series of strategic partnerships across various industries, solidifying its position as a leader in the financial technology sector. Valu successfully extended its financial solutions to more local and regional partners across a wide range of industries, ultimately growing its client base and creating higher brand awareness in different sectors. By the end of the year, Valu had registered over 6,500 merchants across its network.

In the real estate sector, Valu partnered with Partment, a digital platform offering co-ownership of luxury second homes. This collaboration allowed customers to leverage Valu's affordable payment plans to invest in Partment's portfolio across prime locations in Egypt, providing an innovative solution to property ownership.

In the healthcare sector, Valu collaborated with GSK, a global healthcare company, to introduce flexible financing solutions for a range

Valu forged a series of strategic partnerships across various industries, solidifying its position as a leader in the financial technology sector.

of vaccines at select pharmacies across the country in a first-of-its-kind partnership in Egypt. This partnership aimed to enhance accessibility to preventative healthcare, contributing to the well-being of communities and fostering a more inclusive healthcare ecosystem.

In the education space, Valu teamed up with The Egyptian Banking Institute (EBI), the official training arm of the Central Bank of Egypt (CBE). This partnership aimed to make EBI's educational programs more accessible by offering affordable and convenient financing solutions. Valu also partnered with ElSewedy University of Technology (SUT) – Polytechnic of Egypt, offering tailored and affordable tuition financing plans to promote quality education and affordability for Egypt's youth. Valu has also partnered with ESLSCA University, a leading international university in Cairo. Through this partnership, Valu offered students flexible payment solutions and installment plans for tuition, providing students and parents with an array of payment options.

Valu teamed up, once again, with noon in 2023, entering a partnership with noon Payments that marked a significant step toward enriching the user experience and empowering businesses of all sizes. By integrating Valu's diverse financial solutions into noon Payments' comprehensive platform, designed to simplify transactions for local merchants and customers through multiple online payment methods, the collaboration facilitates the growth journey for multiple enterprises. Additionally, a Valu widget was integrated into noon, allowing customers to view their Equated Monthly Installments (EMIs) directly, enhancing user experience transparency.

In the automotive sector, Valu has launched its auto financing program to elevate the car market by providing customers with flexible and innovative financing solutions. Valu allowed clients to enjoy instant approvals and streamlined purchasing processes, furthering the goal of financial inclusion within the automotive industry.

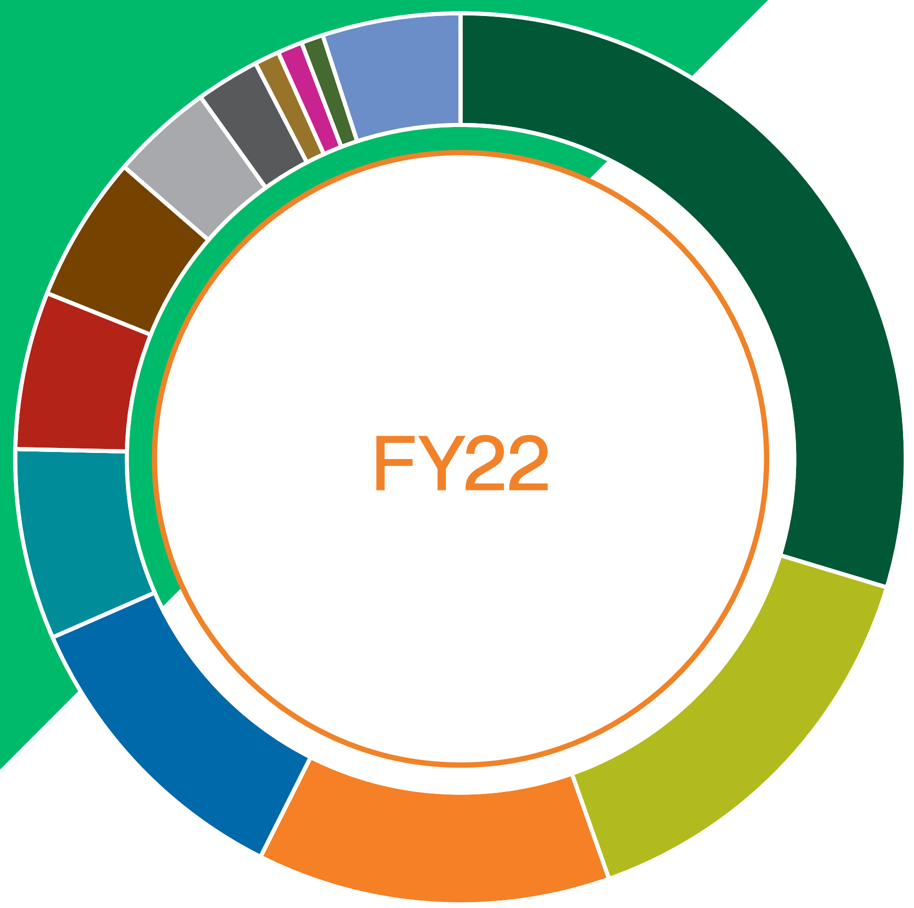
In the realm of sports, Valu established a partnership with Gezira Sporting Club (GSC), one of Egypt's oldest and most prestigious sporting clubs. This collaboration enabled Valu to extend its financial solutions to cover GSC's membership fees and related payments, providing club members with a seamless payment experience across various vendors within the club premises. Valu also collaborated with Sixyards Sports & Event Management and LaLiga Egypt to offer financing solutions for young footballers participating in LaLiga Egypt's youth-focused football camp.

Valu further diversified its partnerships by teaming up with Kazyon, one of the largest discount retailers in Egypt, to offer convenient financing solutions to its substantial customer base. This collaboration aims to enhance the overall service experience and address the challenges posed by rising commodity prices, fostering a more inclusive retail environment. Valu also extended its partnership with Le Marche, a leading furniture expo in Egypt, for three additional years, in addition to a new collaboration with Electrotech, a new electronics exhibition, to offer customers flexible payment solutions, thus enhancing the shopping experience in both sectors.

Awards

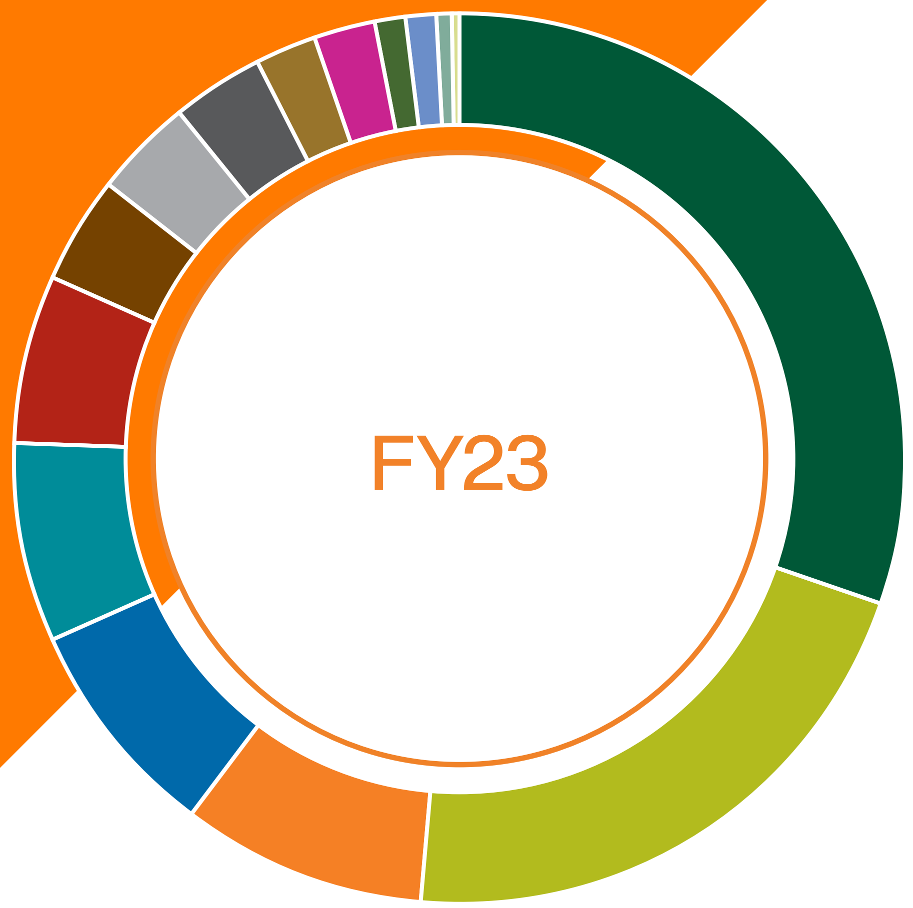
Valu Ranked 15th	Forbes Middle East's Questionnaire Top Fintech Companies 2023
Top 45 startups	AfricaTech Awards by Viva Technology and the International Finance Corporation (IFC)
Best Fintech Startup in North Africa: BNPL Service	Africa Bank 4.0 Awards (North Africa 2023)
Most Innovative SME Financial Platform	Global Brands Awards
Best Comedy Ad	Creative Industry Summit
The Best Data Center Modernization Organization	Dell Technology/ UC Solution
Best Tech-Driven Firm	UC Solutions and Dell Technologies.
Leading Lifestyle Enabling Solution Provider Egypt 2023	World Business Outlook
Leading Lifestyle Enabling Fintech Platform Egypt 2023	World Business Outlook
Most Convenient and Comprehensive Financial Solutions Provider – Egypt 2023	World Business Outlook
Best Buy-Now, Pay-Later (BNPL) Solutions in MENA 2023	World Business Outlook
Most Innovative Financial Technology Company Egypt 2023	International Business Magazine
ما تقولش فلوس قول ڤاليو **campaign**	MENA Effie Awards
Best Fintech Company – Egypt 2023	2023 Global Banking and Finance Awards

Product Category Contribution



Categories	FY22
Electronics	29.6%
E-Commerce	14.9%
Sha2labaz	12.8%
Mega Stores	11.0%
Furniture	6.9%
Fashion	5.7%
Appliances	5.3%
Jewelry	3.7%
Car Services	2.3%
Clubs and Gyms	0.9%
Aggregator	0.9%
Travel	0.8%
Others	5.0%

Product Category Contribution*



Categories	FY23
Mega Stores	30.52%
Electronics & Appliances	20.99%
Furniture	8.87%
E-Commerce	8.00%
Fashion	7.33%
Car Services	6.10%
Jewelry	4.00%
Services	3.49%
Auto Loan	3.40%
Health Care	2.16%
Travel	2.13%
Clubs and Gyms	1.24%
Education	0.97%
Others	0.60%
F&B	0.21%

*Contributions are based on financed amounts

	FY23	FY22
Number of Transactions	1,853,714	1,122,065
Gross Merchandise Value (EGP)	9,142,063,022	5,839,478,340

2024 Outlook

Looking forward, Valu is embarking on a trajectory of expansion and innovation. In 2024, the company is entering the Jordanian market, looking to leverage its successful track record in other geographies. Additionally, Valu has noteworthy product developments in the pipeline in collaboration with Visa, including introducing a prepaid card and a co-branded credit card with aiBANK that are set for release in early 2024.

In terms of strategic objectives for 2024, Valu aims to target larger financial transactions, signaling a shift toward catering to more substantial user needs. The company also plans to forge more partnerships across new categories and segments. This will support Valu's central theme of diversification in its outlook by broadening and deepening its reach and providing enhanced convenience and utility to its growing customer base.

EFG CORP-SOLUTIONS

Overview

EFG Corp-Solutions consolidates the Group's factoring and leasing business lines. Today, it has become an integral part of EFG Holding's NBFI platform, EFG Finance, offering clients of various sizes and in numerous industries bespoke leasing and factoring solutions that give them critical access to capital and liquidity. Leveraging the individual platforms under EFG Hermes and EFG Finance, the inherent synergies on a firm-wide level allow EFG Corp-Solutions to provide regional market insights and intelligence, as well as tailored advisory and capital access solutions that upscale the non-bank corporate financing landscape in Egypt and promote financial inclusion across the country. Today, the company boasts a diverse client mix of SMEs and mid-cap to large corporations, operating across a myriad of sectors that include real estate development, logistics and maritime, oil and gas, printing and packaging, education, healthcare, trading and distribution, among others.

2023 Operational Highlights

During the year, EFG Corp-Solutions navigated economic headwinds and the effects of high interest rates through strategic shifts and targets, while making strides toward becoming a more data-driven business. By the end of the year, EFG Corp-Solutions recorded aggregate bookings amounting to EGP 11 billion, up 14.6% Y-o-Y from the EGP 9.6 billion recorded at year-end 2022. The company also registered a base of 159 clients utilizing both leasing and factoring services, reflecting a 37% decrease from 218 from the previous year. The decline was namely driven by a deliberate pivot in strategy, setting its sights on larger ticket transactions with strategic clients — such as those with export-led business models or import substitution plays — rather than a volume-based approach to client acquisitions. This strategic move, well-supported by robust provisions, underscored the company's commitment to prudent risk management and the dynamism of its business model. In saying this, the company was mindful of the economic challenges, including high interest rates and foreign currency availability, and was able to lean into its calculated risk management structure to reschedule loans and push payments further out as part of its customer centricity strategy.

On the leasing side of the business, 2023 saw the company register new bookings amounting to EGP 5.5 billion — an increase of 24% Y-o-Y from the EGP 4.4 billion recorded in 2022. Operationally, the company signed 82 new contracts in 2023, up 58% from 2022. A strategic alliance was formed with two major banks, allowing the business to deliver product offerings and prioritizing swift funding solutions to help major clients procure essential raw materials amid rising inflationary pressures.

The company will continue to embrace hybrid, bespoke lending models, bundling factoring and leasing services so as to better utilize balance sheet funding and lower its risk portfolio.

On the factoring side, EFG Corp-Solutions recorded a total value of bookings amounting to EGP 5.5 billion versus the EGP 5.3 billion booked in 2022. Operationally, creative financial solutions were offered to high-end clients in the pharmaceutical and IT sector. The business also secured financial bookings with contracting entities that solely cater for the largest real estate developers. Meanwhile, riskier factoring products were phased out to maintain portfolio health, resulting in a modest 7% Y-o-Y decrease in total factoring portfolio.

During the year, EFG Corp-Solutions issued its third securitized bond offering, worth EGP 1.0 billion, in collaboration with the Firm's Investment Banking Division. The issuance marked a significant expansion of EFG Corp-Solutions' securitization program, which has now increased its value from EGP 3.0 billion to EGP 6.0 billion.

Forward-Looking Strategy

Looking ahead, EFG Corp-Solutions is optimistic that its carefully calculated strategy for growth will continue to yield results as market challenges begin to ease. The strategy for the year ahead involves the strategic freeing up of provisions to mitigate risk, reflecting positively on risk figures. The company will continue to embrace hybrid, bespoke lending models, bundling factoring and leasing services so as to better utilize balance sheet funding and lower its risk portfolio.

The digital frontier is a focal point, with an ambitious plan for an end-to-end digital process beginning with client onboarding through to the end of the client relationship. This concerted effort to become a data-led and digital first company will not only unlock operational efficiencies but also enhance client acquisitions and customer centricity. Tools being developed, including data-driven dashboards, will not only identify bottlenecks but also ensure clients receive seamless, error-free services. The year ahead will see the completion of the digital transformation of the company's leasing franchise, and the team is gearing up for a parallel transformation in factoring toward the end of the year.

PAYTABS EGYPT

Overview

Established in KSA in 2014, the PayTabs Group is an award-winning payment processing powerhouse with an expansive presence across the MENA region. In 2019, EFG Holding's NBFI platform, EFG Finance, partnered with the mega fintech player to launch PayTabs Egypt — a digital payments platform and an integral part of EFG Finance. Over the years, PayTabs Egypt has significantly contributed to the nation's directives for financial inclusion and digital transformation by becoming the leading online payment gateway to service multiple client segments and businesses across key industries. Today, PayTabs Egypt offers secure and stable digital payment processing solutions for corporates, SMEs, startups, and freelancers.

2023 Operational Highlights

Economic pressures have continued to persist this year, with forex turbulence and inflationary pressure adding a strain on the company's operational environment. Despite these challenges, PayTabs Egypt continued to gain momentum as it achieved exceptional growth in 2023. The company's targets were met far before year's end, signaling the resilience of its operations, primarily driven by growing demand for e-payments and digital solutions.

PayTabs Egypt has contributed significantly to transforming the payment ecosystem as it continues to capitalize on market demand by offering innovative, unique, value-added services to broaden client outreach. PayTabs Egypt is, therefore, strategically positioned in high-potential sectors in Egypt. As such, the company ended the year having registered over 6,000 merchants, a 4x Y-o-Y growth, with over 7.1 million transactions processed via its engine.

PayTabs Egypt also entered a strategic partnership with mnGm, Evolve Holding's gold trading subsidiary. This collaboration marks a significant milestone in the Egyptian market, as it introduces card acceptance for gold trading in the country for the very first time. The partnership will provide customers and investors access to investment-grade gold through the company's regulated payment channels.

PayTabs Egypt maximized EFG Holding's high-value synergies within its business model this year. It successfully entered a partnership with Air Cairo, one of Egypt's largest airlines, to allow for payments using Valu and card payments via the PayTabs platform through its offices, and it will soon allow using Valu through Air Cairo's website and mobile app.

> The company ended the year having registered over 6,000 merchants, a 4x Y-o-Y growth, with over 7.1 million transactions processed via its engine.

Forward-Looking Strategy

PayTabs Egypt's triumph in surpassing its targets allows the company to confidently carry this success forward. Thus, although analysts suggest persistent challenges in the upcoming period, PayTabs Egypt targets achieving 30% growth Y-o-Y. Moving forward, the company plans on carrying out its operations with an emphasis on acquiring new merchants based on higher activity ratios, thus increasing profitability by boosting the number of high-value transactions.

Moreover, the company aims to enhance its competitiveness through distinguishing itself from other market players by diversifying its portfolio, away from a traditional off-the-shelf payment gateway, to pioneering the development of customized e-payment solutions. In 2024, PayTabs Egypt plans to launch a soft point of sale (PoS) mobile application for merchants to facilitate secure, contactless payments from smaller retailers to enhance secure payment acceptance while simultaneously elevating consumers' payment experience.

BEDAYA MORTGAGE FINANCE

Overview

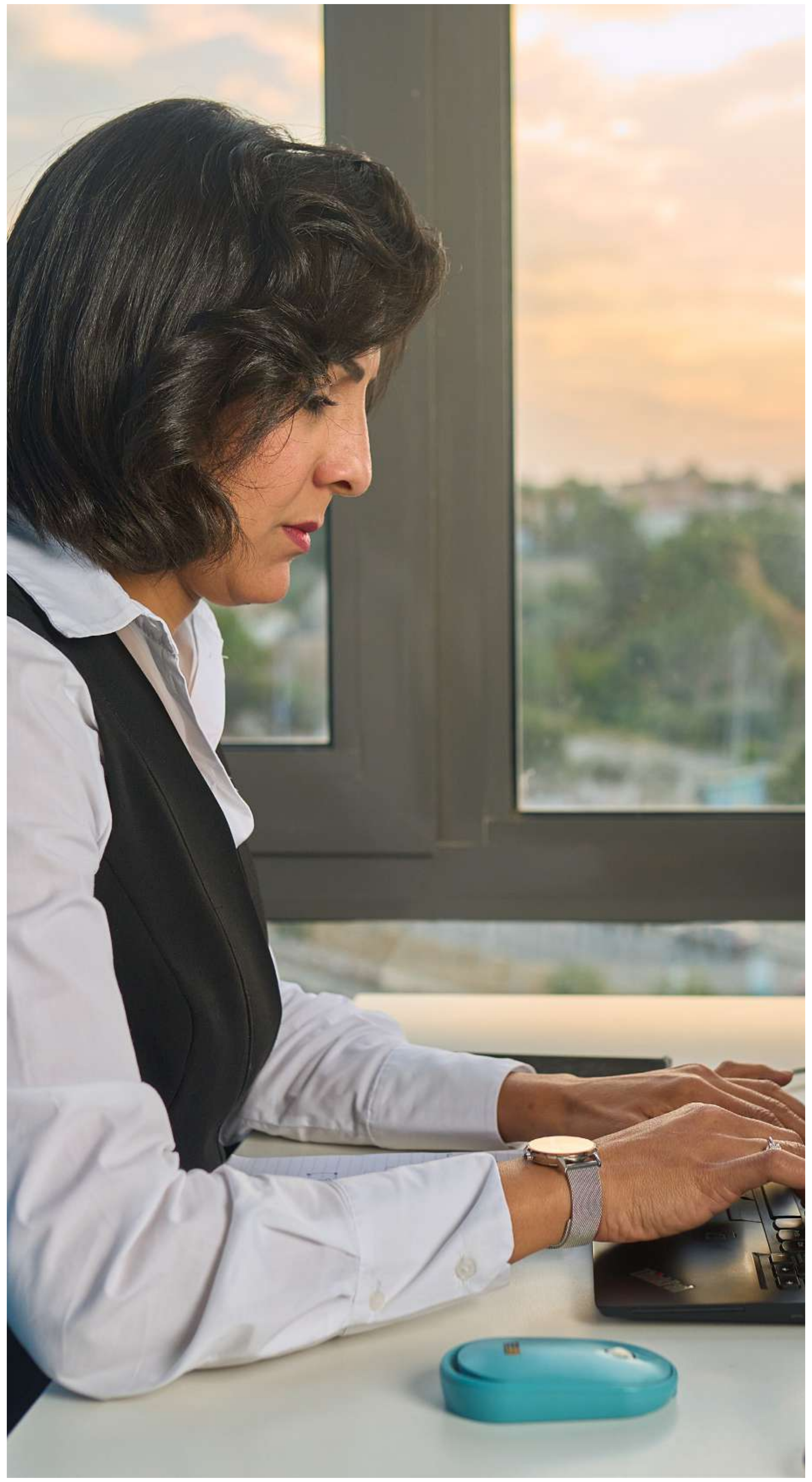
Bedaya Mortgage Finance (Bedaya) is one of Egypt's leading providers of non-bank mortgage financing solutions, with its offerings spanning residential, commercial, and administrative real estate properties. Its innovative mortgage financing solutions are powered by disruptive technologies and well-rounded industry acumen, ensuring the fastest turnaround and the best quality of service in the market.

Established in 2019 as a JV between Talaat Mostafa Group (TMG), Ghabbour Auto's NBFI arm, GB Capital, and EFG Holding, Bedaya offers its client base a comprehensive range of tailored mortgage financing plans with up to 10-year repayment periods. The mortgage financing leader leverages its mortgage finance and Ijarah programs to enable clients to purchase and renovate preowned properties.

2023 Operational Highlights

Turbulent market externalities presented new challenges in 2023, with interest rates increasing more than 10%, along with constant exchange rate fluctuations. While the volatile economic environment had an influence on the company's revenue targets, Bedaya weathered the headwinds and achieved 80% of its revised revenue targets this year, with profits being driven primarily by the retail segment who are investing more in the property market. This signaled the company's preparedness to actualize its targets, as well as its confidence in achieving continued growth.

Bedaya introduced its second securitization issuance in February, worth EGP 958 million, with the support of EFG Hermes, followed by another one in December as a bond amounting to EGP 843 million and completed with GB Capital, both serving as a testament to the company's efficient capitalization of its synergies, as well as the expansion of its horizons for opportunities. This is highlights the strong demand for the company's inclusive mortgage financing programs.



The company also continues to be an employer of choice in Egypt's mortgage landscape, attracting the highest caliber talent in the region. During the year, Bedaya grew its headcount to 46 people, with plans to continue hiring going into 2024.

Forward-Looking Strategy

Looking forward, Bedaya plans on advancing its operations further to achieve the ambitious targets set in its five-year business plan, therefore solidifying its strategic position in the ever-growing mortgage market. With economic forecasts signaling the potential persistence of external market fluctuations, Bedaya has developed a more resilient strategy to weather these conditions. The company will shift the scales of its portfolio toward retail investments, supported by its growing, highly skilled sales team. This will require the careful navigation of repercussions resulting from unstable market externalities, namely foreign exchange and inflation, which will have a direct effect on mortgage prices. However, forecasts expect a possible improvement in market conditions as 2024 progresses. Therefore, Bedaya continues to work toward capturing value-accretive retail prospects and catering to changing dynamics to expand its outreach in the Egyptian mortgage space.

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KAF INSURANCE

Overview

Founded in 2020, following the acquisition of a majority stake of Tokio Marine Egypt Family Takaful by EFG Holding and GB Capital, Kaf Insurance has grown to become a tech-enabled insurance brand in Egypt, delivering innovative and impactful insurance solutions that drive value for individuals and businesses in the life and savings arenas. Kaf Insurance aims to make insurance products more accessible to the broader Egyptian population, creating social and community value through insurance products backed by a trusted digital platform.

2023 Operational Highlights

In 2023, Kaf embarked on a significant strategic shift, becoming the first insurance company to convert from Takaful to conventional insurance. This transition was marked by meticulous planning and coordination with the regulator to expand Kaf's impact through both distribution and commercial viability.

This year saw Kaf achieve several key accomplishments, including increasing the number of lives insured to 2.2 million lives, reflecting its growing impact in the Egyptian insurance landscape. Despite challenges posed by macroeconomic conditions, Kaf managed to achieve a business growth rate exceeding 50% and surpassed its profit targets by over 20% according to its business plan. The company also successfully soft launched its comprehensive mobile app, designed to cater to the B2B2C segment. This app plays a pivotal role in establishing Kaf as a prominent long-term savings platform for employees, offering unprecedented transparency and visibility within the Egyptian market. It is set to become the first-of-its-kind in Egypt, providing its customers with a unique tool to monitor and showcase their savings and returns on investments.

Furthermore, following the license conversion, Kaf transitioned its product portfolio by introducing group life insurance, credit life insurance, and conventional pension schemes, aligning more closely with prevailing market trends. It also invested significantly to establish and upgrade the internal infrastructure of its systems to meet customer expectations and ensure operational excellence. This proactive approach to infrastructure development positions Kaf to better serve its growing customer base. Additionally, the company formed strategic partnerships with EFG Hermes' Asset Management division, building on its cross-selling synergies within EFG Holding and with Azimut, which both bolstered Kaf's fund performance and market position.

Forward-Looking Strategy

As it looks to the future, Kaf's strategy for 2024 and beyond centers around building upon its achievements toward its primary goals of strengthening its position as a leader in the life and savings sectors. Key elements of its strategy include launching its first retail product with a B2C protection focus in early 2024. In the savings sector, Kaf will continue enhancing its app, particularly on the B2B side, providing customers more flexibility in performing various actions, such as topping up. Additionally, expanding into the retail savings space with a digital retail product on the app is a strategic priority for the company, as it is introducing bancassurance partnership in 2024. Kaf's overarching goal is to become the preferred long-term investment platform through a diverse product suite of savings and insurance solutions.

EFG EV FINTECH

Overview

Established in 2017 as a JV between EFG Holding and government-backed venture capital fund, Egypt Ventures, EFG EV Fintech is Egypt's flagship boutique micro-VC arm that seeks out and supports strategic fintech companies backed by innovative concepts and entrepreneurs from start-to-finish. Leveraging over three decades of investment and regional expertise, EFG EV Fintech boasts the country's largest fintech portfolio of the most prominent companies operating in key sectors within the fintech space, including insurance-tech, regulatory-tech, agri-fintech, digital and open banking, and SME lending. The company offers legal advisory, commercial mentorship, and other support services with an eye for fostering progression and agility in Egypt's fintech ecosystem.

2023 Operational Highlights

The year 2023 witnessed pivotal developments for EFG EV Fintech. Two successful exits — HR platform, Paynas (now known as Valu Business) after its acquisition by Valu, and Fatura Netherlands B.V. (Fatura), a tech-driven B2B platform with presence in 22 Egyptian governorates, after its acquisition by Tanmeyah — marked the beginning of the year, building on initiatives initiated in 2022.

By the close of 2022, the company had fully deployed its funds, with exits covering 100% of the paid-in capital, translating into substantial gains. Like many VCs in Egypt grappling with losses due to startup slowdowns, EFG EV Fintech is facing a challenging market environment; however, the company's early-stage investments in 2018 helped shield its portfolio from the devaluation. Nevertheless, challenges persist in the market, where startups face hurdles in securing funding. The company is actively navigating these challenges, focusing on expanding its investor network to facilitate exits for portfolio companies.

The company's portfolio had five successful startup funding rounds, with two ventures expanding beyond Egypt and into KSA. These startups are Raseedi, SuperCommerce, Liwwa, Ingiz, and NowPay, in addition to managing new investment rounds amounting to USD 8 million for four other portfolio startups. This has been achieved by connecting startups with investors, building long- and medium-term strategies, and closing new investment deals. Exercising synergies within the Group, EFG Holding has played an integral role in providing on-the-ground support for EFG EV Fintech's operational decisions, particularly at the board level, in addition to fostering growth through seamless integration with Valu and lending services.

Forward-Looking Strategy

Looking ahead, EFG EV Fintech's primary goal for the coming year is to explore strategic exit opportunities for its startup portfolio, targeting investors in the UAE and KSA. The decision is grounded in robust market conditions, with almost a fivefold increase in funding rounds in these regions compared to Egypt over the past two years. This strategic shift positions EFG EV Fintech well to leverage regional dynamics and propel its portfolio companies toward sustained success.

FATURA

Overview

Fatura, a technology-backed B2B marketplace based in Egypt, has undergone significant transformations since being invested in by EFG EV Fintech in 2020. Following its acquisition by EFG Finance in 2022, Fatura has taken steps to align with the broader strategic vision of EFG Finance. This integration has paved the way for a new corporate strategy for Fatura, signaling an exciting chapter of growth and opportunity within the EFG Finance ecosystem.

Fatura operates across three key lines of business, catering to the diverse needs of small and medium-sized retailers in Egypt. These include the distribution of fast-moving consumer goods (FMCG); mechanical, electrical, and plumbing (MEP) supplies; and a BNPL service offering, providing retailers with short-term credit for transactions on the platform.

2023 Operational Highlights

The year 2023 marked a pivotal moment for Fatura, as the company underwent a significant transition following its acquisition by EFG Finance. With the departure of the old leadership, EFG Finance took the reins to implement a new vision and strategy aimed at driving operational efficiency and profitability. The journey from losses to profits was arduous, requiring a fundamental shift toward a leaner operation and a more prudent approach to business strategy.

In the face of these challenges, Fatura embraced the opportunity to realign its operations, close critical gaps, and position itself for sustainable growth and revenue generation. Despite the hurdles faced during this transformative period, the company remained steadfast in its commitment to leveraging market opportunities and harnessing its potential for outperformance in the B2B marketplace.

In 2023, Fatura achieved a GMV of EGP 2.65 billion. This success is fueled by serving a growing network of wholesale merchants, solidifying its position as a leading player in the Egyptian market. Furthermore, Fatura serves more than 45,000 active retailers and 1,500 active wholesalers, showcasing its extensive reach. To ensure a seamless customer experience, Fatura maintains a remarkable 95% fulfillment rate.

Throughout the year, Fatura focused on expanding its product and service portfolio to enhance client acquisition and establish an end-to-end digital supply chain platform. To drive user adoption, the company has shifted toward a mobile app-centric approach, reducing dependency on traditional sales-force-driven methods. Fatura has also outlined a new strategy and vision aimed at creating a virtual wholesaler that disrupted the market with optimized operations and an expanded product range. By focusing on operational excellence and customer satisfaction, Fatura has gained a competitive edge, setting the stage for sustained growth and market leadership.

Fatura has prioritized talent management by incentivizing current employees and recruiting top-caliber professionals to fuel its growth trajectory. By nurturing a skilled workforce, the company aims to enhance operational efficiency and deliver exceptional service to its customers.

Forward-Looking Strategy

Looking ahead, Fatura is poised to emerge as a frontrunner in the industry, with a strong foundation for future success and profitability. With keen focus on operational excellence, strategic foresight, and a deep understanding of market dynamics, Fatura is primed to deliver robust returns on investment and establish itself as a leader in the evolving landscape of B2B commerce. The company's unwavering dedication to innovation and value creation positions it for sustained growth and profitability in the years to come. We are confident that Fatura's journey within the EFG Finance ecosystem will reflect a commitment to innovation, growth, and strategic alignment. As the company continues to evolve and expand its offerings, it remains dedicated to delivering value to its stakeholders while driving sustainable success in the dynamic B2B marketplace landscape.

Throughout the year, Fatura focused on expanding its product and service portfolio to enhance client acquisition and establish an end-to-end digital supply chain platform.

aiBANK

2.5 EGP MN

net interest income

3.6 EGP BN

in revenues

aiBANK OVERVIEW

Despite a challenging macroeconomic environment, aiBANK has demonstrated remarkable resilience. Despite currency fluctuations, geopolitical uncertainties, interest rate volatility, inflationary pressures, and liquidity constraints, our diversified business model and robust risk management practices have successfully allowed us to navigate the turbulent economic landscape. The year 2023 has been a significant period of transformation for us, marked by substantial investments in IT infrastructure and talent acquisition to drive our strategic goals. This is a testament to our unwavering commitment to our stakeholders.

Our trade business, strategically aligned with our objectives, has emerged as the cornerstone of our financial success in 2023 with managed spreads in interest rates and controlled growth. This success has not gone unnoticed, as our branding initiatives, though still in progress, have significantly enhanced our brand visibility and perception, earning us the Fastest Growing Bank in the Arab Region Award by the World Union of Arab Bankers. This recognition is a testament to our unwavering commitment to excellence and innovation, and our stakeholders can be reassured of our financial success.

aiBANK surpassed the CBE's mandate by allocating more than 30% of its lending portfolio to SMEs, with over 20% to small companies. This commitment to supporting small businesses, a key driver of economic growth, reflects our notable focus on portfolio quality. Our capital adequacy ratio currently stands at 18.64%, which is within the market average of 18.6%, providing us with ample room for future growth. We have also emphasized export and import substitution to align our portfolio with national interests.

Our journey toward becoming a digital-savvy bank by 2026 is well underway, with significant milestones achieved in 2023. We introduced several digital products, including our collaboration with InstaPay App, allowing customers to transfer money instantly between bank accounts and send money to cards and digital wallets using their mobile phones. Process automation and offering digital payment solutions are central to our strategy, aiming for a fully digitized consumer cycle.

In our Retail and Business Banking arena, we've seen an impressive 15% Y-o-Y increase in customer deposits and a substantial 53% growth in our loans portfolio. This record growth is a testament to our relentless efforts to optimize processes, enhance services, and expand our product offerings. On the Consumer Banking front, we have doubled our portfolio of cards and launched an exciting new partnership with Visa, set to revolutionize our e-payment offerings, aligning with modern digital payment preferences.

Our human resources (HR) strategy aims to diversify and rejuvenate our workforce. We are committed to increasing female representation to 28% and lowering the average employee age to 41. This year, we launched multiple academies to foster a new banking culture and enhanced values alongside a talent program to develop future leaders in commercial banking, marking a vital step in our HR development goals.

In 2023, we significantly expanded our core operations with a strong emphasis on sustainability, integrating environmental, social, and governance (ESG) considerations to address climate change and promote a low-carbon economy. A key achievement was reducing carbon emissions through a implementing a paperless strategy, complemented by social initiatives focusing on financial inclusion and diversity, including training 400 employees in sustainability best practices. aiBANK introduced retail loans for electric vehicles and solar panels and implemented an environmental and social management system (ESMS) to manage risks. In late 2023, the EFG Foundation signed a tripartite agreement to support nurse training at the Magdi Yacoub Heart Foundation, enhancing healthcare quality in Upper Egypt.

Looking ahead, our strategy encompasses a stronger shift into digital banking, expanding our retail business and diversifying our base to mitigate deposit concentration risks. Upcoming initiatives include a payroll proposition in partnership with Valu in 2024, alongside other strategic endeavors. Our business banking proposition continues to evolve, providing innovative solutions tailored to market conditions. Moving forward, I am assured of the strength of our current strategy, which will equip us to navigate future macroeconomic challenges and foster continued growth in the coming year.

Tamer Seif
CEO and Managing Director,
aiBANK

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aiBANK

It has been nearly two years since EFG Holding completed the acquisition of aiBANK in partnership with The Sovereign Fund of Egypt (TSFE) in 2021. This strategic move was a key component of EFG Holding's initiative to expand its array of financial products and services. This step has not only fostered financial inclusion but also played a pivotal role in advancing digital transformation throughout the nation. This acquisition marked EFG Holding's strategic entry into Egypt's ever-growing commercial banking sector and transformed the Group into a universal bank in Egypt, providing its clients with a holistic suite of financial services.

Founded in 1974, aiBANK has embarked on its transformation since its acquisition, setting out a strategy to become Egypt's only boutique bank with a unique focus on people, entrepreneurs, and businesses driving change across the market. Through a relentless commitment to customer centricity, the bank aims to offer market-leading retail, institutional, and Islamic banking, as well as treasury and investment services tailored to consumers and businesses of all sizes. At the same time, aiBANK has set out a key objective to deliver the fastest turnaround times in the market, coupled with a commitment to ensuring clients receive solutions that are directly in line with their needs and exemplary service levels at every stage of their customer journey.

2023 Operational Highlights

In 2023, aiBANK demonstrated a robust performance despite the overall challenges that characterized the market this year. Diligent management of interest spreads struck a delicate balance between growth and the minimum expansion necessary to achieve strategic goals. The bank entered a transformative phase, necessitating substantial investments in IT infrastructure and recruiting top-tier talent to lead the evolution. Despite the associated high costs, a prudent approach ensured expenses remained controlled, maintaining a controlled cost-to-income ratio supported by unwavering backing from the Board of Directors.

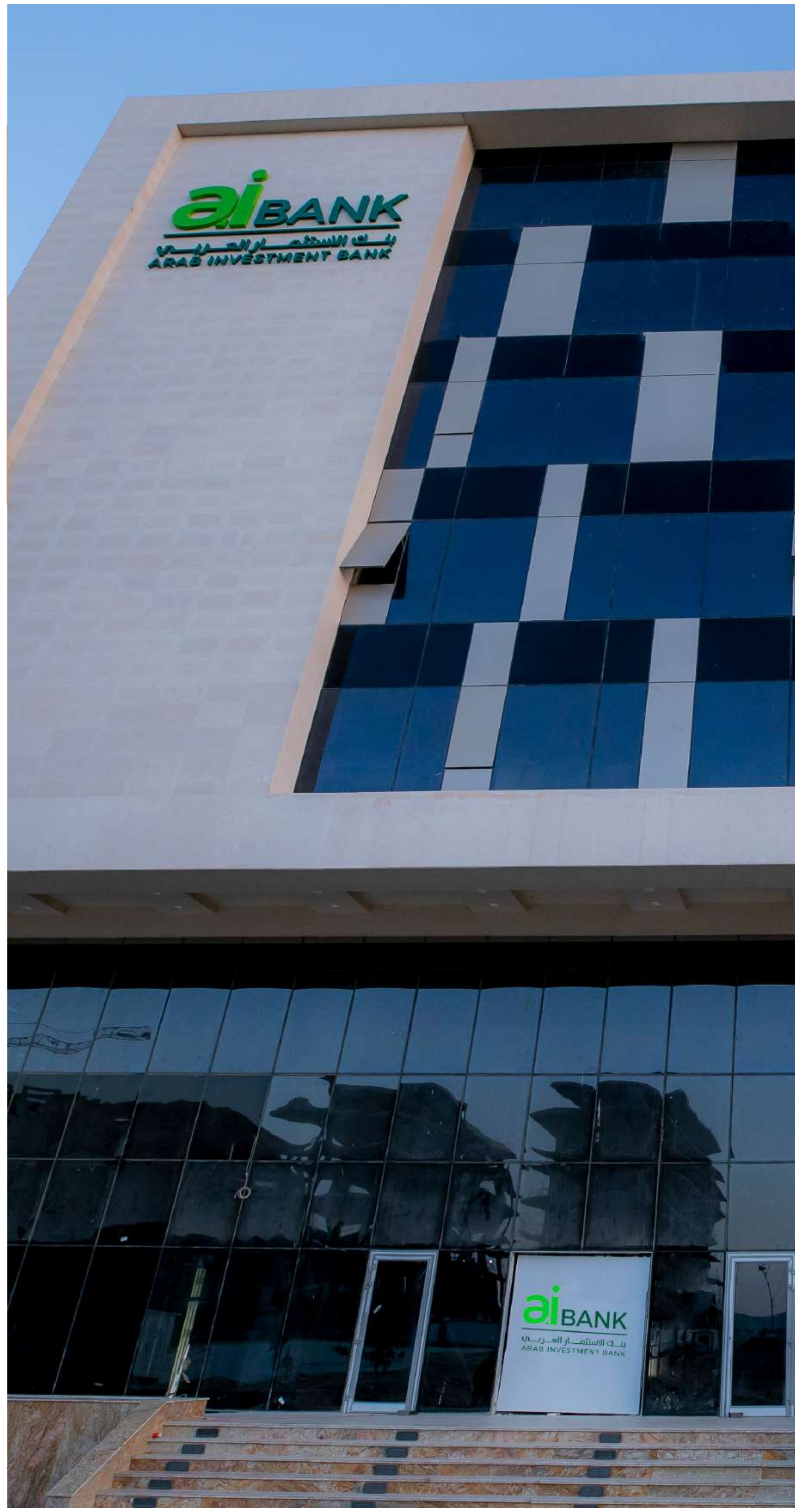
On the Retail and Business Banking front, aiBANK achieved record growth across the segment, with customer deposits up 15% Y-o-Y and the loans portfolio up 53% Y-o-Y. The bank continues its persistent efforts to enhance growth by optimizing its processes, services, and product ranges. aiBANK's capital adequacy ratio is a testament to its financial strength and stability, surpassing the market average at an impressive 18.64%. This surplus provides the bank a considerable buffer and positions it favorably for future growth initiatives. The surplus capital not only instills confidence in stakeholders but also affords the flexibility to seize strategic opportunities as they arise.

The bank surpassed the CBE's mandate on lending portfolio allocation in the SME sector, with over 30% dedicated to SMEs and more than 20% allocated to small companies. A key driver of success in the SME sector has been the bank's strategic emphasis on enabling convenient access to finance dedicated to the sector while keeping export and import substitution activities at the center of focus. By aligning its portfolio with these economic dynamics, the bank has met market demands and achieved noteworthy milestones. This strategic focus not only contributes to the bank's overall growth but also plays a vital role in supporting the broader economic landscape by facilitating trade and economic development.

On the Consumer Banking side, aiBANK made significant strides toward its goals throughout the year. The bank doubled its portfolio of cards Y-o-Y and launched its new partnership with Visa, with a target of reaching 60,000 credit cards by 2028. Collaborating with Visa also aims to provide customers with a comprehensive range of e-payment products and services tailored to modern digital payment preferences. Another milestone during the year was the introduction of aiPremier Elite, a new segment for the bank's high-net-worth clients, exemplifying its dedication to providing a boutique banking experience. The latest segment offers a seamless and personalized banking experience, ensuring that high-net-worth clients receive priority attention and access to exclusive channels, which include a dedicated relationship manager for each client, the comfort and privacy of exclusive waiting lounges at aiBANK branches, dedicated call center and priority processing for all essential banking transactions, in addition to a lot of non-financial services personalized to meet the requirements of high-net-worth clients. The bank also achieved steady development in its branch and ATM expansion plans, with targets of reaching 50 branches and 190–200 ATMs nationwide.

The increase in the number of newly banked corporate clients, including prominent market players in different industries, and the organic growth of the bank's existing portfolio have driven growth across the bank's loans and investment portfolio. During the past year, it also expanded its presence in the DCM space, acting as a subscriber in a number of securitization transactions, including Valu's fourth, fifth, sixth, and seventh issuances. These transactions included originators from various sectors, including consumer finance, microfinance, real estate, and others, reaching a total aggregate value of EGP 1.1 billion. aiBANK recorded a 43% Y-o-Y rise in its securitization portfolio.

The commitment to transforming the brand's perception was evident throughout the year. Substantial efforts were made to enhance brand visibility through marketing campaigns and activations, earning aiBANK some prominent awards across the year.



Key collaborations with fintech leaders in the digital realm underscored the bank's commitment to its digitalization journey.

Digital Transformation

Key collaborations with fintech leaders in the digital realm underscored the bank's commitment to its digitalization journey. aiBANK offered Instant Payment Network (IPN) services for its clients through the InstaPay App, allowing customers to transfer money instantly between bank accounts and send money to cards and digital wallets using their mobile phones. It also offers debit card holders cash services via Fawry POS.

aiBANK modernized 50% of its ATM network, which was expanded by 29% in 2023, to the latest DN Generation Technology for a better customer experience. It offers full-function services and enhances the user experience by introducing Vynamic Connection Point software that simplifies and speeds up ATM use for aiBANK customers.

ESG

In 2023, aiBANK underwent a significant expansion in its core operations, with a pronounced commitment to integrating sustainability across its framework. Emphasizing ESG considerations, the bank embarked on a journey to address crucial environmental challenges, such as climate change, while promoting a low-carbon economy. Through formulating and implementing a comprehensive sustainability and sustainable finance strategy, aiBANK demonstrated its dedication to environmental and social responsibility.

A noteworthy achievement for the bank was its success in reducing carbon emissions, which is evident in its carbon footprint report for the year. Embracing a paperless strategy contributed to this reduction and accelerated its digital transformation efforts. Complementing its environmental initiatives, aiBANK focused on social endeavors, particularly financial inclusion and diversity. Internal capacity building, including training 400 employees in sustainability best practices, underscored its commitment to raising awareness on such key matters.

Moreover, aiBANK championed ethical business practices throughout its supply chain, enforcing a comprehensive code of conduct for suppliers. Setting an example for industry peers, it introduced retail loans for electric vehicles and solar panels, furthering its commitment to sustainability. Adhering to international standards, the bank implemented an ESMS to effectively measure and manage environmental and social risks within its portfolio.

In parallel, the aiBANK Foundation for Community Development (aiBANK Foundation) was pivotal in advancing Egypt's Vision 2030 goals, particularly in healthcare, education, and poverty alleviation. Initiatives such as supporting nurse training programs in cardiovascular treatment centers and covering operational expenses for community schools exemplify the foundation's dedication to societal progress. During Ramadan, the foundation distributed food boxes to underprivileged families, underscoring its commitment to social welfare, in partnership with organizations like the Al Orman Association. Overall, aiBANK's efforts signify a significant stride toward integrating sustainability into its core operations and fostering responsible banking practices within the Egyptian banking sector.

In late 2023, the aiBANK Foundation signed a tripartite agreement with the EFG Foundation for Social Development (EFG Foundation) and the Magdi Yacoub Heart Foundation to support the training and qualification of nurses in the treatment centers affiliated with the Magdi Yacoub Heart Foundation at the Aswan Heart Centre (AHC). The plan aims to enhance the quality of healthcare services provided to patients suffering from cardiovascular diseases, particularly in Upper Egypt. The AHC nurse fellowship program is among the most distinguished national nurse training programs. Seventy nurses are selected annually from five universities across Egypt to undergo comprehensive training in quality cardiac care using interdisciplinary and participatory methods.

Financial Highlights of 2023*

The Bank's net profits came in at EGP 1.15 billion, representing a 119% Y-o-Y growth, based on strategic growth initiatives featuring enhanced product offerings, services, and new partnerships to better cater to clients' evolving needs. Higher net interest income were achieved in 2023, reaching EGP 2.5 billion, reflecting an increase of 42% Y-o-Y from the EGP 1.8 billion recorded at year-end 2022 on the back of loan book growth and supported by an increase in the corridor rates. The bank's net commissions income grew a remarkable 187% Y-o-Y to EGP 907.6 million, up from the EGP 316 million recorded in the previous year, driven by the increase in volumes of trade finance transactions and the accelerated bookings of retail loans and business banking. aiBANK's net operating income also rose 58% Y-o-Y to EGP 3.6 billion in FY23.

aiBANK maintained a high capital adequacy ratio of 18.64%, supporting its growth strategy despite the ongoing economic challenges in the local and global markets. The bank's total assets witnessed a considerable growth of 11%, reaching an impressive EGP 61.4 billion, compared to the EGP 55.4 billion recorded in December 2022. Total property rights increased to a record EGP 6.5 billion for 2023, a 21% increase compared to 2022.

Awards

World Union of Arab Bankers
Fastest Growing Bank in the Arab Region

The Global Economics
Most Innovative SME Financing Campaign
Best Emerging CEO in Business Banking

Africa Global Funds
Best SME Financier

Euromoney Market Leaders 2022 Foreign Exchange
SME Banking

*Figures in this section are based on aiBANK's standalone financials

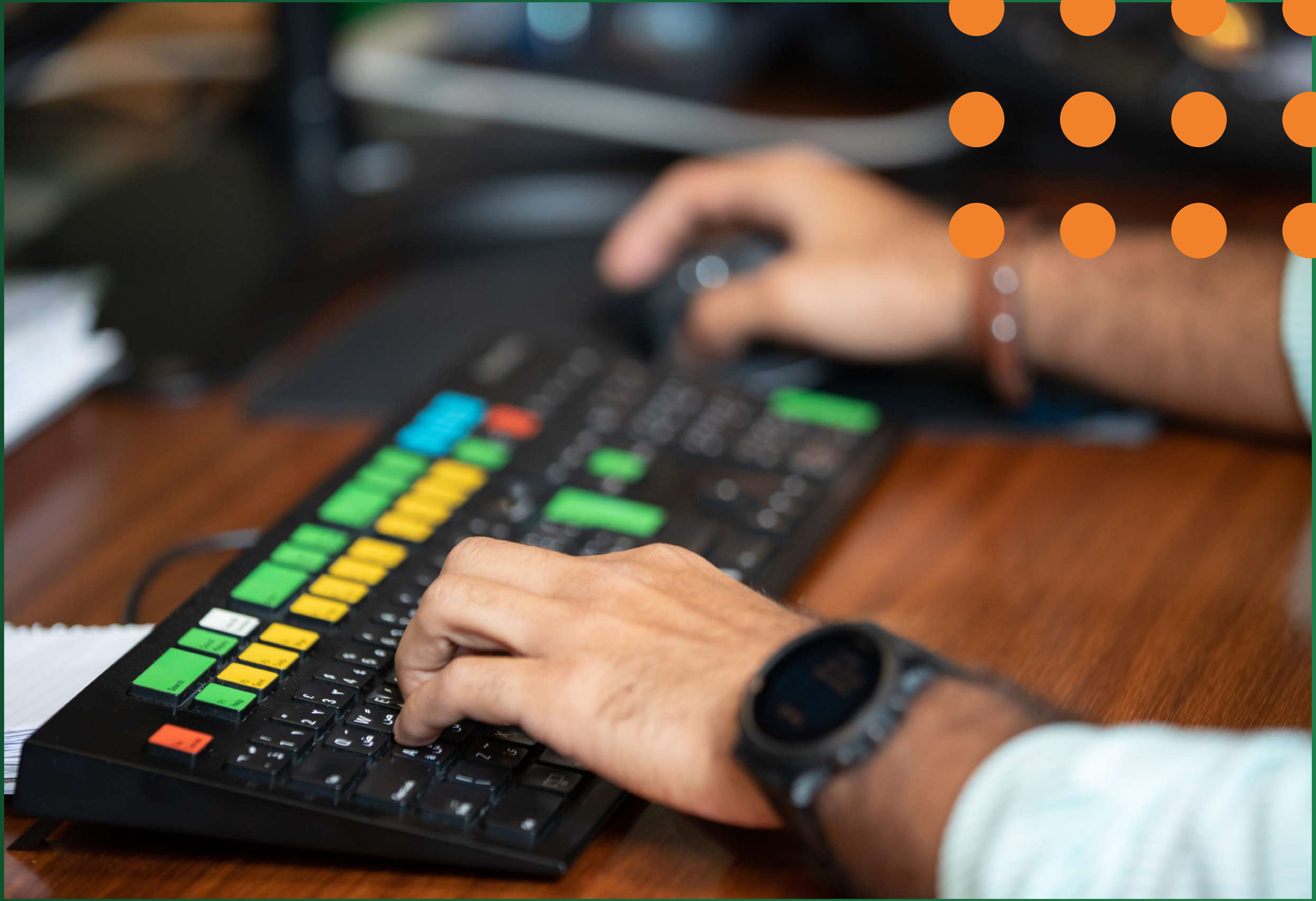
Forward-Looking Strategy

Looking ahead, aiBANK is positioned for a substantial leap into the digital realm, specifically focusing on fortifying its presence in the retail business sector. In this transformative journey, process automation takes center stage to achieve the comprehensive digitization of the consumer cycle by 2026. Information security remains a paramount focus for the bank as it navigates the rapidly evolving digital landscape.

As part of its strategic expansion plan, aiBANK is set to venture into new territories, including Assuit and Tanta. Pending regulatory approval, the bank is gearing up for significant initiatives, such as the launch of bancassurance in collaboration with Kaf and introducing a payroll proposition and an enhanced value proposition for its business banking segment. These initiatives collectively position aiBANK at the forefront of innovation in the dynamic landscape of boutique banking and finance.

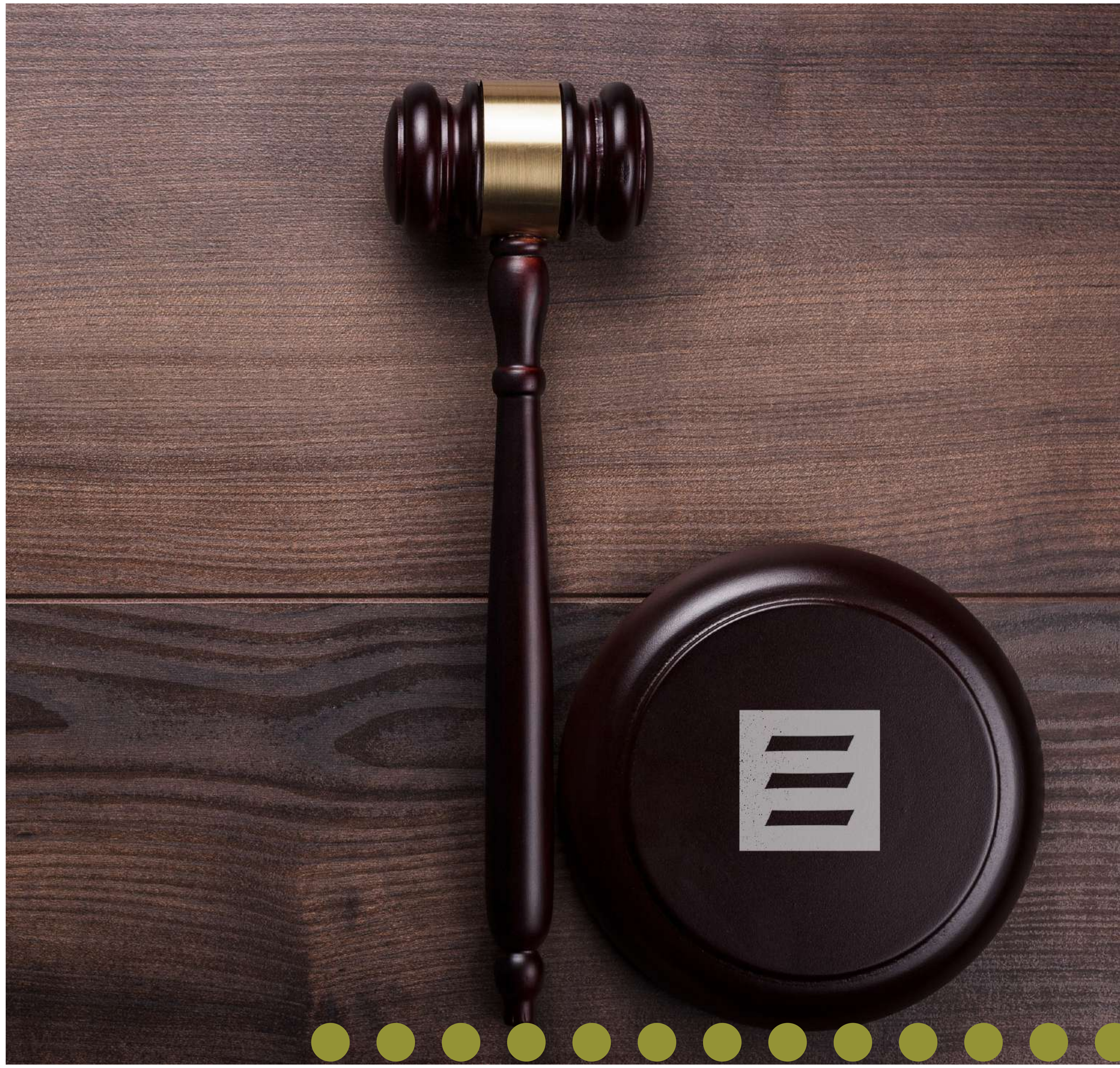
Simultaneously, aiBANK remains committed to its strategic goals, including achieving a 28% female workforce and lowering the average employee age to 41. Initiatives are already in motion to cultivate a new culture across the organization, encompassing comprehensive training programs and the establishment of an academy. As aiBANK navigates the path ahead, 2023 sets the stage for its sustained growth, marked by a commitment to innovation, digital excellence, and the cultivation of a progressive and inclusive organizational culture.

OUR CONTROLS



CORPORATE GOVERNANCE

EFG Holding upholds the highest levels of corporate governance on the group and subsidiary levels, with rigorous processes, policies, and procedures in place that ensure transparent and ethical running throughout the organization. The Group's prudent management and governance 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 further cements itself as a universal bank in Egypt with a leading investment bank franchise across the MENA region and a dedicated commercial banking arm.



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

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

In 2023, EFG Holding and its subsidiaries continued their efforts to apply the latest corporate governance standards and enhance and implement them to be fully compliant with the regulatory rules and requirements set by the Financial Regulatory Authority (FRA), as well as the Egyptian Exchange's (EGX) rules for listing and de-listing securities.

EFG Holding's policies incorporate the appropriate criteria for selecting, appointing, and re-electing members of its Board of Directors in line with the relevant regulatory requirements.

The Group's Board of Directors' composition is categorized by its diversity, experiences, and independence. It includes two female Board members and consists of 12 members, including one executive and 11 non-executive members, seven of whom are independent members, in accordance with FRA regulations.

Moreover, EFG Holding's Board of Directors and its subsidiaries comply with the FRA's decrees regarding the disclosure process of ESG practices and the Task Force on Climate-Related Financial Disclosures (TCFD) for FRA-regulated EGX-listed companies.

Management & Control Structure

Board of Directors

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

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

The current Board of Directors, chaired by Mona Zulficar, was appointed for the period starting May 2023 and ending May 2026 following the approval of the Annual General Assembly (AGM) held on 13 May 2023. Additionally, most of the members appointed to the Board were independent experienced members, enhancing the diversity of experience and qualifications of the Board Members.

In 2023, EFG Holding's AGM and EGM were held at the Group's premises, and virtual attendance was permitted through digital communication means and remote voting tools to allow all shareholders to attend and participate in the meetings, whether they are inside or outside Egypt, in accordance with FRA regulations.

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

Compliance with Laws, Rules, and Regulations

Adherence to the law is the fundamental principle on which the Group'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 Group, in addition to laws and regulations of the markets in which the Group 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 Group and any of its Board members must be approved by the Group's AGM.

Safeguarding & Proper Use of Company Assets

All Directors strive to protect the Group'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 Group'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 Group's Directors and employees are required to follow while conducting their regular daily duties.

Standards & Policies

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

Data Protection Policy

The data protection policy sets out the obligations and requirements for protecting customers' personal data and provides guidance on how and when the Group can process such data. The policy also covers regulations introduced in different jurisdictions where the Group operates.

Confidentiality

Directors and officers must ensure the confidentiality of information entrusted to them by the Group 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 could harm the Group 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 Group's legitimate interests when the opportunity presents itself.

Audit

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

Corporate Governance Committees

Audit Committee

The Audit Committee comprises five non-executive members, four of whom are independent, and is chaired by Mona Zulficar.

In 2023, the committee met four times — once per quarter. The committee is responsible for the oversight of financial statements and financial reporting, internal control and governance systems, compliance with laws and regulations, whistleblowing and fraud, conflict of interest, 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 on a quarterly basis.

In 2023, the Corporate Governance Committee's responsibilities were assigned to the Audit Committee. These include periodically evaluating the Group's corporate governance structure, reviewing and monitoring the implementation of the Group's Corporate Governance Framework, documenting and following up on the Board's performance evaluation reports, reviewing the regulators' observations related to the implementation of corporate governance, and ensuring they are appropriately handled and addressed.

Risk Committee

The Risk Committee comprises five non-executive members, four of whom are independent, and is chaired by Mona Zulficar.

In 2023, the committee met four times — once per quarter. The committee oversees risk, legal, and operational issues across the Group, assisting the Board in fulfilling its duties with regards to the oversight of (1) the 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 for reviewing comprehensive reporting on Group Enterprise Risk Management, including reports on credit, investments, market, liquidity and operational risks, business continuity, and regulatory compliance.

Remuneration & Compensation Committee

The Compensation Committee comprises five non-executive members and is chaired by Takis Arapoglou.

The committee met once in 2023 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 HR issues and the remuneration policies of EFG Holding. This not only safeguards shareholder interests but also ensures that management's interests are fully aligned with those of the Group. The committee directly manages the allocations within the Management Incentive Scheme for Senior Management as approved by the General Assembly.

Nomination Committee

The Nomination Committee comprises one executive and three non-executive board members and is chaired by Mona Zulficar.

The committee met once in 2023. It assesses and oversees the appointment at the level of the Holding company of Board Members, the Group Chief Executive Officer, and Group Executive Committee members. It is the committee's responsibility to make sure appointments, which must be approved by the Annual General Assembly, align with the Group's strategic directives and ensure the independence of Directors in accordance with applicable laws, regulations, and international best practices. The committee also conducts regular assessments of the structure, size, and composition of key executive positions at the group level.

The committee helps ensure a smooth succession of Board Members and, where appropriate, the Group CEO and Group Executive Committee members. Meetings are scheduled and held on an as-needed basis.

Executive Committee

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

Its purview includes:

01. Developing the Group's strategic plans and goals for board approval while managing any material issues to the business that emerge.

02. 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.

03. 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.

04. Overseeing the management of the Group's current and future balance sheet in line with its business strategy and risk appetite.

05. Considering material JVs, strategic projects or investments, and new businesses from a capital perspective while monitoring and managing capital and liquidity positions.

06. Aligning investment spending across the Group's functions with its investment plan and strategic objectives and considering business commitments for board approval.

07. Receiving and considering reports on operational matters materialtotheGrouporoneswithcross-divisionalimplications.

08. Promoting the Group's culture and values and monitoring overall employee morale and working environment.

09. Identifying ESG matters that affect the operations of EFG Holding, monitoring ESG integration throughout the Group, 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 the day-to-day operations of the Group and address any pressing issues that may arise.

Shareholder Information

Shareholders

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

Significant Shareholders

EFG Holding is required by law to notify the EGX and the 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 2023, a total of 14,094 shareholders were listed in the Firm's share register.

Executive Holdings & Management Transactions

- As of 31 December 2023, the EFG Holding Board of Directors held a total of 1,578,218 shares, representing 0.11% of the total 1,459,606,008 shares of EFG Holding.

> EFG Holding upholds the highest levels of corporate governance on the group and subsidiary levels, with rigorous processes, policies, and procedures in place.

- As of 31 December 2023, shares allocated to EFG Hermes' Employees Stock Option Program (ESOP) amounted to 76,093,203 shares, representing 5.21% of the total 1,459,606,008 shares of EFG Holding, pursuant to the Extra Ordinary General Assembly resolution on 30 May 2021.

Share Ownership Information

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

RISK AND COMPLIANCE

Amid unprecedented global challenges and rapid changes in regulations and mandates, it is critical to establish and maintain sound risk and compliance frameworks, which serve as the cornerstone of success. This helps navigate downside risks with agility and drive effective decision-making processes and day-to-day operations with efficacy and transparency. As such, EFG Holding, with its fast-growing geographic presence, houses a Risk and Compliance Department that manages the Firm's global compliance frameworks and adherence to the same in line with international best practices.

While different, both risk and compliance functions within the department work closely together to monitor trends and changes in regulations in all jurisdictions in which the Firm does business while developing and putting into action firm-wide and divisional policies and procedures that manage compliance, regulatory, and reputational risks to ensure proper governance across the Firm while safeguarding client and employee information.

At present, the department boasts 58 compliance officers, collectively working to ensure the complete adherence of the Firm's lines of business and subsidiaries to the applicable statutory provisions, regulations, and internal policies. Alongside the Compliance team is the Risk Management team, boasting 72 professionals responsible for identifying, overseeing, and mitigating the Group's operational, liquidity, market, and credit risks. Together, the teams advise the Firm's businesses, manage inquiries, educate staff on policies and procedures, and conduct the surveillance and testing of the Firm's risk management infrastructure under the supervision of the Group Chief Risk and Compliance Officer.

2023 Operational Highlights

In 2023, EFG Holding's Risk team conducted business continuity drills to ensure group-wide business continuity and to mitigate related risks, and it conducted evacuations drills to ensure employee safety. On the other hand, the Compliance team conducted extensive compliance reviews to ensure compliance with the local rules and regulations and group policies. A cornerstone of these efforts included consistently updating compliance manuals and policies and implementing a proactive approach in reviewing and monitoring EFG Holding's adherence to country-specific regulations to ensure the continuity of the Firm's expansive operations, given the macroeconomic challenges that the world continues to face.

To enhance its data safeguarding measures and to cover its obligation of protecting employees and clients, the department drafted a group-wide Data Protection policy, which was approved by EFG Holding's Board of Directors during the year. Furthermore, this year, the department successfully implemented and enhanced the methodology for calculating Expected Credit Losses (ECL) across the Group. In 2023, the Risk and Compliance division renewed its ISO 31000:2018 certificate, which provides guidelines for managing any form of risk in a systematic, transparent, and credible manner within different scopes and contexts. This marked the achievement of being the first Egyptian financial institution to achieve ISO 31000:2018 Enterprise Risk Management Conformity by the British Standards Institution (BSI) for the second consecutive year.

The department has also achieved the renewal of the ISO 22301:2012 certification for the seventh consecutive year. The Group has also successfully obtained an investment banking license in the UAE to expand operations. This aligns with the goal to enhance business continuity drills across countries of operation, with continuous improvements and updates implemented across the entire Group.

Internal Audit

Internal Audit is an independent assurance function, authorized by the Board of Directors and the Audit Committee to provide reasonable assurance about the Firm's control environment. Boasting a roster of competent and multilingual industry professionals, the team is responsible for monitoring, evaluating, and advising on the adequacy of the Firm's operational, financial, and administrative controls, as well as the efficacy of its information systems. It also evaluates the effectiveness of risk management practices and internal control and corporate governance processes across the Group's subsidiaries, lines of business, and support functions, ensuring the full protection of the Group from both conventional and emerging risks.

Reporting to the Group's Audit Committee, the Internal Audit function conducts intermittent inspections and systemic evaluations in alignment with the committee's pre-approved annual plan. To ensure the reviewing process is at maximum efficiency, the function carries out frequent reviews with the Firm's departments in accordance with each function's risk level and the internal scores awarded in the previous review. Accordingly, high- and medium-risk departments are reviewed on an annual basis, and low-risk departments are reviewed every other year, except for regulated entities that are required to be reviewed annually. Additionally, the division conducts follow-ups on previous audit findings to ensure they have been appropriately addressed and corrected. It also provides a wide array of services, including in-depth operational assessments, evaluations of departmental adherence to regulatory requirements, and monitoring of corporate governance, as well as strategic consultation to the business without compromising the function's independence.

At present, the Group's Internal Audit team is made up of nine centralized auditors covering investment banking and NBFI activities and 37 auditors covering microfinance services.

2023 Operational Highlights

During 2023, the Internal Audit function successfully completed its annual audit plan. At the same time, and in coordination with the division, Ernst and Young's (EY) regional office concluded the full audit of EFG Holding's systems, applications, networks, and infrastructure, with the results of the audit to be reported to the Group's Audit Committee.

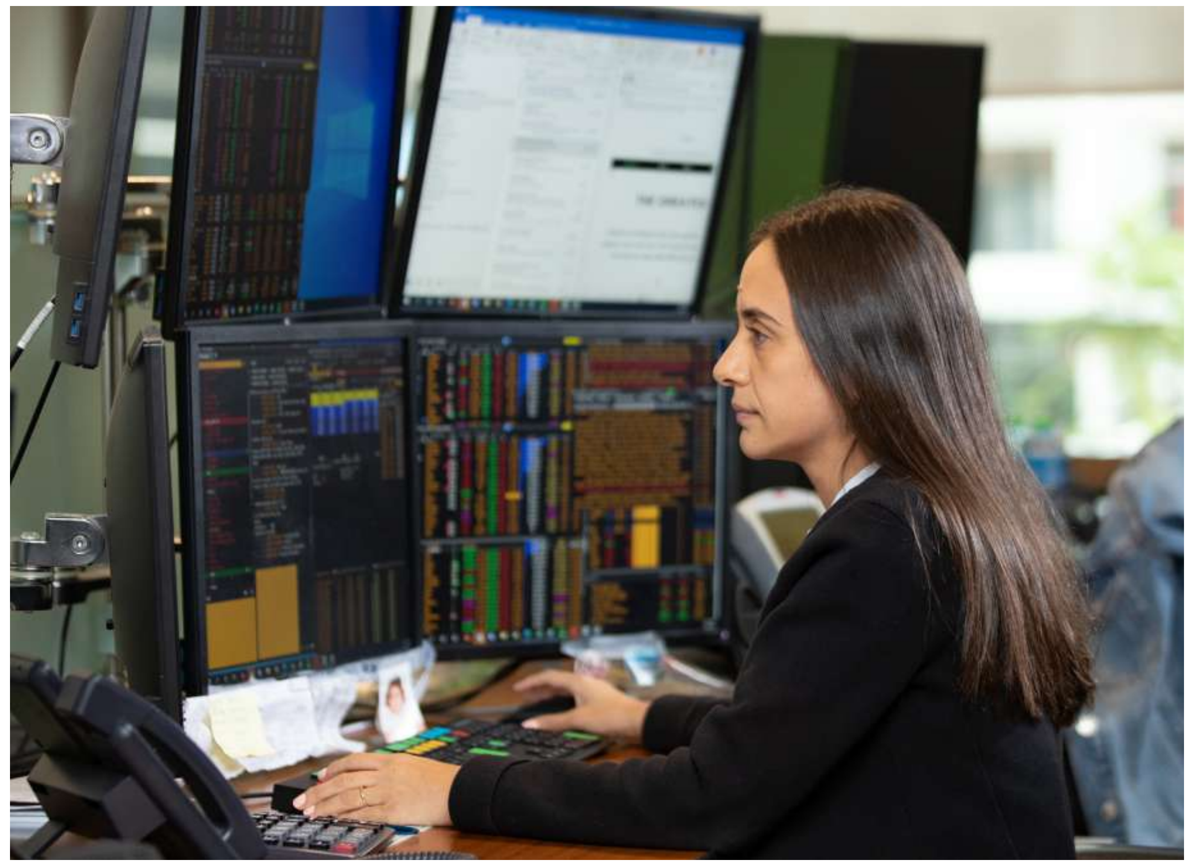
To be aligned with the Group's ESG policies and strategies, the Internal Audit Department has included procedures related to ESG policies and practices in each business line's audit program to ensure full conformity.

The division continued to use TeamMate — a bespoke digital tool introduced as part of EFG Holding's wider digital transformation strategy — to solidify EFG Holding's leading position as a digitally integrated financial services group. It is used across the Firm's various functions to enhance processes and to effectively store, analyze, and process the vast quantity of financial data related to various Group operations across its footprint, allowing for a more accurate and efficient auditing process.

Employee Awareness

As EFG Holding continues to grow, it is essential to communicate organization-wide strategies, policies, and procedures to employees. This will help promote transparency and integrity across all levels of the organization. In alignment with this, the Risk and Compliance Department is committed to participating in HR onboarding processes and conducting orientation sessions for recruits on audit, compliance, and risk-related issues to ensure consistent alignment with the Group's operational frameworks.

To guarantee that all employees develop a comprehensive level of understanding on critical subjects, the Firm conducts mandatory training courses that delve into key issues, such as financial crime, fraud prevention, general data protection regulations (GDPR), cybersecurity, and ESG awareness, under the supervision of the Compliance function. The Risk and Compliance Group was responsible for overseeing the AML, GDPR, and Anti-fraud course. By the end of 2023, EFG Holding had conducted five mandatory training courses to 879 employees over the course of 4,379 hours of training during the year.



Outlook

Moving forward into 2024, the Risk and Compliance Department and the Internal Audit Division aim to streamline operations and enhance operational efficiencies across the Group. On the compliance side, the function continues to obtain licenses that enable the department to support the Firm's expansions. As such, and as the Group continues to delve into new markets and new lines of business, the Risk and Compliance Department will continue to work together with other divisions to ensure new products, continuity of business lines, and subsidiaries — particularly in the Investment Bank and NBFI platform arms — are seamlessly integrated into EFG Holding's control frameworks, and that any new laws and regulations regarding these expansions are accurately reflected and addressed.

EFG Holding

OUR TEAM

OUR PEOPLE

As the Firm celebrates 40 years of success, it's only fitting to explore the main element and instigator of this success: the first "P," without which, none of the others are possible.

We believe that a big part of EFG Holding's success is its early realization that without a strong people culture, success would be difficult to come by and sustain. With that in mind, while building the business, its products, and its footprint, EFG Holding spared no effort in also building its most prized asset — its people.

Hiring the Best

As a true business partner supporting and fueling the business's success, the HR division at EFG Holding has consistently refined and adjusted its talent acquisition strategy to match the pace, evolving needs, and growth initiatives across the different regions we were expanding into and businesses we were building. Regularly assessing our go-to-market people strategy, we've consistently attracted and retained the best and brightest. Placing as much emphasis on cultural fit as we do on technical capability, the Firm continues to attract graduates of the top schools and veterans of the industry's international and regional peers. We're also proud to have increased our hiring of females by 156% over the last 10 years.

Growing, Rewarding, & Keeping the Best

Our belief in and commitment to promoting from within and giving ample room for growth is no secret; 77% of our Executive Committee have risen through the ranks throughout their 15+ years with the Firm. And it doesn't stop there: looking at our department heads and Managing Directors, 75% are in-house talent that have spent over 10 years with EFG Holding and are growing professionally in recognition of their competence and performance.

To fuel such organic growth, and in keeping with EFG's Holding's belief in the importance of professional development, the Firm has continued to enhance its learning and development budget, which has seen a 200% increase in the last five years alone. This has enabled us to work with the best learning partners in all segments, most notably as part of The Academy by EFG Holding. Our conviction that management and leadership prowess are as critical as technical know-how was the fuel behind the conceptualization of The Academy, which has seen 140 employees graduate through various levels in the five years it's been in operation.

In keeping with the changes in the Firm's scope of business and the needs of the modern workforce, the Firm has, over the years, consistently reviewed, assessed, and adjusted its approach to learning and development. We've moved far away from the early days of reactive fulfillment of learning requirements and playing catch up with the business's requirements to a more proactive one, working alongside the business in identifying learning topics and giving power to employees to take control of their own professional growth and shaping their EFG DNA. Reframing the conversation and capturing requirements from both ends of the spectrum have enriched the quality of our annual learning catalogue significantly, leaving employees feeling empowered.

Tech-Savvy & Data Rich

Whether streamlining processes for the HR team to ensure efficiency, effectiveness, and more time to spend on value-adding HR initiatives or making (corporate) life easy for employees and managers so they can focus on generating value for the Firm and its clients, technology has been a mainstay of our HR advancement agenda.

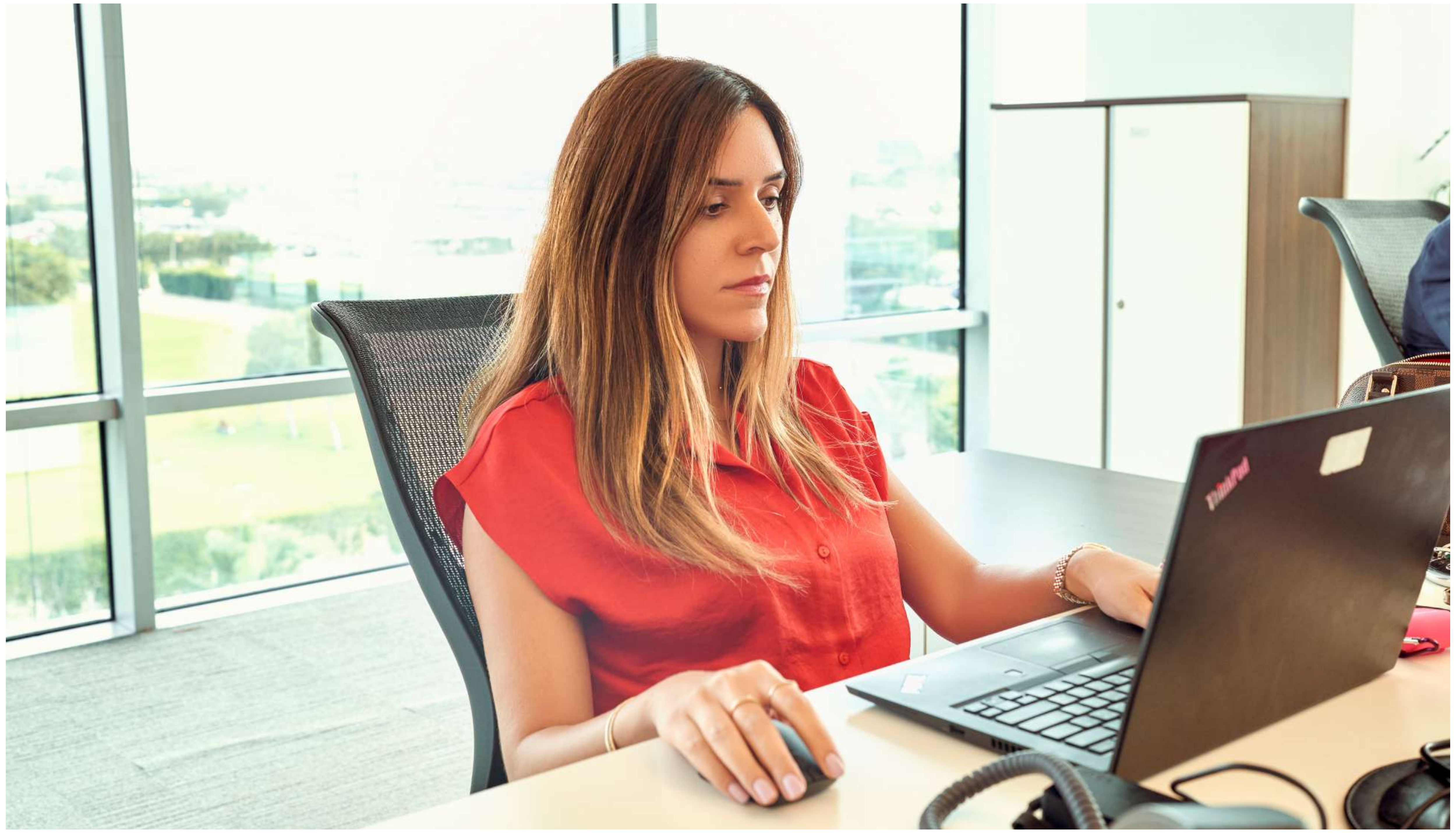
> EFG Holding has consistently refined and adjusted its talent acquisition strategy to match the pace, evolving needs, and growth initiatives across the different regions we were expanding into and businesses we were building.

We've automated simple processes and complex workflows. We've implemented third-party tech services and built applications and tech platforms from scratch. We've migrated to a sophisticated HRMIS that can handle all the jurisdictions we operate in and continue to ensure that we have an organized and integrated data hub for all these systems, allowing us to capitalize on the enormous amount of data we mine.

Our strong technology infrastructure has made it easy for us to address the critical need for enhanced data analytics in all aspects of HR. With the fast pace of growth, be it in business lines or geographies, it's become critical for us to be one step ahead. Coupling the power of tools, such as Power BI, with the wealth of data we sit on has enabled us to plan more strategically, refine many aspects of our work, completely revamp others, and introduce new elements.

Thinking Globally, Acting Locally

EFG Holding's geographic expansion to multiple regions and countries has meant that HR has had to adapt its mindset and approach. Understanding the countries we set up businesses in went beyond learning what the labor law dictates and what paperwork we needed to be on top of. It was, and continues to be, important to us that we deliver the same HR experience no matter the location. Easier said than done, no doubt, given the cultural nuances of each location and the fact that HR may not have a physical presence. For the first time, being consistent and delivering the same HR experience actually meant, in some cases, that we needed to do things differently; we needed to retain the EFG Holding philosophy, but we still needed to enact it in a way that worked for them. Be it understanding the talent landscape, the best service providers, the benefits employees appreciate, or the regulatory requirements, HR has exerted tremendous effort throughout the years to support the Firm's employees wherever they may be.



HR of the Future

While it is completely natural, given the Firm's 40-year milestone, to look back on our achievements, the best way to honor our rich past is to plan for an even stronger future, one that acknowledges the Firm's (and HR's) past achievements and learns from them while enriching them.

Planning for the future doesn't necessarily mean doing things differently; one thing we will continue to capture in all our plans is our people centricity; be it employee well-being or employee development, they continue to be cornerstones in our strategy. The Academy is undergoing a structural refresh to ensure it stays relevant to our changing business needs, which, in turn, means the programs it launches will see significant enhancements. We're also working on a more comprehensive approach to employee well-being that goes beyond strong healthcare coverage.

People analytics continues to command a firm position on the agenda, and we hope to enhance our reporting capabilities and make use of the wealth of information to which we are privy. This is in addition to a strong focus on our internship conversion strategy, as data shows that some of our most successful junior hires are those who intern with us.

Most importantly, we will focus on connecting the dots to ensure we deliver a comprehensive experience to employees and managers alike; between all our HR programs, all our data points, HR and employees, HR and managers, and HR and our service providers and technology and learning partners.

EXECUTIVE COMMITTEE

Karim Awad
Group CEO and Chairman of the Executive Committee, EFG Holding

Karim Awad is an accomplished executive serving as the Group CEO and Chairman of the Executive Committee of EFG Holding SAE. With over 25 years of experience, Awad began his career at EFG Hermes in 1998, where he quickly rose through the ranks. Notably, he headed the Investment Banking Department in 2007, leading numerous high-profile local and regional transactions. Awad was ranked on the Forbes Middle East Top 100 CEOs in the Middle East in 2022.

Throughout his tenure, Awad spearheaded a transformative restructuring of the Firm, focusing on cost streamlining and divestment of non-core assets. This included a majority stake sale in the Lebanese bank Credit Libanais. Collaborating with the senior management team at EFG Holding, Awad shifted the Firm's strategy toward becoming a leading financial solutions provider in frontier and emerging markets, moving away from its MENA-based investment banking roots. This vision encompasses six key pillars: talent acquisition, market positioning, geographic expansion, product enhancement, improved profitability, and a steadfast commitment to public responsibility.

Under Awad's leadership, EFG Hermes has made significant strides in its core sell-side operations of Investment Banking, Brokerage, and Research in key markets, such as the UAE, KSA, and Egypt. Additionally, the Firm has expanded its presence to seven new markets in sub-Saharan Africa and Asia. Notably, the buy-side business was completely revitalized through the consolidation of its regional Asset Management business with UAE-based affiliate Frontier Investment Management (FIM) in 2017. It has also re-established an active Private Equity division that plays a pivotal role in the renewable energy, education, and healthcare sectors.

To further enrich its client offering, EFG Holding has built a comprehensive non-bank financial institutions (NBFI) platform, encompassing leasing, factoring, microfinance, financial technology, mortgages, payments, and insurance. The Firm has also strengthened its fixed income and structured product platforms. In November 2021, EFG Holding concluded the acquisition of a commercial bank in Egypt, solidifying its transition into a universal banking platform and expanding its product range.

Awad's strategic initiatives have driven remarkable growth in revenues, which reached EGP 14.7 billion, and profits, standing at EGP 2.5 billion, in 2023. Notably, the Firm maintains a robust commitment to corporate social responsibility (CSR), actively embracing progressive environmental, social, and governance (ESG) standards and contributing to the communities in which it operates.

Karim Awad holds a bachelor's degree in business administration (BBA) from The American University in Cairo.

Mohamed Ebeid

Co-CEO of the Investment Bank (Sell-Side), EFG Hermes, an EFG Holding Company

With more than two decades of experience with EFG Hermes, 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 sell-side business across various business lines. On the Investment Banking side, Ebeid led the Firm to work on deals across multiple jurisdictions in the MENA region and frontier markets worth over USD 54 billion. He also built the Frontier business with on-the-ground operations in four different continents, giving clients access to more than 75 markets around the world. Ebeid has also led the development of the Firm's Structured Products Platform, which has pulled in trades worth c. USD 5 billion since inception in 2017. This is in addition to the creation of the Fixed-Income Desk, which began operations in 2018.

Ebeid began his career with the Firm in 1999 in the Securities Brokerage division, and he has since held numerous positions within the Firm. Most recently, he acted as Head of Brokerage, where he managed to restructure the business and streamline its activities in just over two years, all while boosting profitability.

He held the post of Head of Institutional Sales beginning 2006 and managed to add GCC institutional clients and sovereign wealth funds to the Firm's client base. 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.

He holds a BCom with a specialization in accounting from Ain Shams University.

Karim Moussa

Co-CEO of EFG Hermes, an EFG Holding Company (Buy-Side), Head of Asset Management and Private Equity of EFG Hermes, CEO of Vortex Energy

Karim Moussa joined EFG Hermes in Dubai in 2008, assuming the primary responsibility of building the Firm's value-adding and core infrastructure Private Equity platforms. Today, he leads EFG Hermes' USD-4.5-billion buy-side business, a role he has held since 2017.

Moussa led the establishment of Vortex Energy in 2014, raising and deploying close to USD 1 billion in renewable energy assets across Europe. He recently launched the Vortex Energy IV fund, an energy transition fund that has invested in IGNIS, a 20GW leading fully integrated Spanish renewables company, and EO Charging, UK's leading charging solutions provider for fleet vehicles and buses. Within Vortex Energy, he successfully completed the exit of an operating portfolio of c. 460 MW onshore wind assets in France, Spain, Portugal, and Belgium to funds managed by J.P. Morgan. In addition, he has successfully completed the sale of a controlling stake in a 365-MW operating solar portfolio to Tanaga Nasional in the UK, delivering combined (net) c. 13% IRR and 1.4x MOIC paying cash yields in excess of 5% p.a. to investors.

Moussa also led the launch of the Egypt Education Platform (EEP), a USD-150-million fund, dedicated to investing in pre K-12 schools and education services in Egypt, aggregating 25 assets with a total student capacity of 25,000. Other flagship PE deals he led include Nasdaq-Dubai's USD 445 million take-private of DAMAS International and, later, its exit, delivering c. 2x MOIC. Moussa sits on the Investment Committee of several of EFG Hermes' sponsored funds. He is also a Member of the Board of Directors of various portfolio companies.

Prior to joining EFG Hermes, Moussa was Vice President at Deutsche Bank's Global Banking division, with responsibilities across M&As, 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. He started his career at Berlin Capital Fund, a venture capital fund managed by Berliner Bank.

Moussa holds a master's degree in business administration (MBA) and mechanical engineering (Diplom Wirtschaftsingenieur) from the Technical University of Berlin.

Mohamed El Wakeel

Group Chief Operating Officer,
EFG Holding

Mohamed El Wakeel is the Group Chief Operating Officer (COO) at EFG Holding. Following three years at HSBC, El Wakeel joined the Firm in 2000 as part of the operations team of the Securities Brokerage division. After succeeding in streamlining the division's operations to ensure best-in-class practices and efficiency, he moved on to head Brokerage operations for Egypt then took on the title of the Securities Brokerage Group's Head of Operations. As Head of Operations, El Wakeel played a pivotal role in setting up and integrating the operations of the Firm's newly launched offices in new markets.

His role also 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 a key to the enhancement of EFG Holding's operations across multiple lines of business.

El Wakeel holds a bachelor's degree in business administration from Faculty of Commerce, Ain Shams University.

Abdel Wahab Mohamed Gadayel

Group Chief Risk and Compliance Officer,
EFG Holding

Abdel Wahab Mohamed Gadayel is EFG 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 setting and refining the Group's policies and procedures and enhancing the Group's compliance framework. During his current tenure in Risk Management, Gadayel revamped the Group's risk management framework and policies, oversaw the issuance of the Group's risk appetite framework, and obtained the ISO 22301:2019 certification for the Firm's Business Continuity Management System and the ISO 31000:2018 certification for the Firm's Enterprise Risk Management.

Gadayel joined EFG Hermes in 1998 as an Operations Officer, later being promoted to Deputy Head of Operations, a role he held until 2004. He also held the post of Managing Director of Operations at EFG Hermes UAE between 2004 and 2009, where he integrated newly acquired offices in the lower GCC region, helping the Group rapidly expand into new markets during his tenure.

Gadayel graduated from Cairo University with a major in economics and a minor in political science.

Mohamed Abdel Khabir
Group Chief Financial Officer,
EFG Holding

Mohamed Abdel Khabir is EFG Holding's Group Chief Financial Officer (CFO), member of the Executive Committee, and a board member in several of EFG Hermes' subsidiaries. Since assuming his role in 2016, Abdel Khabir has been actively involved in transforming EFG Hermes from a pure play investment bank to a frontier markets financial solutions house. He participated in acquiring and establishing various subsidiaries across the frontier markets, as well as a number of NBFI subsidiaries in the leasing, factoring, microfinance, financial technology, mortgages, payments, and insurance spheres. Most recently, he participated in the acquisition of aiBANK in Egypt. He has also been responsible for funding those expansions and managing the balance sheet of the Group, in addition to investor relations, budgeting, reporting, accounting, and taxation.

Prior to his current post, Abdel Khabir joined EFG Hermes' Investment Banking division in early 2008. His 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.

Abdel Khabir holds a bachelor's degree in business administration from The American University in Cairo with a major in finance and a minor in economics and psychology. He is also a CFA charterholder.

Aladdin ElAfifi

CEO of EFG Finance,
an EFG Holding company

Aladdin ElAfifi is the CEO of EFG Finance, an EFG Holding company, and is responsible for leading its entire portfolio, including leasing, factoring, microfinance, financial technology, insurance, mortgage, and payments, as well as the addition of new services, whether organically or through acquisitions. He is also a non-executive board member representing the majority shareholder for Valu, a board member of EFG Corp-Solutions, and a board member of EFG Finance. Additionally, ElAfifi is an Endeavor mentor, sharing knowledge and expertise with young entrepreneurs heading small and medium-sized businesses.

With over 23 years of financial advisory and direct investment experience, ElAfifi most recently co-founded the Cairo-based real estate investment management and advisory business, 46 Group. He was also the Co-CEO of Pharos Holding, where he overlooked securities brokerage, asset management, and investment banking and advisory activities. In addition, he helped co-found Egypt's first nano-lending startup, Kashat, and worked on the funding and sponsoring of startups directly and through work with Startupbootcamp as Co-Manager of the first Egyptian fintech accelerator.

Prior to joining Pharos, ElAfifi led the team managing Qalaa Holding's investments in mining industries, gold exploration, and the waste management sector through the creation of Tawazon, a local and regional market leader in the field of municipal and agricultural solid waste management. He was also a senior member of the team that established TAQA Arabia, a full-service energy (natural gas and electricity) distribution group, and the initial team that worked on conceptualizing, negotiating, and signing the Framework Agreements for what would later become the Egyptian Refining Company (ERC).

ElAfifi previously worked in London as an Investment Banker at Goldman Sachs's UK M&A and the Industrials and Natural Resources teams after having begun his career at EFG Hermes Investment Banking. With both Goldman Sachs and EFG Holding, he worked on several high-profile M&A and capital market transactions across a multitude of sectors.

ElAfifi is a Chartered Financial Analyst (CFA). He also holds an MBA from the Wharton School of Business with a concentration in finance, strategic, and entrepreneurial Management, and he is a recipient of the Joseph Wharton fellowship. He holds a BA in economics with a minor in business administration from The American University in Cairo.

Inji Abdoun
Group Chief Human Resources Officer,
EFG Holding

Inji Abdoun joined the Human Resources (HR) department at EFG Holding in June 2007 as HR Manager for the UAE, with a mandate to establish an HR function for the Group's operations while contributing to the department's Group-wide initiatives with a focus on talent management. Her mandate expanded in 2008, as she played an active role in integrating newly acquired operations in Oman and Kuwait and enhancing the HR function in the Saudi office.

In 2009, 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 insights into business issues. As of 2017, Abdoun became the Group's Chief HR Officer, continuing to oversee the Group's HR activities and working with the executive team as part of the Executive Committee.

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

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

BOARD OF DIRECTORS

Mona Zulficar

Independent Chairperson,
EFG Holding

Mona Zulficar has served as Non-Executive, Independent Chairperson of EFG Holding since April 2008. Zulficar is a Founding Partner and Chairperson of Zulficar & Partners Law Firm, a specialized law firm consisting of 17 partners and more than 65 associates. Established in June 2009, Zulficar & Partners has since grown into one of the top ranked law firms in Egypt. Zulficar was previously Senior Partner at Shalakany Law Firm and Chair of its Executive Committee for many years.

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, Zulficar has led negotiations on some of Egypt's and the Middle East's largest and most complex successful transactions over the past three decades.

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 (CBE) during the banking reform program from 2003 to 2011 and as a prominent member of national drafting committees. Zulficar is a leading human rights activist, recognized locally and internationally, and she has initiated several successful campaigns for human rights legislation, including women's rights, freedom of opinion, and family courts. Zulficar served as VP of the Constitutional Committee, played a key role in drafting the 2014 Egyptian Constitution, and was a member of the National Council for Human Rights until September 2021.

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

Zulficar holds a BSc in economics and political science from Cairo University and an LLM from Mansoura University, as well as an honorary doctorate degree in law from the University of Zurich.

Karim Awad
Group CEO and Chairman of the Executive Committee, EFG Holding

Karim Awad is an accomplished executive serving as the Group CEO and Chairman of the Executive Committee of EFG Holding SAE. With over 25 years of experience, Awad began his career at EFG Hermes in 1998, where he quickly rose through the ranks. Notably, he headed the Investment Banking Department in 2007, leading numerous high-profile local and regional transactions. Awad was ranked on the Forbes Middle East Top 100 CEOs in the Middle East in 2022.

Throughout his tenure, Awad spearheaded a transformative restructuring of the Firm, focusing on cost streamlining and divestment of non-core assets. This included a majority stake sale in the Lebanese bank Credit Libanais. Collaborating with the senior management team at EFG Holding, Awad shifted the Firm's strategy toward becoming a leading financial solutions provider in frontier and emerging markets, moving away from its MENA-based investment banking roots. This vision encompasses six key pillars: talent acquisition, market positioning, geographic expansion, product enhancement, improved profitability, and a steadfast commitment to public responsibility.

Under Awad's leadership, EFG Hermes has made significant strides in its core sell-side operations of Investment Banking, Brokerage, and Research in key markets, such as the UAE, KSA, and Egypt. Additionally, the Firm has expanded its presence to seven new markets in sub-Saharan Africa and Asia. Notably, the buy-side business was completely revitalized through the consolidation of its regional Asset Management business with UAE-based affiliate Frontier Investment Management (FIM) in 2017. It has also re-established an active Private Equity division that plays a pivotal role in the renewable energy, education, and healthcare sectors.

To further enrich its client offering, EFG Holding has built a comprehensive non-bank financial institutions (NBFI) platform, encompassing leasing, factoring, microfinance, financial technology, mortgages, payments, and insurance. The Firm has also strengthened its fixed income and structured product platforms. In November 2021, EFG Holding concluded the acquisition of a commercial bank in Egypt, solidifying its transition into a universal banking platform and expanding its product range.

Awad's strategic initiatives have driven remarkable growth in revenues, which reached EGP 14.7 billion, and profits, standing at EGP 2.5 billion, in 2023. Notably, the Firm maintains a robust commitment to corporate social responsibility (CSR), actively embracing progressive environmental, social, and governance (ESG) standards and contributing to the communities in which it operates.

Karim Awad holds a bachelor's degree in business administration (BBA) from The American University in Cairo.

Efstratios Georgios (Takis) Arapoglou

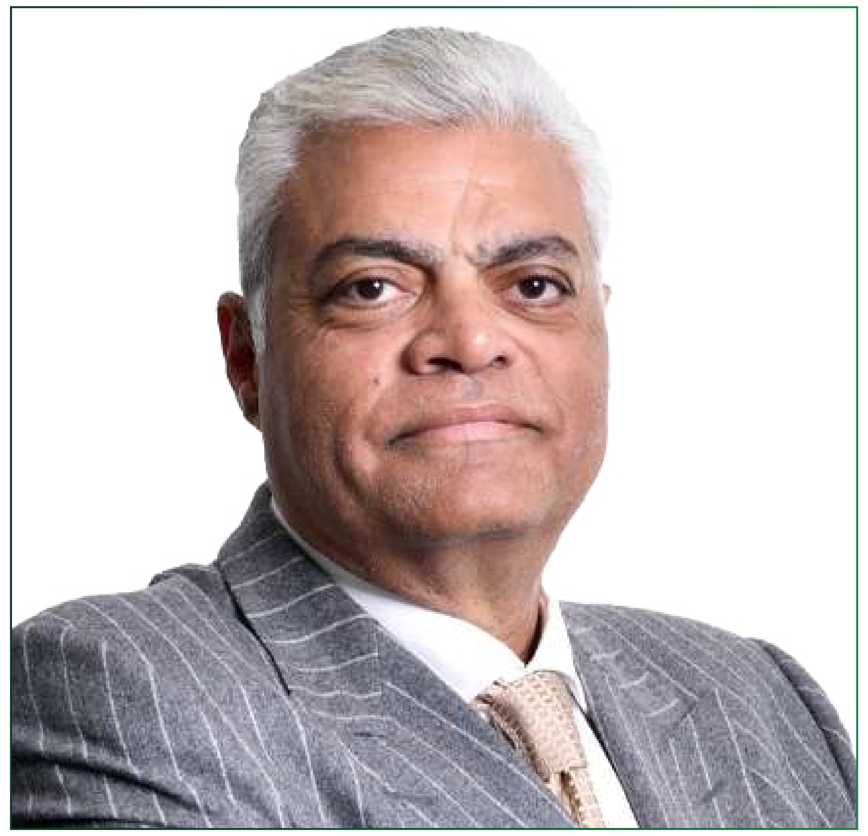
Chairman of Bank of Cyprus

Takis Arapoglou is a Non-Executive Member of EFG Holding's Board of Directors. He had an earlier career in International Capital Markets and Corporate and Investment Banking based in London and later in managing, restructuring, and advising publicly listed financial institutions and corporates, primarily in SE Europe and the Middle East.

His most recent executive roles include Managing Director and Global Head of the Banks and Securities Industry for Citigroup, Chairman and CEO of the National Bank of Greece, and CEO of Commercial Banking at EFG Holding across the Middle East and Africa for the period from 2010 to 2013.

Arapoglou has broad and extensive experience as a board member, and he currently holds the following non-executive board positions: Chairman of Bank of Cyprus Group, listed on the LSE; Chairman of Tsakos Energy Navigation (TEN) Ltd, listed on the NYSE; and Board Member of EFG Holding SAE, listed on the Egyptian Exchange (EGX) and the LSE.

Arapoglou has degrees in mathematics, engineering, and management from Greek and British universities.



Yasser El Mallawany

Vice Chairman of the Board, EFG Holding

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

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

El Mallawany holds a BA in accounting from Cairo University.

Marwan Elaraby

Partner, Gibson, Dunn, & Crutcher LLP

Marwan Elaraby is the Partner in Charge of the Dubai office of Gibson, Dunn, & Crutcher, where he is a member of the Capital Markets and Mergers and Acquisitions Groups.

Elaraby advises clients on M&A and private equity transactions, as well as governments on strategic and regulatory matters. He also advises both issuers and underwriters on equity and debt securities offerings.

He represents sovereign-owned, corporate and private equity clients, including Abu Dhabi National Oil Company (ADNOC), ASMA Capital, EFG-Hermes, and Investcorp.

Elaraby is ranked by Chambers Global 2022 as a leading individual for Capital Markets: Equity and Corporate/M&A (Band 1) in the UAE and as a leading individual in Egypt for Capital Markets, Corporate/M&A and Projects & Energy. Chambers Global also ranks him in the Middle East-wide tables for both Capital Markets and Corporate/M&A. He is highly regarded by IFLR1000 2022 for M&A and Private Equity.

Chambers Global 2022 states that Elaraby is “a phenomenal lawyer,” someone who is “super-commercial, very sharp, and reads situations well” and “widely respected for his capital markets skills, with particularly notable experience in the UAE and Egypt.” Clients note that Elaraby is “flexible and able to adapt to market conditions that can change very quickly” and someone who can “come up with innovative solutions to resolve any issues that arise.”

Elaraby received his Juris Doctor from Columbia University School of Law and his bachelor’s degree from The American University in Cairo, majoring in economics. He is admitted to practice in the State of New York.

Jean Cheval

Non-Executive Board Member of EFG Holding

Jean Cheval is a Non-Executive Member of EFG Holding's Board of Directors.

Cheval spent a significant part of his banking career at Credit Agricole Indosuez (1983–2001), where he was successively Chief Economist, Head of Strategic Planning and Budget, Head of Structured Financing, and Head of the Middle East (1994–2001) and Asia (1998–2001) prior to being appointed General Manager. Cheval also served as Director of Al Bank Al Saudi Al Fransi in KSA, WAFA Bank in Morocco, and Banque Libano-Française in Lebanon.

Cheval then became Head of Banque Audi France, Chairman of Banque Audi Switzerland (2001–2005), and member of the Board of Audi-Saradar Bank (2002–2006). After four years as Head of the Bank of Scotland 's Paris branch, he joined Natixis in June 2009, leading the Debt and Finance department (Structured Finance) until 2012 and the European area between 2011 and 2012.

Cheval then became Head of Finance and Risk, member of Natixis Senior Management Committee, and Second Senior Manager of Natixis in September 2012, holding said positions until October 2017. Between then and March 2022, he became Senior Advisor to Natixis' CEO, chairing the Credit Risk Committee and acting as Natixis Chief Negotiator for the main operations of financial restructuring.

Cheval currently chairs the Risk Management Committee of the Board of Alpha Bank (Greece) and the Natixis Foundation for Research and Innovation. He is also a member of the Board of Natixis Algeria and Senior Advisor to Sycomore Corporate Finance.

Jean Cheval graduated from École Centrale de Paris (Engineering School) and was a PhD candidate at the University of California, Berkeley. He also holds several degrees in economics (Paris I) and mathematical statistics (Paris VI). He started his career as an economist and then worked several years for the French Ministry of Industry and the French planning agency.

Abdulla Khalil Al Mutawa

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

Abdulla Khalil Al Mutawa is a Non-Executive, Independent Member of EFG Holding's Board of Directors. He is a competent and dedicated investment professional with more than 39 years of experience and a comprehensive background in finance and administration. He is currently the General Manager of the Private Office of H.E. Sheikh Suroor Bin Mohammad Al Nahyan.

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

Al Mutawa is also Chairman of Makhazen Investment Private Joint-Stock Company (PJSC), Abu Dhabi, and Chairman of the Makhazen Executive Committee.

Al Mutawa holds a BSc in business administration from the University of North Carolina, USA.

Khalid Mana Saeed Al Otaiba

Office Manager for
His Excellency Dr. Mana Saeed Al Otaiba

Khalid Mana Saeed Al Otaiba is a Non-Executive, Independent Member of EFG Holding's Board of Directors. Al Otaiba has been Office Manager for His Excellency Dr. Mana Saeed Al Otaiba, Personal Advisor to H. H. President of the UAE Sheikh Mohammed bin Zayed Al Nahyan since 2000. Al Otaiba also holds the post of Deputy Chairman of Al Otaiba Group of Companies. Al Otaiba leverages his over 22-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 Ghantoot International and Bank Alfalah, as well as Director of Royal Mirage Masdar, Abu Dhabi.

Al Otaiba holds a BA in international economics from Suffolk University, Boston, Massachusetts.

Ramsay Zaki

Founder, Wafra Export

Ramsay Zaki is a Non-Executive, Independent Member of EFG Holding's Board of Directors. In 2014, Zaki founded Wafra Export, a fruit export company that owns a state-of-the-art packing house and grows its produce on a 360-acre plot. Zaki was part of the EFG Holding team for 18 years, starting as Head of Operations of Brokerage in 1995 and ending his tenure as Chief Operating Officer (COO).

As COO, Zaki was responsible for managing operational matters, including compliance-related functions. Zaki's contribution to EFG Holding includes rapidly growing the Firm's backbone in all countries and lines of business while maintaining the highest degree of corporate governance and ethics, as well as weathering major economic and political events in the region. He was also a member of the Firm's Board of Directors until 2013.

Prior to joining EFG Holding, 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, Zaki successfully more than doubled loans to the sector and captured a 70% market share of all private sector pharmaceutical companies operating in Egypt. Zaki was also heavily involved in the merger negotiations between the two biggest private sector pharmaceutical companies in the country.

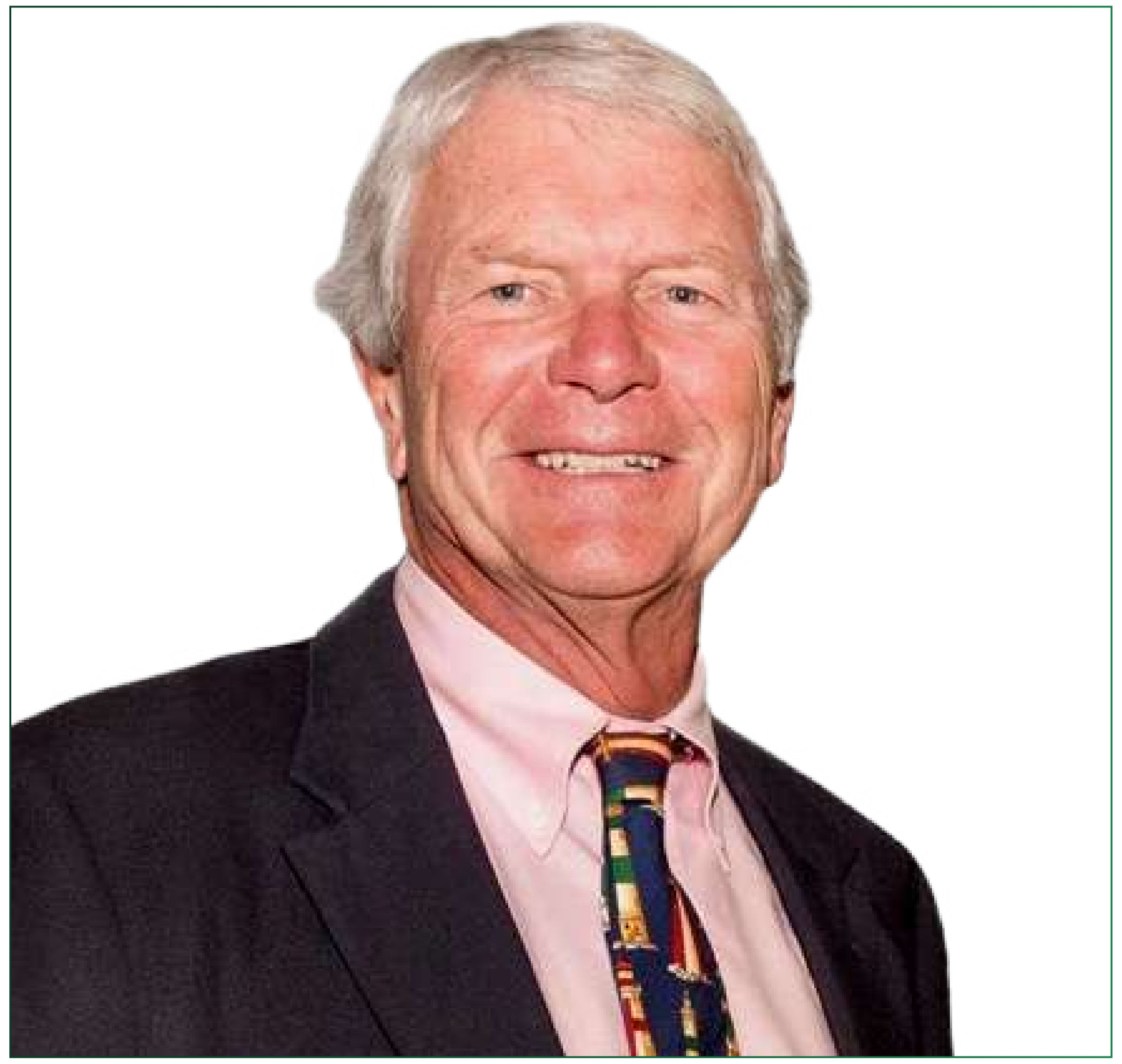
Zaki holds a BCom from Cairo University.

Géraud Brac de la Perrière

Senior Advisor, NATIXIS

Géraud Brac de la Perrière is a Non-Executive Member of EFG Holding's Board of Directors. He has been the Senior Advisor of Natixis' CEO and Co-Chairman of Natixis' Credit Committee since January 2022. He was the Group Chief Risk Officer at BPCE from 2019 to 2021. Before that, he used to be the Group Chief Audit Executive at BPCE from 2010 to 2018. Brac de la Perrière was also the CEO of Allianz Global Investors France from 1996 to 2010. He had previously held several executive responsibilities at CACIB (Banque Indosuez) in France and Switzerland from 1987 to 1996. At the beginning of his career, he worked as an Inspector of Finance at the French Ministry of Finance from 1983 to 1987.

Brac de la Perrière graduated from HEC Paris and Ecole Nationale d'Administration.



Thomas Volpe

Founder and Managing Member of Volpe Investments, LLC

Tomas Volpe is a Non-Executive, Independent Member of EFG Holding's Board of Directors. He is the Founder and Managing Member of Volpe Investments, LLC, a private equity investment firm based in Silicon Valley, CA. Previously, from 2007 to 2012, he lived in Dubai, UAE, and was the CEO and Board member of Dubai Group, LLC, one of the Dubai ruler's global private investment firms. From 1986 to 2000, Volpe was the Founder, Chairman, and CEO of Volpe Brown Whelan & Company (VBW), an international risk capital, investment management, and investment banking firm focused on rapidly growing entrepreneurial companies in the technology and healthcare industries. VBW was sold to Prudential Securities in 2000, and Volpe served as Chairman of the renamed Prudential Volpe Technology Group. Before forming VBW, Volpe was CEO, President, and Board Member of Hambrecht & Quist Incorporated (acquired by J.P. Morgan), the world's leading technology and healthcare-focused venture capital and investment banking firm. Throughout his career, Volpe has served on numerous Boards, including publicly traded, private, and nonprofit entities.

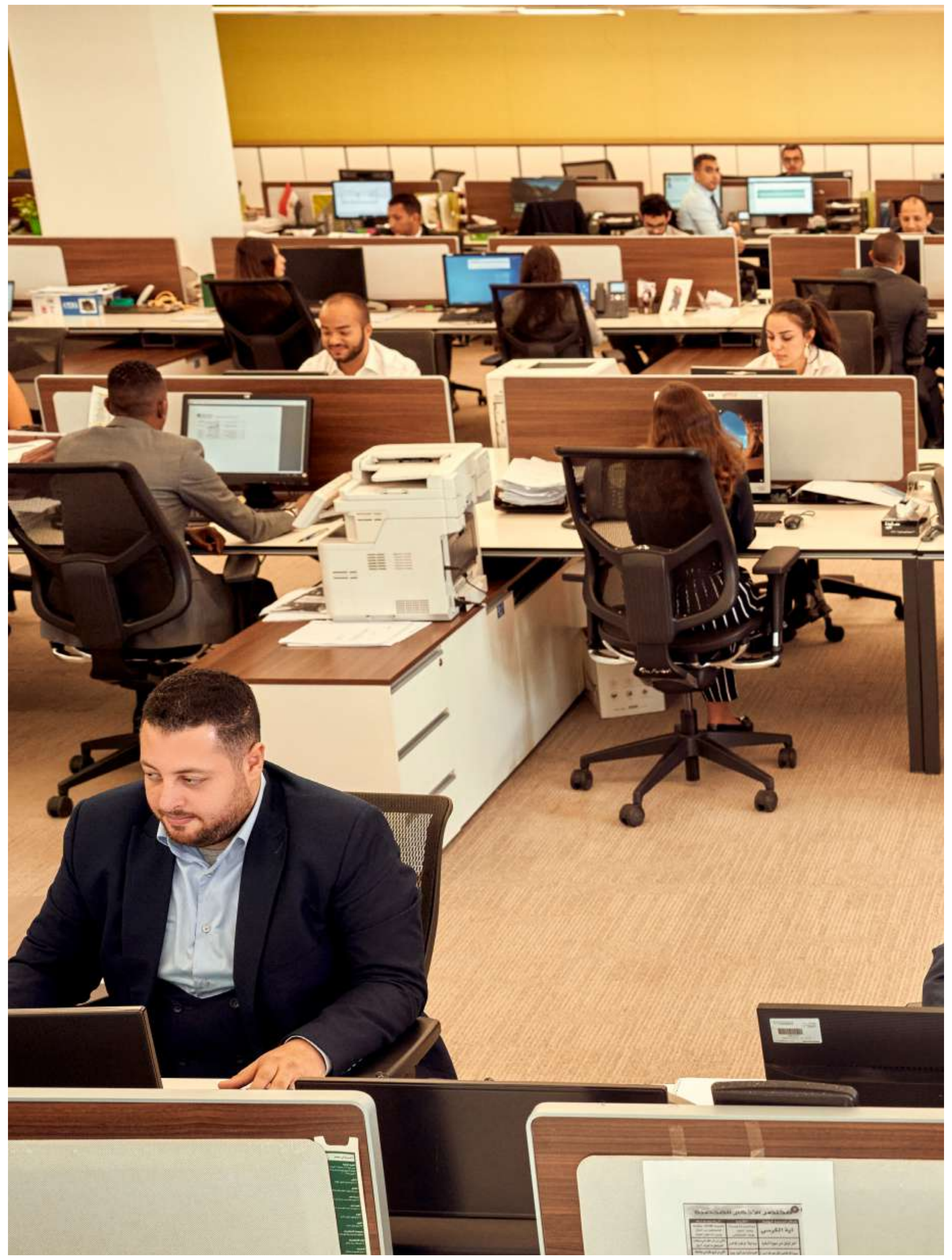
Volpe received a BA (cum laude) in economics from Harvard College; an MSc in economics from the London School of Economics and Political Science, where he studied on a fellowship from the Rotary International Foundation; and an MBA from the Harvard Business School. Volpe also serves as Chairman and CEO of 7th Inning Stretch LLC, a sports-focused investment company that, among other investments, currently owns three minor league baseball teams, namely the Stockton (CA.) Ports, an Oakland A's affiliate; the Everett (WA.) AquaSox, a Seattle Mariners affiliate; and the Delmarva (MD.) Shorebirds, a Baltimore Orioles affiliate.

Mona Yassine

Non-Executive Board Member of EFG Holding

Mona Yassine is a Non-Executive, Independent Member of EFG Holding's Board of Directors. Yassine has a 40-year banking career, of which 25 were with Citibank N.A. Egypt in corporate banking and risk management, three years with Banque du Caire as Executive Vice Chairman, and five years as Chairman for the Cairo FarEast Bank and non-executive Board Member of Banque Misr and Banque du Caire, and five years as Chief Country Officer for Abu Dhabi Islamic Bank in Iraq. She was appointed the first chairperson of the Egyptian Competition Authority for five years. Yassine founded the Egyptian Association for the Protection of Competition, an NGO established in Cairo, Egypt, in September 2011, and assumed the post of Vice Chairperson. She was also Non-Executive Board Member of Egylease from 2018 to 27 April 2023. She was involved in reforms, restructuring debt, and market repositioning for multiple banks throughout her career.

Yassine holds a BA in economics and management from The American University in Cairo. She also obtained an Investment Appraisal and Management Diploma from Harvard University, School of Government, USA.



CORPORATE SUSTAINABILITY & IMPACT (CSI)

OUR APPROACH TO SUSTAINABILITY

EFG Holding commemorates a decade of commitment to sustainability reporting, reflecting its unwavering dedication to transparency and accountability. Since adopting a social purpose in 2014, the Group has integrated sustainable practices into its core operations, emphasizing ESG aspects. Through robust reporting mechanisms, including the introduction of its first Carbon Footprint Report this year, EFG Holding demonstrates its commitment to climate action and long-term value generation for stakeholders.

The Group's sustainability journey began with the establishment of the EFG Foundation in 2006, focusing on sustainable development rather than traditional charity. Over time, this philosophy permeated the Group's business operations, influenced by evolving political and economic landscapes. Active membership in the United Nations Global Compact (UNGC) since 2011 laid the groundwork for sustainability initiatives, driven by internal awareness-building and increasing demand for robust ESG policies from international stakeholders.

EFG Holding celebrates a decade of consistent and steady growth in our sustainability disclosures.

EFG Holding's deliberate approach to sustainability, marked by a shift from philanthropy to strategic initiatives within the CSI Department, underscores its commitment to genuine and impactful efforts. With a focus on key SDGs and a dual approach of investment and financing, the company aims for maximum impact while aligning its operations with global sustainability standards. As it looks ahead, EFG Holding remains dedicated to fostering sustainable development, maintaining leadership in governance and accountability, and engaging stakeholders to achieve its sustainability goals in the coming years.

The Pillars Guiding Our Sustainability Strategy

Environmental

Remaining mindful of our carbon footprint, promoting sustainable business operations, and executing investments that ensure the sustainability of the environment at large.

Social

Supporting our people and the communities we serve through key initiatives and leveraging the power of technology to create social impact.

Governance

Establishing strict internal frameworks and reporting mechanisms that promote transparency and accountability across all levels of the Group.

Recognition for Our Efforts in 2023

Awards received by EFG Holding and its subsidiaries:

EFG Holding is recognized as a finalist in the ESG Investing Awards for Best Corporate Sustainability Strategy, Best ESG Investment Fund: Infrastructure, and Best ESG Investment Fund: Private Equity.

Awards received by executives at EFG Holding:

Hanaa Helmy, Group Chief Sustainability Officer, EFG Holding, and CEO of the EFG Foundation, has been recognized as one of five MENA Businesswomen Leading the Sustainability Agenda by Forbes Middle East.

THE CARBON FOOTPRINT REPORT

In 2023, EFG Holding released its first-ever Carbon Footprint Report, restating its commitment to reducing carbon emissions.

At a Glance
Strategic Direction
EFG Hermes
EFG Finance
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CSI
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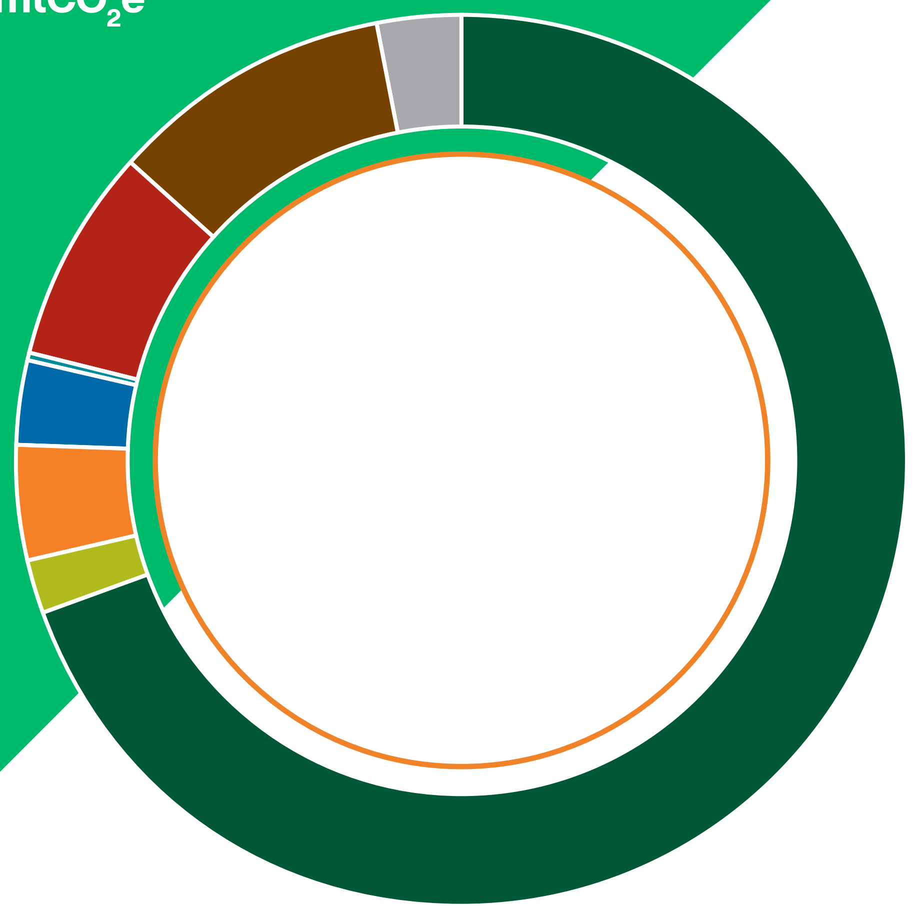
In 2019, EFG Holding issued a Statement on Climate Change, and subsequently, climate change considerations were included in the Group's ESG policy. As a clear continuation of these efforts, the Firm is proud to report the release of its first Carbon Footprint Report (CFR) in 2023.

Carbon footprinting is a powerful tool that enables organizations to assess their environmental impact and develop strategies to reduce their carbon emissions. By identifying areas of high impact and implementing effective measures to reduce carbon emissions, organizations can not only improve their environmental performance but also drive cost savings, enhance brand reputation, and increase their competitive edge.

The CFR reporting period is for the year 2022 (considered the base year). It presents a summary of EFG Holding's climate initiatives and efforts, in addition to surveying and calculating the Firm's carbon footprint. Although this is considered the first attempt to quantify and assess the greenhouse gas (GHG) emissions generating from the organization's operations, EFG Holding tried to cover as many scopes and emission sources as possible at this early stage. The report also presents the methodology followed in the identification, data collection, and analysis of GHG emissions, as well as any limitations or assumptions. It identifies the way forward and recommended actions.

Total Emissions per Category

in $mtCO_2e$



Categories	$mtCO_2e$
Diesel Generator	11.5
Company Owned Cars	404.9
Business Travel	549.5
Commuting	155.7
Electricity	3,690.2
Paper Consumption	99.6
Waste	0.7
WTT	221.4
Water Supply and Treatment	168.3

The carbon footprint assessment was conducted based on several international and widely applied standards, protocols, and guidelines specially developed for accounting and reporting, and it was released in accordance with requirements of the Egyptian FRA, which recently mandated ESG reporting for publicly listed organizations and required climate reporting according to the TCFD for large NBFIs.

Based on the Group's CFR findings, a series of recommendations were developed, in addition to initiatives and activities already in the pipeline in each of the three categories. Recommendations vary across the three categories and include assessments, monitoring, and benchmarking activities to strengthen the internal policy environment and identify potential bottlenecks and challenges. They also include the development of decarbonization policies and procedures and engagement with subsidiaries, such as EFG Corp-Solutions and Valu, to help identify initiatives to deepen their portfolios in areas related to climate resilience.

RESPONSIBLE INVESTING

At EFG Holding, we recognize the importance of not only identifying profitable business opportunities but also investing in impactful ventures that are paving the way for a more sustainable future.

Vortex Energy

Established in 2014, Vortex Energy, a part of EFG Hermes Private Equity, is a prominent player in energy transition investments. With a global focus, it backs projects for various investors, emphasizing sustainability and adherence to UNGC principles.

Recognizing the importance of collaboration, Vortex Energy champions public-private partnerships to accelerate the shift toward clean energy. Their substantial investments in this sector are crucial for energy security and combating climate change.

Remaining dedicated to global sustainability, Vortex Energy leads in sustainable investments, supporting infrastructure construction and technology development for a secure energy future.

Vortex Energy Legacy (I, II, and III)

Since its inception, Vortex Energy has deployed, managed, and harvested capital across three fund vehicles, focusing on efficient portfolio management and maximizing its environmental and social impact.

Since its inception and up to 2020, Vortex Energy acquired operational renewable energy generation plants (wind and solar) in continental Europe. Vortex Energy accumulated 822MW of net capacity attributable to its stakes in individual assets across Spain, Portugal, Belgium, France, and the UK. Over their respective holding periods, the assets' operation was optimized for maximum clean energy generation and was aligned to the latest best industry practices to prolong their expected lifetimes. Vortex Energy delivered 4.6 terawatt hours (TWh) of clean energy, which displaced approximately 4.5 million metric tons of carbon dioxide equivalent ($mtCO_2e$).

The legacy assets seeded by Vortex Energy continue to operate today and will continue to save 1.4Mn metric tonnes of $mtCO_2e$ per year for the next few decades.

Vortex Energy (IV)

Leveraging its expertise and adaptable approach, Vortex Energy aims to offer investors balanced exposure to a diverse portfolio of energy transition assets. Employing innovative, proven technologies, the company targets double-digit investment returns with a yield component. Key sectors include generation (such as utility-scale solar PV, wind, hydropower), storage (BESS, pumped hydro), EV charging infrastructure, and energy services

across developed and developing regions, including Europe, North America, Latin America, and Australia.

In 2023, Vortex furthered its commitment to sustainability by launching its first SFDR Article 8+ fund, domiciled in Luxembourg, in compliance with the EU Sustainable Finance Disclosure Regulations and EU Taxonomy. This fund is primed to welcome the next wave of investors.

Vortex IV & Ignis Synergetic Partnership

In October 2021, Vortex IV initiated its first investment by entering a definitive agreement with Ignis Energy Holdings (Ignis), the parent company of Ignis Group, a leading Spanish renewable energy player. Through this agreement, Vortex IV injected EUR 300 million into Ignis to fuel its ambitious growth plans, aiming to expand its renewable energy portfolio to over 20 GW and establish itself as a fully integrated renewable Independent Power Producer (IPP) in Spain and beyond. Ignis, supported by Vortex Energy, has already secured permits for 4.2 GW solar PV projects, with 400 MW under construction and 150 MW already operational in Spain.

The partnership with Ignis positions Vortex IV to strategically deploy capital worldwide, accelerating the clean energy transition. These investments stand to benefit from increasing momentum toward clean energy, driven by robust market fundamentals and supportive regulatory environments. As a sustainable and expanding sector, clean energy is poised to attract significant capital inflows over the next two decades.

Vortex IV & EO Charging: An Evolutionary Partnership

In Q123, Vortex Energy invested USD 80 million in EO Charging, a British EV charging company, alongside Zouk Capital. This supports EO's global leadership goals in EV fleet charging amid the rising adoption of zero-emission transport. It reflects Vortex Energy's commitment to energy transition through innovative investments.

EO specializes in smart charging for various EV fleets, expanding across North America and Europe while leading in the UK market. With over 80,000 chargers deployed globally, including for companies like Amazon and Uber, EO is positioned for growth. This partnership allows Vortex IV to accelerate transport electrification, tapping into the growing clean mobility sector poised for continued investment influx.

aiBANK – The Retail Green Loan Program

aiBANK has developed campaigns aimed at empowering homeowners to embrace solar energy. Through this program, the bank provides financing of up to EGP 2 million with flexible terms extending up to seven years and competitive interest rates without any administrative fees. This tailored financing solution is available to individuals and business owners seeking to install solar panels or other renewable energy systems, thus ensuring that clean energy becomes accessible to all. aiBANK has also launched a campaign that enables its clients to secure financing of up to EGP 4 million to purchase eco-friendly electric or hybrid cars.

Valu's Financing Solutions for Renewable Energy

Valu has partnered with several solar energy suppliers to offer their clients convenient financing solutions for purchasing and maintaining solar panels. This collaboration aims to make it easier for Egyptians to embrace green energy by providing flexible payment options. By bringing together financial flexibility and sustainable solutions, Valu empowers more people to adopt solar energy solutions, fostering Egypt's greener and more sustainable future.

EFG Hermes ONE – Encouraging Investment in the Energy Transition

EFG Hermes ONE promotes exchange-traded funds (ETFs) that support impact investment in green energy-related companies, aligning with EFG Holding's commitment to energy transition. These ETFs offer concrete investment opportunities in sectors crucial to the transition, such as renewable energy, energy storage, electrified transport and buildings, clean industry, clean shipping, and power grids. This approach makes ESG investment more tangible for investors, providing attractive opportunities that complement traditional investments.

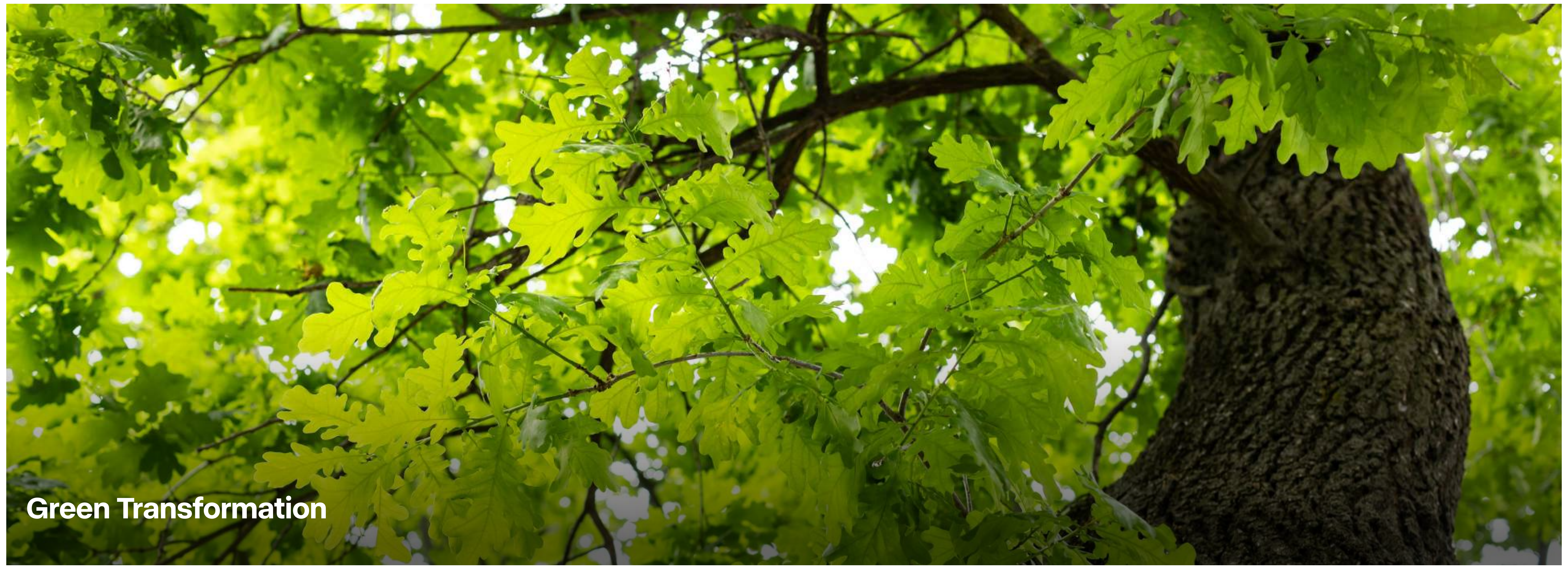
As part of EFG Holding's belief in the value of investing in energy transition, EFG Hermes ONE promotes several ETFs with themes that support impact investment in green energy-related companies.

For many investors, ESG investment is a vague concept; however, investing in energy transition or infrastructure projects is concrete with tangible results. ETFs, such as those offered through EFG Hermes One, provide attractive investment opportunities that investors can relate to their traditional investments. They cover a wide scope of sectors central to the transition, including renewable energy, energy storage, electrified transport and buildings, clean industry, clean shipping, and power grids.

EFG Hermes ONE offers three energy transition-themed ETFs


Energy Storage


Renewable Energy


Green Transformation

At a Glance
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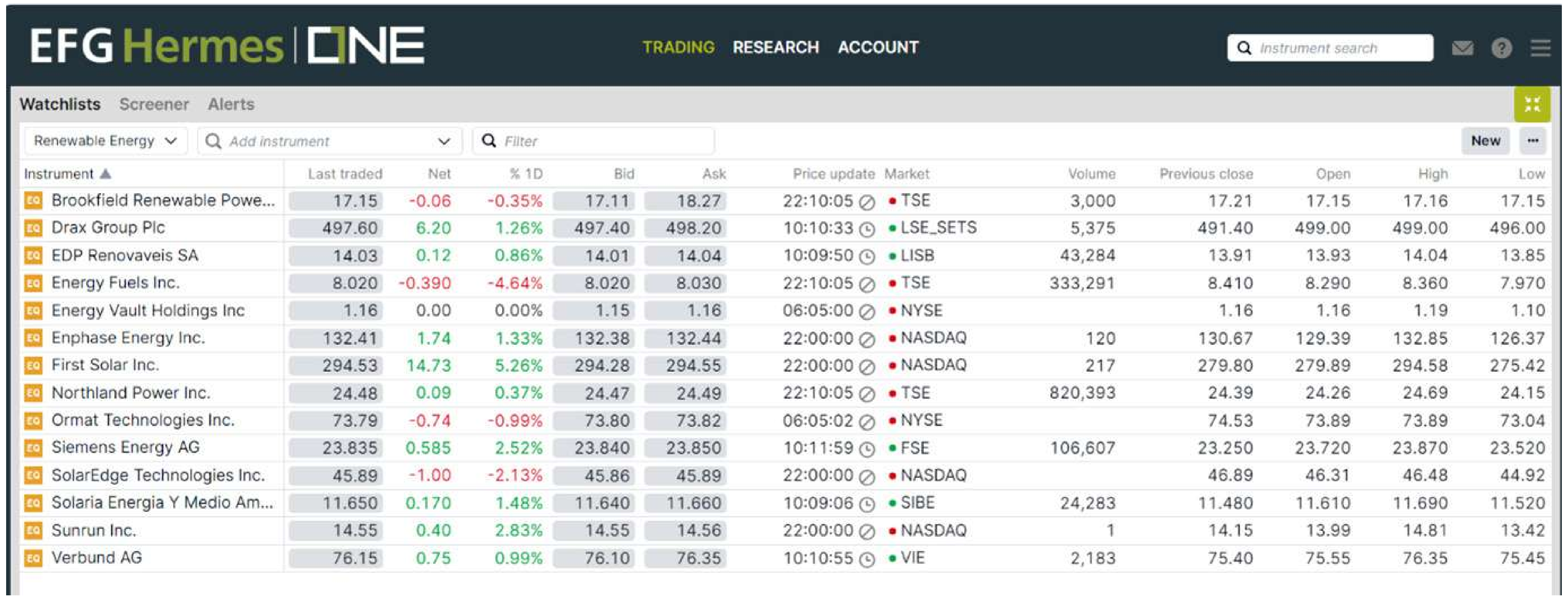
It should be noted, however, that while these themes have been successful for investors, they don't come without risk. This trend has no lack of staying power or signs of vanishing political capital; instead, the risks come from the largely high-equity valuations, which have been steep when compared to the global equity market.



EFG Corp-Solutions

EFG Corp-Solutions is one of EFG Holding's flagship NBFI subsidiaries. It provides leasing and factoring services that can be combined in customized packages designed to provide optimal financing. It provides financing for innovative, eco-friendly initiatives in several sectors:

Tourism:

The government's agenda includes sustainable environmental dimensions in Egypt's tourism sector planning. In 2023, EFG Corp-Solutions allocated EGP 830 million into financing through its leasing arm to top-notch clients in the tourism industry who promote eco-tourism.

Real Estate:

Among the unconventional lending for real estate developers, EFG Corp-Solutions' Leasing division has allocated EGP 220 million to finance a mixed-use real estate developer that promotes and follows eco-friendly principles through the application of green renewable energy embedded in solar panels in one of its flagship Cairo developments.

Trading Companies:

Egypt is a prime location for renewable energy projects due to its weather, high wind speeds, and abundance of land. As such, the government is targeting to generate 42% of the total electricity from renewable resources by 2035, with most of this capacity expected to be delivered by the private sector.

EFG Corp-Solutions' Factoring provides financing for a client who imports and distributes solar plant equipment with a specialization in pumping solutions tailored for the agricultural sector. Furthermore, the client is investing in manufacturing solar panel frames, along with providing on-ground engineers as a complimentary service for the installation of its products. The client had factored invoices of EGP 9.6 million in FY23, along with total factored invoices of EGP 31.5 million since the company's inception.

Clean Energy for Schools – The Development Side of Transition Investing

Since 2006, the EFG Foundation for Social Development has been dedicated to integrated sustainable development in Egypt's rural areas. It focused on residential rehabilitation, water, and sewerage projects but recently shifted to economic empowerment. One key area of focus is access to affordable, clean energy. The Foundation successfully installed solar PV grids in Naga' El Fawal and El Deir villages, generating income by returning excess power to the grid. This success led to a partnership with the Ministry of Education to transition 25 schools and government buildings to solar energy in Luxor and Aswan. The project aims to improve education and living standards while saving costs and creating employment opportunities. It highlights the value of partnerships between the private sector, government, and civil society in driving sustainable development initiatives.

Since 2006, the EFG Foundation for Social Development has been dedicated to integrated sustainable development in Egypt's rural areas.

The Shagrha Initiative

The Young Scholars Academy is a Montessori preschool established as part of the EFG Foundation's integrated development work in Upper Egypt. A recent initiative involves a strategic partnership with the Egyptian social enterprise Shagrha, which specializes in sustainable development services with a focus on combating climate change. This collaborative effort incorporates a tailored program addressing various facets of environmental sustainability. Activities include cultivating homegrown, nutritious produce using recyclables; the creation of organic compost; and promoting awareness regarding the benefits of reducing carbon footprint and actively combating climate change. This program is designed to engage students and teachers in sustainable practices, fostering a culture of environmental responsibility within the academy.

EDUCATION & HEALTHCARE

As we navigate through a rapidly evolving landscape, we firmly believe that investing in education is a strategic imperative to drive economic development and societal progress.

EFG Holding champions investment in educational services and infrastructure in Egypt and beyond through innovative projects and deals, aiming to expand quality education in the region. Similarly, investment in the pharmaceutical and healthcare industries is crucial for achieving SDG 3 — ensuring healthy lives and promoting well-being for all ages. The COVID-19 pandemic highlighted the need to anticipate future healthcare needs, which requires significant investment in infrastructure, research, and manufacturing. EFG Holding prioritizes innovative healthcare investments and works to increase accessibility through various financing solutions. These efforts are supported by the EFG Foundation projects that build capacity in the healthcare sector.

The Egypt Education Platform

Established in 2019, the EEP is supported by regional and global investors, including EFG Hermes' Private Equity, TSFE, and GEMS Education Global. EEP is committed to delivering high-quality education and addressing the gap in Egypt's educational sector. With a focused vision and skilled management, EEP is rapidly becoming a leading educational provider in Egypt.

The EEP's portfolio includes 25 assets across the country, serving approximately 20,000 students. The platform operates under five brands: GEMS International Schools, Hayah Schools, Prime International Language Schools, Trillium Preschools, and Selah El Telmeez for education content development. The EEP also provides student transportation through its majority-owned Option Travel.

EFG Holding champions investment in educational services and infrastructure in Egypt and beyond through innovative projects and deals, aiming to expand quality education in the region.

Cosmic Village School Complex

In 2023, the EEP inaugurated four schools in the first phase of the Cosmic Village School Complex, part of a partnership with TSFE and private sector pioneers, to provide affordable, world-class education to middle-income Egyptian families. The EEP, TFSE, ElSewedy Capital Holding, CIRA Education, and Mobica aim to offer high-quality education with inclusive scholarship opportunities comparable to US, European, or Chinese education. The curriculum includes early coding classes and fields like fashion, music, arts, and manufacturing, typically reserved for university-level study. Currently, the four schools serve about 1,000 students, with a target of serving 10,000 upon completion of the first phase, noting that a fifth school is in the pipeline. EFG Holding is committed to supporting this partnership and advancing the development of Egypt's education sector.

Valu's Healthcare & Education Financing

Over the past two years, Valu has pioneered education and healthcare finance through innovative collaborations. In 2022, Valu partnered with The American University in Cairo (AUC) to offer affordable financing for undergraduate and graduate degrees. It also teamed up with PayTabs Egypt and The Knowledge Hub Universities (TKH) to enable TKH students to use Valu's financing and PayTabs' online payment gateway. Additionally, Valu has partnered with various schools to provide BNPL services for tuition payments.

In the healthcare sector, Valu has facilitated financing through partnerships with healthcare providers. In 2023, Valu announced three new partnerships focused on career growth, vocational training, and access to medication, reinforcing its commitment to innovative financing solutions.

The Egyptian Banking Institute

Valu announced its partnership with the Egyptian Banking Institute (EBI), the official training arm of the CBE, to offer convenient financing and affordable financing plans for individuals seeking to pursue EBI's training programs. The EBI excels in providing state-of-the-art training solutions in line with the latest industry international best practices. Its mandate is to develop the human capital in the banking sector in the fields of banking, management, leadership, information technology, and SMEs.

ElSewedy University of Technology

In 2023, Valu also announced a partnership with ElSewedy University of Technology (SUT) – Polytechnic of Egypt to offer its financing services for individuals looking to pursue degrees offered by the university. To demonstrate its belief in the value of technical education, Valu also offers a scholarship grant to one select Bachelor of Engineering Technology student. The partnership is an integral part of Valu's strategy to provide access to quality education for Egypt's youth and to promote affordability by collaborating with leading educational institutions.

GSK

Financing healthcare is essential for improving access and affordability. In 2023, Valu partnered with GSK to provide flexible financing for GSK's vaccines at pharmacies across Egypt. This collaboration aims to make vaccines more affordable and accessible, promoting a healthier society. By offering innovative financing options, Valu and GSK seek to enhance public health and well-being in Egypt, allowing individuals to prioritize preventative care. BNPL programs make vaccines more affordable, helping individuals manage healthcare expenses and easing the financial burden of medical costs.

EFG Corp-Solutions Healthcare & Education Portfolios

In the education sector, EFG Corp-Solutions has been heavily focused on increasing its contribution by increasing the total new financing of educational institutes by EGP 100 million, geographically located in El Sharkeya governorate and the New Administrative Capital. The education sector's contribution to the leasing portfolio was 8% in 2023 and provided financing for two reputable educational institutes.

RX Healthcare Management

Parallel to United Pharma's success, the RxHM platform continues to capitalize on lucrative prospects in the injectables and other generic pharma segments. Over the past year, the team has built a strong deal pipeline exceeding USD 200 million. We expect fundraising to be undertaken during 2024.

Nurse Training with the Magdi Yacoub Heart Foundation

One of the EFG Foundation's most impactful healthcare partnerships is with the Magdi Yacoub Heart Foundation (MYHF). In 2022, the Foundation, in collaboration with aiBANK and MYHF, sponsored heart surgeries for patients in need at the Aswan Heart Centre. This year, the partnership expanded through a tripartite agreement with the aiBANK Foundation and MYHF to support nurse training at the MYHF treatment centers.

The collaboration aims to enhance healthcare for cardiovascular patients, particularly in Upper Egypt. The AHC nurse fellowship program, a prestigious national training initiative, selects 70 nurses annually from five Egyptian universities for comprehensive cardiac care training. With an 80% retention rate, most fellows receive full-time job offers at AHC, and many hold senior hospital positions or pursue successful careers in hospitals across Egypt.

THE EFG FOUNDATION – INTEGRATED SUSTAINABLE DEVELOPMENT

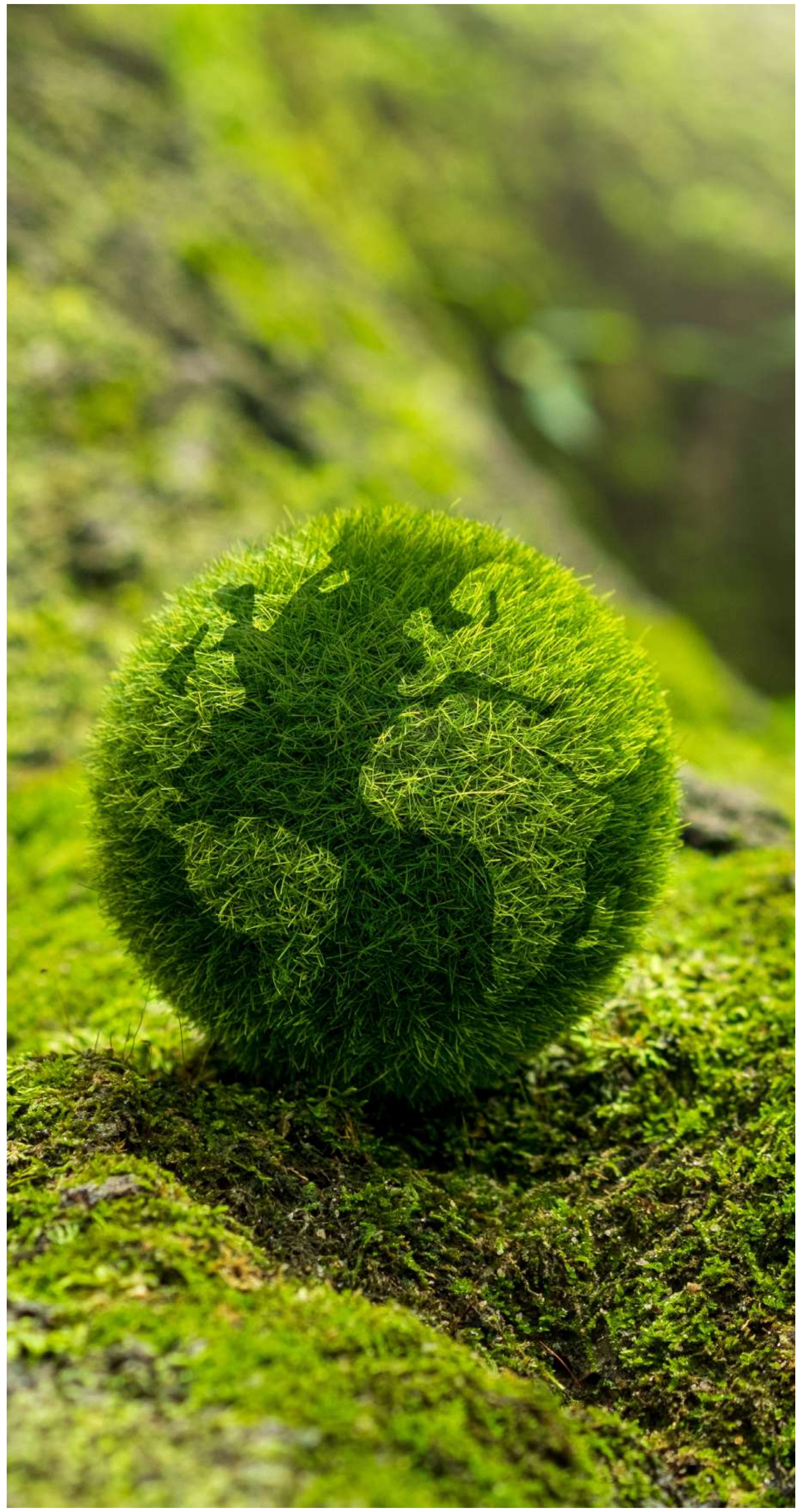
Prioritizing ethical practices, community engagement, and environmental stewardship reflects our core principles and builds trust with our stakeholders.

We take responsibility toward the communities where we do business seriously and understand the importance of giving back, primarily through the groundbreaking integrated development programs implemented by the EFG Foundation. The Foundation has been committed to the integrated development of underprivileged, rural areas in Upper Egypt since 2006 through pioneering, holistic collaborations with public, private, and community organizations in the fields of disease prevention, youth development, and poverty alleviation.

The EFG Foundation’s fundamental model for its projects is that of Integrated Sustainable Development (ISD). This approach ensures equitable progress toward all the UN’s 17 SDGs while aligning with Egypt’s 2030 agenda, as well as national development plans and objectives. The Foundation chooses ISD as an overarching tool to tackle sustainabilitys three main components — social, environmental, and economic — simultaneously to actualize lasting positive impact and avoid undesirable long-term ramifications.

Naga’ El Fawal & El Deir Integrated Devel-opment Project

Since 2017, the Foundation has been committed to Naga’ El Fawal and El Deir Village (Esna, Luxor) as the site of our most recent ISD project. In 2023, we continued our work in the area with a series of new and enhanced initiatives, each designed to increase the project’s sustainability and further empower the local community.



The Young Scholars Academy

Creating an environment that allows the residents of El Deir Village to identify opportunities and seize them is the overarching goal of our work. Over the years, we’ve been privileged to see our work help people thrive. From nursery school children getting a solid educational start in life to families finally being able to live a decent life in well-built houses with access to utilities and healthcare services, beneficiaries of our projects have demonstrated repeatedly that integrated development projects are catalysts of growth. But at the Young Scholars Academy, our work has coalesced to truly demonstrate the value of our approach to community development.

In 2023, a customized upskilling agenda was developed, set to unfold over a two-year period. This initiative aims to enhance teachers’ capacity to better address the needs of children with disabilities, and it will encompass a multitude of aspects, such as applied behavior analysis (ABA), speech therapy, sensory integration, problem-solving, debellated learning, autism assessment and reporting, and more.

Furthermore, the EFG Foundation has diligently worked toward financial inclusion by integrating 100% of the academy’s staff into the formal banking system in 2023. Lastly, in alignment with the Foundation’s steadfast dedication to climate action, the academy is powered entirely by solar energy.

The Green Footprint – Toward a Smart Green Future

In 2023, the EFG Foundation launched the Green Footprint Initiative in the El Deir community in Esna. The initiative aims to empower women to become agents of change within their families through the cultivation of rooftops and balconies. Utilizing these empty spaces for simple commercial agricultural activities can provide women with additional income that will directly affect their investment in their children's health, education, and overall livelihoods.

The project strategically utilizes the rooftops and balconies of homes and nearby buildings as operational sites, chosen for their cost-effectiveness and accessibility, particularly for women. Aloe vera has been carefully selected as the primary crop, given that it thrives in the high temperatures of the selected location of Luxor Governorate. This versatile plant can be used to produce various products, from cosmetics and medical items to dietary supplements. Smart techniques and water conservation measures are employed to ensure responsible resource management and minimize water usage during aloe vera cultivation.

Infrastructure Upgrading

As part of its ongoing commitment to enhancing El Deir's infrastructure, the EFG Foundation has successfully upgraded the rudimentary sewage network, as well as completed the construction of a pumping station dedicated to serving over 15,000 individuals in 2022. With recently obtained qualifying permits, the Foundation aims to connect its state-of-the-art sewage network and pumping station to the local wastewater treatment plant, which is set to be inaugurated in the second half of 2024. This strategic collaboration with the Holding Company for Water and Wastewater marks a crucial step forward in the Foundation's continued efforts to contribute to the community's sustainable development and improved sanitation infrastructure.

In 2023, the Foundation also delivered 66 houses to residents of El Deir village as part of a project undertaken with the Ministry of Social Solidarity and the presidential Haya Karima initiative. The project builds on the work done by the Foundation as part of the EGP-100-million Naga' El Fawal and El Deir Village Integrated Development Project, which benefits over 75,000 inhabitants. A total of 160 houses have been delivered under this initiative.

Naga' El Berkah School

Following the collaboration protocol between the EFG Foundation and the General Authority for Educational Buildings in March of 2023, the EFG Foundation has once again joined forces with the Kuwaiti Initiative to build a school in Luxor's Naga' El Berkah village.

This initiative expands the EFG Foundation's commitment to advancing its sustainable development approach throughout Luxor Governorate, extending beyond its flagship projects in El Deir village. The General Authority for Educational Buildings guided the selection of the location, responding to the urgent need for educational facilities in the area.

In 2023, the Foundation delivered 66 houses to residents of El Deir village as part of a project undertaken with the Ministry of Social Solidarity and the presidential Haya Karima initiative.

GOVERNANCE

EFG Holding's robust governance framework plays an essential role in managing key risks and ensures we remain aligned with our commitment to sustainable business operations.

Effective governance is a critical component of building sustainable business practices that deliver on our ESG agendas. EFG Holding is committed to fostering the integration of ESG policies across the Group to ensure the long-term sustainability of its operations. In this endeavor, and as a member of the UNGC and signatory of the UN PRI, EFG Holding prioritized developing the frameworks that allow us to best manage our risks and deliver on our ambitious growth strategies, all the while maintaining our commitment to the sustainability of the environments we operate in and ensuring that our business practices are guided by ESG principles.

At EFG Holding, our Compliance, Risk, and HR departments consistently monitor our operations to ensure our compliance with all regulatory requirements, including those relating to ESG. On this front, EFG Holding is compliant with the regulations outlined by Egypt's FRA, as well as the FRA's regulations regarding ESG disclosures, which require responding to indicators and questions across two types of disclosures: ESG indicators and the recommendations of the TCFD.

At EFG Holding, our Compliance, Risk, and HR departments consistently monitor our operations to ensure our compliance with all regulatory requirements, including those relating to ESG.

For a more comprehensive review of the Group's corporate governance frameworks and compliance with ESG-related requirements, please refer to the "Corporate Governance" section outlined in this annual report.

FINANCIAL STATEMENTS

Auditor’s Report

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

We have audited the accompanying consolidated financial statements of (Previously EFG - Hermes Holding Company) which comprise the consolidated statement of financial position as at 31 December 2023, 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 , 2023 and its consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and comply with applicable Egyptian laws and regulations relating to the preparation of these financial statements.

KPMG Hazem Hassan
Cairo, March 20, 2024

Consolidated Statement Of Financial Position

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

	Note no.	31/12/2023	(in EGP Thousands) *(Restated) 31/12/2022
Assets			
Cash and cash equivalents	(6)	32,252,243	26,214,250
Loans and faciltites to customer	(9)	40,196,971	33,222,142
Accounts receivables	(8)	6,770,962	6,168,256
Investments at fair value through profit and loss	(7)	9,196,191	6,772,893
Investments at fair value through OCI	(10)	11,647,611	14,080,121
Investments at amortised cost	(12)	11,233,860	11,518,692
Assets held for sale	(5)	330,652	349,701
Equity accounted investees	(11)	844,793	606,433
Investment property	(13)	98,701	118,985
Property, plant and equipment	(14)	2,177,789	1,636,043
Goodwill and other intangible assets	(15)	2,315,613	1,947,231
Deferred tax assets	(22)	126,411	64,486
Other assets	(16)	4,716,177	3,401,911
Total assets		**121,907,974**	**106,101,144**
Liabilities			
Due to banks and financial institutions	(17)	14,182,413	12,371,836
Customer Deposits	(18)	50,634,207	48,130,172
Loans and borrowings	(24)	8,423,357	5,408,502
Creditors and other credit balances	(21)	5,729,307	4,570,192
Accounts payable - customers credit balance at fair value through profit and loss	(19)	680,319	379,039
Accounts payable - customers credit balance		11,319,690	10,194,569
Issued bonds	(20)	749,003	500,000
Provisions	(23)	1,167,730	903,716
Current tax liability		638,583	473,873

Consolidated Statement Of Financial Position (continued)

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

			(in EGP Thousands)
			*(Restated)
	Note no.	31/12/2023	31/12/2022
Deferred tax liabilities	(22)	987,436	800,661
Total liabilities		**94,512,045**	**83,732,560**
Equity			
Share capital	(25)	7,298,030	5,838,424
Legal reserve		972,344	867,455
Share premium		1,668,624	1,668,624
Other reserves		4,843,110	3,125,556
Retained earnings		8 538 917	7,423,239
Equity attributable to owners of the Company		23,321,025	18,923,298
Non - controlling interests	(26)	4,074,904	3,445,286
Total equity		27,395,929	22,368,584
Total equity and liabilities		**121,907,974**	**106,101,144**

** See note (35)*

The accompanying notes and accounting policies from page (145) to page (224) are an integral part of these consolidated financial statements and are to be read therewith.

Chairperson

Group Chief Executive Officer

Consolidated Income Statement

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

			(in EGP Thousands) *(Restated)
	Note no.	31/12/2023	31/12/2022
Interest income	(33)	13,484,814	9,295,889
Interest expense		(8,863,833)	(5,698,005)
Net Interest Income		**4,620,981**	**3,597,884**
Fee and commission income	(33)	7,161,919	4,804,816
Fee and commission expense		(719,609)	(508,240)
Net Fees and commission Income		6,442,310	4,296,576
Securities gain (loss)		171,671	(847,027)
Changes in investments at fair value through profit & loss		1,411,890	923,031
Dividend income	(33)	81,477	5,661
Other revenues	(28)	730,930	381,501
Foreign currencies exchnage differences		1,154,847	2,495,675
Gains on selling assets held for sale		9,797	5,487
Share of profit from equity accounted investees	(33)	45,048	76,562
Revenue		**14,668,951**	**10,935,350**
General administrative expenses	(32)	(8,612,116)	(6,426,257)
Financial guarantee provision	(23)	(38,055)	(21,174)
Impairment loss on assets	(29)	(1,042,335)	(736,750)
Provisions	(23)	(235,053)	(156,890)
Depreciation and amortization	(13,14,15)	(476,686)	(335,734)
Profit before tax		**4,264,706**	**3,258,545**
Income tax expense	(30)	(1,093,997)	(1,103,724)

Consolidated Income Statement (continued)

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

	Note no.	31/12/2023	(in EGP Thousands) *(Restated) 31/12/2022
Profit for the year		**3,170,709**	**2,154,821**
Profit attributable to:			
Owners of the company		2,498,471	1,802,815
Non - controlling interests	(26)	672,238	352,006
		3,170,709	**2,154,821**
Earnings Per Share (EGP)	**(36)**	**1.71**	**1.24**

** See note (35)*

The accompanying notes and accounting policies from page (145) to page (224) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated Statement Of Comprehensive Income

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

		(in EGP Thousands)
		*(Restated)
	For the year ended	
	31/12/2023	31/12/2022
Profit for the year	3,170,709	2,154,821
Other comprehensive income:		
Items that are or may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	1,919,415	3,210,783
Foreign currency translation differences - reclassified to profit or loss	(198,160)	(852,752)
Investments at fair value through OCI - net change in fair value	(255,753)	(108,439)
Investments at fair value through OCI - net change in fair value - reclassified to profit or loss	215,549	(3,016)
Investment at fair value through OCI - reclassified to retained earnings	(1,064)	(547)
Share of OCI of equity accounted investees	1,313	206
Actuarial Gain (loss) re-measurement of employees' benefits obligations	3,512	(4,505)
Related tax	14,319	25,089
Other comprehensive income, net of tax	**1,699,131**	**2,266,819**
Total comprehensive income	**4,869,840**	**4,421,640**
Total comprehensive income attributable to:		
Owners of the company	4,111,073	3,920,715
Non - controlling interests	758,767	500,925
	4,869,840	**4,421,640**

** See note (35)*

The accompanying notes and accounting policies from page (145) to page (224) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated Statement Of Changes In Equity

As at December 31, 2023

(in EGP Thousands)

	Attributable to owners of the Company											
	Share capital	Legal reserve	Share premium	Other reserves General reserve	Translation reserve	Fair value reserve	Empolyee stock Ownership plan reserve	Operational Risk Reserve	Retained earnings	Total	Non - controlling interests	Total equity
Balance as at 31 December 2021, as previously reported	**4,865,353**	**840,273**	**1,668,624**	**158**	**1,810,570**	**(1,176,955)**	**149,647**	**-**	**6,390,395**	**14,548,065**	**2,758,225**	**17,306,290**
Impact of Purchase price allocation of aiBANK	-	-	-	-	-	-	-	-	96,524	96,524	201,674	298,198
Restated Balance as at 31 December 2021	**4,865,353**	**840,273**	**1,668,624**	**158**	**1,810,570**	**(1,176,955)**	**149,647**	**-**	**6,486,919**	**14,644,589**	**2,959,899**	**17,604,488**
Total comprehensive income												
Profit	-	-	-	-	-	-	-	-	1,839,716	1,839,716	354,368	2,194,084
Other comprehensive income	-	-	-	-	2,169,290	(47,433)	-	-	(3,958)	2,117,899	148,920	2,266,819
Total comprehensive income	-	-	-	-	2,169,290	(47,433)	-	-	1,835,758	3,957,615	503,288	4,460,903
Transactions with owners of the Company												
Contributions and distributions												
Dividends	973,071	-	-	-	-	-	-	-	(1,088,678)	(115,607)	(95,657)	(211,264)
Transferred to legal reserve	-	27,182	-	-	-	-	-	-	(27,182)	-	-	-
Employee stock ownership plan (ESOP)	-	-	-	-	-	-	139,364	-	-	139,364	-	139,364
Operational risk reserve	-	-	-	-	-	-	-	80,915	(80,915)	-	-	-
Changes in ownership interests												
Changes in ownership interests without change in control	-	-	-	-	-	-	-	-	334,238	334,238	48,374	382,612
Balance as at 31 December 2022, as previously reported	**5,838,424**	**867,455**	**1,668,624**	**158**	**3,979,860**	**(1,224,388)**	**289,011**	**80,915**	**7,460,140**	**18,960,199**	**3,415,904**	**22,376,103**
Impact of Purchase price allocation on subsidiary	-	-	-	-	-	-	-	-	(36,901)	(36,901)	29,382	(7,519)
Restated Balance as at 31 December 2022	**5,838,424**	**867,455**	**1,668,624**	**158**	**3,979,860**	**(1,224,388)**	**289,011**	**80,915**	**7,423,239**	**18,923,298**	**3,445,286**	**22,368,584**
Restated Balance as at 31 December 2022	**5,838,424**	**867,455**	**1,668,624**	**158**	**3,979,860**	**(1,224,388)**	**289,011**	**80,915**	**7,423,239**	**18,923,298**	**3,445,286**	**22,368,584**

Consolidated Statement Of Changes In Equity (continued)

As at December 31, 2023

(in EGP Thousands)

	Attributable to owners of the Company											
	Share capital	Legal reserve	Share premium	Other reserves General reserve	Translation reserve	Fair value reserve	Empolyee stock Ownership plan reserve	Operational Risk Reserve	Retained earnings	Total	Non - controlling interests	Total equity
Total comprehensive income												
Profit	-	-	-	-	-	-	-	-	2,498,471	2,498,471	672,238	3,170,709
Other comprehensive income	-	-	-	-	1,670,161	(61,071)	-	-	4,576	1,613,666	86,529	1,700,195
Total comprehensive income	**-**	**-**	**-**	**-**	**1,670,161**	**(61,071)**	**-**	**-**	**2,503,047**	**4,112,137**	**758,767**	**4,870,904**
Transactions with owners of the Company												
Contributions and distributions												
Dividends	1,459,606	-	-	-	-	-	-	-	(1,742,238)	(282,632)	(185,402)	(468,034)
Transferred to legal reserve	-	104,889	-	-	-	-	-	-	(104,889)	-	-	-
Empolyee stock ownership plan (ESOP)	-	-	-	-	-	-	130,937	-	-	130,937	-	130,937
Operational risk reserve	-	-	-	-	-	-	-	(22,473)	22,473	-	-	-
Changes in ownership interests												
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	3,110	3,110
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	-	437,285	437,285	53,143	490,428
Balance as at 31 December 2023	**7,298,030**	**972,344**	**1,668,624**	**158**	**5,650,021**	**(1,285,459)**	**419,948**	**58,442**	**8,538,917**	**23,321,025**	**4,074,904**	**27,395,929**

** See note (35)*

The accompanying notes and accounting policies from page (145) to page (224) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated Statement Of Cash Flows

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

(in EGP Thousands)
*(Restated)

	Note no.	For the year ended 31/12/2023	31/12/2022
Cash flows from operating activities			
Profit before income tax		4,264,706	3,258,545
Adjustments for:			
Depreciation and amortization	(13,14,15)	476,686	335,734
Provisions formed	(23)	273,108	178,064
Provisions used	(23)	(110,766)	(64,686)
Provisions reversed	(23)	(5,942)	(53,030)
Gains on sale of property, plant and equipment		(3,251)	(4,200)
Gain from securitization		(432,931)	(242,336)
Gain on sale of Investment property		(56,438)	-
Loss on sale of investment at FVTOCI		6,382	682,067
Gains on sale of assets held for sale		(9,797)	(5,487)
Amortization of premium / issue discount		(1,270,786)	(216,240)
Changes in the fair value of investments at fair value through profit and loss		(1,411,890)	(923,031)
Share of profit of equity-accounted investees		(45,048)	(76,562)
Impairment loss on assets	(29)	1,042,335	736,750
Share-based payment	(32,42-20)	130,938	139,362
Foreign currency translation differences		790,711	3,756,861
Foreign currencies exchange differences		(1,154,847)	(2,495,675)
Gains on selling of investments in subsidiaries and associates		(116,059)	-
Operating profit before changes in current assets and liabilities		**2,367,111**	**5,006,136**
Changes in:			
Other assets		(2,335,299)	(566,072)
Creditors and other credit balances		1,219,251	1,841,524
Securitization surplus		(88,297)	(147,522)

Consolidated Statement Of Cash Flows (continued)

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

		(in EGP Thousands)	
			*(Restated)
		For the year ended	
	Note no.	31/12/2023	31/12/2022
Accounts receivables		1,854,893	7,187,678
Accounts payable		(2,654,272)	(12,374,159)
Accounts payable - customers credit balance at fair value through profit and loss		301,280	(3,089,258)
Loans and facilities to customers		(10,303,164)	(17,537,399)
Due from banks		(2,142,353)	17,615,468
Due to banks		1,890,134	(270,335)
Customers deposits		2,504,037	9,565,434
Investments at fair value through profit and loss		(445,075)	5,095,985
Income tax paid		(772,664)	(586,295)
Net cash (used in) provided from operating activities		**(8,604,418)**	**11,741,185**
Cash flows from investing activities			
Payments to purchase property, plant and equipment and other intangible assets		(736,314)	(364,198)
Proceeds from sale of property, plant and equipment		28,763	7,378
Proceeds from Sale of Investment Property		70,176	-
Proceeds from sale of assets held for sale		60 419	-
Proceeds from sale of investment FVTOCI		25,559,674	17,958,373
Payments to purchase investment FVTOCI		(17,781,236)	(16,578,049)
Payments to purchase investment in subsidiaries		(69 682)	(844,422)
Proceeds from sale investment in subsidiaries		179,259	383,229
Payments to purchase equity accounted investees		-	(88,619)
Proceeds from sale equity accounted investees		-	8,127
Dividends collected		23,102	26 088
Net cash provided from investing activities		**7,334,161**	**507,907**

Consolidated Statement Of Cash Flows (continued)

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

			(in EGP Thousands)
			*(Restated)
		For the year ended	
	Note no.	31/12/2023	31/12/2022
Cash flows from financing activities			
Dividends paid		(495,060)	(378,140)
Proceeds from securitization		5,123,406	3,521,589
Proceeds from Issued bonds		249,003	500,000
Payment for issued bonds		-	(550,000)
Payment for from financial institutions		(13,515)	(8,707,208)
Proceeds from loans and borrowings		3,571,284	2,186,367
Payment for loans and borrowings		(1,076,418)	(3,247,267)
Net cash provided from (used in) financing activities		**7,358,700**	**(6,674,659)**
Net change in cash and cash equivalents		6,088,443	5,574,433
Cash and cash equivalents at 1 January	(31)	14,076,965	7,499,886
Cash from acquisition from subsaidiaries		3,670	5,264
Cash and cash equivalents at 31 December	(31)	**20,169,078**	**13,079,583**

** See note (35)*

The accompanying notes and accounting policies from page (145) to page (224) are an integral part of these consolidated financial statements and are to be read therewith.

Notes To The Consolidated Financial Statements

To the shareholders of EFG Holding Company (Previously EFG - Hermes Holding Company)

1. Background

1.1. Incorporation

EFG Holding Company (Previously EFG - Hermes Holding Company) 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.

The name of the company have been changed to EFG Holding based of the General Assembly's approved dated May 24, 2023 and was reflected in the commercial register on June 14, 2023.

1.2. Purpose of the company

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

2. Basis of preparation

2.1. Statement of compliance

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

2.2. Authorization of the financial statements

The financial statements were authorized for issue in accordance with a resolution of the board of directors on March 19, 2024.

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.

5. Assets held for sale

- Assets held for sale represented in the assets that has been acquired by Arab Investment Bank (aiBANK) amounted to EGP Thousands 330,652 in exchange of debt account receivables.

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

- Land and buildings.
- Machines and equipment.

6. Cash and cash equivalents

	31/12/2023	31/12/2022
Cash on hand	255,811	209,095
Cheques under collection	141,951	140
Banks - current accounts	10,027,157	10,943,423
Obligatory reserve balance with CBE	4,030,033	1,906,215
Banks - time deposits	17,801,324	13,158,396
Balance	**32,256,276**	**26,217,269**
Impairment loss	(4,033)	(3,019)
Balance	**32,252,243**	**26,214,250**

7. Investments at fair value through profit and loss

	31/12/2023	31/12/2022
Mutual fund certificates	7,355,442	5,231,021
Equity securities	108,293	165,787
Debt instruments	832,915	660,607
Treasury bills	219,222	336,439
Structured notes	680,319	379,039
Balance	**9,196,191**	**6,772,893**

8. Accounts receivables

	31/12/2023	31/12/2022
Accounts receivables	7,230,156	5,613,136
Other brokerage companies	57	870,168
Balance	**7,230,213**	**6,483,304**
Impairment loss	(459,251)	(315,048)
Balance	**6,770,962**	**6,168,256**

9. Loans and facilities to customers

	31/12/2023	31/12/2022
Micro finance	5,059,721	3,081,637
Finance lease	9,306,991	6,842,562
Consumer finance	6,293,816	3,900,888
Factoring	2,401,033	2,553,049
Commercial bank (Arab Investment Bank)	22,759,802	20,841,231
Other loans	2,350,756	1,441,312
Unearned interest	(5,855,020)	(3,678,020)
Balance	**42,317,099**	**34,982,659**
Impairment loss	(2,120,128)	(1,760,517)
Balance	**40,196,971**	**33,222,142**
Current	17,280,230	12,894,738
Non-current	22,916,741	20,327,404
Balance	**40,196,971**	**33,222,142**

10. Investments at fair value through OCI

	31/12/2023	31/12/2022
Non-current investments		
Equity securities	187,146	159,532
Mutual fund certificates	138,264	116,119
Debt instruments	4,256,243	5,117,914
	4,581,653	5,393,565
Current investments		
Debt instruments	7,065,958	8,686,556
Balance	**11,647,611**	**14,080,121**

11. Equity accounted investees

	December 31, 2023						
	Company's location	Company's asset	Company's liabilities	Company's net gain (losses)	Company's gross profit	Shareholding Percentage %	Shareholding value
Interest in joint venture							
Bedaya Mortgage Finance Co	Egypt	1,602,404	1,374,318	9,854	41,946	33.34	81,069
EFG-EV Fintech	Egypt	55,433	4,773	13,086	21,347	50	23,418
Paytabs	Egypt	22,522	22,781	(11,255)	7,788	51	48,852
API Capital Management Limited	UAE	21,376	6,021	(6,563)	775	50	9,139
Interest in associate							
Kaf Life Insurance takaful	Egypt	370,168	256,611	(28,391)	27,957	37.5	49,648
Zahraa Elmaadi Company *	Egypt	2,531,888	871,390	219,016	311,089	20.33	337,646
Middle East Land Reclamation Company *	Egypt	47,974	192,215	(24,763)	--	24.47	--
Prime for investment fund management *	Egypt	2,637	159	297	21	20	512
Enmaa Financial Leasing company *	Egypt	1,701,904	1,394,764	56,155	108,973	31.43	96,530
Paytech 3100 BV	Netherlands	486,877	1,112	(1,112)	--	40.66	197,979
Balance							**844,793**

	December 31, 2022						
	Company's location	Company's asset	Company's liabilities	Company's net gain (losses)	Company's gross profit	Shareholding Percentage %	Shareholding value
Interest in joint venture							
Bedaya Mortgage Finance Co	Egypt	2,363,820	2,108,838	89,692	147,297	33.34	84,814
EFG-EV Finech	Egypt	62,329	5,442	15,460	24,595	50	18,449
Paytabs	Egypt	55,817	41,912	(10,859)	3,518	51	41,929
API Capital Management Limited	UAE	18,582	3,742	(2,180)	--	50	10,248
Interest in associate							
Kaf Life Insurance takaful	Egypt	340,318	196,555	(25,517)	12,521	37.5	62,030
Zahraa Elmaadi Company *	Egypt	2,563,500	1,032,639	216,266	307,688	20.3	311,285
Middle East Land Reclamation Company*	Egypt	47,974	192,215	(24,763)	--	24.47	--
Prime for investment fund management *	Egypt	2,752	199	377	265	20	511
Enmaa Financial Leasing company*	Egypt	1,982,674	1,737,141	22,113	52,041	31.4	77,167
Balance							**606,433**

* *Equity accounted investees acquired through Arab Investment Bank (aiBANK).*

12. Investment at amortised cost

	31/12/2023	31/12/2022
Debt instruments-Listed	7,209,859	10,964,941
Debt instruments-Non Listed	4,064,121	581,157
	11,273,980	11,546,098
Impairment loss	(40,120)	(27,406)
Balance	11,233,860	11,518,692

13. Investment property

	Buildings
Cost	
Balance as at 1/1/2022	169,540
Total cost as at 31/12/2022	**169,540**
Disposals for the year	(20,203)
Total cost as at 31/12/2023	**149,337**
Accumulated depreciation	
Accumulated depreciation as at 1/1/2022	44,010
Depreciation for the year	6,545
Accumulated depreciation as at 31/12/2022	**50,555**
Accumulated depreciation as at 1/1/2023	50,555
Depreciation for the year	6,545
Disposals for the year	(6,464)
Accumulated depreciation as at 31/12/2023	**50,636**
Carrying amount	
Net carrying amount as at 31/12/2022	118,985
Net carrying amount as at 31/12/2023	**98,701**

Investment property net carrying amounted to EGP Thousands 98,701 as at 31 December 2023, representing the following:-

- EGP Thousands 93,457 the book value of the area owned by EFG Holding Company (EFG-Hermes Holding Company "previously") in Nile City building, and with a fair value of EGP Thousands 513,600.
- EGP Thousands 2,817 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 Thousands 13,000.
- EGP Thousands 2,427 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 Thousands 21,716.

14. Property, plant and equipment

	Land & Buildings	Leasehold improvements	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Cost							
Balance as at 1/1/2022	1,199,531	255,000	357,745	530,567	46,411	307,814	2,697,068
Additions	21,000	26,512	88,723	136,813	7,997	112,118	393,163
Disposals	(456)	(324)	(8,726)	(49,249)	(6,499)	(68,578)	(133,832)
Adjustments	--	--	--	--	--	20,579	20,579
Acquisition of subsidiaries	--	--	686	2,738	--	2,909	6,333
Foreign currency translation differences	78	1,054	82,852	69,980	5,442	66,100	225,506
Total cost as at 31/12/2022	**1,220,153**	**282,242**	**521,280**	**690,849**	**53,351**	**440,942**	**3,208,817**
Balance as at 1/1/2023	1,220,153	282,242	521,280	690,849	53,351	440,942	3,208,817
Additions	173,789	159,262	164,284	153,743	32,258	193,595	876,931
Disposals	(46)	(8,102)	(61,994)	(36,654)	(7,162)	(27,722)	(141,680)
Adjustments	--	--	309	(309)	--	2,306	2,306
Acquisition of subsidiaries	--	--	376	844	--	--	1,220
Foreign currency translation differences	3	(67)	53,252	36,753	3,022	50,778	143,741
Total cost as at 31/12/2023	**1,393,899**	**433,335**	**677,507**	**845,226**	**81,469**	**659,899**	**4,091,335**
Accumulated depreciation							
Accumulated depreciation as at 1/1/2022	164,398	204,877	268,844	390,300	29,810	116,526	1,174,755
Depreciation	40,609	23,843	36,795	82,890	7,780	60,163	252,080
Disposals' accumulated depreciation	(455)	(324)	(8,383)	(47,459)	(4,892)	(11,034)	(72,547)
Adjustments	--	--	--	--	--	20,091	20,091
Acquisition of subsidiaries	--	--	191	715	--	829	1,735
Foreign currency translation differences	43	927	77,372	66,049	3,507	48,762	196,660
Accumulated depreciation as at 31/12/2022	**204,595**	**229,323**	**374,819**	**492,495**	**36,205**	**235,337**	**1,572,774**
Accumulated depreciation as at 1/1/2023	204,595	229,323	374,819	492,495	36,205	235,337	1,572,774
Depreciation	45,269	33,573	53,962	99,619	9,473	96,817	338,713
Disposals' accumulated depreciation	(46)	(6,497)	(46,293)	(32,297)	(4,728)	(16,926)	(106,787)
Adjustments	--	--	--	4	--	(12,248)	(12,244)
Acquisition of subsidiaries	--	--	365	733	--	--	1,098
Foreign currency translation differences	1	(68)	50,158	32,736	1,758	35,407	119,992
Accumulated depreciation as at 31/12/2023	**249,819**	**256,331**	**433,011**	**593,290**	**42,708**	**338,387**	**1,913,546**
Carrying amount							
Carrying amount as at 31/12/2022	1,015,558	52,919	146,461	198,354	17,146	205,605	1,636,043
Carrying amount as at 31/12/2023	**1,144,080**	**177,004**	**244,496**	**251,936**	**38,761**	**321,512**	**2,177,789**

15. Goodwill and other intangible assets

	Goodwill	Customer Relationships	Retailer list	Licenses	Brand Name	Software	Total
Cost							
Balance as at 1 January 2022	896,014	70,691	--	10,368	--	174,719	1,151,792
Additions	--	16,030	--	9,938	--	70,989	96,957
Acquisition	881,545	--	--	--	--	9,476	891,021
Foreign currency translation differences	--	40,390	--	1,620	--	15,150	57,160
Balance as at 31 December 2022, as previously reported	1,777,559	127,111	--	21,926	--	270,334	2,196,930
Effect of purchase price allocation on subsidiary	(495,846)	366,644	53,825	--	34,704	72,418	31,745
Restated Balance as at 31 December 2022	**1,281,713**	**493,755**	**53,825**	**21,926**	**34,704**	**342,752**	**2,228,675**
Restated Balance as at 1 January 2023	1,281,713	493,755	53,825	21,926	34,704	342,752	2,228,675
Additions	--	--	--	--	--	20,665	20,665
Acquisition	459,978	--	--	--	--	17,289	477,267
Disposals	--	--	--	--	--	(613)	(613)
Adjustments	--	(28,995)	--	--	--	--	(28,995)
Foreign currency translation differences	--	31,491	--	2,352	--	10,450	44,293
Total cost as at 31 December 2023	**1,741,691**	**496,251**	**53,825**	**24,278**	**34,704**	**390,543**	**2,741,292**
Accumulated amortisation and impairment							
Balance as at 1 January 2022	15,426	31,807	--	6,529	--	104,190	157,952
Amortisation	--	10,133	--	854	--	26,859	37,846
Impairment	10,239	--	--	--	--	--	10,239
Acquisition	--	--	--	--	--	2,024	2,024
Foreign currency translation difference	--	20,624	--	140	--	13,356	34,120
Total accumulated amortisation and impairment as at 31 December 2022 , as previously reported	**25,665**	**62,564**	**--**	**7,523**	**--**	**146,429**	**242,181**
Effect of purchase price allocation on subsidiary	--	30,554	4,485	--	--	4,224	39,263
Restated Balance as at 31 December 2022	25,665	93,118	4,485	7,523	--	150,653	281,444
Restated Balance as at 1 January 2023	25,665	93,118	4,485	7,523	--	150,653	281,444
Amortisation	--	70,166	7,689	2,461	--	51,112	131,428
Impairment	12,002	--	--	--	--	--	12,002
Acquisition	--	--	--	--	--	6,256	6,256
Disposals	--	--	--	--	--	(296)	(296)
Adjustments	--	(28,995)	--	--	--	--	(28,995)
Foreign currency translation difference	--	15,575	--	265	--	8,000	23,840
Total accumulated amortisation and impairment as at 31 December 2023	**37,667**	**149,864**	**12,174**	**10,249**	**--**	**215,725**	**425,679**
Carrying amount as at 31 December 2022	1,256,048	400,637	49,340	14,403	34,704	192,099	1,947,231
Carrying amount as at 31 December 2023	**1,704,024**	**346,387**	**41,651**	**14,029**	**34,704**	**174,818**	**2,315,613**

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

	31/12/2023	31/12/2022
EFG- Hermes IFA Financial Brokerage Company Kuwait – (KSC)	179,148	179,148
Tanmeyah Micro Enterprise Services S.A.E	365,399	365,399
Frontier Investment Management Partners LTD	325,801	325,801
Fatura Netherlands B.V*	373,698	373,698
Noutah for electronic commerce	--	12,002
Paynas BV**	459,978	--
Balance	**1,704,024**	**1,256,048**

* Acquisition of Fatura Netherlands B.V

In June 2022 Tanmeyah Micro Enterprise Services S.A.E (Subsidiary 93.983%) acquired 100% of Fatura Netherlands B.V shares with an acquisition cost amounting to EGP 826,319. In 2023 the group has performed the Purchase Price Allocation (PPA) study to determine the fair value of the identifiable asset and liabilities according to the Egyptian Accounting Standards.

The following represents the assets and liabilities on the acquisition date:

Description	Assets and liabilities acquired on the date of acquisition	PPA Effect	Fair value of assets and liabilities acquired on the date of acquisition
Accounts receivable	2,458	--	2,458
Other assets	5,002	--	5,002
Fixed assets	4,518	--	4,518
Intangible assets	7,452	527,591	535,043
Creditors and other credit balances	(57,400)	--	(57,400)
Current tax liability	(5,155)	--	(5,155)
Deferred tax	(100)	--	(100)
Total	**(43,225)**	**--**	**484,366**
Non-controlling interest	--	31,745	31,745
Paid in acquisition	826,319	--	826,319
Goodwill	**869,544**	**--**	**373,698**

** Acquisition of Paynas BV

In September 2023 U Consumer Finance (Previously ValU) (Subsidiary) acquired 94.96% of Paynas BV shares with an acquisition cost amounting to EGP Thousands 397,894.

The Company's share in the acquired net liabilities on the date of acquisition amounted to EGP Thousands (62,084). Accordingly, the goodwill will represents the difference which amounts to EGP Thousands 459,978.

The following represents the assets and liabilities on the acquisition date:

Description	EGP
Loans and facilities to customer	306,756
Accounts receivables	34,944
Investments at fair value through profit and loss	1,539
Property, plant and equipment	122
Intangible assets	11,033
Deferred tax assets	522
Other assets	811
Due to related parties	(418,065)
Creditors and other credit balances	(2,845)
Net assets/ (liabilities) acquired	**(65,183)**
Non- controlling Interest	(3,099)
Company's share in the acquired net assets (liabilities)	(62,084)
Paid in acquisition	397,894
Goodwill	**459,978**

The acquiree's financial statements have been consolidated based on the book value of the identifiable assets and liabilities, the company has a grace period of 12 months ending August 2024 for preparing Purchase Price Allocation (PPA) study to determine the fair value of the identifiable asset and liabilities according to the Egyptian Accounting Standards.

16. Other assets

		31/12/2023	31/12/2022
Deposits with others	(16-1)	403,361	47,488
Down payments to suppliers		1,108,232	1,188,540
Prepaid expenses		259,999	197,725
Employees' advances		135,886	117,224
Accrued revenues		1,796,384	1,236,759
Taxes withheld by others		41,232	27,083
Payments for investments		9,259	19,354
Settlement guarantee fund		19,869	26,790
Due from Egypt Gulf Bank- Tanmeyah Clients		8,487	10,582
Receivables-sale of investments		177,803	39,000
Due from custodian		123,146	--
Due from Payment Channels		90,209	27,959
Securitization surplus		266,865	178,567
Sundry debtors		312,083	303,448
Total		**4,752,815**	**3,420,519**
Deduct: Impairment loss		(36,638)	(18,608)
Balance		**4,716,177**	**3,401,911**

16.1. Deposits with others include an amount of EGP Thousands 17,961 in the name of the subsidiaries, EFG-Hermes International Securities Brokerage -Financial Brokerage Group Company (Previously) 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.

Deposits with others include an amount of EGP Thousands 319,788 in the name of the subsidiary, EFG- Hermes KSA. This represents margin deposited with the General Clearing Member (GCM) as required by the Clearing House (Muqassa).

17. Due to banks and financial institutions

	31/12/2023	31/12/2022
Financial institutions	31,750	41,546
Bank overdraft *	11,474,569	11,544,331
Deposits**	2,378,769	515,900
Due to Central Bank**	5,225	--
Current account**	292,100	270,059
Balance	**14,182,413**	**12,371,836**

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

- *A pledged governmental bond contract to secure a credit facility amounted to EGP Thousands 1,066,632.*
- *A pledged Treasury bills contract to secure a credit facility amounted to EGP Thousands 741,052.*

*** Relate to Arab Investment Bank (aiBANK).*

18. Customer deposits

	31/12/2023	31/12/2022
Call deposits	20,261,265	15,239,776
Term deposits	20,316,818	22,111,560
Saving and deposit certificates	8,354,273	8,651,603
Saving deposits	968,657	1,140,599
Other deposits	733,194	986,634
Balance	**50,634,207**	**48,130,172**
Corporate deposits	35,505,821	35,927,785
Individual deposits	15,128,386	12,202,387
Balance	**50,634,207**	**48,130,172**
Current	45,494,018	40,923,835
Non-current	5,140,189	7,206,337
Balance	**50,634,207**	**48,130,172**

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

This amount represents payable to customers against the structured notes issued by one of group companies. These financial liabilities are linked to structured notes purchased by the Company. These structured notes are linked mainly to Treasury Bills and quoted equity securities

20. Issued bonds

- During June 2022 EFG Corp-Solutions (a subsidiary - 100%) issued the first issuance of unsecured medium-term bonds with a value of EGP 500 million for two years. The issuance is part of a three years issuance program with total value of EGP 3 billion. The bonds are tradable and non-convertible to shares but it can be expedited to payment starting from coupon number 5 (seventh month of the issuance). The bonds proceeds will be used to finance different company activities and meet its financial obligations.
- During April 2023 Hermes Securities Brokerage (a subsidiary - 100%) issued short-term bonds with a value of EGP 250 million (First issuance of second program) that are tradable and non-convertible to shares and with a maturity of 12 months at a par value of EGP 100 (one hundred Egyptian pounds only) for a bond to be paid at the end of the period with a fixed rate of 18.77%, 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 meet its financial obligations.

21. Creditors and other credit balances

	31/12/2023	31/12/2022
Accrued expenses	3,569,723	2,851,514
Dividends payable (prior years)	296,818	215,380
Deferred revenues	76,617	147,777
Suppliers	444,780	382,771
Clients' coupons - custody activity	276,902	205,948
Tax authority	89,275	43,748
Social Insurance Association	16,673	13,507
Payables- purchase of investments	157,359	5,263
Medical takaful insurance tax	26,915	25,590
Deposits due to others –finance lease contracts	14,182	4,041
Pre collected Installments	494,994	462,032
Sundry creditors	265,069	212,621
Balance	**5,729,307**	**4,570,192**

22. Deferred tax assets (liabilities)

	Balance at 1/1/2023	Acquisition of subsidiaries	Recognized in profit or loss	Recognized in equity	Disposals	Foreign currency differences	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(110,329)	522	(35,762)	--	--	56	(145,513)	--	(145,513)
Claims provision	185	--	40,804	--	--	8	40,997	40,997	--
Impairment loss on assets	1,421	--	--	--	--	(4)	1,417	1,417	--
Prior year losses carried forward	51,804	--	11,149	--	(4,968)	11,013	68,998	68,998	--
Investment at fair value	(469,494)	--	(290,436)	14,319	--	--	(745,611)	--	(745,611)
Foreign currency translation differences	(213,621)	--	139,373	--	--	(12)	(74,260)	--	(74,260)
Revaluation of investment property	1,867	--	--	--	--	--	1,867	1,867	--
Investment in Associates	(7,217)	--	(4,375)	--	--	--	(11,592)	--	(11,592)
ESOP deferred	9,209	--	3,923	--	--	--	13,132	13,132	--
Securitization Surplus Revaluation	--	--	(10,460)	--	--	--	(10,460)	--	(10,460)
	(736,175)	**522**	**(145,784)**	**14,319**	**(4,968)**	**11,061**	**(861,025)**	**126,411**	**(987,436)**

23. Provisions

		31/12/2023	31/12/2022
Claims provision	(23-1)	532,632	406,954
Commercial bank (aiBANK) contingent liabilities	(23-1)	66,278	55,414
Severance pay provision	(23-1)	536,122	405,701
Financial guarantee for contingent liabilities	(23-1)	32,698	35,647
Balance		**1,167,730**	**903,716**

23.1.

	Claims provision	Severance Pay provision*	Financial guarantee for contingent liabilities	Commercial bank contingent liabilities	Total
Balance at the beginning of the year	406,954	405,701	35,647	55,414	903,716
Formed during the year	163,247	62,556	38,055	9,250	273,108
Foreign currency differences	8,909	100,603	--	1,614	111,126
Amounts used during the year	(40,536)	(29,226)	(41,004)	--	(110,766)
Actuarial of employees' benefits obligations	--	(3,512)	--	--	(3,512)
No longer needed	(5,942)	--	--	--	(5,942)
Balance at the end of the year	**532,632**	**536,122**	**32,698**	**66,278**	**1,167,730**

** Related to group entities outside Egypt.*

24. Loans and borrowings

The borrower	Credit Limit	Contract date	Maturity date	31/12/2023	31/12/2022
EFG Corp-Solutions *	335 million	16/7/2020	16/7/2027	115,329	71,975
,,	150 million	27/2/2020	27/2/2027	14,271	27,332
,,	600 million	12/12/2019	12/12/2026	587,119	314,593
,,	590 million	29/3/2023	31/3/2030	585,189	472,734
,,	2 billion	22/8/2022	22/8/2028	541,266	715,726
,,	923 million	28/5/2023	28/5/2033	568,459	374,366
,,	13.5 million	14/3/2016	30/6/2023	13,532	24,020
,,	333 million	13/7/2020	13/7/2027	83,943	135,448
,,	--	18/7/2023	18/7/2028	--	168
,,	450 million	9/3/2022	31/3/2029	417,964	141,154
,,	150 million	25/6/2023	30/5/2024	44,516	75,527
,,	400 million	12/12/2023	12/12/2028	170,582	173,766
,,	--	24/4/2017	24/4/2023	--	409
,,	28 million	6/9/2023	31/8/2024	27,622	36,194
,,	250 million	4/4/2021	4/4/2028	226,813	50,700

The borrower	Credit Limit	Contract date	Maturity date	31/12/2023	31/12/2022
„	492.8 million	19/10/2017	19/10/2022	492,800	493,700
„	200 million	12/12/2023	12/12/2030	147,703	196,836
„	27.5 million	7/2/2018	7/2/2023	27,591	57,591
„	59,3 million	19/5/2020	19/5/2027	59,325	101,407
„	600 million	15/8/2022	15/8/2028	36,747	61,293
„	780 million	6/2/2022	30/3/2024	579,079	386,920
„	100 million	26/11/2020	26/11/2027	54,757	62,677
„	100 million	11/7/2023	11/7/2030	76,464	--
Arab Investment bank	10.3 million	13/4/2017	1/8/2023	--	1,556
„	25.4 million	13/4/2017	31/7/2023	--	5,001
EFG – Hermes Pakistan Limited	41 million	12/5/2017	11/5/2026	41,085	40,833
„	49 million	29/10/2021	28/10/2024	--	49,000
Tanmeyah Micro Enterprise Services S.A.E	100 million	15/10/2023	30/10/2023	100,000	59,481
„	200 million	30/4/2023	30/4/2024	188,956	--
U Consumer finance (Valu “previously”)	100 million	11/12/2017	1/12/2023	--	8,000
„	350 million	15/6/2022	31/12/2023	349,647	253,949
„	225 million	5/9/2022	30/11/2023	135,817	172,774
„	375 million	6/7/2022	30/9/2024	221,579	430,899
„	150 million	30/1/2023	28/2/2024	128,066	--
„	100 million	2/2/2023	28/2/2024	21,661	--
„	300 million	5/2/2023	5/2/2024	261,514	--
„	345 million	15/8/2023	15/8/2025	342,314	--
„	100 million	4/1/2023	4/1/2024	98,388	--
„	340 million	13/7/2022	13/7/2023	340,356	--
„	600 million	13/6/2023	13/6/2024	600,636	--
EFG Finance Holding	120 million	6/2/2022	30/3/2024	120,000	--
„	200 million	12/12/2023	12/12/2030	183,129	--
Lease liabilities**				419,138	412,473
	Balance			8,423,357	5,408,502
	Current		3,806,168	1,589,604	
	Non-current		**4,617,189**	**3,818,898**	
	Balance		**8,423,357**	**5,408,502**	

* *EFG 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 Thousands 63,823 in the name of EFG Holding Company (EFG-Hermes Holding Company “previously”) that represents sale and lease back agreement.*

25. Share capital

- The company's authorized capital amounts EGP 6 billion and issued capital amounts EGP Thousands 3,843,091 distributed on 768,618,223 shares of par value EGP 5 per share which is fully paid.
- The company's General Assembly approved in its session held on May 20, 2021 to increase the company's issued capital from EGP Thousands 3,843,091 to EGP Thousands 4,611,709 distributed on 922,341,868 shares with an increase amounting to EGP Thousands 768,618 by issuing 153,723,645 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company retained earnings that presented in December 31, 2020 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- On September 28, 2021, the Company's General Assembly approved the increase in issued capital from EGP Thousands 4,611,709 to EGP Thousands 4,865,353 representing an increase of EGP Thousands 253,644 and distributed on 50,728,803 shares having a par value of EGP 5 per share, The issuance of the capital increase shares were financed from the share premium reserve for the purpose of the Remuneration & Incentive Program of the Employees, Managers & Executive Board Members of the Company and its subsidiaries. The commercial register was updated and the issued shares were allocated under the Remuneration & Incentive Program of the Employees of the Company, and the Beneficiary of the program will be entitled to attend the Ordinary and Extraordinary General Shareholders of the Company and to vote on its resolutions upon the transfer of ownership of the Granted Shares to the Beneficiary.
- The company's General Assembly approved in its session held on May 19, 2022 to increase the company's issued capital from EGP Thousands 4,865,353 to EGP Thousands 5,838,424 distributed on 1,167,684,806 shares with an increase amounting to EGP Thousands 973,071 by issuing 194,614,135 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company retained earnings that presented in December 31, 2021 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- The company's General Assembly approved in its session held on May 24, 2023 to increase the company's authorized capital from EGP 6 billion to EGP 30 billion and increase the company's issued capital from EGP Thousands 5,838,424 to EGP Thousands 7,298,030 distributed on 1,459,606,008 shares with an increase amounting to EGP Thousands 1,459,606 distributed on 291,921,202 shares with par value EGP 5 through the issuance of one free share for every four shares. This increase is transferred from the company retained earnings that presented in December 31, 2022 financial statements. The required procedures had been taken to register the increase in the Commercial Register.

26. Non - controlling interests

	31/12/2023	31/12/2022
Share capital	2,628,555	2,629,160
Additional paid-in capital	156,282	120,463
Legal reserve	52,195	35,867
Other reserves	576,399	489,870
Treasury shares	--	(1,904)
Retained losses	(10,765)	(180,176)
Profit for the year	672,238	352,006
Balance	**4,074,904**	**3,445,286**

27. Contingent liabilities

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

	31/12/2023	31/12/2022
AED	93,670	83,670
Equivalent to EGP Thousands	785,517	562,363
Group off-financial position items:		
Assets under management	159,430,997	108,911,766

Securitization and Sukuk transactions

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

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

Client portfolios related to securitization transactions	15,241,137
Balances with custodians	1,292,213
Land and Buildings related to Sukuk transactions	600,000
Total Assets	17,133,350
Bonds	12,843,168
Sukuk	480,000
Total liabilities	**13,323,168**

Arab Investment Bank Contingent liabilities are as follows:

A. Capital commitments

Financial investments

The value of commitments related to financial investments for which payments was not requested until the date of the financial position as at 31 December 2023:

	Contribution amount USD	Amount paid USD	Residual amount USD
African Export -Import Bank	4,890	2,116	2,775

	Contribution amount EGP	Amount paid EGP	Residual amount EGP
Long-Term Assets	1,015,907	804,476	211,432

B. Commitments on loans, guarantees and facilities

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

	31 December 2023 EGP
Loan commitments	933,981
Letters of guarantees	2,798,308
Letters of credit (Export and Import)	13,816
Acceptances of supplier facilities	649,754
Balance	**4,395,859**

28. Other Revenues

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

29. Impairment loss on assets

	For the year ended	
	31/12/2023	31/12/2022
Accounts receivables	133,080	168,004
Loans and facilities to customers	842,690	532,046
Cash and cash equivalents	265	273
Other Debit Accounts	54,436	(1,039)
Financial investments	(138)	27,227
Good will and intangible assets	12,002	10,239
Total	**1,042,335**	**736,750**

30. Income tax expense

	For the year ended	
	31/12/2023	31/12/2022
Current income tax	948,213	702,655
Deferred tax	145,784	401,069
Total	**1,093,997**	**1,103,724**

31. Cash and cash equivalents

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

	31/12/2023	31/12/2022
Cash and due from banks	28,207,705	24,311,055
Bank overdraft	(11,474,569)	(11,544,331)
Treasury bills less than 90 days	3,435,942	312,861
Effect of exchange rate	--	997,380
Cash and cash equivalents	20,169,078	14,076,965

32. General administrative expenses

	For the year ended	
	31/12/2023	31/12/2022
Wages, salaries and similar items*	6,058,863	4,574,748
Consultancy	549,330	365,708
Travel , accommodation and transportation	83,874	42,944
Leased line and communication	351,313	207,381
Rent and utilities expenses	133,546	93,211
Other expenses	1,435,190	1,142,265
Total	**8,612,116**	**6,426,257**

* Share-based payments.

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

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

The equity instruments for share-based payment are recognized at fair value on the grant date and are record in the income statement with a corresponding increase in equity. The value of expenses charged to the income statement during the year amounted EGP Thousands 130,938.

Equity instruments during the year represents the following:

	For the year ended 31/12/2023 No. of Shares	For the year ended 31/12/2022 No. of Shares
Total at the beginning of the year	56,204,722	48,504,101
Free shares distributed during the year	13,657,274	9,700,821
Forfeited shares during the year	(1,804,699)	(2,000,200)
Total at the end of the year	**68,057,297**	**56,204,722**

33. Operating segment

(a) Basis for operating segment

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

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

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

	For the year ended December 31, 2023												
	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	Commercial bank (aiBANK)	Adjustments	Total
Interest income	886,840	1,004,774	5,133	42,644	26,751	6,229	1,140,559	1,491,099	868,308	385,040	7,669,036	(41,599)	13,484,814
Interest Expense	(706,588)	(296,036)	--	(27,428)	--	--	(923,705)	(770,603)	(727,788)	(337,560)	(5,129,506)	55,381	(8,863,833)
Net Interest income	**180,252**	**708,738**	**5,133**	**15,216**	**26,751**	**6,229**	**216,854**	**720,496**	**140,520**	**47,480**	**2,539,530**	**13,782**	**4,620,981**
Fee and commission income	(2)	2,706,287	1,260,115	718,976	226,211	1,131	47,054	573,158	547,637	65,582	1,015,823	(53)	7,161,919
Fees and commission expense	(6,554)	(434,997)	(141,402)	--	(9,567)	(661)	(90)	(15,607)	(1,980)	(51)	(108,700)	--	(719,609)
Net fees & commission income	**(6,556)**	**2,271,290**	**1,118,713**	**718,976**	**216,644**	**470**	**46,964**	**557,551**	**545,657**	**65,531**	**907,123**	**(53)**	**6,442,310**
Securities Gain	5,707	14,528	--	--	149	58	--	--	2,350	--	148,879	--	171,671
Changes in the investments at fair value through profit and loss	1,462,793	2,122	(104,769)	--	264	51,480	--	--	--	--	--	--	1,411,890
Dividend income	17,521	50,465	--	--	--	--	--	--	--	--	13,491	--	81,477
Other Revenues	197,497	20,917	(80)	207	6,490	--	47,526	22,598	486,124	--	14,657	(65,006)	730,930
Foreign currencies exchange differences	1,202,906	6,551	--	--	--	418	50,977	(4,262)	(20,891)	6,622	(87,474)	--	1,154,847
Gains on selling Assets held for sale	--	--	--	--	--	--	267	--	--	--	9,530	--	9,797
Share of profit from equity accounted investees	--	--	--	--	(4,166)	(12,694)	--	--	--	--	61,908	--	45,048
Total revenues	**3,060,120**	**3,074,611**	**1,018,997**	**734,399**	**246,132**	**45,961**	**362,588**	**1,296,383**	**1,153,760**	**119,633**	**3,607,644**	**(51,277)**	**14,668,951**
General administrative expenses	(1,394,413)	(2,439,370)	(649,094)	(807,003)	(244,239)	(98,350)	(142,333)	(998,503)	(721,888)	(42,766)	(1,222,252)	148,095	(8,612,116)
Financial guarantee provision	--	--	--	--	--	--	--	(38,055)	--	--	--	--	(38,055)
Impairment loss on assets	(8,788)	(122,880)	(24,243)	--	(11,518)	(627)	(9,592)	(110,425)	(84,859)	(43,383)	(626,020)	--	(1,042,335)
Provisions	(32,521)	(51,016)	46	(3,561)	(1,185)	(1,712)	--	(24,261)	(3,438)	--	(117,405)	--	(235,053)
Depreciation and amortisation	**(134,310)**	**(38,445)**	**(9,840)**	**(342)**	**(3,912)**	**(7,098)**	**(400)**	**(69,172)**	**(29,373)**	**(1,857)**	**(85,119)**	**(96,818)**	**(476,686)**
Profit before income tax	1,490,088	422,900	335,866	(76,507)	(14,722)	(61,826)	210,263	55,967	314,202	31,627	1,556,848	--	4,264,706
Income tax expense	(243,807)	(225,501)	(8,449)	(16,048)	(1,645)	(1,314)	(56,037)	(49,697)	(73,965)	(7,263)	(410,271)	--	(1,093,997)
Profit for the year	**1,246,281**	**197,399**	**327,417**	**(92,555)**	**(16,367)**	**(63,140)**	**154,226**	**6,270**	**240,237**	**24,364**	**1,146,577**	**--**	**3,170,709**
Total assets	17,458,594	19,568,959	1,574,356	419,557	411,063	354,651	6,241,397	5,686,611	5,871,252	2,366,864	61,954,670	--	121,907,974
Total liabilities	6,528,678	15,223,112	511,463	378,051	295,123	44,684	5,929,381	4,330,108	4,784,171	1,621,261	54,866,013	--	94,512,045

	For the year ended December 31, 2022												
	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	Commercial bank (aiBANK)	Adjustments	Total
Interest income	747,965	538,630	1,349	29,388	15,165	2,129	723,666	1,154,849	554,494	232,429	5,389,669	(93,844)	9,295,889
Interest Expense	(427,692)	(224,522)	--	(12,501)	--	--	(600,224)	(434,966)	(270,321)	(199,947)	(3,598,337)	70,505	(5,698,005)
Net Interest income	**320,273**	**314,108**	**1,349**	**16,887**	**15,165**	**2,129**	**123,442**	**719,883**	**284,173**	**32,482**	**1,791,332**	**(23,339)**	**3,597,884**
Fee and commission income	3	1,771,185	700,473	730,330	113,935	--	56,092	761,952	257,925	50,153	363,806	(1,038)	4,804,816
Fees and commission expense	(1,449)	(358,362)	(72,133)	--	(5,097)	(656)	(300)	(547)	(1,509)	(39)	(69,186)	1,038	(508,240)
Net fees & commission income	**(1,446)**	**1,412,823**	**628,340**	**730,330**	**108,838**	**(656)**	**55,792**	**761,405**	**256,416**	**50,114**	**294,620**	**--**	**4,296,576**
Securities loss	(939,808)	15,688	--	187	(227)	--	--	--	--	--	77,133	--	(847,027)
Changes in the investments at fair value through profit and loss	1,011,125	(8,048)	(79,897)	--	(149)	--	--	--	--	--	--	--	923,031
Dividend income	623	1,664	--	--	--	--	--	--	--	--	3,374	--	5,661
Other Revenues	49,604	28,623	2,928	474	48,008	--	113,434	15,037	108,926	--	14,467	--	381,501
Foreign currencies exchange differences	2,473,665	15,258	--	--	--	--	--	2,950	--	--	3,802	--	2,495,675
Gains on selling Assets held for sale	--	--	--	--	--	--	1,563	--	--	--	3,924	--	5,487
Share of profit from equity accounted investees	--	--	--	--	(1,090)	21,596	--	--	--	--	56,056	--	76,562
Total revenues	**2,914,036**	**1,780,116**	**552,720**	**747,878**	**170,545**	**23,069**	**294,231**	**1,499,275**	**649,515**	**82,596**	**2,244,708**	**(23,339)**	**10,935,350**
General administrative expenses	(925,409)	(1,592,914)	(438,778)	(723,399)	(170,719)	(315,816)	(113,852)	(812,790)	(592,385)	(32,414)	(782,519)	74,738	(6,426,257)
Financial guarantee provision	--	--	--	--	--	--	--	(21,174)	--	--	--	--	(21,174)
Impairment loss on assets	(22,968)	(134,571)	(4,171)	--	(34,590)	(5,568)	(16,184)	132	(6,547)	(39,425)	(481,621)	8,763	(736,750)
Provisions	(51,456)	(54,265)	(3,063)	(2,625)	(560)	(12,870)	--	(7,526)	--	--	(24,525)	--	(156,890)
Depreciation and amortisation	**(84,846)**	**(25,983)**	**(3,890)**	**(359)**	**(441)**	**(22,552)**	**(349)**	**(55,647)**	**(11,918)**	**(1,807)**	**(67,780)**	**(60,162)**	**(335,734)**
Profit before income tax	1,829,357	(27,617)	102,818	21,495	(35,765)	(333,737)	163,846	602,270	38,665	8,950	888,263	--	3,258,545
Income tax expense	(409,541)	(108,998)	11,012	(6,240)	(4,827)	149	(49,025)	(163,812)	(6,508)	(5,433)	(360,501)	--	(1,103,724)
Profit for year	**1,419,816**	**(136,615)**	**113,830**	**15,255**	**(40,592)**	**(333,588)**	**114,821**	**438,458**	**32,157**	**3,517**	**527,762**	**--**	**2,154,821**
Total assets	13,578,469	17,469,371	1,361,445	732,966	291,949	269,530	5,165,676	4,699,849	4,098,690	2,544,599	55,888,600	--	106,101,144
Total liabilities	5,135,738	13,465,031	445,396	599,833	253,435	39,666	4,662,308	3,225,061	3,666,220	2,131,723	50,108,149	--	83,732,560

(b) Geographical segments

- The Group operates in main geographical areas: Egypt, GCC. 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, 2023			
	Egypt	GCC	Other	Total
Total revenues	11,850,532	2,677,608	140,811	14,668,951
Segment assets	98,584,694	15,237,799	8,085,481	121,907,974
	December 31, 2022			
	Egypt	**GCC**	**Other**	**Total**
Total revenues	8,905,934	1,868,328	161,088	10,935,350
Segment assets	84,424,402	14,681,496	6,995,246	106,101,144

34. Tax status (the holding company)

- As to Income Tax, the years till 2019 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. as to years 2020/2022, have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2020 and all the disputed points have been settled with the Internal committee and as to years 2021/2023 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 2019/2023 have not been inspected yet.
- As to Property Tax, for Smart Village building the company paid tax till December 31, 2023 and for Nile City building the company paid tax till December 31, 2023.

35. Corresponding figures

• Certain adjustments have been made to some comparative figures as a result to the Purchase price allocation (PPA) of Fatura Netherlands B.V as following:

Consolidated statement of financial position :-

	(As reported) 31/12/2022	Adjustments	(Restated) 31/12/2022
Accounts receivables	5,569,133	599,123	6,168,256
Goodwill and other intangible assets	1,954,750	(7,519)	1,947,231
Accounts payable - customers credit balance	9,595,446	599,123	10,194,569
Retained earnings	7,460,140	(36,901)	7,423,239
Non - controlling interests	3,415,904	29,382	3,445,286

Consolidated income statement :-

	(As reported) for the year ended 31/12/2022	Adjustments	(As reported) for the year ended 31/12/2022
Depreciation and amortisation	(296,471)	(39,263)	(335,734)
Profit before tax	3,297,808	(39,263)	3,258,545
Profit for the year	2,194,084	(39,263)	2,154,821
Owners of the Company	1,839,716	(36,901)	1,802,815
Non - controlling interests	354,368	(2,362)	352,006

36. Earnings Per Share

	For the year ended 31/12/2023	For the year ended 31/12/2022
Profit for the year	2,498,471	1,802,815
Weighted average number of shares	1,459,606	1,459,606
Earnings per share (EGP)	**1.71**	**1.24**

37. Group's entities

The parent company owns the following subsidiaries:

	Direct ownership %	Indirect ownership %
EFG Hermes International Securities Brokerage -		
Financial Brokerage Group (previously)	99.87	0.09
EFG Hermes Fund Management - Egyptian Fund Management Group (previously)	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	99.42	0.48
EFG - Hermes Advisory Inc.	100	--
EFG- Hermes Financial Management (Egypt) Ltd.	--	100
EFG - Hermes Promoting & Underwriting	99.88	--
Bayonne Enterprises Ltd.	100	--
EFG- Hermes Fixed Income	99	1
EFG- Hermes Private Equity	96.3	3.7
EFG- Hermes Private Equity-BVI	--	100
EFG- Hermes UAE LLC.	--	100
Flemming CIIC Holding	100	--
Flemming Mansour Securities	--	99.33
Flemming CIIC Securities	--	96
Flemming CIIC Corporate Finance	--	74.92
EFG- Hermes UAE Ltd.	100	--
EFG- Hermes Holding - Lebanon	99	--
EFG- Hermes KSA	73.3	26.7
EFG- Hermes Lebanon	99	0.97
Mena Opportunities Management Limited	--	95
Mena (BVI) Holding Ltd.	--	95
EFG - Hermes Mena Securities Ltd.	--	100
Middle East North Africa Financial Investments W.L.L	--	100
EFG- Hermes Regional Investment Ltd.	100	--
Offset Holding KSC *	--	50
EFG- Hermes IFA Financial Brokerage	--	63.084
IDEAVELOPERS	--	81
EFG- Hermes CB Holding Limited	--	100

	Direct ownership %	Indirect ownership %
EFG- Hermes Global CB Holding Limited	100	--
Mena Long-Term Value Feeder Holdings Ltd. *	--	50
Mena Long-Term Value Master Holdings Ltd. *	--	45
Mena Long-Term Value Management Ltd.	--	45
EFG - Hermes CL Holding SAL	--	100
EFG-Hermes IB Limited	100	--
EFG Hermes Securitization - Financial Group for Securitization (previously)	100	--
Beaufort Investments Company	--	100
EFG Hermes-Direct Investment Fund	64	--
Tanmeyah Micro Enterprise Services S.A.E	--	93.983
EFG – Hermes Brokerage Holdings Ltd - EFG-Hermes Frontier Holdings Ltd (previously)	100	--
EFG – Hermes USA	100	--
EFG Capital Partners III	--	100
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
U Consumer Finance - Valu (previously)	--	94.961
EFG Corp - Solutions - EFG Hermes Corp-Solutions (previously)	--	100
Beaufort Asset Managers LTD	--	100
EFG Hermes Bangladesh Limited	--	100
EFG Hermes FI Limited	--	100
EFG Securitization – EFG Hermes Securitization (previously)	--	100
EFG Hermes PE Holding LLC	100	--
Etkan for Inquiry and Collection and Business Processes	--	100
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

	Direct ownership %	Indirect ownership %
Beaufort Holding LTD.	--	100
Beaufort Management LTD.	--	100
Vortex IV GP LTD.	--	100
Beaufort SLP Holding	--	100
Beaufort Private Investment Holding LTD.	--	100
Frontier Disruption Capital	--	50
Arab Investment Bank	51	--
EFG VA Holdco Limited	--	100
EFG VA Investco Limited	--	100
Lighthouse Energy GP Limited	--	100
Beaufort SLP II Limited	--	100
Lighthouse Energy GP II	--	100
Beaufort Management Spain	--	100
EFG Singapore PTE LTD	--	100
Fatura Netherlands B.V	--	93.983
Fatura L.L.C	--	93.983
ASASY FOR DIGITAL CONTENT	--	93.983
EFG Payment	--	100
FIM Partners Muscat SPC	--	50
Noutah for electronic commerce	--	93.983
EFG National Holding Limited	--	100
VA ESOP Limited – EFG RMBV National Investco Limited (previously)	--	100
EFG IB Holdco Limited	--	100
EFG IB Investco Limited	--	100
EFG For SME Financing	--	100
Beaufort Managers SLP Limited	--	100
EFG Finance B.V	--	100
EFG SMEs B.V	--	100
Valu for payments and Digital Solutions - Paynas (previously)	--	94.961
Paynas BV	--	94.961
Vortex Energy IV Luxembourg GP S.à.r.l	--	100
EFG Hermes PE Holdco Ltd	--	100
EFG Hermes IB Holding Ltd.	100	--

* *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.*

38. Measurement of fair value

- A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
  - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates.
- The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

	31 December 2023				
Financial assets	**Note no**	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual fund certificates	(7,10)	43,528	--	7,450,178	7,493,706
Equity securities	(7,10)	31,190	--	264,249	295,439
Structured notes	(7)	--	680,319	--	680,319
Treasury bills	(7,10)	--	7,285,180	--	7,285,180
Debt instruments	(7,10)	5,089,158	--	--	5,089,158
		5,163,876	**7,965,499**	**7,714,427**	**20,843,802**
Financial Liabilities					
Accounts payable - customers credit balance at fair value through profit and loss	(19)	--	680,319	--	680,319
		--	**680,319**	**--**	**680,319**

Financial assets	Note no	Level 1	Level 2	Level 3	Total
	31 December 2022				
Mutual fund certificates	(7,10)	--	--	5,347,140	5,347,140
Equity securities	(7,10)	77,624	--	247,695	325,319
Structured notes	(7)	--	379,039	--	379,039
Treasury bills	(7,10)	--	9,022,995	--	9,022,995
Debt instruments	(7,10)	5,778,521	--	--	5,778,521
		5,856,145	**9,402,034**	**5,594,835**	**20,853,014**
Financial Liabilities					
Accounts payable - customers credit balance at fair value through profit and loss	(19)	--	379,039	--	379,039
		--	**379,039**	**--**	**379,039**

39. Classification of financial assets and financial liabilities

Financial assets	Note no	Amortised Cost	FVTPL	FVTOCI
	31 December 2023			
Mutual fund certificates	(7,10)	--	7,355,442	138,264
Equity securities	(7,10)	--	108,293	187,146
Treasury bills	(7,10,12)	4,064,121	219,222	7,065,958
Structured notes	(7)	--	680,319	--
Debt instruments	(7,10,12)	7,169,739	832,915	4,256,243
Cash and cash equivalents	(6)	32,252,243	--	--
Loans and facilities to customer	(9)	40,196,971	--	--
Accounts receivables	(8)	6,770,962	--	--
Other assets	(16)	4,716,177	--	--
		95,170,213	**9,196,191**	**11,647,611**
Financial Liabilities				
Due to banks and financial institutions	(17)	14,182,413	--	--
Customer Deposits	(18)	50,634,207	--	--
Loans and borrowings	(24)	8,423,357	--	--
Creditors and other credit balances	(21)	5,729,307	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(19)	--	680,319	--
Accounts payable - customers credit balance		11,319,690	--	--
Issued bonds	(20)	749,003	--	--
		91,037,977	**680,319**	**--**

		31 December 2022		
Financial assets	**Note no**	**Amortised Cost**	**FVTPL**	**FVTOCI**
Mutual fund certificates	(7,10)	--	5,231,021	116,119
Equity securities	(7,10)	--	165,787	159,532
Treasury bills	(7,10,12)	581,157	336,439	8,686,556
Structured notes	(7)	--	379,039	--
Debt instruments	(7,10,12)	10,937,535	660,607	5,117,914
Cash and cash equivalents	(6)	26,214,250	--	--
Loans and facilities to customer	(9)	33,222,142	--	--
Accounts receivables	(8)	6,168,256	--	--
Other assets	(16)	3,401,911	--	--
		80,525,251	**6,772,893**	**14,080,121**
Financial Liabilities				
Due to banks and financial institutions	(17)	12,371,836	--	--
Customer Deposits	(18)	48,130,172	--	--
Loans and borrowings	(24)	5,408,502	--	--
Creditors and other credit balances	(21)	4,570,192	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(19)	--	379,039	--
Accounts payable - customers credit balance		10,194,569	--	--
Issued bonds	(20)	500,000	--	--
		81,175,271	**379,039**	**--**

40. 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.

Management of financial risk in the commercial bank (aibank) is conduct through a separate organization from the investment bank due to regulatory rules and operational necessity. Below is a summary of the risk management frame work in both business segments.

40.1. Risk management framework in the investment bank:

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

40.2. Risk management framework in aiBANK:

Credit risk

The Bank is exposed to credit risk which is the risk resulting from a party's failure to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. Credit risk is mainly represented in lending activities that give rise to loans, facilities and investment activities that result in the Bank's assets including debt instruments. Credit risk exists also in financial instruments outside the financial position such as loan commitments. The financial risk management and control are centralized in a financial risk management team in the bank's risk management department which reports to the board of directors and head of each business unit regularly.

Loans and facilities to banks and customers (including commitments and financial guarantee contracts)

In measuring credit risk of loans and facilities to customers and to banks, the Bank's rating system is based on three key pillars:

- Current exposures to the counterparty and its likely future development, from which the Bank derive the (exposure at default).
- The risk of default failure (Loss given default).
- The probability of default by the customer or counterparty on its contractual obligations.

These credit risk measurements, are embedded in the Bank's daily operations which reflect expected loss through the expected loss model required by the Banking Supervision Committee, and the operational measures can contradict with the burden of impairment in accordance with the previous standards that depend on the losses that have realized on the date of the financial statements (realized loss model) and not the expected losses as will come after.

The Bank assesses the probability of default per each customer using internal rating techniques tailored to the various categories of customers. These techniques have been developed internally and the statistical analyses combine credit officers' personal judgment to reach the appropriate viability rating.

Customers of the Bank are segmented into four viability rating classes. The Bank's viability rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, credit positions migrate between classes as the assessment of their probability of default changes. The rating techniques are kept under review and are upgraded as necessary. The Bank regularly validates the performance of the viability rating techniques and their ability to predict cases of default.

Bank's internal rating classes	
Bank's rating	**Rating description**
1	Performing Debts
2	Standard Monitoring
3	Special Monitoring
4	Non- Performing Debt

The position exposed to default depends on the amounts expected by the bank to be outstanding when default occurs. For example, for a loan, this position is the nominal value and for commitments, the bank recognizes all amounts actually withdrawn in addition to other amounts that are expected to have been withdrawn up to the date of the delay if it occurs.

Loss given default or loss severity represents the bank's expectation of the extent of loss on a claim should a default occur. It is expressed as percentage of loss to debt and typically varies by type of the debtor, seniority of claim and availability of collateral or other credit coverages.

Estimation of exposure to credit risks to manage the credit risks is a complex matter that requires the use of statistical and electronic models, as the level of exposure to credit risks changes depending on the changes in market conditions and other economic areas in a complex and rapid degree.

The exposure to credit risk changes depending on the changes in the level, value and timing of expected cash flows and the passage of time. Accordingly, assessment of the credit risk of the assets portfolio requires further estimations of the probability of default and the related loss rates.

The bank measures credit risk losses by using the probability of default (default in contractual liabilities) based on the carrying amount balance of the financial instrument at the date of exposure at default and loss given default.

Credit risk classification

The Bank assesses the probability of default at the level of each customer / related group / credit product, by using techniques to classify the customers into different categories, taking into account the minimum rating in accordance with the CBE instructions in terms of determining the creditworthiness of the customers and making the provisions issued during the year 2005. Therefore, the Bank uses a group of internally developed models and evaluation techniques for the categories of counterparties, customers and the nature of various loans in light of the available information that is collected on the date of adoption of the used model (such as: level of income, level of disposable income and guarantees for individual clients, revenues, type of industry, and other financial and non-financial indicators of the institutions). The Bank completes such indicators with a set of external data, such as the inquiry reports issued by both CBE and credit reporting companies on borrowers and the reports issued by the other local and external credit rating agencies. Moreover, the models used by the Bank allow the systematic exercise of expert assessment by credit risk officials in the final internal credit rating. Therefore, this allows to consider other matters and indicators that may not have been taken as part of other data inputs in the internally or externally developed assessment models and techniques or through external sources.

Credit grades are assessed so that the risk of default increases incrementally at each higher risk grade, namely the difference in default rates between the rating grade A and A- is less than the difference in default rates between rating grade B and B-. Additional considerations for each type of credit portfolio held by the Bank are set out below:

Individuals, retail banking products and small & micro enterprises

After the date of initial recognition, the borrower's payment behavior is monitored periodically to calculate a measurement of the payment pattern. Any other information known about the borrower, supposed to be determined by the Bank, may have an impact the creditworthiness, such as unemployment rates and non-payment precedents, as they are included to measure the payment pattern and default rates are, accordingly, determined for each payment pattern measurement.

(Large & Medium) Enterprises and Companies

The rating is determined at the level of the borrower / groups with similar credit risks. Any updated or new credit information or assessments are included in the credit system constantly and periodically. In addition, information about the creditworthiness of the borrower / groups with similar credit risks is also updated periodically from other sources such as financial statements and other published financial and non-financial statements.

Debt Instruments, Treasury Bills and Government Bonds

The Bank uses the external ratings issued by the institutions mentioned in the CBE's instructions to manage the credit risk in terms of the debt instruments in the investment portfolio. These published classifications are monitored and updated regularly and periodically. The default rates associated with each rating are determined based on the rates realized over the previous twelve months, as published by the aforementioned rating agencies. The loss rate of the government and CBE debt instruments dominated in local currency is zero.

Future data used in the expected loss model

Future data is used in assessing whether there is a significant increase in the credit risk of financial instruments and estimating the expected credit losses (ECL). The management of Bank determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default "PD" and the Exposure at Default "EAD" and Loss Given Default "LGD" are different depending on the financial asset. The Bank will use expert opinions regarding these assumptions and estimates, if necessary.

To determine the impact of such economic variables on both Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), the management of the Bank carries out the "regression analysis" to understand the historical effects arising from such variables on the default rates and the inputs used in calculating both Exposure at Default (EAD) and Loss Given Default (LGD).

Further to the key economic scenarios, the management of Bank establishes other potential scenarios in addition to assumptions relating to each scenario separately.

The lifetime probability of default (PD) relating to the key assumption and other assumptions are used, as the outcome of multiplication is determined for each assumption with the related probabilities of each, in addition to the supporting indicators and qualitative indicators. Based on the results of such study, it is assessed whether this financial asset is located at the first, second or third level, on the basis of which it is determined whether the expected credit losses "ECL" will be computed on 12- month bases "12-month ECL" or over lifetime of the financial instrument "Lifetime ECL".

The expectations and probabilities of occurrence are subject to a high degree of uncertainty, as it is known to any economic forecasts, therefore the actual results may be significantly different from those anticipated. The Bank makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios.

Variable Economic Assumptions

The most significant assumptions that have an impact on the expected credit losses "ECL" are:

a. Consumption pricing indicators (CPI)
b. Unemployment rate
c. Gross domestic product (GDP)
d. Gross national saving/investment
e. Real available income

Classification of the instruments relating to the losses measured on basis of the similar groups

For ECL provisions, groups are classified on the basis of similar credit risk characteristics, as risk exposure within the Bank is homogeneous. When carrying out this classification, it is taken into consideration that there is sufficient information that enables the Bank to classify the Bank with statistical reliability. When sufficient information is not available, the Bank takes into consideration the complementary internal / external reference data.

Corporate loans

- Probability of default model (S& P) is used.
- A conciliation was made between “S&P” and “ORR”.
- The model was updated by some economic indicates to keep the probability of default in line with the clients existing in Egypt.
- The model was updated by the ratios of change in the low credit rating of the other clients of the Bank for two years to keep the ratios of model default in line with the clients of the Bank.

Maximum exposure to credit risks – impaired financial instruments

The following table includes the analysis of maximum exposure to the credit risks of financial instruments for which the provision of expected credit risks (ECL) is recognized:

The following table represents the total carrying amount of the financial assets and the maximum exposure to credit risk on these financial assets.

EGP Thousands

Retail	31 December 2023			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring				
Overdraft	218,450	1,996	261	220,707
Personal loans	5,534,145	218,152	12,711	5,765,008
Credit cards	73,907	1,653	15	75,575
Mortgage Loans	1,048,884	4,410	6,809	1,060,103
Special monitoring				
Personal loans	27,008	205,669	13,819	246,496
Credit cards	2,936	728	35	3,699
Mortgage Loans	--	1,758	771	2,529
Default				
Personal loans	7,836	--	123,060	130,896
Credit cards	562	121	593	1,276
Mortgage Loans	--	--	417	417
Total carrying amount	**6,913,728**	**434,487**	**158,491**	**7,506,706**
Expected credit losses	(20,566)	(14,806)	(153,093)	(188,465)
Net carrying amount	**6,893,162**	**419,681**	**5,398**	**7,318,241**
Collaterals	**2,810,872**	**321,585**	**107,631**	**3,240,088**

EGP Thousands

Retail	31 December 2022			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring				
Overdraft	448,042	5,203	192	**453,437**
Personal loans	3,775,668	117,842	53,627	**3,947,137**
Credit cards	34,495	501	183	**35,179**
Mortgage Loans	620,411	1,751	7,101	**629,263**
Special monitoring				
Personal loans	78,152	69,460	9,105	**156,717**
Credit cards	1,721	932	2	**2,655**
Mortgage Loans	592	297	306	**1,195**
Default				
Personal loans	--	--	118,422	**118,422**
Credit cards	195	55	232	**482**
Mortgage Loans	--	--	279	**279**
Total carrying amount	**4,959,276**	**196,041**	**189,449**	**5,344,766**
Expected credit losses	(37,942)	(13,798)	(145,907)	**(197,647)**
Net carrying amount	**4,921,334**	**182,243**	**43,542**	**5,147,119**
Collaterals	**2,103,776**	**124,953**	**50,308**	**2,279,037**

EGP Thousands

Corporate	31 December 2023			
	Order of Expected Credit Losses			
Credit Rating	Stage 1	Stage 2	Stage 3	Total
	12 Month	Lifetime	Lifetime	
Standard monitoring				
Overdraft	446,878	1	--	**446,879**
Direct loans	10,099,457	271,204	2,777	**10,373,438**
Syndicated Loans	2,591,978	538,795	--	**3,130,773**
Special monitoring				
Overdraft	--	10	--	**10**
Direct loans	--	170,176	--	**170,176**
Default				
Overdraft	--	--	118	**118**
Direct loans	--	--	929,568	**929,568**
Syndicated Loans	--	--	202,134	**202,134**
Total carrying amount	**13,138,313**	**980,186**	**1,134,597**	**15,253,096**
Expected credit losses	(347,180)	(167,719)	(909,648)	**(1,424,547)**
Net carrying amount	**12,791,133**	**812,467**	**224,949**	**13,828,549**
Collaterals	**2,439,021**	**101,929**	**117,186**	**2,658,136**

EGP Thousands

Corporate	31 December 2022			
	Order of Expected Credit Losses			
Credit Rating	Stage 1	Stage 2	Stage 3	Total
	12 Month	Lifetime	Lifetime	
Standard monitoring				
Overdraft	1,731,280	84,776	18	**1,816,074**
Direct loans	9,820,868	667,574	233,194	**10,721,636**
Syndicated Loans	1,591,379	--	153,501	**1,744,880**
Special monitoring				
Direct loans	--	--	11,728	**11,728**
Syndicated Loans	--	184,835	--	**184,835**
Default				
Overdraft	--	--	79	**79**
Direct loans	--	--	1,017,234	**1,017,234**
Total carrying amount	**13,143,527**	**937,185**	**1,415,754**	**15,496,466**
Expected credit losses	(328,511)	(142,588)	(742,067)	**(1,213,166)**
Net carrying amount	**12,815,016**	**794,597**	**673,687**	**14,283,300**
Collaterals	**3,938,922**	**135,392**	**220,298**	**4,294,612**

EGP Thousands

Due From Banks	31 December 2023			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	11,529,087	--	--	11,529,087
Total carrying amount	**11,529,087**	**--**	**--**	**11,529,087**
Expected credit losses	(2,716)	--	--	**(2,716)**
Net carrying amount	**11,526,371**	**--**	**--**	**11,526,371**

EGP Thousands

Financial Investments	31 December 2023			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	19,938,906	--	--	19,938,906
Total carrying amount	**19,938,906**	**--**	**--**	**19,938,906**
Expected credit losses	(70,434)	--	--	**(70,434)**
Net carrying amount	**19,868,472**	**--**	**--**	**19,868,472**

EGP Thousands

Other Assets	31 December 2023			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	2,373,963	--	--	2,373,963
Total carrying amount	**2,373,963**	**--**	**--**	**2,373,963**
Expected credit losses	(9,451)	--	--	**(9,451)**
Net carrying amount	**2,364,512**	**--**	**--**	**2,364,512**

EGP Thousands

Due From Banks	31 December 2022			
	Order of Expected Credit Losses			
Credit Rating	Stage 1	Stage 2	Stage 3	Total
	12 Month	Lifetime	Lifetime	
Standard monitoring	8,119,011	--	--	**8,119,011**
Total carrying amount	**8,119,011**	**--**	**--**	**8,119,011**
Expected credit losses	(1,582)	--	--	**(1,582)**
Net carrying amount	**8,117,429**	**--**	**--**	**8,117,429**

EGP Thousands

Financial Investments	31 December 2022			
	Order of Expected Credit Losses			
Credit Rating	Stage 1	Stage 2	Stage 3	Total
	12 Month	Lifetime	Lifetime	
Standard monitoring	22,604,332	--	--	**22,604,332**
Total carrying amount	**22,604,332**	**--**	**--**	**22,604,332**
Expected credit losses	(68,737)	--	--	**(68,737)**
Net carrying amount	**22,535,595**	**--**	**--**	**22,535,595**

EGP Thousands

Other Assets	31 December 2022			
	Order of Expected Credit Losses			
Credit Rating	Stage 1	Stage 2	Stage 3	Total
	12 Month	Lifetime	Lifetime	
Standard monitoring	2,335,404	--	--	**2,335,404**
Total carrying amount	**2,335,404**	**--**	**--**	**2,335,404**
Expected credit losses	(1,603)	--	--	**(1,603)**
Net carrying amount	**2,333,801**	**--**	**--**	**2,333,801**

Credit Guarantees

The Bank uses many policies and practices to limit the credit risks. The most widely adopted of these is the acceptability of collateral for debt instruments and loan commitments. The Bank has internal policies regarding classes of collateral that can be accepted to limit or decrease the credit risk.

The Bank accrues out an assessment of the guarantees that have been obtained when establishing these loans. This assessment is regularly assessed. The key types of guarantees are:

- Cash and cash equivalent
- Real estate mortgage
- Derivatives margin agreement that has been signed with the Bank as a part of main offsetting agreements.
- Commercial mortgages
- Financial assets pledge such as debt instruments and equity instruments.

The guarantees held as collateral against the financial assets other than loans and facilities depend on the nature of the instrument, as debt securities, government bonds and other qualified bills are generally not secured, except for the asset-backed securities and similar instruments secured by portfolios of financial instruments. The derivatives are often secured.

The policies adopted by the Bank have not been changed significantly in terms of obtaining guarantees during the financial year, and there has been no change in the quality of those guarantees held by the Bank compared to the previous financial year.

The Bank closely monitors the guarantees held against the low – credit financial assets, as it is likely that the Bank will hold collateral to mitigate potential credit losses.

Written-off financial instruments (loans)

The Bank excludes the financial assets that are still under compulsory collection for unpaid contractual amounts of the bad assets. The Bank seeks to fully recover some amounts legally due that were partially or fully written off due to the lack of a possibility of a full recovery.

Modifications of loans terms and rescheduling

The Bank sometimes modifies terms of the loans granted to the customers due to the commercial renegotiation or non-performing to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms, grace periods, exemption from repayment or some or full interests. Restructuring policies and practices are based on indicators or criteria that indicate – based on the discretion of management - that repayment is likely to continue. These policies are constantly reviewed.

Reduction and risk avoidance policies

The Bank manages, limits, and controls the concentration of credit risks at the debtor level, groups, industries, and countries. The Bank regulates the levels of acceptable credit risks by setting limits to the amount of risk that will be accepted at the level of each borrower, or group of borrowers, and at the level of economic activities and geographical sectors. These risks are monitored constantly and are reviewed annually or on a recurring basis, when necessary. Limits of the credit risks at the level of the borrower / bank, producer, sector, and country are quarterly approved by the Board of Directors.

Credit limits for any borrower, including banks, are divided into sub-limits that include the amounts on- and off- balance sheet, and the daily risk limit relating to trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits. Exposure to credit risks is also managed through periodic analysis of the ability of borrowers and potential borrowers to meet the repayment of their liabilities and by amending lending limits, if appropriate.

Means of setting limits of to the risks are shown as following:

Guarantees

The Bank adopts many policies and controls to limit the credit risks. These means include the guarantees obtained against borrowed funds. The Bank sets guiding rules for specific acceptable classes of guarantees. The key types guarantee of loans and facilities are:

- Real estate mortgages
- Mortgage of activity assets such as machinery and merchandise
- Mortgage of financial instruments such as debt instruments and equity.

The financing is often granted in the longer term and loans to the companies are secured. In order to reduce the credit loss to a minimum, the Bank seeks to get additional guarantees from the concerned parties and when indicators of impairment are shown for a loan or facilities. The guarantees taken as collateral for assets other than loans and facilities are determined based on the nature of the instrument. Generally, the debt instruments and treasury bills are not secured, except for groups of financial instruments covered by Asset-Backed Securities and similar instruments that are secured by a portfolio of financial instruments.

Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts) by both amount and term. The amount exposed to credit risk, at any time, is determined at the fair value of the instrument that provides a benefit for the Bank, i.e. an asset with a positive fair value that represents a portion of the contractual / notional value used to express the size of the existing instruments. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made against the expectation of a corresponding receipt in cash, securities, or equities. Daily settlement limits are established for each counter party to cover the aggregate of all settlement risk arising from the Bank's market transactions on any single day.

Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities shown in the balance sheet, as transactions are either usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short year, as it is affected by each transaction subject to the arrangement.

Credit related commitments

The main purpose of credit-related commitments is to ensure that funds are available to the customer on demand, and financial guarantee contracts carry a credit risk related to loans, and documentary and commercial credits issued by the Bank on behalf of the customer to grant a third party the right to withdraw from the Bank within certain amounts and under specific terms and conditions often secured against the goods being shipped and therefore carries a lower degree of risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Expected credit loss measurement policy

The Bank's policy requires defining three stages for classifying financial assets that are measured at amortized cost, loan commitments and financial guarantees, as well as debt instruments at fair value through other comprehensive income, according to changes in credit quality since the initial recognition, and then measuring (expected credit losses) in the value related to these instruments as follows:

The unimpaired financial asset is classified upon initial recognition in Stage 1 and credit risk is monitored on an ongoing basis by the Bank's credit risk department.

If there has been a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2 and the financial asset is not considered impaired at this stage (lifetime expected credit loss in the absence of credit impairment).

If there are indications of impairment in the value of the financial asset, it is transferred to Stage 3, and the Bank relies on the following indicators to determine whether there are objective evidence indicating :

- A significant increase in the rate of interest on the financial asset as a result of the increase in credit risk.
- Negative material changes in the activity and financial or economic conditions in which the borrower operates.
- A scheduling request as a result of difficulties facing the borrower.
- Negative material changes in actual or expected operating results or cash flows.
- Early signs of cash flow/liquidity problems such as delays in servicing creditors/business loans.
- Cancellation of a direct facility by the Bank due to the borrower's high credit risk.
- General Bank Risk Measurement Model

The management performs classifications in the form of a more detailed subgroup to comply with the requirements of the central bank of Egypt, and the assets exposed to credit risk are classified according to detailed rules and conditions that depend largely on the information related to the customer, his activity, his financial status, and the extent of his regularity of payment.

The bank calculates the required provisions in accordance with the instructions of creditworthiness, on the basis of specific ratios by the Central Bank of Egypt, and in the event that the required provisions in accordance with the rules of the central bank of Egypt exceed the expected credit losses calculated for the purposes of preparing the financial statements, the general bank risk reserve is set aside within rights ownership with a discount on the distributable profits by the amount of that increase, and this reserve is periodically adjusted by increase or decrease so that it is always equal to the amount of the increase between the two provisions, and this reserve is not distributable.

Following is a table on the creditworthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt assessment bases and the provision ratios required for the impairment of the assets exposed to credit risk:

CBE Rating	Rating description	Provision% Internal	rating description
1	Low Risk	0%	Good debts
2	Moderate Risk	1%	Good debts
3	Satisfactory Risk	1%	Good debts
4	Reasonable Risk	2%	Good debts
5	Acceptable Risk	2%	Good debts
6	Marginally Acceptable Risk	3%	Standard monitoring
7	Watch List	5%	Special monitoring
8	Substandard	20%	Non-performing debts
9	Doubtful	50%	Non-performing debts
10	Bad Debt	100%	Non-performing debts

Maximum limits for credit risk before collateral - items exposed to credit risk (on-balance sheet)

	31 December 2023 EGP Thousands	31 December 2022 EGP Thousands
Cash and Balances with Central Bank limited to the statutory reserve ratio	4,030,033	1,906,215
Treasury Bills and other Government Securities	9,849,828	8,701,794
Due from banks	11,526,371	8,117,429
Loans and facilities to customers		
Retail Loans		
Personal loans	5,969,104	4,035,535
Credit cards	76,961	38,213
Overdraft	220,481	453,375
Mortgage loans	1,051,695	620,066
Corporate Loans		
Overdraft	439,916	1,801,799
Direct loans	10,519,440	10,719,717
Syndicated loans	2,869,193	1,761,714
Suspended interest	(643)	(52,479)
Unearned interest	(66,831)	(60,509)
Financial Investment		
Debt instruments	10,048,958	13,875,131
Other assets - accrued revenue	738,563	797,153
	57,273,069	**52,715,153**

Credit risk exposure item without taking collaterals (off-balance sheet):

	31 December 2023 EGP Thousands	31 December 2022 EGP Thousands
Loan Commitment	933,981	1,280,305
Acceptances on supplier facilities	649,754	236,791
Letters of credit	135,397	697,440
Letters of guarantee	3,310,132	3,038,760
	5,029,264	**5,253,296**

The above table represents the maximum bank exposure to credit risk 31 December 2023 and 31 December 2022, without taking in consideration any collateral held for in-balance sheet items, the balances included are based on net carrying amounts as reported in the balance sheet and as shown above, 36.10% of the maximum exposure arising from loans and facilities to customers against 38.42% at 31 December 2022; While investments in debt tools represent 36%, compared to 41.64% on December 31, 2022.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and facility portfolio and debt Instruments based on the following:

- 94.45% of the loans and facility portfolio is categorized in the top two grades of the internal rating system against 94.55% at 31 December 2022.
- 84.46% of the loans and facility portfolio without accruals or impairment indicators against 86.17% at 31 December 2022.
- 99.39% of the investments in debt instruments and treasury bills represent the debt instruments on Egyptian Government against 89.46% at 31 December 2022.

Loans and facilities

Balances of loans and facilities at 31 December 2023 are set out below:

	31 December 2023 EGP Thousands	31 December 2022 EGP Thousands
Stage 1	20,052,041	18,102,803
Stage 2	1,414,673	1,133,226
Stage 3	1,293,088	1,605,203
Total	**22,759,802**	**20,841,232**
Less:		
Expected credit losses	(1,613,012)	(1,410,813)
Suspended interest	(643)	(52,479)
Unearned interest	(66,831)	(60,509)
Net	**21,079,316**	**19,317,431**

EGP Thousands

	31 December 2023							
	Retail				Corporate			
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	Total loans and facilities to customers
Rating								
Performing /No Dues	220,707	66,187	5,324,833	1,049,905	447,007	9,172,630	2,941,754	**19,223,023**
Past due up to 30 days	--	9,387	440,175	10,197	--	1,130,307	189,019	**1,779,085**
Past due 30-60 days	--	1,812	156,432	2,279	--	73,671	--	**234,194**
Past due 60 -90 days	--	1,888	90,064	251	--	168,966	--	**261,169**
Impaired	--	1,276	130,896	417	--	927,608	202,134	**1,262,331**
Total	**220,707**	**80,550**	**6,142,400**	**1,063,049**	**447,007**	**11,473,182**	**3,332,907**	**22,759,802**

EGP Thousands

	31 December 2022							
	Retail				Corporate			
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	Total loans and facilities to customers
Rating								
Performing /No Dues	453,437	30,333	3,609,468	622,892	1,816,153	10,031,512	1,392,241	**17,956,036**
Past due up to 30 days	--	4,847	337,669	6,371	--	270,773	158,279	**777,939**
Past due 30-60 days	--	1,404	107,196	1,007	--	247,093	--	**356,700**
Past due 60 -90 days	--	1,251	49,521	188	--	--	--	**50,960**
Impaired	--	481	118,422	279	--	1,201,220	379,195	**1,699,597**
Total	**453,437**	**38,316**	**4,222,276**	**630,737**	**1,816,153**	**11,750,598**	**1,929,715**	**20,841,232**

Restructured loans and facilities

Restructuring activities include extending payment arrangements, implementing forced management programs, modifying, and postponing payments. Policies for implementing restructuring depend on indicators or criteria that indicate that there is a high probability of Continued payments, based on the personal judgment of management. These policies are subject to continuous review. It is usual to apply restructuring to long-term loans, especially customer financing loans, The restructured loans at 31 December 2023 amounted 431,513 EGP thousands compared to 196,563 EGP thousand at 31 December 2022.

Written-off loans

In accordance with the Board of Directors' decision or its specialized committees, the written-off loans from the non-performing loans are written-off against its related loan loss provisions and that step is made after exhausting all the possible recovery processes.

Debt Instruments and Treasury Bills

The table below presents an analysis of debt instruments, and other treasury bills according to the rating agencies at 31 December 2023.

EGP Thousands

31 December 2023	Treasury bills & other Governmental securities	Debt Instruments	Total
B	9,863,355	10,075,551	19,938,906

31 December 2022	Treasury bills & other Governmental securities	Debt Instruments	Total
B	8,707,793	13,896,539	22,604,332

Activity segments

The following table represent the analysis of the Bank's main credit exposure at carrying value categorized by the activities practiced by the bank's customers.

EGP Thousands

	Commercial activity	Industrial activity	Financial institutions	Real estate companies	Governmental sector	Other Activities	Individuals	Total
Cash and balances with Central Bank	--	--	4,240,517	--	--	--	--	**4,240,517**
Due from banks	--	--	11,529,087	--	--	--	--	**11,529,087**
Loans and facilities to customers								
Retail loans								
Overdraft	--	--	--	--	--	1,321	219,386	**220,707**
Personal loans	--	--	--	--	--	904	6,141,496	**6,142,400**
Credit Cards	--	--	--	--	--	--	80,550	**80,550**
Mortgage loans	--	--	--	--	--	--	1,063,049	**1,063,049**
Corporate loans								
Overdraft	19	9,851	92,343	4	--	344,790	--	**447,007**
Direct loans	284,565	5,839,569	1,422,342	971,254	--	2,955,452	--	**11,473,182**
Syndicated loans	--	656,706	--	1,289,894	264,653	1,121,654	--	**3,332,907**
Financial Investments								
Debt instruments	--	--	19,938,906	--	--	--	--	**19,938,906**
Other assets	--	--	767,981	--	--	--	--	**767,981**
Total at 31 December 2023	**284,584**	**6,506,126**	**37,991,176**	**2,261,152**	**264,653**	**4,424,121**	**7,504,481**	**59,236,293**
Total at 31 December 2022	**123,787**	**6,458,055**	**35,380,526**	**2,868,833**	**307,302**	**3,951,417**	**5,344,766**	**54,434,686**

Market risk

The Bank is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of sensitivity of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The management of market risks arising from trading or non-trading activities is concentrated in the market risk management of the Bank and is monitored by two teams separately. Periodic reports on market risks are submitted to the Board of Directors and heads of each business unit.

Trading portfolios include those positions arising from the Bank's dealings directly with customers and market-making transactions, where the Bank acts as a principal with customers or with the market Non-trading portfolios primarily arise from the interest rate management of the entity's retail and commercial banking assets and liabilities, these portfolios include foreign exchange and equity risks arising from investments at amortized cost and at fair value through other comprehensive income.

The Bank uses the method of relating debit interest rate with credit interest rate to avoid the risk of fluctuations in interest rate. The Bank also depends on fluctuated interest rate which does not exceed 3 months except in specific cases interest rates are specified for longer period relating resources portfolio with application portfolio to get return that covers its costs.

The exchange rate risk is measured and hedged by daily follow-up of foreign exchange rates and purchase or sale operations in proportion to market prices with the adoption of limits for foreign currency positions and daily stop-loss limits in proportion to the risks acceptable to the Bank.

The risk of interest rate movements is measured using the standard method for measuring the gap that affects the Bank's profits or the economic value of the Bank.

The risks of securities rate fluctuations are measured. The Market Risk Department follows up on the classification, sale, and purchase of financial assets for the purpose of trading and making a daily assessment of them with close follow-up and working to set the necessary limits for them, in cooperation with the treasury sector, while measuring the value at risk of those instruments if they are kept for the purpose of trading to determine the extent of potential losses.

Liquidity risk is measured by managing all assets and liabilities inside and outside the balance sheet in line with the Bank's objectives in its management, through the ALCO committee, which identifies the sources from which liquidity risks arise with the management of market risks and the work of possible scenarios for liquidity pressure and management in case of crises.

The causes of market risks are due to the risk of interest rates and exchange rate risks that arise due to the Bank's daily activities. The Bank manages the risks it is exposed to in the market through a comprehensive framework that reflects the limited acceptance of those risks. All reports are presented to the Risk Committee and the Assets and Liabilities Committee of the Bank. market risks are measured as follows:

Measuring the interest rate risk for positions held not for the purpose of trading, which is the risk that arises from unfavorable movements in the prevailing interest rates in the market during a certain period of time, which may negatively affect the Bank's profitability and the economic value of its equity and consequently the bank's position and the Bank's profitability. The Bank calculates the qualitative and quantitative requirements regarding the rate of interest risks of the positions held for non-trading purposes, while carrying out stress tests on them.

Value at risk of non-trading purpose according to risk type

	31 December 2023			31 December 2022		
	Average	Higher	Lower	Average	Higher	Lower
Interest rate risk	839,393	1,419,214	329,476	206,098	345,451	175,299

Foreign exchange fluctuation risk

The Bank is exposed to the effects of fluctuations in the foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign currency exchange rate risk at the end of financial period, and Bank's financial instruments at carrying amounts, categorized by currency.

EGP Thousands

31 December 2023	EGP	USD	EUR	GBP	Other Currencies	Total
Financial Assets						
Cash and balances with Central Bank	4,145,948	77,013	13,709	757	3,090	4,240,517
Due from banks	6,201,523	4,696,110	393,379	229,657	5,702	11,526,371
Loans and facilities to customers	19,100,791	1,958,757	19,768	--	--	21,079,316
Financial Investments						
Financial Investments at fair value through other comprehensive income	8,338,787	493,308	2,778	--	--	8,834,873
Financial Investments at amortized cost	4,990,053	6,169,819	73,989	--	--	11,233,861
Financial Investments in associates	434,687	--	--	--	--	434,687
Other Financial Investments	653,136	111,504	3,083	258	--	767,981
Total financial assets at 31 December 2023	**43,864,925**	**13,506,511**	**506,706**	**230,672**	**8,792**	**58,117,606**
Financial liabilities						
Due to banks	5,129	2,650,375	--	--	20,589	2,676,093
Customers' deposits	39,077,242	10,812,453	508,248	230,893	5,371	50,634,207
Other loans	126,684	--	--	--	--	126,684
Other financial liabilities	546,828	44,062	127	9	--	591,026
Total financial liabilities at 31 December 2023	**39,755,883**	**13,506,890**	**508,375**	**230,902**	**25,960**	**54,028,010**
31 December 2023	**4,109,042**	**(379)**	**(1,669)**	**(230)**	**(17,168)**	**4,089,596**
31 December 2022	**4,183,150**	**(213,481)**	**(163,765)**	**(256)**	**(968)**	**3,804,680**

Interest rate risk

The Bank is exposed to the effects of fluctuations in the levels of the prevailing interest rate in the market, i.e., the risk of cash flows of the interest rate represented in the fluctuation of future cash flows of a financial instrument due to changes in the interest rate of the instrument and fair value risk of the interest rate, i.e., is the risk of fluctuations in the value of the financial instrument as a result of a change in the interest rates in the market. The interest margin may increase due to these changes; however, the profits may decrease if unexpected movements occur. The Bank's Board of Directors sets limits for the level of variation in interest re-pricing that can be maintained by the Bank, and this is monitored daily by the Bank's fund management.

The tables below summaries the Bank 's exposure to the interest rate fluctuations risk that include carrying amount of the financial instruments categorized based on the repricing dates or the maturity date – whichever is earlier.

EGP Thousands

31 December 2023	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial Assets							
Cash and balances with Central Bank	--	--	--	--	--	4,240,517	**4,240,517**
Due from banks	6,782,038	4,728,513	18,536	--	--	(2,716)	**11,526,371**
Loans and facilities to customers	1,726,427	10,359,962	1,256,937	7,169,237	2,247,239	(1,680,486)	**21,079,316**
Financial Investments							
Financial Investments at fair value through other comprehensive income	2,670,452	3,800,142	1,618,038	521,227	55,065	169,949	**8,834,873**
Financial Investments at amortized cost	285,936	3,917,998	2,463,559	4,323,498	282,990	(40,120)	**11,233,861**
Financial Investments in associates	--	--	--	--	--	434,687	**434,687**
Other Financial Investments	--	--	--	--	--	767,981	**767,981**
Total financial assets at 31 December 2023	**11,464,853**	**22,806,615**	**5,357,070**	**12,013,962**	**2,585,294**	**3,889,812**	**58,117,606**

EGP Thousands

31 December 2023	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial liabilities	--	--	--	--	--	--	--
Due to banks	2,378,769	--	--	--	--	297,324	**2,676,093**
Customers' deposits	13,898,659	9,562,144	12,239,988	14,153,190	47,032	733,194	**50,634,207**
Other loans	--	--	--	--	126,684	--	**126,684**
Other financial liabilities	--	--	--	--	--	591,026	**591,026**
Total financial liabilities at 31 December 2023	**16,277,428**	**9,562,144**	**12,239,988**	**14,153,190**	**173,716**	**1,621,544**	**54,028,010**
31 December 2023	**(4,812,575)**	**13,244,471**	**(6,882,918)**	**(2,139,228)**	**2,411,578**	**2,268,268**	**4,089,596**
31 December 2022	**(4,241,507)**	**7,581,606**	**(2,845,497)**	**(1,189,729)**	**4,779,868**	**(280,061)**	**3,804,680**

Sensitivity analysis of interest rate

Changes in interest rates affect equity by the following ways:

Retained Earnings: Increase or decrease in the net interest income and fair value of the financial derivatives included in profits and losses.

Fair value reserve: Increase or decrease in the fair value of the financial assets at fair value through other comprehensive income recognized directly in the statement of other comprehensive income.

Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligation to repay depositors and fulfil commitments to lending.

Liquidity risk management

The Bank's liquidity management process, as carried out within the Bank and monitored by Assets & Liabilities Committee, includes:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or borrowed by customers. The Bank maintains an active presence in global money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring the liquidity ratios against internal and regulatory requirements by the Central Bank of Egypt.
- Managing the concentration and profile of debt maturities.

For monitoring and reporting purpose, the cash flow is measured and projected for the next day, week and month respectively, which are key periods for liquidity management. The starting point for those projections represented in the contractual maturity analysis of the financial liabilities and the expected collection date of the financial assets.

Asset and liability management also monitors unmatched medium-term assets, the level and type of undrawn loan commitments, the usage of debit current account facilities and the impact of contingent liabilities such as letters of guarantees and credits.

The following tables represent the analysis of the bank 's liquidity coverage ratio:

	31 December 2023 EGP Thousands	31 December 2022 EGP Thousands
Total amount of high-quality liquid assets (1)	16,081,143	23,282,621
Total Cash outflows	10,601,212	16,130,875
Considerable total cash inflows within the set limit (value less than: total cash inflows, 75% of total cash outflows)	(7,950,909)	(4,788,014)
Net cash outflows (2)	**2,650,303**	**11,342,861**
Liquidity coverage ratio (1/2)	**606.77%**	**205.26%**

Capital Management

The Bank's objectives on managing capital, which include other elements in addition to the equity shown in the balance sheet, are as follows:

- Compliance with the legal requirements of capital in the Arab Republic of Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to continue generating income for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base that supports the growth of activity.

The capital adequacy and capital uses are daily reviewed according to the requirements of the Central Bank of Egypt by the Bank's management, through forms based on the guidelines of the Basel Committee on Banking Supervision. The required data are submitted and provided to the Central Bank of Egypt on a quarterly basis.

The Central Bank of Egypt requires the Bank to do the following:

- Maintain Five billion Egyptian pounds as a minimum for issued and paid-up capital.
- Maintain a ratio equal to or more than 12.5% between the elements of capital and the elements of assets and contingent liabilities weighted by risk weights.

In accordance with the requirements of the Central Bank of Egypt to update the position of the banking sector with regard to the capital adequacy ratio according to Basel II decisions.

The numerator of the capital adequacy ratio consists of the following two tiers:

Tier I after disposals includes the following:

Some of the items that will be deducted/ will not be considered and mentioned in the “supervisory instructions on the minimum ratio of capital adequacy”, Chapter II on the capital base will be dealt with later as stated in the instructions.

- Continuing core capital after disposals (CET1-Common Equity).
- Additional core capital

There are some items that will be deducted/ not considered and mentioned in the “supervisory instructions on the minimum ratio of capital adequacy”, Chapter II on the capital base. These items are deducted from the continuous core capital if the balance is negative, while they are not considered if it is positive.

Tier II after disposals

It includes 45% of the special reserve, loans and subordinated deposits within the limits of the prescribed percentage, as well as the considerable provisions required against the debt instruments, loans, credit facilities and contingent liabilities included in the first stage (Stage 1).

The capital adequacy ratio model includes some important notes and points which are as follows:

1. Reserves: include legal, general, statutory, supportive and capital reserves only.
2. “general risk reserve” is formed in accordance with the supervisory instructions issued to banks on 26 January 2019. It includes the special reserve – credit, the general bank risk reserve - credit and the reserve risk of standard (9), considering that in the subsequent periods of application, the Bank shall abide by what is stated within the instructions on minimum capital adequacy ratio “which is not to consider the bank risk reserve when calculating the ratio.”
3. The values of accumulated other comprehensive income items, whether they are positive or negative, are considered.
4. Interim profits/ (losses): It is allowed to record the net interim profits within the capital base after the limited inspection report prepared by the auditor on the Bank’s financial statements on a quarterly basis. As for the interim losses, they are presented without any conditions.
5. It does not include the part related to credit, and the explanatory instructions of the rules on the preparation and presentation of the financial statements issued by the Central Bank in April 2009, page 7, item (9) must be perused.
6. It should not exceed 1.25% of total assets and contingent liabilities weighted for credit risk, provided that the required provisions against debt instruments, loans, credit facilities and contingent liabilities included in the Stage 2 and Stage 3 are sufficient to meet the obligations for which the provision is formed.
7. ”The value of exceeding the limits set for investments in countries, weighted by risk weights.”

8. This value must be included in accordance with Form No. 720 related to investments in countries abroad, taking into account that the value of the capital base listed in the aforementioned statement must be adjusted according to the calculated value.

- The continuing core capital after the regulatory adjustments is Clause 1.1 before excluding contributions to financial companies (shares or investment funds) represented in Clause 1.3.1.1.
- Continuing core capital before regulatory adjustments means paid-up capital, reserves, retained earnings, general risk reserve, and accumulated other comprehensive income items net of goodwill and treasury shares.
- Subordinated loans (deposits): provided that they do not exceed 50% of Tier I after disposals and that 20% of its value is consumed in each of the last five years.

Financial leverage ratio

The Board of Directors of the Central Bank of Egypt, in its session held on 7 July, issued a decision approving the supervisory instructions related to the financial leverage, besides the banks' compliance with the stipulated minimum percentage (3%) on a quarterly basis, as follows:

- As an indicative percentage as of the end of September 2015 until the year 2017.
- As a compulsory supervisory percentage as of 2018.

This is in preparation for the consideration of it within the first pillar of Basel decisions (the minimum capital adequacy ratio) for maintaining the strength and integrity of the banking sector and keeping pace with the best international control practices in this regard.

The financial leverage reflects the relationship between Tier I of capital used in capital adequacy ratio (after disposals) and the Bank's assets (inside and outside the balance sheet) unweighted with risk weights.

Financial instruments measured at fair value

The fair value of one-day variable-rate placements and deposits represent their present value, and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

Loans and facilities to banks

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value to determine the fair value to meet all the requirements. This includes replacement of funds on maturity or upon being lent to customers. The Bank is present in global money markets to achieve this objective.

Loans and facilities to customers

They are recognized at net value after deduction of provision for impairment loss. The expected fair value for these loans and facilities represents the discounted value of estimated future cash flows expected to be collected. Cash flows are deducted using the current interest rate in the market to specify the fair value.

Investments in securities

Assets through other comprehensive income or profit or loss are carried at fair value. The fair value is determined based on market prices. If such data is not available, fair value is estimated using prices of capital markets for traded securities with similar credit characteristics, dates of maturity and rates.

Financial instruments not measured at fair value

Financial investments at amortized cost

They include held-to-maturity financial assets that are listed in the market and are measured at amortized cost in case of bonds, and with respect to investment funds, the evaluation is done at the recoverable amount (fair value).

Management believes that the fair value is not materially different from the carrying amount of these assets.

Due from banks

The fair value of one-day variable-rate placements and deposits represent their present value, and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

Loans and facilities to banks

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value. Loans and facilities are presented net of provision for impairment losses.

Investments in securities

Investments in securities include only financial assets that have a fixed or determinable maturity date, and the business model aims to hold them in order to obtain only the investment principal and the return thereon. The fair value of these financial assets held to maturity is determined based on market prices or prices obtained from brokers. If this data is not available, the fair value is estimated using financial market prices for tradable securities with similar credit characteristics, maturity dates and rates.

Due to other banks and customers

The estimated fair value of deposits with an indefinite maturity date, that include non-interest-bearing deposits, is the amount that would be repaid on demand.

The fair value of fixed interest-bearing deposits and other loans that are not traded in an active market is determined based on the discounted cash flows using the rate of return on new debts with a similar maturity date.

Issued debt instruments

The total fair value is calculated based on current capital market prices. For securities that have no active markets, the discounted cash flow model is used for the first time based on the current rate that fits the remaining period till the maturity date.

41. Subsequent events

- On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

42. Significant accounting policies applied

42.1. Basis of consolidation

42.1.1 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.

42.1.2. 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.

42.1.3. 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.

42.1.4. 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.

42.1.5. 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.

42.1.6 Transactions eliminated on consolidation

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

42.2. Foreign currency

42.2.1. 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.

42.2.2. 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.

42.3. 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.

42.4. Revenue

42.4.1. 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.

42.4.2. Dividend income

Dividend income is recognized when declared.

42.4.3. Custody fee

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

42.4.4. 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".

42.4.5. 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.

42.4.6. 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.

42.4.7. Management fee

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

42.4.8. 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.

42.4.9. 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.

42.4.10. 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 amortised 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.

42.4.11. 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.

42.5. 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.

42.5.1. 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.

42.5.2. 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.

42.6. Property, plant and equipment

42.6.1. 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.

42.6.2. 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.

42.6.3. 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	20 - 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.

42.6.4. Reclassification to investment property

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

42.7. 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.

42.8. 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.

42.9. 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.

42.10. 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.

42.11. Financial instruments

42.11.1. 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.

42.11.2. 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.

42.11.3. 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.

If the company determines that its business model has changed in a way that is significant to its operations, then all affected assets are reclassified from the first day of the next reporting period (the reclassification date). The change in business model has to be affected before the reclassification date. In order for reclassification to be appropriate, the company cannot engage in activities consistent with its former business model after the date of change in business model. Prior periods are not restated.

42.11.4. 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.

42.11.5. Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPLThese 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.

42.11.6. 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.

42.11.7. 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.

42.11.8. 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.

42.11.9. 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.

42.12. Share capital

42.12.1. 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.

42.12.2. 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.

42.13. 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.

42.14. Impairment

42.14.1. 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.

42.14.2. 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.

42.14.3. 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.

42-14-4. Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

42.14.5. 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.

42.14.6. 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.

42.15. 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.

42.16. 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.

42.17. 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.

42.18. 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.

42.19. 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.

42.20. Employees benefits

42.20.1. Share based payments

Equity settled transactions

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested

42.21. Micro-enterprises Receivables

42.21.1. Credit policy

Funding Consideration

- Funding are granted to clients who have previous experience not less than one year in his current activity which is confirmed by the client with adequate documentation and field inquiry.
- Funding are granted to the client which it's installment is suitable according to his predictable income activity and this done throw analyzing client's revenues and expenses and his foreseeable marginal income, and this done by the branches specialists of the company on the prepared form for this purpose(financial study form and credit decision).
- Before grant funding, a client activity field inquiry is done.
- Recording inquiries results about client and guarantor with inquiring forms of the company which reveal client's activity (visit form & Inquiry form).
- The company prohibit grant funding for new client unless the activity is existing with previous one year experience where the granted funds be within a minimum 1 000 EGP and maximum 30 000 EGP with loan duration of 12 months.
- Inquiries for clients are performed by I-Score Company before granting and in case of approval on granting. The credit limit of the client is considered when calculating the client's revenue and expenses.

Client's Life Insurance

The insurance process on the client is performed with the authorized companies from insurance supervisory authority.

Client’s Following up

The company keeps specialists in branches from following up all regular clients, and irregular with continuous application of that during finance period with judging on their commitment in paying the remaining installments and this done through recording visits for clients with daily basis and also with data base provided by computer system for all branches all over the republic.

Impairment loss of micro financed loans

The company at the date of the financial statements estimates the impairment loss of micro financed loans, in the light of the basis and rules of granting credit and forming the provisions according to the Board of Directors decision of the Financial Supervisory Authority No. (173) issued on December 21, 2014 to deal with the impairment loss.

42.22. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49.

42.22.1. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

42.22.2. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies EAS 11 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue'.

42.23. Operating segment

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

43. New Editions and Amendments to Egyptian Accounting Standards:

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts"	1. This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2. Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3. Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4. The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: • Egyptian Accounting Standard No. (10) "Fixed Assets ". • Egyptian Accounting Standard No. (23) "Intangible Assets". • Egyptian Accounting Standard No. (34) " Investment property".	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.