



Turning Points



By helping companies and individuals capture opportunities across the globe, EFG Hermes creates turning points for its clients and shareholders alike.

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BUILDING ON A LEGACY OF EXCELLENCE

Drawing on more than 30 years of experience and an unrivalled team of professionals, EFG Hermes offers a comprehensive portfolio of financial services including Investment Banking, Asset Management, Securities Brokerage, Research and Private Equity

What We Do

EFG Hermes is the leading investment bank in the Arab world. In addition to our five lines of business, EFG Hermes owns a 63.7% majority stake in the Lebanese commercial bank Crédit Libanais.

Through our operations in Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates, and with more than 800 employees of 25 nationalities, EFG Hermes serves a considerable and diversified client base from the Middle East and North Africa to Europe, Africa and the United States. Our client base is well-diversified, including sovereign wealth funds, endowments, corporations, financial institutions, high-net-worth clients and individual customers.

The Investment Bank

Securities Brokerage

EFG Hermes Securities Brokerage is the leading brokerage house in the Arab world. With the region's largest brokerage team, the division caters to an extended spectrum of investors including foreign, local and Gulf institutions as well as individual, VIP, high-net-worth individuals and family offices. The division's products and services range from trading services including phone trading, a full suite of online trading tools that provide multimarket functionality, SWAP/P-

Note products trading and margin lending for Egyptian retail investors. Products are complemented by custody services for retail and institutional clients, fundamental and technical research products and an ATM facility for Egyptian retail investors. Furthermore, the division is accredited for its regional corporate access as it organizes the most highly anticipated and well-attended conferences providing investors and corporations with valuable networking opportunities.

Investment Banking

EFG Hermes Investment Banking is the Arab world's advisor of choice for major M&A, equity (private and public) and debt transactions. The division's highly experienced team of investment professionals has advised on some of the largest cross-border M&A transactions in the region and delivered some of the most high profile regional equity offerings leveraging a distribution network that encompasses more than 102,000 investors across North America, Europe, the Middle East and Africa.

Asset Management

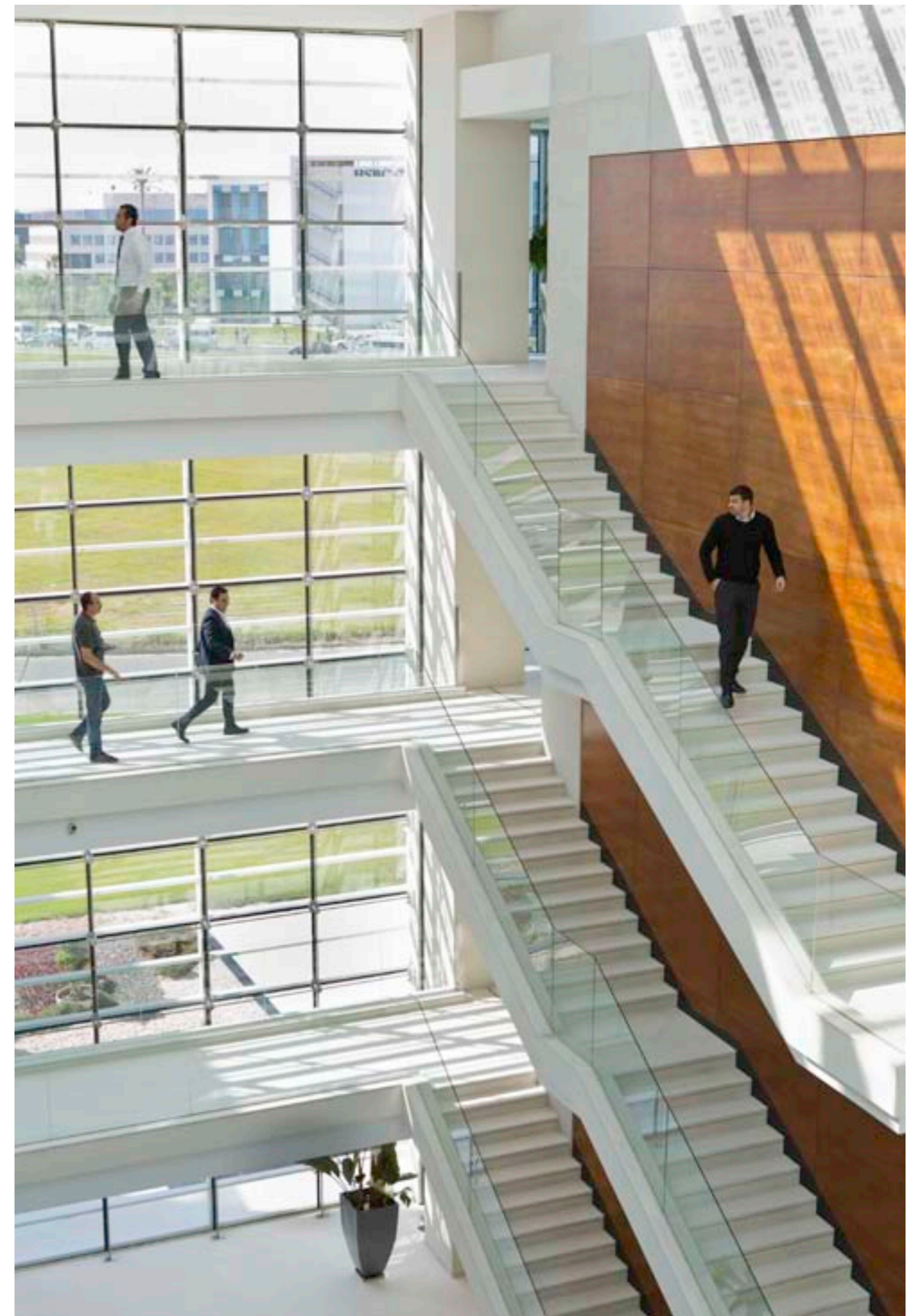
The leading asset manager in the Arab world, EFG Hermes Asset Management serves a client base that includes sovereign wealth funds, endowments, foundations, and pension funds. The Asset Management team is comprised of more than 40 experienced professionals with

decades of experience in the regional markets. The team manages 26 equity and fixed income funds and over 60 discretionary portfolios. The division offers a multi-strategy equity product at a single country level (Egypt and Saudi Arabia) and at a regional level (Dubai). EFG Hermes Asset Management also has dedicated fixed income and money market professionals that are based in Egypt and serve the entire team.

The division's ability to deliver consistently superior returns across a broad and diverse product spectrum that encompasses sector, single-country and regional funds has garnered recognition from prestigious regional awards programmes including Thomson Reuters / Zawya MENA Asset Management Awards, in which EFG Hermes Asset Management won in five different categories including the top performing MENA Equity Fund.

Private Equity

EFG Hermes' world-class Private Equity house is a well-established division with on-the-ground presence in Cairo and Dubai; by leveraging EFG Hermes' client network and geographic footprint the division's reach now spans the Arab world, Africa and Europe. The experienced investment professionals of the Private Equity team focus on attractive investment opportunities that capitalise on the



EFG HERMES' CORE IDEOLOGY

Solid values have been central to EFG Hermes' success since our founding in 1984. We aim to nurture a culture of inclusion, built on our values and vision, that will inform all aspects of how we do business across the MENA region and beyond. At EFG Hermes, we believe in:

particular strengths of the region. Private Equity advises InfraMed, the largest investment vehicle dedicated to infrastructure investments in the Southern and Eastern Mediterranean. The firm is also one of five global and regional founding sponsors that together contributed EUR 385 million to establish InfraMed.

Research

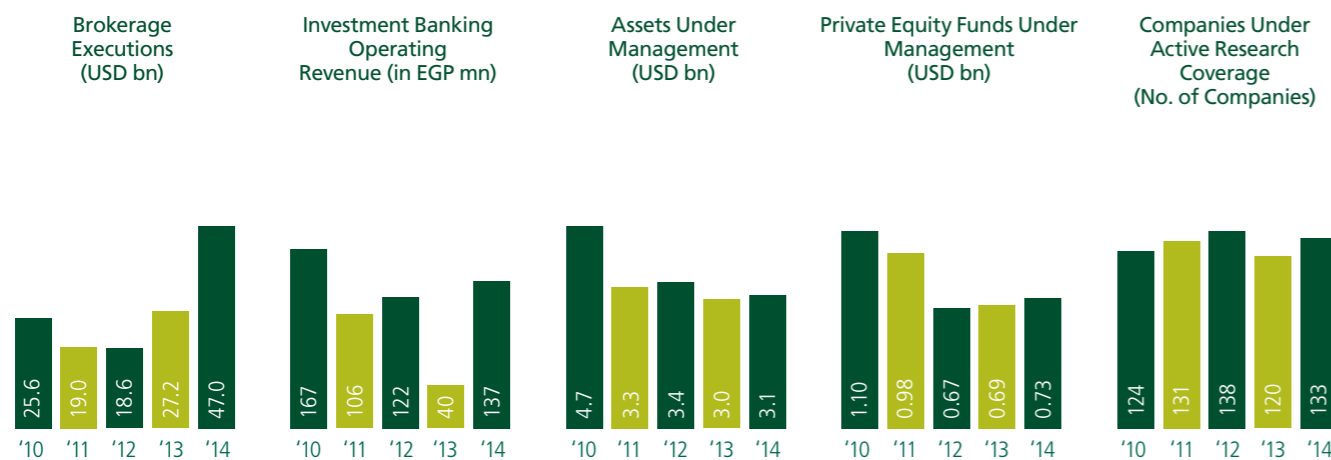
EFG Hermes' award-winning Research division offers its clients unparalleled coverage of MENA markets, including more than 133 companies representing c.57% of the region's

aggregate market capitalisation. The team offers high-quality, in-depth economics and strategy coverage of 11 and 8 key countries, respectively, in the Arab world. Products include equity research, strategy and macro notes, sector overviews, and country-specific notes. Our team of analysts has more than 220 years of cumulative experience, local intelligence, and more analysts on-the-ground than any other MENA research team.

The Commercial Bank

Crédit Libanais is a leading Lebanese commercial bank with nearly 290,000

customers in Lebanon, Cyprus, Senegal, Bahrain and Iraq. The Bank offers a full range of commercial banking products, including retail banking, a variety of checking and savings accounts, debit and credit cards, personal loans and commercial retail loans, insurance, corporate banking, international banking services, markets coverage, SME banking, private banking and asset management.



Integrity



Strive to operate with integrity in everything we do, aspiring to transparency and adhering to global best practices in corporate governance

Leadership



Take a broad view of leadership, fostering talent at all levels of the firm; lead the market by example and capitalise on the brand equity created by a winning team to diversify our business and expand our footprint

Value Creation



Maintain a sharp focus on recognizing and capturing opportunities to sustainably create value for all our stakeholders

Commitment



Make our commitment to these principles of integrity, leadership and value creation universal to all our stakeholders, from our clients and our employees to the communities in which we do business

The EFG Hermes Vision Statement

We strive to strengthen our position as the MENA region's leading investment bank and to expand our reach beyond current borders. Drawing on more than three decades of commitment to excellence, we have built a track record of integrity, leadership and value creation that has earned us wide recognition as regional pioneers. These values are deeply rooted in our talented professionals led by our world-class management team, who together work day in, day out to deliver innovative and global-quality products and services that consistently meet the needs of our diversified client

base. Every day, we leverage our financial expertise and our direct presence in MENA's most compelling markets to stay at the forefront of the region's financial industry, ensuring the long-term growth of our firm — and creating both career opportunities and financial rewards for our people. We will remain the benchmark for our industry in MENA countries and beyond as we deliver strong group profitability. We are driven by our sense of public responsibility as we create sustainable value for all our stakeholders and the communities in which we do business.

CHAIRPERSON'S FOREWORD

Dear Shareholders,

It is a rare privilege in life to have first-hand insight into how an organization has grown through multiple generations of competent leadership without having personally been an executive of the institution itself. That is my case with EFG Hermes, where I helped early in my career incorporate the Egyptian Financial Group — the “EFG” in EFG Hermes — and where I had, most recently, the honor as Chair of helping transition a new generation of leaders into senior management positions in the year just ended.

I trust it will not come as a surprise when I say that the handover of leadership to a new generation that largely “came up through the ranks” here at EFG Hermes marks a key turning point on our journey to becoming a sustainable institution. In the past year, management has proven itself worthy of the trust to helm the region's flagship investment bank. Our executives and the teams they lead are entirely representative of the great nations from which they are drawn and give me great hope for the future of Egypt, our home country, and the Arab world.

EFG Hermes is more than an investment bank: It is a national treasure and a catalyst of regional growth, two facts that make us doubly aware that just as we have an obligation to our public shareholders, we have a wider duty to uphold principles of public responsibility — to be a positive force not just in business and the economy, but also in the societies in which we do business and on which we have an impact.

With that in mind, we amended last year our original “Five P” business strategy to be “Six Ps” through the explicit recognition of our Public Responsibility to ensure that we are a sustainable institution in every sense of the word. At the most base level, we



are now pledging to make certain that our creation of corporate value does not come at the expense of the societies, environments or economies where we operate.

We are not alone in our focus on sustainability — it is a global trend, one that our international counter parties will increasingly view as a net positive in the years to come.

For the last two years, EFG Hermes has been a member of the United Nations Global Compact (UNGC) initiative, a forum in which member companies and organizations from all over the world report on their activities, showing how they support the UNGC's 10 principles with respect to human rights, labor, environment, and anti-corruption. We acknowledge this year both how far we have come — and how far we have left to go — through the publication of our first annual Sustainability Report, a copy of which we enclose with our 2014 Annual Report.

At every level of the investment bank, our staff have worked day and night not just to lead the institution back to profitability — with 2014 being our best year, in that respect, since 2008 — but to make meaningful contributions to our region. I wish to highlight here the success of the 2015 EFG Hermes One on One, the most successful regional investor event we have ever held, and thank all of our team members for contributing greatly towards making the Egypt Economic Development Conference in Sharm El-Sheikh a success. Critically, the firm provided not only funds through our platinum sponsorship, but pro bono assistance to the Government of Egypt in packaging and marketing some of the most high-profile investment opportunities on offer at the gathering.

EFG Hermes management and their teams have the talent and passion to implement a clear strategy for growth that will extend our position as the leading brand in the regional financial industry. The Board is fully supportive of management's strategy of focusing on our core business as an investment bank — a strategy that has seen us return to profitability by growing revenue, controlling costs and disposing of non-core holdings.

In 2015 and beyond, we will aim to further diversify our revenue stream: EFG Hermes will decisively enter the financial leasing

space this year and explore in the future other opportunities in debt instruments, retail finance and insurance in Egypt and regionally, for individuals and institutions alike. Sustainable, inclusive growth is every bit as much a target for EFG Hermes as it is for the nations across our footprint.

The Board of Directors will continue to play an active role not just in safeguarding the interests of shareholders, but as a professional resource for management to consult in the formulation and implementation of its long-term strategy and policies. Of the ten members of our Board, nine are non-executive — and all of them bring exceptional industry experience to the table, including our two newest members: Marwan Elaraby (managing partner, Shearman & Sterling Middle East, and a former executive director of our investment banking division) and Ahmed Al Qassim (chief executive officer of Dubai Group and previously director of investment banking at Emirates NBD Capital), both of whom joined us in 2014.

While I would not want to be mistaken for a blind optimist, it is clear to me that even as our region grapples with significant physical, economic, social and political security issues, we have an unparalleled opportunity to lead change — to mark a regional turning point after the pain of the past four years. Our new generation of leaders have what it takes to create new shareholder and stakeholder value on a scale unimaginable in 1984, when I helped incorporate its predecessor.

Mona Zulficar
Non-Executive Chairperson

NOTE FROM THE CEO

Dear Shareholders,

I am very glad to pen my first Letter to Shareholders as Group Chief Executive Officer of EFG Hermes. I have been a proud employee of the firm for over 16 years and have seen it grow from humble beginnings into the regional investment banking powerhouse that it has developed into during the past decade. This was achieved through the methodical implementation of a vision that saw us expand the firm's roots from Egypt to the neighbouring markets of the Gulf Co-operation Council (GCC) establishing in the process an unrivalled operational platform. However, the diversification model couldn't withstand the unprecedented, unfavourable market conditions of the period between early 2011 and mid-2013 signalling in the process a rough patch for the firm.

By May 2013, we were convinced that a restructuring of the firm's financials was not only necessary for the long-term health of EFG Hermes but also vital for immediate shareholder value creation. Outlining an aggressive plan to the market, we set out to optimise our operational cost base, clean up our balance sheet, sell non-core assets and return some of the excess liquidity to our shareholders. By the end of the first quarter of 2014, we had delivered on almost all of the necessary restructuring steps creating in the process significant shareholders' value. With a much leaner cost base and regional markets starting to show signs of life, our attention turned towards enhancing our revenue generation capability by focusing not only on our home market of Egypt but also on aggressively growing our market share in the ultra-competitive GCC.

By year-end, we had actively participated in three of the most important IPOs in the UAE during 2014: acting as Co-Manager on the USD 201 million IPO of Emirates REIT, Joint Bookrunner on the USD 1.6 billion IPO of Emaar Malls Group and Joint Bookrunner on the USD 690 million IPO of Dubai Parks & Resorts. While executing on those high profile transactions in the UAE, we were careful to maintain our leading market share in the Egyptian market by acting as Joint Book Runner on the USD 110 million IPO of Arabian Cement Group, the USD 70 million private placement for GB Auto and the USD 140 million rights issue for SODIC, among others.

In each of the above transactions, we clearly demonstrated the power our integrated platform. Our Brokerage operation, which continues to have leading market shares in most of the markets we



operate in, was a key factor in raising the demand for all of these offerings as well as providing strong after-market support. The quality of our Research product and the strength of our analysts was also showcased when independent research coverage was needed. Finally, our Investment Banking team continued to build its track record by advising on the above transactions in addition to many others on its route to close 13 transactions during 2014.

The buy-side of our business had an equally impressive 2014. Our Asset Management team continued to cement its status as the region's largest with USD 3.1 billion of assets under management (AUMs), offering its clients a wide array of products on the equity and fixed income side and delivering on strong returns both on an absolute and relative basis during the year. Meanwhile, our Private Equity team had a fantastic end to 2014 adding USD 208 million in AUMs through the acquisition alongside co-investors of a stake in a collection of wind farms in France in what was a landmark deal for our organization. Finally, our investment in Crédit Libanais was able to deliver strong results relative to the extremely tough geopolitical environment in which it operates.

Strong revenue generating capabilities from all of our business lines coupled with very strong cost controls helped us finish the year 2014 with the highest profit for the investment bank since 2008 and the highest consolidated profits for the firm since 2010.

Outlook for 2015

We enter 2015 with strong headwinds facing our business. Expanding geopolitical risks together with falling oil prices have signalled a weak start for the markets with investor appetite weakening and negatively impacting the average daily trade values across most of the region's markets. However, our belief in the ability of our staff to deliver in tough conditions makes us optimistic about our prospects. A healthy pipeline of investment banking transactions together with the expected opening up of the Saudi market (the region's largest) to foreign investors are key drivers for our business during 2015. Given its government's successful drive to grow the non-oil economy, we also remain hopeful of a rebound in the UAE markets during the second half of 2015.

Our home market of Egypt will also be a core market for us in 2015. After three tough years of turmoil, the country has turned a major corner and is at an inflection point for its budding economy. This fact was very prevalent at the Egypt Economic Development Conference that took place in March 2015 and that saw strong participation from political leaders and the international, regional and Egyptian business communities alike. EFG Hermes was an active participant in that conference, where we presented on behalf of the government several high profile projects in addition to being platinum sponsors of the event. As the investment cycle picks up, the capital markets activities should increase thereby positively impacting our business in the important Egyptian market.

While we will continue to focus on our core competencies, we have presented our board with a strategy that also aims at diversifying our product offering as well as our geographical presence. On the first, we are in advanced stages of setting up a leasing business in Egypt. We have acquired the regulatory approvals, hired a high caliber team with a proven track record and are in the final stages of starting our operations. On the geographical front, we continue to study a number of interesting markets that can offer good expansion opportunities for our business and improve returns for shareholders going forward.

The implementation of our ambitious plans will not be possible without the support of our most important asset, our human resources. EFG Hermes prides itself in having some of the best and most dedicated employees in the Arab world today. Continuously improving their skill levels will be a catalyst for our future growth.

Accordingly, we have a number of plans in place for 2015, including new investments in staff training, whether at the entry level with our first Investment Banking Programme course since 2010 or at the level of mid-career professionals.

As we do so, we will redouble our commitment to ensuring not just that our staff have the skills they require to lead the market, but also that they understand the importance of living our commitment to being a sustainable business. That's why our training and employee education initiatives will include our sustainability drive, as you have read about in the Chairperson's Foreword and as discussed in sections on Our People and Sustainability. Sustainability is not just key to minimizing our environmental impact or to being a responsible institution — it is also a hallmark of our governance framework, where the absolute segregation of roles between executive management and our Board of Directors has helped create the conditions for the creation of exceptional shareholder value.

I speak on behalf of the entire management team when, in closing, I express my deepest thanks not just to our Board for their consistent support, but also to the shareholders they represent for entrusting us with the stewardship of this great institution.

Karim Awad
Chief Executive Officer

EXPANDING BEYOND
MENA

MANAGEMENT DISCUSSION & ANALYSIS

Private Equity ventured beyond the Middle East and Africa with the USD 208 million acquisition of 49% of French wind energy company EDPR France.

RETURN TO PROFITABILITY

The Investment Bank platform led the firm back to profitability, making a substantial positive contribution to the Group's top and bottom lines alike

EFG Hermes delivered a strong set of results in FY14 reporting a net profit after tax and minority interest of EGP 538 million compared to a net loss after tax and minority interest of EGP 540 million in FY13 and operating revenues of EGP 2,610 million, up from EGP 2,195 the previous year.

Management's efforts to contain costs was successful with the Group's net operating profit rising sharply 67% Y-o-Y to reach EGP 1,058 million in FY14 translating into margins of 41% up from 29% a year earlier. The year 2014 marks a turning point for EFG Hermes Investment Bank operations, which were responsible for uplifting the Group's profitability. The firm's successful execution on high-profile regional and domestic investment banking mandates, together with its continued leadership of Securities Brokerage across the MENA region and the out-performance of Asset Management's managed funds and portfolios, saw it complete its return to full-year profitability.

The Investment Bank

Notably, 2014 was a year of significant progress for the Investment Bank, with revenues of EGP 1,220 million and net profit after tax and minority interest of EGP 304 million, the highest net profit since 2008 and representing 56% of the Group's profitability in FY14 compared to a net loss of EGP 806 million a year earlier.

This marked improvement in the Investment Bank's operational performance came on the back of increased fee and commission revenue by 44% Y-o-Y to EGP 951 million — representing 78% of the Investment Bank's total revenue — largely due to higher revenue generated from regional operations for the Securities Brokerage, Asset Management and Investment Banking divisions. Regional operations represented 51% of fees and commission revenues in FY14, reflecting the firm's pledge to grow regional operations while maintaining a leadership position in its home market.

In tandem, management's ongoing focus on controlling expenses led to operating expenses at the Investment Bank declining 6% Y-o-Y to EGP 748 million in FY14, on lower employee expenses and other operating expenses, with the former declining 6% Y-o-Y to EGP 550 million and the latter declining 7% Y-o-Y to EGP 198 million. The ratio of employee expenses / operating revenue stood at 45% in FY14 compared to 71% the previous year.

Lines of Business

Securities Brokerage

Brokerage was once again the number-one ranked broker by market share of executions on the Egyptian Exchange (EGX) and improved its ranking in most markets where it operates, climbing to second place in Kuwait, third on the ADX and in Jordan, fourth in Oman and

maintained its sixth place on the DFM. Total executions grew by 73% Y-o-Y to USD 47.0 billion in FY14. Revenues reflected executions, with total Brokerage revenue rising 60% Y-o-Y to EGP 451 million in FY14 and representing 47.4% of the Group's total fees and commission revenue. This was largely driven by higher liquidity across different markets, in addition to an improvement in market shares in most of the markets where we operate.

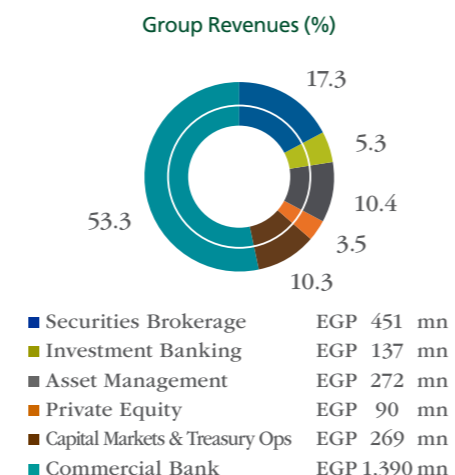
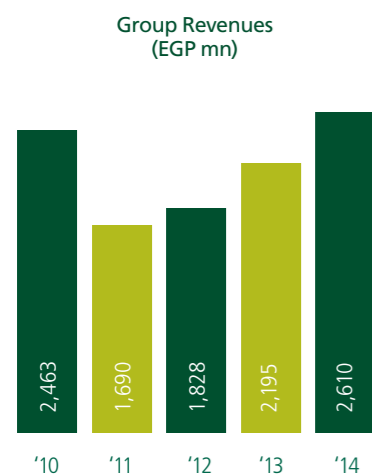
Investment Banking

The division successfully closed 13 major deals in 2014, the most since 2007, highlighting what was a very strong year for the division in Egypt and the UAE, with transactions including four IPOs: the largest IPO in the UAE market in years (the USD 1.6 billion Emaar Malls Group IPO), the first IPO in Egypt since 2010 (Arabian Cement), the high-profile IPO of Emirates REIT, and the Dubai Parks & Resorts IPO. In addition, the team closed a number of M&A and equity-raising transactions, all of which pushed the division's revenue up 243% Y-o-Y to reach EGP 137 million in FY14, representing 14.4% of the Group's total fees and commission revenue.

Asset Management

The division's funds continued to outperform, marking a three-year track record much-needed to attract institutional clients. Assets under management (AUM) closed the year at USD





3.1 billion, a 2% increase in FY14 supported by market appreciation. Total Asset Management revenue rose 32% Y-o-Y to reach EGP 272 million in FY14 representing 28.6% of the Group's total fees and commission revenues.

Private Equity

AUM at Private Equity stood at USD 0.8 billion at the close of FY14. Highlights of the year include the financial close by our infrastructure team alongside co-investors for the acquisition of 49% of EDPR's French renewable energy business for a deal value of USD 208 million. Additionally, the sale of the division's 19% stake in Damas International Limited to Qatar's Mannai Corporation QSC in an all-cash transaction valued at USD 150 million generated IRR of 38% and a cash-on-cash multiple of 1.8x.

Research

The Research department provides up-to-date, in-depth analysis of 133 companies across the region representing c.57% of regional market capitalization. Equity research is complemented by macro-economic analysis of 11 economies and strategy coverage of 8 countries. In addition the division issues regular publications — daily, monthly and annually as well as key thematic / sectoral notes focused on specific sectors or topics.

The Commercial Bank

Operating within an environment characterized by severe regional turmoil and increasing competition for market share and profitability among Lebanese banks, our Commercial Banking arm, Crédit Libanais reported a net profit after tax of USD 64.2 million in FY14, a decline of 6% Y-o-Y.

Total operating income was flat Y-o-Y at USD 195.1 million of which net interest income rose 2% Y-o-Y to USD 139.7 million, supported by high yielding long-term placements made earlier in 2014. Meanwhile, fees and commissions income was broadly flat at USD 37.5 million and trading income declined 25% Y-o-Y to USD 13.9 million on lower gains realized from Iraqi operations.

The Bank's total assets stood at USD 9.2 billion, up 10% Y-o-Y. Total Loans stood at USD 2.9 billion at the end of FY14, up 10% Y-o-Y with loan book growth driven by increases in the corporate and retail loans books of 10.7% and 11.7%, respectively. Crédit Libanais' deposits climbed to USD 7.7 billion at the end of FY14, an 8% Y-o-Y increase, with a loan-to-deposit ratio standing at 36.9%.

Group Financial Highlights

In EGP millions	2013	2014	% change
Group Operating Revenues	2,195	2,610	19%
Investment Bank	830	1,220	47%
Commercial Bank	1,366	1,390	2%
Group Operating Expenses	1,563	1,552	-1%
Investment Bank	799	748	-6%
Commercial Bank	764	804	5%
Group Net Operating Profit	632	1,058	67%
Investment Bank	30	472	1462%
Commercial Bank	602	586	-3%
Group Net Operating Profit Margin	29%	41%	12 pts
Investment Bank	4%	39%	35 pts
Commercial Bank	44%	42%	(2 pts)
Group NP after Tax & Minority Interest	(540)	538	NA
Investment Bank	(806)	304	NA
Commercial Bank	266	234	-12%






CLOSING 13 MAJOR
TRANSACTIONS

HIGHLIGHTS OF 2014

EFG Hermes Investment Banking closed a remarkable year with 13 major transactions, including three landmark IPOs in the UAE. The firm acted as bookrunner and raised substantial demand from regional and international investors for the heavily over-subscribed Emaar Malls Group IPO with a total offering size of USD 1.6 billion.

HIGHLIGHTS OF 2014



Securities Brokerage

\$47 bn

in market executions in 2014

- Maintained its position as the number-one ranked broker in Egypt and was among the top-ranked brokers regionally.
- Completed the rollout of online trading tools including a new desktop streamer and definitive iOS and Android trading apps.
- Hosted the 10th Annual One on One Conference in Dubai and the 4th Annual London MENA Conference.
- Awarded "Best Broker" in the Middle East and Best Broker Kuwait and Jordan at the EMEA Finance Middle East Banking Awards 2014.



Investment Banking

\$75 bn

in equity, M&A and debt transactions since 1995

- Closed 13 major transactions in 2014, a remarkably strong year.
- Finalized four IPOs including Arabian Cement Company (ACC), the first in Egypt since the January 2011 Revolution, and three IPOs in the UAE including Emirates REIT, Emaar Malls Group and Dubai Parks & Resorts; accelerated book-building for GB Auto; EGP 1 billion rights issue for SODIC; and more.
- Closed nine high profile M&A and equity raising transactions including advisory to Al-Futtaim Group on the acquisition of CMC Holding.
- Won The Banker's prestigious "Most Innovative Investment Bank from the Middle East 2014" award.



Asset Management

\$3.1 bn

in total assets under management

- 32% Y-o-Y rise in total revenues to EGP 272 million.
- Marked a three-year track record of continuous outperformance across different asset classes.
- Developed a wider client base and a more diversified product offering.
- Named "Best Asset Manager in Egypt" for the second year in a row by EMEA Finance.
- Won in five different categories at the Thomson Reuters / Zawya MENA Asset Management Awards 2014.




Private Equity

\$0.7 bn

in private equity funds under management

- Exited Damas in a USD 150 million transaction for an IRR of 38%, cash multiple of 1.8x.
- Completed the sale of its 15.9% stake in Gulf Housing Solutions in an all-cash transaction valued at USD 3 million.
- Expanded beyond the Middle East and Africa with the acquisition of 49% of French wind energy company EDPR France in a USD 208 million leveraged buyout.

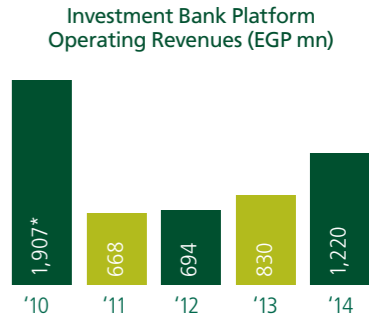


Research

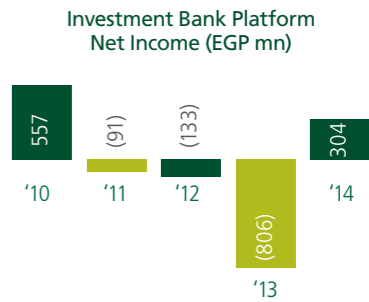
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companies under active research coverage

- Issued combined sectoral / thematic notes that selectively analysed specific sectors — including covered stocks — in view of relevant econ-political context.
- Enhanced the value-added of commentary notes on sectoral quarterly results by comparing analysts' previews and reviews.
- Launched "MENA Markets Weekly Stats", which is a user-controlled Excel file that allows clients to drill down into MENA markets. This product is updated and published weekly.
- Re-launched real estate and contractors' sector coverage for Egypt, the UAE and Saudi Arabia.
- Covered the MSCI.
- Expanded economic data available on the Research portal.
- Scored highly in the 2014 Euromoney Research poll, Best Middle East Research House, in which it was the top-ranked research house for strategy. The division was also the top-ranked Middle East Research House for its research work on Airlines & Aviation, Pharmaceuticals, and Transport & Shipping.

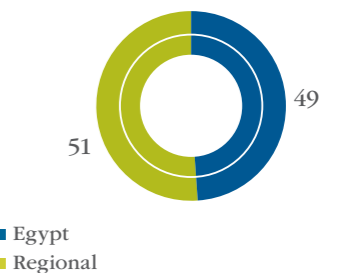


*Includes capital gain from the sale of Bank Audi

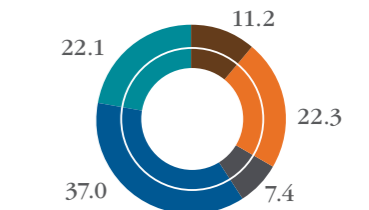


**Normalized Net Profit After Tax & Minority Interest

Investment Bank Platform Fee & Commission Revenue by Geography (%)



Investment Bank Platform Operating Revenues by Division 2014 (%)



Investment Banking	EGP 137 mn
Asset Management	EGP 272 mn
Private Equity	EGP 90 mn
Securities Brokerage	EGP 451 mn
CM & Treasury	EGP 269 mn

SECURITIES BROKERAGE

EFG Hermes Securities Brokerage is the Arab world's premier equity house with on-the-ground presence in six countries and the largest brokerage team in the MENA region. The division offers a full range of products and services to individual, institutional, broker dealer, fund manager and high-net-worth clients with the ability to execute in more than 12 markets.

In 2014, markets performed well and overall volumes rose. As a result, the efforts of the Securities Brokerage team over the past several years to control costs while enhancing client acquisitions saw results, with profitability and margins increasing significantly and market share growing.

The region-wide uptick in economic activity and consumer confidence bolstered the Securities Brokerage division, which successfully closed a number of important transactions, revamped its retail suite, launched new products, hosted the 10th Annual One on One conference in Dubai and the 4th Annual London MENA Conference, maintained its leadership of key markets, and won a string of prestigious awards.

Operational Highlights of 2014

EFG Hermes Securities Brokerage reported very strong performance across its markets as volumes and values were up nearly across the board. The division remained the number-one ranked broker in Egypt, where it has maintained its market share. Brokerage is also ranked number one on the NASDAQ Dubai, where it grew market share from 33.9% to 36.1%.

Meanwhile, in Kuwait, the division has grown its share of the market from 23.3% to 25.6% in FY14, very nearly placing the division in first place, while it has moved from second place to the top-ranked brokerage firm among foreign banks in Saudi Arabia. Management notes that the Saudi market is particularly competitive, and its efforts to grow market share there have focused on building its base of high-net-worth individual clients and growing shares of business from regional institutions.

Securities Brokerage maintained a leading position in all other regional markets and demonstrated remarkable growth in Jordan (ranking 3rd up from 12th with a 8.8% market share), Abu Dhabi (ranking 3rd up from 6th with a 17.4% share), Oman (ranking 4th up from 7th with an 18.7% market share), and Dubai (ranking 6th with a 12.1% market share).

Market share has grown in response to two main factors: efforts on the part of Securities Brokerage to improve the speed, usefulness and breadth of its offering, and a general uptick in regional market activity — most notably a resurgence of initial public offerings. The Securities Brokerage team was involved with four IPOs in the year, including the USD 110 million listing of Arabian Cement Company, the first IPO in Egypt since 2010, and three in the UAE: Emirates REIT, Emaar Malls and Dubai Parks & Resorts.

Management notes that IPO activity does more than generate one-time profits for the firm, it increases the firm's profile and client-reach with both

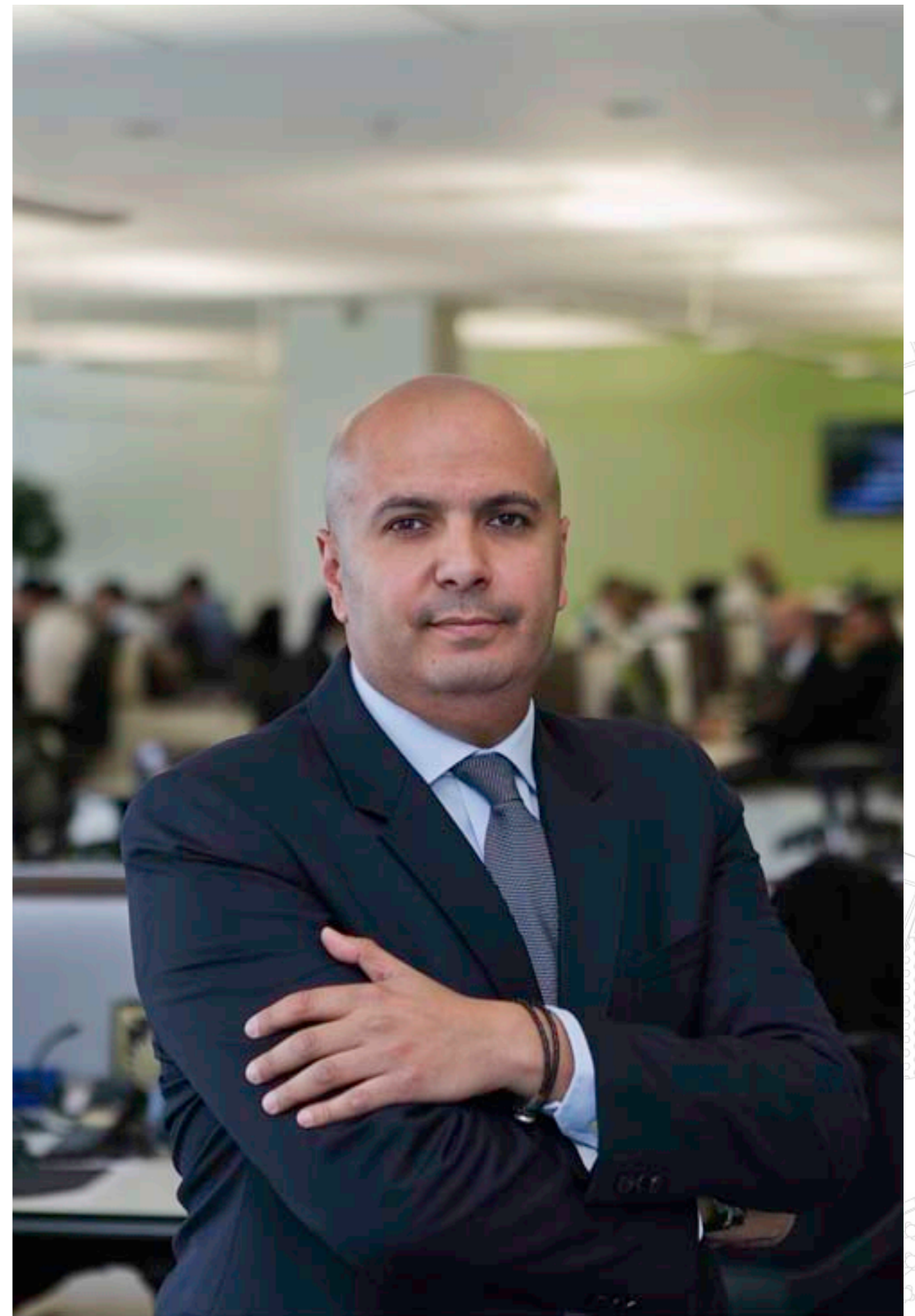
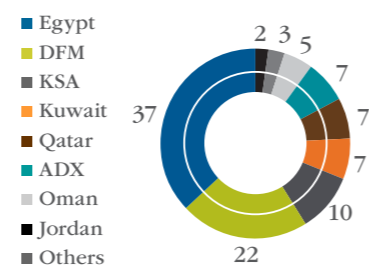
high-net-worth individuals and retail investors. Looking ahead, the firm has a healthy number of IPOs in the pipeline for the coming period, a fact that management sees as underscoring the region's return to continued, sustainable economic growth.

From a product standpoint, the division's push over the past several years to expand product offerings that make trading as seamless and smooth as possible continued in 2014 with the launch of EFG Hermes Pro, our new state-of-the-art desktop streamer. EFG Hermes Pro offers brokerage clients superior functionality including the ability to trade and view multiple markets simultaneously, a key competitive advantage. When coupled with other EFG Hermes

Brokerage Executions (USD bn)



Breakdown of Commission by Market 2014 (%)



online trading tools, which include definitive iOS and Android trading apps, brokerage clients can now track and trade stocks in multiple markets across the region on their iPhones, iPads and Android devices in real time at any location, providing a competitive edge over peers and the region's best real time multimarket functionality. Phase two of EFG Hermes Pro will also give users access to EFG Hermes' award-winning research.

Corporate access, which includes conference activity, has also been robust. The 4th Annual London MENA Conference, held at Emirates Stadium, brought together international investors from 117 institutions from around the world, controlling more than USD 8 trillion in AUM, to meet with senior executives from 70 of the MENA region's leading companies. On a smaller-scale, the division is conducting client trips on a weekly basis and is seeing an interest in more group investor trips domestically and regionally, not only for company meetings, but also for economic and political briefings. In the coming year, the division plans to build on this foundation with more demand-driven investor meetings.

The EFG Hermes One on One, our signature conference, remains in Dubai and continues to grow larger every year. The 2014 10th Annual One

on One saw 410 investors from more than 220 institutions meet with senior management from 100 companies spanning 14 countries. The 2015 One on One brought together 450 investors with 107 companies with a combined market cap of USD 482 billion.

The division's market leadership and customer-focus was recognized at two prestigious award ceremonies in the year. The division was recognized as Best Broker in Egypt 2014 at EMEA Finance Magazine's annual African Banking Awards and as Best Securities Brokerage House in Kuwait 2014 by Global Brands Magazine. The division was also named Egypt Broker of the Year and Saudi Broker of the Year by Global Investor/isf. The 2014 awards were preceded by a string of accolades for the team's 2013 performance.

Key Financial Highlights of 2014

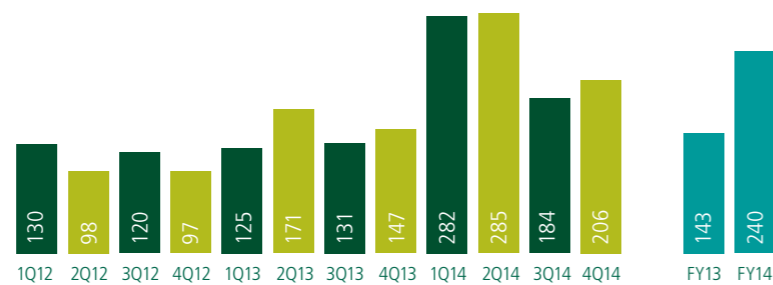
In 2014, total brokerage executions grew

by 73% Y-o-Y to USD 47.0 billion which was in turn reflected on the division's revenues which recorded a 60% Y-o-Y rise to EGP 451 million in FY14. This was largely driven by improvement in market liquidity across the region in addition to an uptick in booked margins. The division contributed 47.4% to the Group's total fees and commission revenue in FY14 with operations in Egypt accounting for 56% of the division's revenues recording EGP 252 million during the year. Meanwhile, average daily commissions came in at USD 240,000 in FY14 compared to USD 143,000 the previous year, up 67.8% Y-o-Y.

Outlook for 2015

The Securities Brokerage team sees a number of important developments coming in 2015, with the most anticipated being the opening of the Saudi Arabian market to foreign investment as well as an overall increase in IPO and private placement activity in regional markets.

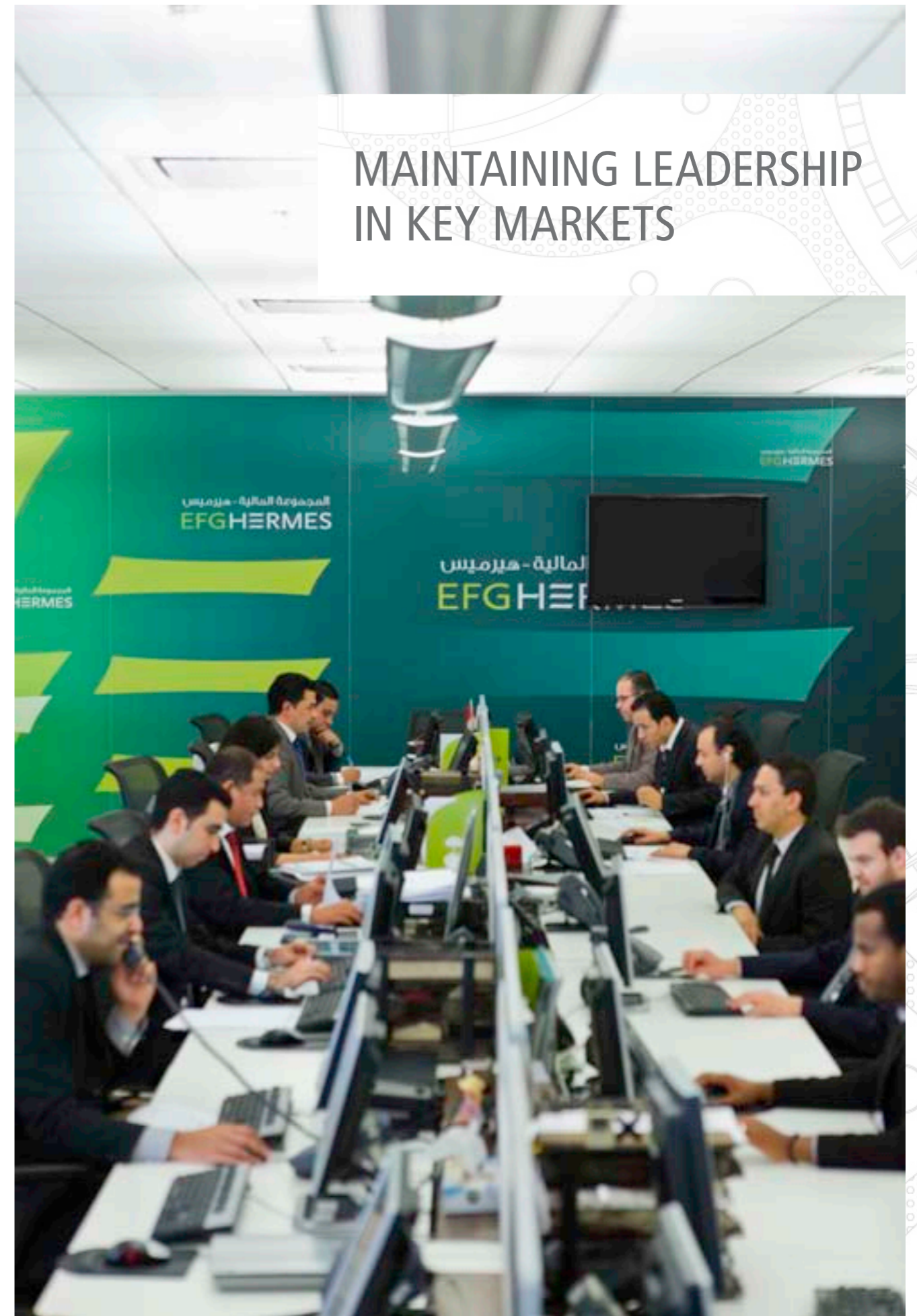
Average daily commissions (USD '000)



Securities Brokerage 2014 Market Share (Percent of total market executions)

	2013		2014	
	Market Share	Rank	Market Share	Rank
Egypt	29.10%	1st	27.40%	1st
Kuwait	23.32%	3rd	25.60%	2nd
Oman	14.00%	7th	18.70%	4th
UAE / Abu Dhabi	10.92%	6th	17.40%	3rd
UAE / Dubai	10.80%	6th	12.10%	6th
Jordan	5.33%	12th	8.80%	3rd
Saudi Arabia	0.72%	-	1.00%	-

MAINTAINING LEADERSHIP IN KEY MARKETS



INVESTMENT BANKING

The Investment Banking team has successfully completed some USD 53 billion in M&A transactions since 1995 while also raising more than USD 19 billion through initial public offerings, rights issues, secondary offerings and private placements in the same period. EFG Hermes Investment Banking introduced debt capital markets to its bundle of services in 2009 and has since advised on more than USD 4 billion in debt transactions. The division's clients range from closely held family businesses to major multinational corporations. The team is comprised of a diverse and experienced group of professionals that stands out among its peers in terms of experience and knowledge of the region's firms, markets and economies.

Since 2011, the division has specifically worked toward increasing its pitching efforts in GCC markets to ensure a healthy deal pipeline. This strategy has seen the team close more than 13 GCC transactions in the years since, with a significant number of those occurring in 2014.

Operational Highlights of 2014

In 2014, the team successfully consolidated its position as a key regional player, in particular raising its profile in the United Arab Emirates. Indeed, 2014 was a record year for the Investment Banking division, which closed a record 10 transactions out of the UAE, for a total value of USD 3.3 billion.

Landmark deals the division closed in the year included the IPOs for:

- **Arabian Cement Company** — Egypt's first since 2011. The USD

110 million Arabian Cement Company IPO generated nearly USD 1.6 billion in total orders split across retail and private placement tranches.

- **Emirates REIT** — Dubai's first since 2009. The team raised more than USD 201 million as part of the selling syndicate for the Emirates REIT IPO.
- **Emaar Malls** — The division raised c. USD 18 billion in demand as a bookrunner on the heavily oversubscribed Emaar Malls Group IPO. With a total offering size of over USD 1.5 billion, the IPO is the largest the UAE market has seen in years and was one of the most anticipated offerings in the region this year.
- **Dubai Parks & Resorts** — Completed on 30 November the USD 690 million Dubai Parks and Resorts IPO was heavily oversubscribed.

In another key landmark, 2014 saw the Investment Banking team close its first transaction in Sub-Saharan Africa as it concluded its successful advisory to Al-Futtaim Group on the acquisition via public tender offer on the Nairobi Stock Exchange of CMC Holding, the largest automotive distributor in Kenya.

The division also advised a consortium of investors on the acquisition of Millennium Offshore Services, the third largest offshore jack-up accommodation service vessels (ASV) operator in the world and subsequently advised Millennium Offshore Services on the follow-on merger with the Dutch based Seafox Group creating the world's larg-

est ASV operator with operations in the North Sea, Asia Pacific, the GCC and North Africa.

Other major highlights for the year include Investment Banking's advisory to Arafa Holding as the minority shareholders regarding the recent change in ownership of Italy's Forall Confezioni, in which Arafa holds a 35% stake; the raising of USD 70 million in an accelerated book building process for GB Auto; financial advisory on Exeed Industries' USD 41 million sale of a minority stake in National Feed and Flour to Rashed AlRashed & Sons Group; sell-side advisory to a leading hospital in Egypt on its 100% sale to the Abraaj Group; SODIC's EGP 1 billion rights issue (which was 99.2% subscribed); and the USD 77 million private placement for Tawfeer Food Ventures.

In the first quarter of 2015, EFG Hermes Investment Banking acted as sponsor and global coordinator for the Orascom Construction Industries (OCI) listing on the Nasdaq Dubai. OCI will also be listing on the Egyptian Exchange (EGX).

The Investment Banking division's performance in 2014 was recognized by a number of prestigious organizations. The division was named Africa Banker Magazine's 2014 African Banker "Deal of the Year" for the firm's successful completion of the EGP 600 million rights issue for Palm Hills Developments (PHD). The division also won The Banker's prestigious "Most Innovative Investment Bank from the Middle East 2014" award. The investment banking award is a testament to



the division's focus on innovation and its ability to originate and execute complex deals in multiple markets. The firm sees EFG Hermes' presence on the list as the only winner from the Middle East and North Africa as a significant achievement. The firm was also named "Best Investment Banking Brand Egypt 2014" by Global Brands Magazine.

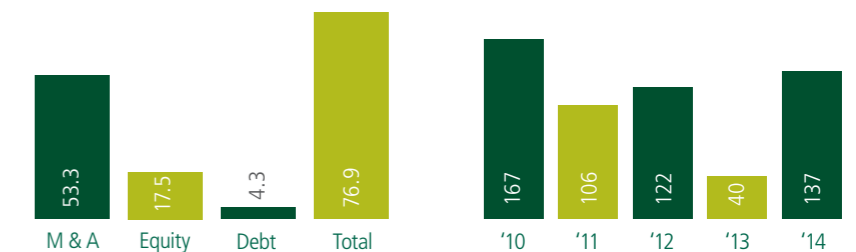
Key Financial Highlights of 2014

Revenues from the Investment Banking division came in at EGP 137 million in FY14, up 243% Y-o-Y and partly driven by an uptick in the number of M&A and equity-transactions closed during the year. Meanwhile, total revenues from the division accounted for 14.4% of the Group's total fees and commission income in FY 2014.

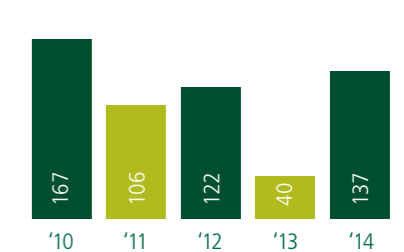
Outlook for 2015

The division is building a strong pipeline for 2015, leveraging on its ability to bring clients' attention to potential transactions in the MENA region and beyond, and more importantly, by cementing its position as a strong regional equity house offering best-in-class services.

Value of Investment Banking Transactions since 1995 (USD bn)



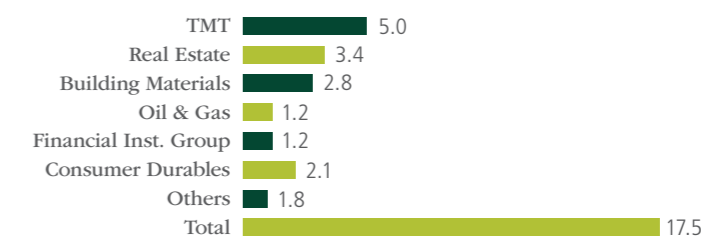
Investment Banking Operating Revenue (EGP mn)



M&A Track Record (USD mn)



Equity Track Record (USD mn)



ASSET MANAGEMENT

EFG Hermes Asset Management is the premier investment manager in the Middle East and North Africa, with a more-than 20-year track record of success. Management attributes this success to efforts to hire and retain experienced professionals with a proactive, dynamic approach to asset management.

With USD 3.1 billion in assets under management (AUM), the Asset Management division offers a wide variety of funds and portfolios to an equally diverse range of clients. Investment decisions encompass the best possible information available, leveraging on the support and strength of sister division EFG Hermes Research.

The team's fund offerings include equity, fixed income, money market, indexed, capital guaranteed, and Sh-ariah-compliant mandates through regionally-focused funds and discretionary portfolios, tailored to each investor's targeted objectives and risk appetite.

Operational Highlights of 2014

In 2014, the Asset Management division reached a number of key operational milestones — including growing AUM, expanding its regional offering and diversifying its product offering.

Consistent performance is a key strength and competitive advantage for EFG Hermes Asset Management. EFG Hermes-managed money market funds have performed especially well, outperforming other non-EFG Hermes funds by an annual average

of almost 30 basis points since 2006. The funds were atop the league tables with a 0.57% annualized return rate, placing the firm's five managed money market funds at the top of their peer groups in 2014.

Notably, in 2014, all of the clients who have been with the firm for three years or more saw over-performance of their benchmarks for the year. This outstanding performance is part of what has led the team to be consistently recognized for excellence, and in 2014 it took home a string of honours, clearly demonstrating its ability to outperform peers and solidifying its position as the top-performer in the field regionally.

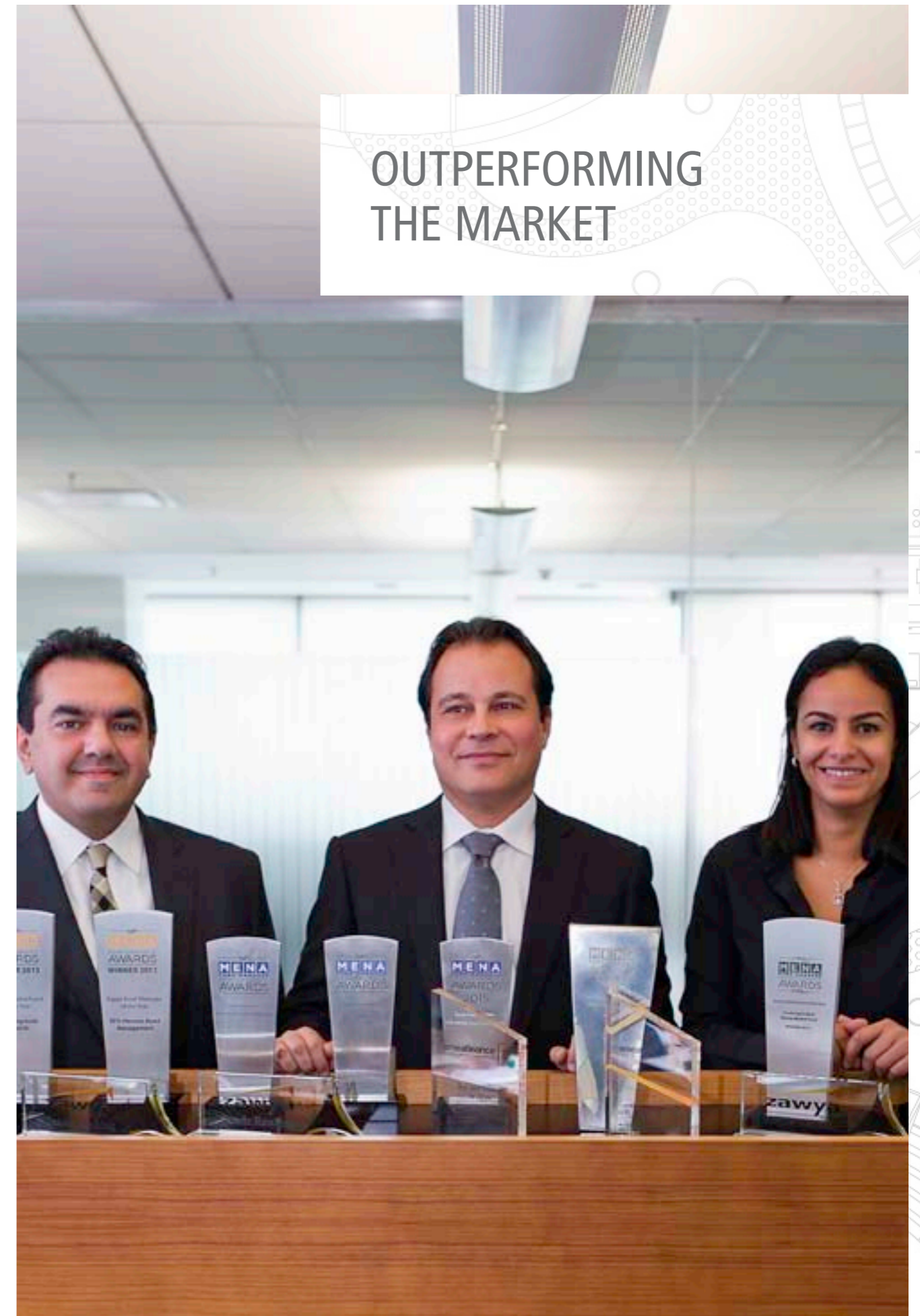
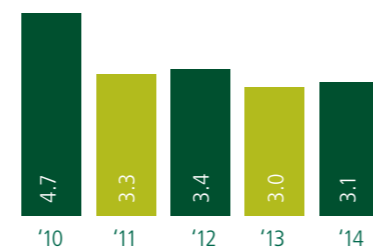
Key among the awards, the division was named "Best Asset Manager in Egypt" for the second year in a row by EMEA Finance Magazine's annual African Banking Awards, building on a long list of accolades earned by the division in 2013.

Earlier in the year, Asset Management was the winner in five different categories at the Thomson Reuters/ Zawya MENA Asset Management Awards 2014. At the awards, the EFG Hermes MEDA Fund, which achieved a return of 45.8%, received the Zawya Fund Award for being the Top Performing MENA Equity Fund in 2013, while the division's Banque du Caire Fund I was named Zawya's Top Performing Equity Fund in Egypt in 2013 and the Crédit Agricole Egypt Fund III was named Top Performing Money Market Fund in Egypt in 2013.

In addition, the division's Saudi Equity Fund — which achieved a 48.8% Net Total Return — was recognized as Zawya's Top-Performing Equity Fund in Saudi Arabia in 2013, while Al Waseela Fund (F Class) was named Zawya's Top Performing Equity fund in Qatar in 2013.

In line with the division's primary objective — to grow assets under management and cater to market demand — EFG Hermes Asset Management has made a strategic decision to expand its universe of what is investible. This will include expanding to new frontier markets as well as establishing new products such as additional EFG Hermes-branded mutual funds. Efforts on that front throughout the year culminated with the finalization of documentation to launch the first EFG Hermes MENA Equity UCITS Fund, which will expand the division's client reach. The fund is a long-only equity investing in the Middle East and North Africa region and mainly targeted towards European investors who were previously unable to invest in the EFG Hermes MEDA Fund, which is not UCTIS compliant. The division is currently in the process

Assets Under Management (USD bn)



of marketing the new flagship fund to a large retail investor base across the European Union. The new fund is expected to launch in 2015.

Also in the pipeline is a new EFG Hermes KSA Shariah Fund that seeks to achieve medium- to long-term capital appreciation with investments in Shariah-compliant equities listed on the Tadawul Stock Exchange. Similarly, the team is also seeking to expand its reach in the GCC with additional Shariah-compliant funds.

Looking ahead, the division has made plans to expand the investment range of its funds to frontier markets in Sub-Saharan Africa, Latin America and Europe whether through existing

funds such as the MENA Opportunities Fund and the EFG Hermes Telecom Fund, or with new products that will invest across all sectors of the aforementioned frontier markets.

Key Financial Highlights of 2014

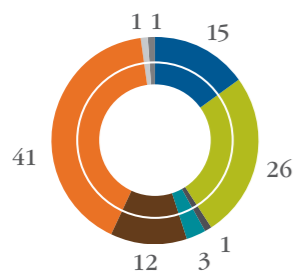
Total AUMs grew by 2% as market appreciation added 12% while net outflows decreased AUMs by 10%. Total revenues from the Asset Management division came in at EGP 272 million in FY14, up 32% Y-o-Y on the back of higher incentive fees. Operations in Egypt accounted for 26.4% of the division's total revenue compared to 25.1% the previous year. The Asset Management division's revenues accounted for 28.6% of the Group's total fees and commissions income in FY14.

Outlook for 2015

A robust 2015 is anticipated, in part driven by the groundwork laid in 2014. Management efforts in the coming year will focus on strengthening the distribution network, penetrating new areas, widening wholesale fund offerings and continued excellence in performance. In particular, the team will look to expand its reach out of its comfort zone of the Middle East and EU into Asia — both in the north and further to the south — and North America.

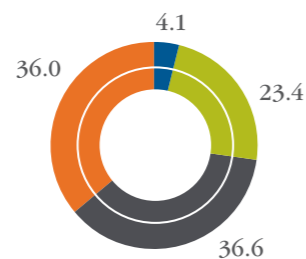
These efforts will see our top-ranked division remain front-runners of an exceedingly competitive field.

2014 AUM Breakdown By Investor (%)



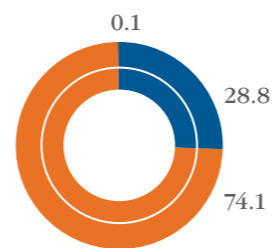
- SWF
- Institution
- Endowment
- Private Bank
- HNWI/Family Office
- Foundation/Pension Insurance
- Retail
- FOF

2014 Breakdown of Funds by Type (%)

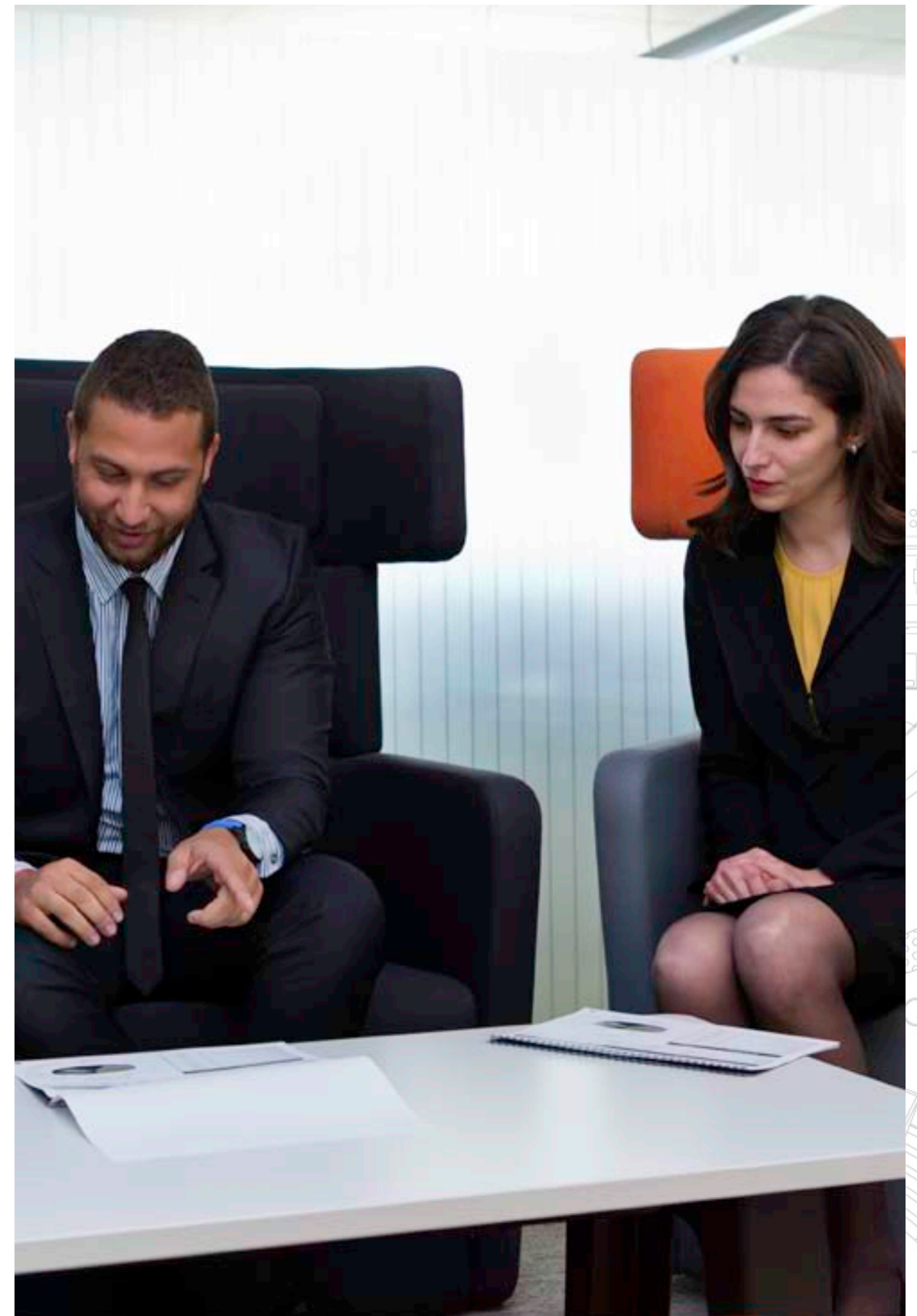


- Egypt Equity Funds
- Portfolios
- Offshore Equity Funds
- Money Market Funds

AUM Breakdown By Geography (%)



- Europe
- MENA
- Other



PRIVATE EQUITY

Private Equity has a 19-year history of creating value for its clients, backed by an experienced and dynamic team with unparalleled knowledge of the region, its business climate and its opportunities. With USD 0.8 billion in funds under management, the division has a strong on-the-ground presence in both Dubai and Cairo and enhances its competitive position by successfully leveraging the power of the EFG Hermes distribution platform across the region. In particular, the division works to capitalise on the firm's network of relationships with major regional corporations, governments and financial institutions as well as public market intelligence through EFG Hermes' group-wide accrued insight.

Private Equity has grown from its roots as an Egypt-focused private equity group to a regional-focused group with investments farther afield. Since its inception, the division has raised more than USD 1.6 billion from investors based across the globe. The funds under management invest across a diverse spectrum of sectors across the region and, as of 2014, in Europe.

Operational Highlights of 2014

The year 2014 was highly successful for the division, book-marked by a major exit and a major acquisition, which together underscore the division's ability to originate, raise equity and debt and execute deals on an international scale in a highly competitive industry.

In March 2014, Private Equity completed the sale of its 19% stake in Damas International Limited to Qatar's Mannai Corporation QSC in an all-cash transaction valued at USD 150 million, generating IRR of c.40% and a cash-on-cash multiple of 1.8x.

EFG Hermes' initial investment in Damas was concluded in May 2012 after the firm joined hands with Mannai to launch a USD 445 million public tender offer to acquire 100% of the company's shares. Following the acquisition of Damas, the company embarked on a broad set of business initiatives designed to boost its performance and complete the turnaround envisioned by its new shareholders. These initiatives resulted in the creation of some USD 65 million in new value for the company.

In October 2014, the division completed the firm's first European investment with the USD 208 million acquisition of a 49% equity shareholding and outstanding shareholders loans in EDPR France.

The acquisition of 49% of EDPR France is also notable for being the division's first transaction under its new, Board-approved direct investment strategy. Under this new strategy, Private Equity now seeks to build new businesses in areas in which it can grow, seed or anchor invest, and then bring in third-party money for financing.

A key aspect of the new strategy is the creation of new verticals, which

will range from Infrastructure to Real Estate and Healthcare.

The acquisition of 49% of EDPR France and the division's commitment in late 2013 via the InfraMed Fund to the establishment of the Arab world's first utility-scale wind farm in Jordan are both classified under the Infrastructure vertical. Management envisions that going forward, the Infrastructure vertical will see more investments along the same vein, with a strong focus on renewable, sustainable energy investments.

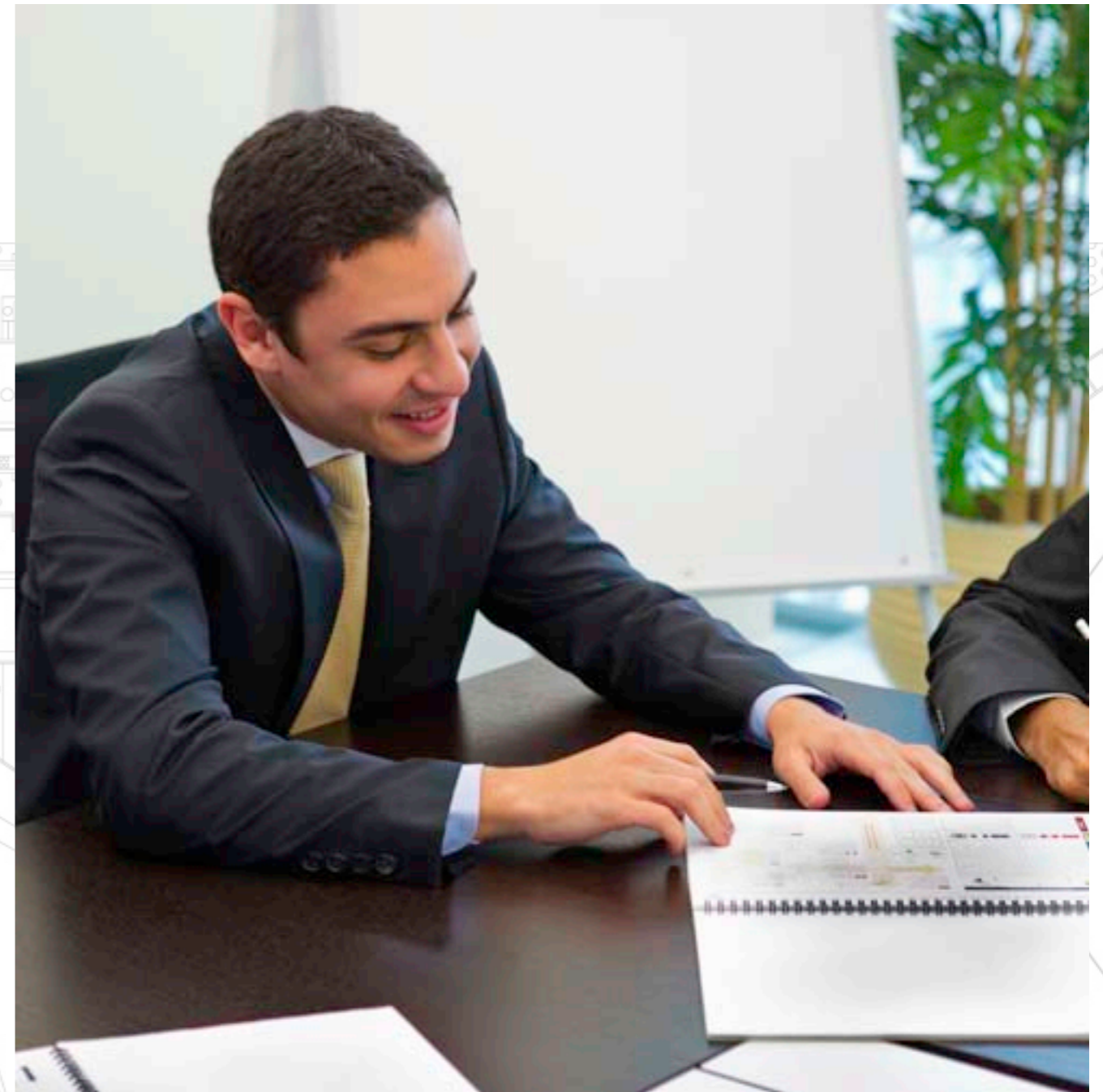
The division also completed the sale of its 15.9% stake in Gulf Housing Solutions in 2014 to a majority shareholder in an all-cash transaction valued at USD 3 million.

Key Financial Highlights of 2014

The Private Equity division reported revenues of EGP 90 million in FY 2014, a decline of 33% from EGP 134 million in 2013. The drop was driven by lower FX gains as the EGP saw a sharper devaluation against the US dollar in 2013, and on lower management fees.

Outlook for 2015

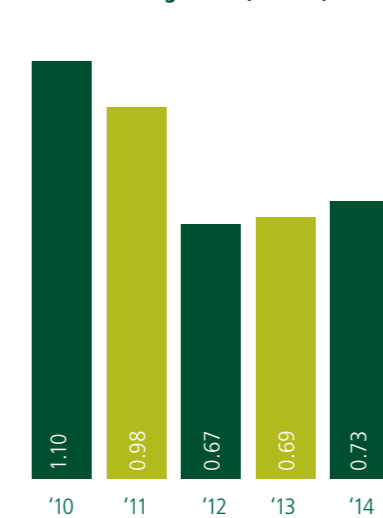
Looking ahead, management is confident that the Private Equity division has turned a corner and has strong momentum as a practice. The division formulated a new strategy in 2014 which encompasses tailored investment themes targeting different investors' needs including consumer driven sector plays, infrastructure



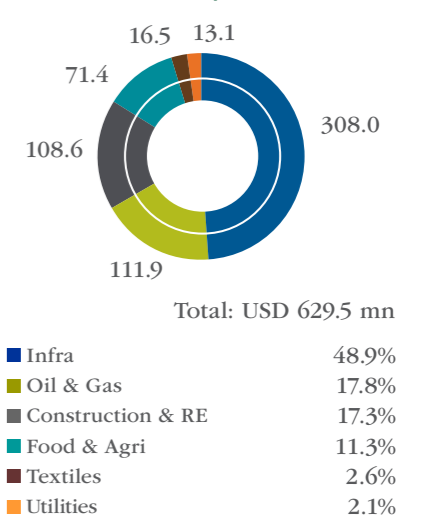
and energy investments, and yielding assets generating stable cash flows in sectors such as real estate. Furthermore, the private equity team will continue to seek lucrative exits from its current portfolio companies.

This surge of strength and confidence comes as the private equity industry as a whole — domestically, regionally and globally — is experiencing an upsurge. Acquisitions and exits (via direct sales and IPOs) are up across the board and the Private Equity team has a strong pipeline of deals to sustain the division's activity going forward.

Private Equity Funds Under Management (USD bn)



Breakdown of PE Investments (2014 Invested Capital - USD mn)



RESEARCH

EFG Hermes Research is the leading research house in the Arab world, providing more coverage and products than any of its regional peers. The division offers unrivalled, in-depth coverage of 133 regional equities spread across eight key industries, the broadest sampling of Middle Eastern and North African stocks available.

The team benefits from its direct presence in major regional financial centres including Cairo, Dubai, Riyadh and Muscat from which it successfully provides coverage of 11 economies, including Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

The team provides products including equity research, strategy and macro notes, sector overviews, and country specific reports.

Research products can be delivered electronically or in print, and clients can also access all products via the online research portal, which offers its clients one-stop access to all of its research products, including equity, industry, economy and strategy coverage and supporting data. Research Online also offers clients the latest news on major listed equities, daily coverage of economic and political developments that help shape market sentiment, and EFG Hermes Research's top 20 MENA stock picks.

The portal is fully-searchable and includes three years of historical data and research coverage updated daily with the latest news and closing valuations.

Operational Highlights of 2014

EFG Hermes Research reported strong operational performance in 2014, driven by an experienced team that responded admirably to the renewed market pressure for timely, quality research on regional economies and equities. Management notes that the division is unique in the region for the numbers, quality and longevity of its team.

A standout highlight of the year was the team's participation in marketing a number of IPOs, including four closed by the Investment Banking and Securities Brokerage teams: Arabian Cement Company, Emirates REIT, Emaar Malls and Dubai Parks & Resorts. The division's participation in marketing these key transactions showcased the team's expertise and dedication to quality, as the syndicates for all four also included major regional and international houses.

Products

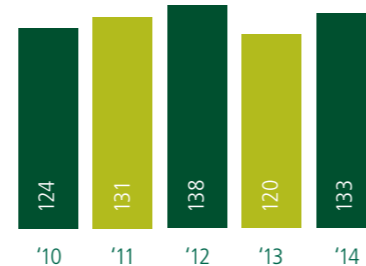
In 2014, the division increased its responsiveness to market movements, surpassing the competition with quality and insightful products. In particular, the division revamped publications and introduced new reports, including the following:

- Issued combined sectoral / thematic notes that selectively analysed specific sectors — including covered stocks — in view of relevant econ-political context.
- Enhanced the value-added of our commentary notes on sectoral quarterly results by comparing analysts' previews and reviews.

- Launched "MENA Markets Weekly Stats", which is a user-controlled Excel file that allows clients to drill down into MENA markets. This product is updated and published weekly.
- Re-launched the real estate and contractors' sector coverage for Egypt, UAE and Saudi Arabia after initiating coverage on SODIC, Emirates REIT, Emaar Malls, and Al-Khodari.

The team also launched its "Questions Book" report in 2014, which provides a comprehensive overview of intriguing questions facing the MENA region's most promising markets, sectors and businesses. The report takes a broad look at regional and country-specific themes before delving into an analysis of the region's leading companies, sector by sector. The "Questions Book" report comes on the heels of other major Research publications in 2014, including a new MENA Strategy Report following the MSCI upgrade of Qatar and the UAE, and a new MENA 2014 Investment Perspectives Yearbook, "Just Took Off or About to Land."

Evolution of Companies Under Active Coverage (Number of companies under active coverage at year's end)



Equities Covered by Geography (Number of companies under active coverage at 31 December 2014)



Some of the products released were of key significance in demonstrating the breadth and depth of the Research team's capabilities.

In the **Strategy** category, the note "Upgrading Qatar to Neutral Ahead of MSCI" was important because in it the team shifted Qatar to Neutral on the basis of an increase in MSCI-related passive flows, and adding QNB to the MENA Top 20 List — it was trading at QAR 180 per share. When the team removed the stock on 31 August as the MSCI changes took effect — QNB was trading at QAR 202 per share.

In the **Macroeconomics** category, the note "The USD-EGP: All Eyes on Liquidity" was timely. It contextualised the status of FX liquidity in light of the CBE's recent measures and provided an analysis on the likely scenario for EGP devaluation in light of the structural changes which engulfed the economy over the past few years.

In **Macro / Strategy** the note "Wrapping Up a Successful EEDC" provided an overview of the outcomes of the Egypt Economic Development Conference as well as providing analysis on the feasibility and key challenges facing these positive outcomes.

The **Macro / Consumer** note "Keeping Faith in Egypt's Consumer Story for Now; EC Remains Our Top Pick," was a collaboration between the consumer and economics teams. It was timely in the sense that it was trying to explain the 2014 weakness in consumer stocks and pitch the consumer space post the July 2014 fiscal consolidation measures.

In the **Materials** segment, in "Our Alpha Plays Outperformed, Time for Smart Beta; We Are Cautious on Valuations" note the team called for a

broad market correction on 2 October 2014, after its top picks had strongly outperformed TASI and MSCI EM, as they thought valuations seemed stretched and mid-cycle chemicals trading levels offered a very limited upside at that time. With no clear alpha plays at those levels, they urged investors to follow a "smart beta" with the main criteria being: i) high free-cash-flow yields; ii) 2015e P/E below historical mid-cycle levels of 15x; and iii) relatively low beta exposure. Their call paid off with a strong market correction region-wide and an almost 25% decline in equities prices; low beta / high yield stocks outperformed amid correction, as expected.

Meanwhile, their **Banking** note "MENA Banks – After the Carnage, Finding the Floor for Valuations" was a timely note on what could be a bear-case scenario after stocks were plummeting on lower oil prices. The team found stocks trading at attractive valuations even assuming a very pessimistic scenario.

Finally, the EFG Hermes MENA Dashboard Upgrade Enhancements are also a key improvement in the year. Since the launch of the EFG MENA Dashboard, the Research team has been constantly working on enhancing its functionality to ensure it meets the needs of clients in the best way possible. They included the following new features:

- Market movers display options: Market movers (on a monthly basis) can now be displayed by sector and industry levels, rather than by market level only.
- Gainers & Losers Breakdown chart: A new chart was added that breaks down stocks based on performance and direction, with the option made available for the client to select to display them by different thresholds; the chart also

provides the option of displaying the breakdown of stocks by market, sector, or industry.

These and other products led to the Research division scoring highly in the 2014 Euromoney Research poll, Best Middle East Research House, on which it was named the top-ranked research house for strategy. The firm was also the top-ranked Middle East Research House for its research work on Airlines & Aviation, Pharmaceuticals, and Transport & Shipping.

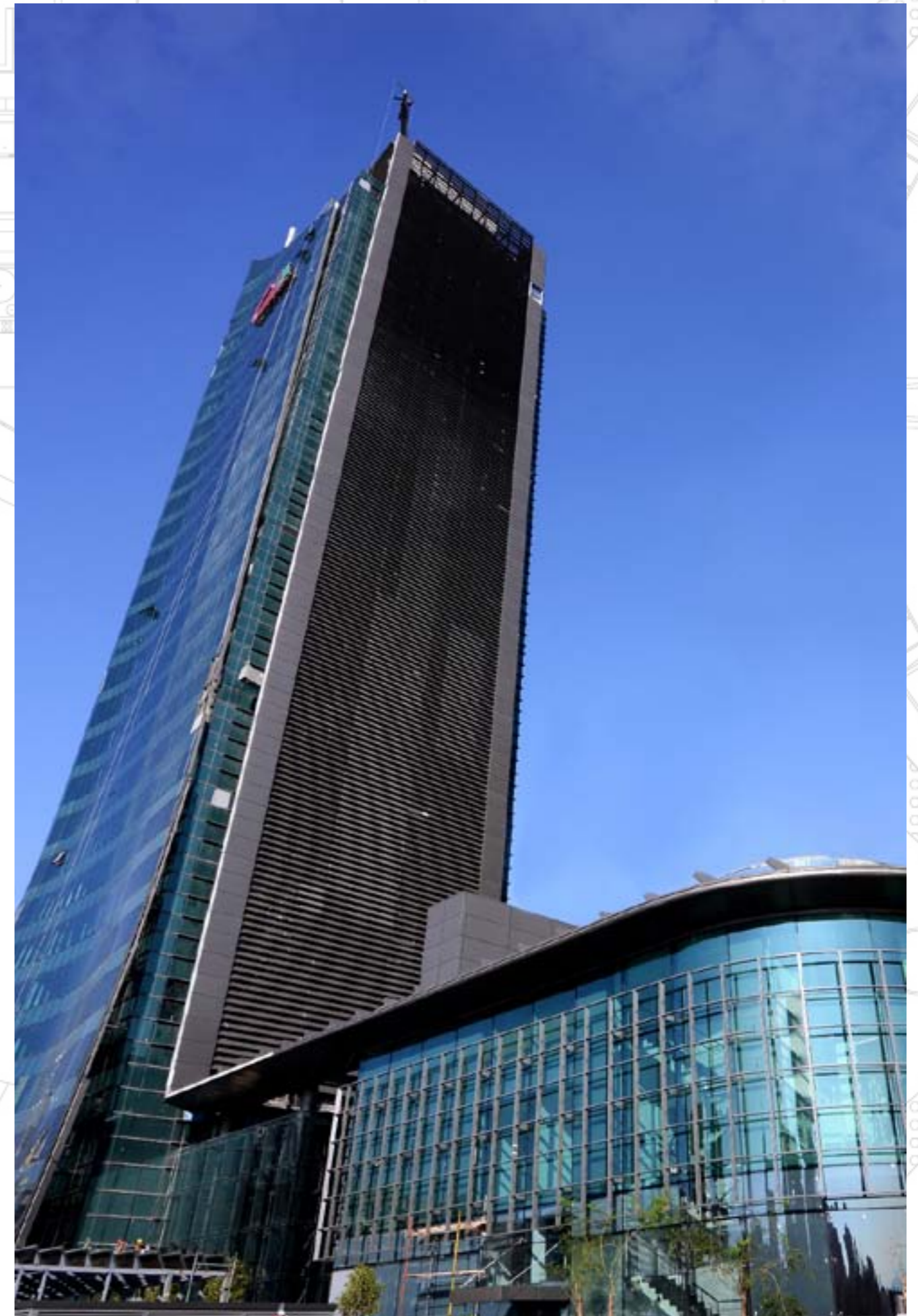
Outlook for 2015

Throughout 2015 the Research division will continue to evolve and enhance its product offering, particularly in terms of how research and ideas are communicated to the market taking into account new technology and market needs. Management is cognizant of the fact that although the role of fundamental research in the decision making process has not changed, the manner in which it is being consumed has. The gradual shift towards more brief, concise coverage will accelerate in the coming year and include new methods of dissemination such as video.

With an ambitious IPO pipeline for 2015, EFG Hermes' unrivalled Research team will continue to put its expertise into play by focusing on its key strengths: high-quality research, fast turnaround time, and in-depth knowledge of the markets.



COMMERCIAL BANK OVERVIEW





CLOSING LANDMARK DEALS IN THE UAE

CORPORATE GOVERNANCE

EFG Hermes Investment Banking acted as co-lead managers for the USD 136 million Emirates REIT IPO. The real estate investment trust was the first company to IPO in Dubai in five years.

CORPORATE GOVERNANCE

The firm adheres to a top-down approach to corporate governance, with everyone from the Chief Executive Officer to branch employees adhering to international best practices

An energetic, proactive approach to corporate governance is vital to the integrity of corporations in general and financial institutions in particular, and we at EFG Hermes pride ourselves on voluntarily adhering to international best practices and global standards at all levels — from the Board of Directors to line operations.

Regulators across the Arab world are strengthening corporate governance requirements; notwithstanding this, the standards the firm has set, and the procedures our staff follow, are often far more stringent than those demanded by most regulators in the markets in which we operate. Similarly rigorous is the quality and nature of the documentation we require of our clients. As a result, EFG Hermes has succeeded in maintaining its reputation and market leadership in the face of such challenges as the global economic crisis and ongoing regional geopolitical unrest.

Our clearly defined management processes, structures and policies not only provide channels for appropriate decision making and accountability, but reassure shareholders and clients that their investments are in safe hands.

Management and Control Structure

Board of Directors

EFG Hermes' Board of Directors is comprised of 10 members, nine of

whom are Non-Executive Board members. Without exception, EFG Hermes' Directors possess a broad spectrum of experience and expertise, directly related to EFG Hermes' different lines of business and divisions, with a strong emphasis on professionalism and integrity. Directors are selected based on contributions they can make to the Board and Management and for their ability to represent the interests of shareholders. The Board of Directors met 11 times throughout 2014.

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

Compliance with Laws, Rules, and Regulations

Obedying the law is the fundamental principle on which the firm's ethical standards are built. All directors must respect and obey all applicable laws, rules and regulations, including insider trading laws and management transaction disclosure rules. The Board complies with the internal rules and regulations of EFG Hermes Group in addition to laws and regulations of the markets specific to countries in which the firm operates.

Conflicts of Interest

The members of the Board of Directors shall abstain from participating in any discussions and decisions that might affect their own personal interests or those of a closely related person or company.

Safeguarding & Proper Use of Company Assets

All directors should endeavour to protect the firm's assets and ensure their efficient use. All company assets must be used for legitimate business purposes only.

Fair Dealing

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

Code of Conduct

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

Standards & Policies

The firm's standards and policies comply with Egyptian and International corporate governance guidelines.

Confidentiality

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

Corporate Opportunities

Directors are prohibited from taking personal advantage of potential opportunities that are revealed through corporate information, property, or position without the consent of the Board of Directors. Directors are obliged to advance the firm's legitimate interests when the opportunity to do so arises.

Audit

Auditing forms an integral part of corporate governance at the firm. Both internal and external auditors have a key role to play by providing an independent assessment of our operations and internal controls. Furthermore, to ensure independence, Internal Audit has a direct reporting line to the Audit & Risk Committee, a subcommittee of the Board.

Corporate Governance Committees

The Executive Committee

The Executive Committee is appointed by EFG Hermes' Board of Directors to exercise the powers and duties of the Board of Directors between Board meetings and to implement the policy decisions of the Board. The Executive Committee is comprised of nine members who are strategically selected to ensure all divisions are represented. The BoD has delegated to the EFG Hermes' Executive Committee the authority to exercise all the powers and authority of the Board, and is responsible for overseeing

the risk management structures and policies of the firm. Its purview includes: investments and capital expenditure up to EGP 15 million and acquisition / disposal of less than or equal to 5% in the voting shares of any company; allocation of capital approved by the Board of Directors to operating divisions; allocation of credit limits within the approved level of 25% of net worth; asset & liability management of the firm; constitution of EFG Hermes Holdings' subsidiary companies' Board of Director executives and related authorities; management structure; human resources; compensation issues to be proposed to the Compensation Committee, with the exception of those issues relating to the CEO and the CEO of the Investment Bank which are the responsibility of the Board of Directors; supervising the operations of any new geographic expansion; reviewing the Management Accounts on a monthly basis. The Executive Committee meets once per month to discuss and follow up on day-to-day operations of the firm and to address any pressing issues that may arise.

The Compensation Committee

The Compensation Committee is comprised of three non-executive, independent board members. The Committee meets once per year to study compensation within the Group as a whole (and for senior management in particular). This not only safeguards shareholder interests, but also ensures management's interests

are fully aligned with those of the firm. The Compensation Committee directly manages the allocations within the Management Incentive Scheme for senior management as approved by the General Assembly.

The Audit and Risk Committee

The Audit and Risk Committee (A&RC) is comprised of the Chairperson of the A&RC and two members — all three are independent, non-executive members. The Audit and Risk Committee meets on a quarterly basis, aside from interim conference calls; the Committee met a total of four times in 2014.

The Chairperson of the Audit and Risk Committee reports directly to the Board of Directors and presents the Committee's recommendations, which must be addressed promptly and are followed up on in subsequent meetings. The Board of Directors is briefed on all Audit and Risk Committee meeting proceedings and resolutions. By ensuring open communication between Internal Risk Officers, Internal and External Auditors and the Board of Directors, the Audit and Risk Committee brings a high level of transparency to the firm.

Sustainability Committee

The Sustainability Committee is comprised of 13 members and meets at least quarterly. The Committee is charged with overseeing the effectiveness of EFG Hermes' corporate sustainability

(CS) strategy, policies and practices that have the potential to materially affect EFG Hermes' business, brand or reputation, including the policies on social, environmental, health and safety, and reputational matters, internal complaints by employees, and investing in socially or environmentally sensitive industry sectors or customer segments. The Committee is also responsible for ensuring that the firm's sustainability related policies are being implemented and applied.

The Sustainability Committee advises the Board on proposed changes to the firm's Values Statements and Business Principles or Company Standards for reputational and environmental risks and the adoption of appropriate CS targets and measures. The Committee also advises the Board on the adoption of international non-financial CS codes and principles.

The Committee also reviews the firm's CS reporting and training as well as the adoption of CS targets and processes.

Business Continuity Committee

The Business Continuity Committee is comprised of six members from senior management at the Group level and at a country level. The Committee oversees the work of the Risk Department in keeping the business continuity plan updated and all employees informed. This Committee is tasked with keeping under review the effective management of Business Continuity across the Group, with the objective of stimulating the develop-

ment and maintenance of effective means to continue operations in the event of a significant interruption to the business. It provides leadership on Business Continuity policy across the Group and ensures that it is integrated into every aspect of the Group's critical operations. It meets on a per-incident basis and at least once annually.

The Business Risk and Compliance Committee

The Business Risk and Compliance Committee – Brokerage is comprised of ten members from senior management, and representatives from the Compliance, Risk and Legal departments. The Committee meets at least once per month, or as required. The Committee oversees compliance, risk, legal and operational issues within the firm's brokerage business and, where relevant, refers concerns related to compliance, risk, legal and operational related issues within the Brokerage Business to the firm's senior management.

The Committee is responsible for overseeing: credit, market and operational risk including limit breaches (risk); litigation and other live legal projects; status of documentation relating to clients, distributors, brokers and others (legal); compliance monitoring highlights including AML, complaints and personal account dealing; notice of any regulatory updates or visits in any relevant jurisdictions (compliance); operational issues including error trade reporting (operational); etc. The Committee also is kept apprised of cross functional support projects.

Shareholders

EFG Hermes shares are listed on the Egyptian Exchange (EGX) and the London Stock Exchange (LSE) in the form of US dollar denominated GDRs.

Shareholder Structure

As at 31 December 2014, a total of 13,050 shareholders were listed in the firm's share register.

Significant Shareholders

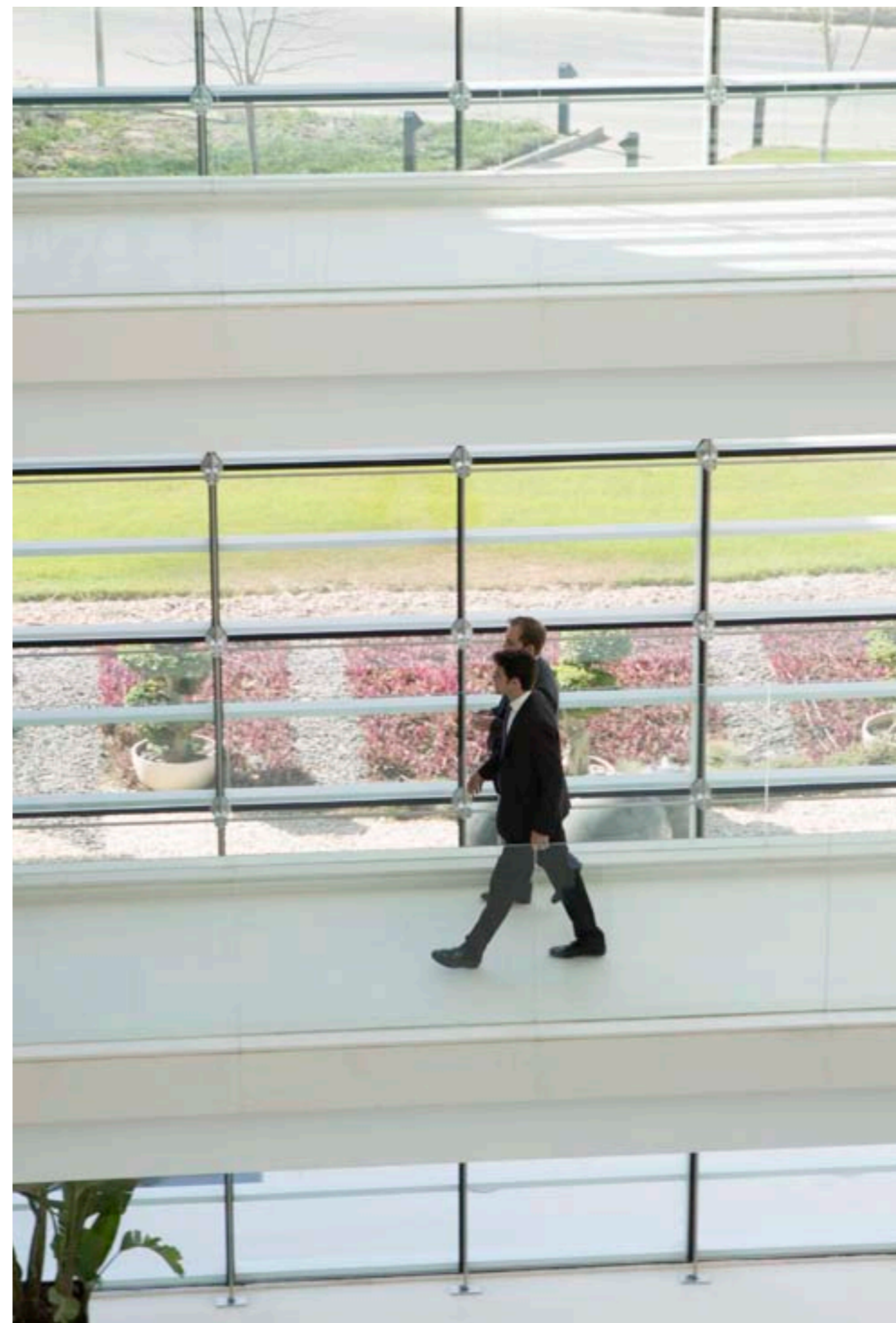
EFG Hermes is required by law to notify the appropriate parties of shareholders whose holdings are five percent of voting rights. Further notification is made once a multiple of the five percent is exceeded by a shareholder.

Executive Holdings and Management Transactions

As of December 31, 2014, EFG Hermes Board of Directors and Executive Board held a total of 475,398 EFG Hermes shares, representing 0.1% percent of the total outstanding shares of EFG Hermes.

Share Ownership Information

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



RISK AND COMPLIANCE

The company's Compliance function is comprised of a team of 24, and is intended to ensure that all departments adhere to appropriate statutory provisions, official regulations and internal policies. The Head of the function is a member of the Business Risk and Compliance Committee, which meets quarterly to review its work.

The Risk function is comprised of a team of five and is intended to ensure that all operational, market and credit risks in the business are identified, assessed and mitigated through adequate controls. The function reports to the Audit and Risk Committee which meets quarterly to review its work.

Business Continuity

The firm is engaged in business continuity planning at the group level and at a country level. Each plan is updated annually and drills are conducted to ensure that each member is aware of his or her role in the process.

In 2014, the IT Department added satellite technology support to ensure critical regional services remain up and running in case of a total internet outage between corporate headquarters and regional offices, which are always connected to corporate headquarters in Egypt.

AML & Anti-Fraud Courses

To ensure compliance with industry best practices and the requirements of the

regulators in the markets in which EFG Hermes operates, the firm has launched Anti-Fraud and Anti-Money Laundering (AML) online training courses that are mandatory for all employees and their performance in these courses is reflected on appraisals. In 2014, across the group, 90% of employees successfully completed the AML and 93% completed the anti-fraud trainings.

Cyber Security

The IT Department plans to introduce a security course to raise employee awareness on how to protect the firm against security breaches and cyber attacks. This will be a mandatory course and performed annually like the AML and Anti-Fraud courses, and will also be reflected in annual employee annual appraisals.

Internal Audit

Internal Audit, in particular, has grown over the past year and the company has a new vision for its long-term operational role.

Empowered and Respected by Management. The best reporting structure for the Internal Audit reports administratively to the CEO and functionally to the Board of Directors. Internal auditors should have the support of senior management and the BOD so that they can gain the cooperation of auditees and perform their work free from interference. Internal Audit is

respected at all organisational levels as valued business advisors capable of thinking "out-of-the-box" and providing effective resources and solutions to business challenges.

Objective and Independent. Internal Audit provides fresh, unbiased views of the company. Internal auditors should be independent of the activities they audit. Designing, installing, and operating systems are not audit functions. Also, drafting of procedures is not an audit function. Performing such activities is presumed to impair audit objectivity. Internal Audit can only recommend, not enforce, corrective action; only management can.

Highly Talented. Internal Audit teams are highly talented professionals with unique combinations of expertise and skills who constantly add value to the organization. Internal auditors should collectively possess the knowledge and skills essential to the practice within the organization. Internal auditors should engage only in those services for which they have the necessary knowledge, skills and experience. Auditors must commit to a programme of continuous development.

Risk-focused. Internal Audit focuses on risk and allocates time and resources accordingly. Internal Audit identifies and addresses critical risks and exposures before they develop



into problems, in addition to sharing insights gained from industry experience across common business units and processes.

Proactive. Internal Audit should be proactive, not only reactive. World-class Internal Audit is about finding the right balance between protecting and enhancing shareholder value. The level of consultative support required of the Internal Audit correlates with an organization's fluidity and its ability to respond to market forces. For instance, a flat and decentralized organization likely requires more significant sup-

port in analysing business risks and transferring organization-wide best practices than a hierarchical and centralized organization.

Technology Driven. Internal Audit uses state-of-the-art technology to reduce risks, increase productivity and continuously improve the control environment.

Outlook

In 2015, the Risk division seeks to continue to improve the firm's control environment. The Internal Audit division will continue its efforts to integrate sustainability into its daily

operations and grow its Audit function into a world-class department.

The Compliance division will work on improving the compliance culture across the firm through education and an enhanced monitoring programme. The division has updated and disseminated the firm's Code of Conduct, and also intends to update policies and procedures to best reflect today's needs. AML and Anti-Fraud operations continue apace while the IT Department is ready to introduce the Cyber Security training course in the coming period.

SOCIAL RESPONSIBILITY

EFG Hermes backs sustainable social development projects in the areas of healthcare, education, poverty alleviation and integrated development to improve the living standards of those most in need

The firm has committed EGP 50 million to the EFG Hermes Foundation for the period 2015-2018, with funds set to be used in integrated development projects in impoverished villages of Upper Egypt. Beginning in May 2014, EFG Hermes has also actively been working to raise awareness of sustainability in all aspects of the business.

Sustainability

EFG Hermes' guiding strategy has always been firmly rooted in the adherence to five core principles, which are People, Product offering, market Positioning, geographical Presence and group Profitability which have helped the firm achieve its goals and maintain its status as the leading investment bank in the region.

Throughout this current year, the firm has increasingly emphasized and has fully committed to a sixth guiding principle: Public responsibility.

This principle dictates that EFG Hermes must strive to create value for its stakeholders, instil sustainability across business functions and ensure that the creation of corporate value does not come at the expense of the communities, environment or overall economy of the nations in which it does business.

The firm has committed to instil a culture of sustainability internally,

and to work with our local and international communities to achieve sustainable development.

It is not only critical to ensure the integration of sustainable practices into the internal daily workings of the organization, but to incorporate them into the business model as a means to better our communities and showcase the financial profitability in engaging in this strategy. This key element of our sustainability strategy will leverage EFG Hermes' position as the leading investment bank in the MENA region to push for a trend whereby investing in a socially conscientious way becomes an economically viable method to generate group profitability.

This will rely on our talented leaders, managers, analysts and researchers to seek out creative opportunities that generate financial, social and ecological value and returns. EFG Hermes' increasingly views investments in the new and renewable energy industry as the only viable method of ensuring energy efficiency in energy strapped markets such as Egypt and Jordan.

Most recent of these investments is EFG Hermes' acquisition of a stake in EDPR France which has a portfolio of 33 operational wind farms with a combined gross capacity of 334 MW. The company is a subsidiary of EDP

Renewables (EDPR France), one of the top four global renewable energy companies that develops, constructs and operates renewable energy assets with over 8.6 GW of installed capacity across three continents.

Efforts to raise awareness of sustainability have entailed the formation of a Sustainability Committee that meets weekly to identify gaps in sustainable practices and creates a strategy to correct them. Employee evaluations are now incorporating sustainability concepts, and the firm issues an annual Sustainability Report.

The firm is also a member of the United Nations Global Compact, which commits companies to embrace universal principles in the areas of human rights, labor, the environment and anti-corruption.

Looking ahead, management expects that the firm's focus on sustainability will be incorporated into diverse functions related to Risk Management, Profitability, Business Continuity, Cost Savings and Positioning — locally, regionally, internationally. This will enhance the firm's already-strong reputation for responsible practices in the markets in which it operates, a reputation at least in part built on the good work of the EFG Hermes Foundation.



BUILDING A SUSTAINABLE
FUTURE

THE EFG HERMES FOUNDATION

Supporting sustainable, innovative, high-impact social development projects throughout Egypt

The EFG Hermes Foundation is an independent, non-profit, non-governmental organisation established by EFG Hermes in 2006. Since that time, the Foundation has contributed more than EGP 50 million to support sustainable, innovative, high-impact social development projects that improve living standards and present a brighter future for Egypt's most disadvantaged citizens. Throughout the development and funding cycle of each project, the Foundation's focus is steadfast on achieving the maximum sustainable impact through thoughtful appropriation of funds and through proactively engaging the affected communities in each project. Community leaders are brought into the projects from the early stages of planning, as the Foundation has found that fully involving them in decision-making processes ensures that projects are able to meet the actual needs of the communities they will benefit.

In 2014, the Foundation was largely focused on continued efforts to improve the healthcare, educational opportunities and communities of rural Egypt. Highlights include a number of sustainable, long-term projects.

Hepatitis C Treatment

Work continued on Hepatitis C treatment for children in Mansoura Hospital and Sherbin Liver Centre

with a further EGP 500,000 added to the original EGP 2 million allocated to the project. In 2013, the project screened and treated 100 children with Interferon, achieving a cure rate of 63%. In 2014, a further 100 children were screened and treated, with a similar cure rate. Notable, capacity constraints mean that the most children who can be treated at any one time is 100. The project is slated to continue in 2015.

Assiut University Hospital

The EFG Hermes Foundation provided a grant for EGP 900,000 to cover the cost of purchasing equipment needed for the Arthroscopy Department at the Assiut University Hospital. The grant will help ease the burden on the hospital, which has been affected by budget constraints, and will assist in covering the high cost of equipment needed to perform arthroscopic surgery. The department is considered to be the leading hip arthroscopy unit in Egypt, and its medical staff performs some 700 free arthroscopic operations a year, ranging from knee surgery to shoulder and hip operations.

Move Foundation

The EFG Hermes Foundation is proud to support the MOVE Foundation for Children with Cerebral Palsy (CP). CP is a non-curable, but treatable, condi-

tion caused by birth trauma or birth injury, most often the result of a lack of oxygen to the infant brain during childbirth. The MOVE mission is to improve the overall quality of life for children with this condition and for the people who care for them. MOVE's programme is dedicated to helping handicapped children and adults with severe disabilities sit, stand and walk. MOVE has successfully graduated 10 children from its programme, all of whom have been mainstreamed into the public school system or special education centres. In 2014, the Foundation matched an EGP 2 million pledge from another donor and donated a further EGP 300,000 commitment to the existing centre with implementation slated for 2015.

Al Makhzan Village

As a continuation of the firm's ongoing social responsibility endeavours targeted towards the sustainable, integrated development of impoverished villages in Upper Egypt, the EFG Hermes Foundation for Social Development recently signed a Memorandum of Understanding with the Kuwaiti Initiative Group for the Support of the Egyptian People. The MOU embodies an agreement to finance the integrated developmental project of the village of Al Makhzan, located in Koos municipality in the



Governorate of Qena. The Kuwaiti Initiative provided 276,000 Kuwaiti Dinars (approximately EGP 7 million) in donations from the Kuwaiti people to cover the costs of the project, which has been carefully planned by experts and consultants in accordance with specific scientific standards, including a study of the local community and the degree of basic

needs within that group through a participatory needs assessment.

The project involves the construction and renovation of 362 houses and a new school over an area of 400 square meters. The project also entails provisions to the existing school including furniture, scientific apparatuses and laboratory requirements, as well as

maintenance work, renovations and the construction of a new bakery.

The preliminary studies for the development are in place and work will begin once the project receives approval from the Ministry of Social Solidarity.



CAPITALISING ON HUMAN TALENT

OUR PEOPLE

We currently employ more than 800 people of 25 different nationalities. Our team of talented professionals are a key factor in our ability to find and close landmark deals across the region.

POWERED BY PEOPLE

People have been and always will be our most important asset — they are what differentiate us from other investment banks in the region. Our dynamic, dedicated, hard-working team is the backbone of our institution and the driving force behind our success.

EFG Hermes has always strived to hire at the entry level and promote from within, believing that the best leaders are those who come up through our ranks. Throughout 2014, we took a bottom-up approach to further refine the talent acquisition, learning, promotion and retention tools upon which we call as an institution to nurture and develop the leadership skills of our people. The better a job we do at this, the more successful and sustainable our firm will become.

We currently employ more than 800 people of 25 different nationalities and we continue to seek ambitious, results-oriented individuals with an entrepreneurial spirit to join our unparalleled team of investment professionals.

A Renewed Focus on Learning and Development

Appraisals are not just the benchmark on which reward is determined: they are a critical diagnostic tool that ensures each professional remains on an appropriate life-long learning track in both core technical knowledge and soft skills.

The results of these appraisals feed directly into our learning and development programmes, and 2014 saw a resurgence of learning opportunities at EFG Hermes. A renewed emphasis on leadership and soft skills development opportunities has allowed our employees to grow as our company grows. By widening channels of communication to a second line of managers beyond the business heads and expanding our learning offering, we have put together programmes to match specific business goals. Programmes are tailored according to the strategic and practical needs of each line of business as managers aim to develop the skills that their team members will require to take on new roles and responsibilities.

EFG Hermes' Learning & Development Programmes Include:

Investment Banking Programme (IBP): This flagship entry-level programme prepares recent university graduates to become cross-skilled investment banking professionals. This intense 12-week programme prepares participants for the demanding industry they are about to join.

Leadership Development Programme (LDP): Another key development programme, LDP helps front-line employees develop leadership skills to complement their technical expertise as they step up and help lead the firm into its next phase of growth. The

multi-module programme includes in-depth exploration and application of personality types in the workplace using the Myers-Briggs Type Indicator (MBTI), Ken Blanchard's world-renowned Situational Leadership II (used by Fortune 500 companies globally) and team engagement exercises. All modules are delivered by world class HR consultants and coaches.

Executive Development Programme (EDP):

EDP allows director- and managing director-level employees from both business partners and business lines to hone their management skills in four focus areas: strategic management, people management, self management, and change management. This comprehensive programme is built around a 5-7 day offsite that culminates in the creation of individual, actionable development plans. Prior to and following the offsite, participants benefit from one-on-one coaching to aid their progress against their development plans and refine those plans as necessary.

Bespoke Training Modules: Throughout 2014, Human Resources continued to work with business units to develop custom training material, as we did, to take one example, with Compliance on anti-money laundering and anti-fraud. Where this was previously purchased off-the-shelf, we have now developed our own proprietary content tailored to meet national and global regulatory



requirements, and applicable to the region in which we operate.

Talent Acquisition

In addition to ensuring that every department and division has the human talent it needs to deliver on its business plan, HR played a critical role in providing growth opportunities for individual employees in an environment that emphasized cost control at every turn. Key to this was providing opportunities for employees to move within the firm, through transfers across divisions and across borders as EFG Hermes moved to capture new business opportunities, while maintaining steady employee numbers.

Outlook for 2015

Our aim for 2015 is to continue to roll out process improvements and introduce value-added initiatives in various HR areas, be it talent acquisition, learning and development, talent management or employee services, that will contribute to the achievement of the firm's goals.

A focal point for us is further enhancing our selection tools and capabilities,

given that our strength as a business is fundamentally based on the quality of the people we hire. This will include the roll-out of our first internal interviewers' certification programme, which will ensure a uniform standard of assessment of all potential employees across all offices as well as a consistently positive selection process for them. The programme, set to roll out by year's end is a combination of standard interviewing and selection methodology as well as tailored content.

Seamlessly transitioning new employees into our organization is an important part of ensuring the continuity of our corporate culture. To this end we have been actively improving and automating our orientation and onboarding programme, which will soon include an online component that new employees will complete prior to their first day at work, thus ensuring that they are fully informed and able to integrate from day one. This will be followed by in-class sessions once they start, in which the CEO and business heads will participate, thus giving all new hires a true sense of what the firm is all about.

Our most ambitious endeavour for the year will be the preparation for and launch of the EFG Hermes Leadership Academy. The Academy, which will feature fixed learning tracks based on level and scope of role, aims at creating next generation leaders capable of propelling the business forward. It will support talent management and succession planning strategies by creating a pool of qualified future leaders. Although enrolment will be open to a wide base of eligible employees at the lower levels, participation will become more exclusive as employees progress through the ranks of the Academy, as we focus on those high performing employees with the most potential. The Academy will focus on core leadership skills necessary for success at the various levels, while complementing the individual development needs identified annually, to ensure a holistic approach to the development and growth of our future leaders.

Our people are the real drive behind our firm's past and future success. By growing and leveraging our human capital there are no limits to what we can achieve.

BOARD OF DIRECTORS

The EFG Hermes Board of Directors is composed of 1 executive and 9 non-executive members headed by Non-Executive Chairperson Mona Zulficar. These highly-renowned professionals work together to ensure that the firm operates in compliance with the highest international standards of corporate governance.



Mona Zulficar

Non-Executive Chairperson, EFG Hermes

Mona Zulficar has served as Non-Executive Chairperson of the EFG Hermes Board since 2008. She is one of the founding partners of Zulficar & Partners Law Firm, a specialized firm of eight partners and more than 35 associates. The firm was established in June 2009 and has since grown into one of Egypt's top-ranked law firms. Ms. Zulficar was previously senior partner at Shalakany Law Firm and served as Chair of its Executive Committee for many years.

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

As a former member of the Board of the Central Bank of Egypt and as a prominent member of national drafting committees, Ms. Zulficar has played an instrumental role in modernizing and reforming economic and banking laws and regulations. She is also a leading local and international human rights activist and has initiated several successful campaigns for new women's rights and freedom of expression legislation. Recently she served as the Vice President of the "Constitutional Committee of 50" and played a key role in the drafting of the 2014 Egyptian Constitution. Ms. Zulficar heads several NGOs that are active in social development and microfinance services targeting underprivileged women and has served as the elected member of the International Advisory Committee of the United Nations Human Rights Council. She holds a Bachelor's degree in Economics and Political Science from Cairo University and an LLM from Mansoura University.



Yasser El Mallawany

Vice Chairman, EFG Hermes

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

He began his career with 16 years at Commercial International Bank (CIB), formerly Chase National Bank, finally serving as the General Manager of the Corporate Banking Division. Mr. El Mallawany joined EFG Hermes at the time of the Firm's merger with CIIC. He holds a Bachelor's degree in Accounting from Cairo University.



Ahmed Al Qassim

Chief Executive Officer, Dubai Group

Ahmed Al Qassim is the Chief Executive Officer of Dubai Group. Ahmed has an extensive experience working for leading local and international investment companies. Prior to joining Dubai Group he was Director; Investment Banking at Emirates NBD Capital, where

he led the Equity Capital Markets and M&A team. Previously he had been Head of Strategic Accounts at General Electric and Assistant Vice President of Structured Finance Originations, Mubadala – GE Capital. He has an MBA from the University of Victoria, Canada.



Takis Arapoglou

Takis Arapoglou is a corporate advisor, with a distinguished career in corporate and investment banking, and international capital markets with vast experience in managing, restructuring and advising financial institutions.

He currently holds the following non-executive board positions: Chairman and member of the Corporate Governance committee of Tsakos Energy Navigation (TEN) Ltd. Listed in the NYSE; Vice-Chairman and member of the compensation committee of Titan Cement SA, listed in the Athens SE; board member and member of the compensation committee of EFG Hermes Holding SAE, listed in Cairo and the London SE and board member and member of the audit and risk committees of Credit Libanais SAL.

He has been CEO of Commercial Banking at EFG Hermes Holding SAE Group, operating in the Middle East and Africa (2010-2013). Earlier, he was Chairman and CEO of the National Bank of Greece Group (2004-2009), Chairman of the Hellenic Banks Association (2005-2009) and Managing Director and Global Head of the Banks and Securities Industry for Citigroup (1999-2004).

Mr. Arapoglou is Chairman of the International Advisory Board of Tufts University in Boston, Ma. and a member of the Business Advisory Council for the International MBA programme of Athens University of Economics and Business.

Mr. Arapoglou has served on several boards of publicly listed companies in Europe, the Middle East and Africa, as well as on Boards of Educational Foundations, including the Institute of Corporate Culture affairs in Frankfurt, as Chairman.

He has degrees in Mathematics, Naval Architecture & Ocean Engineering and Management from Greek and British Universities.



Karim Awad

Chief Executive Officer, EFG Hermes

Karim Awad is Chief Executive Officer and a member of the board of EFG Hermes. Since assuming leadership of the firm in 2013, Mr. Awad has led EFG Hermes' return to profitability by building a comprehensive regional advisory pipeline. He has also extended the firm's leadership as the Arab world's largest securities brokerage, continued to lead its peers in like-for-like rankings as an asset manager, successfully refocused the private equity business, and continued to provide the region's highest-quality research offering.

platform with an overall responsibility for managing the firm's Investment Banking, Securities Brokerage, Research, Asset Management, and Private Equity divisions. Earlier he was head of Investment Banking, having joined the division in 1998.

Prior to assuming his current role, Mr. Awad was Chief Executive Officer of the Investment Banking

Mr. Awad has a long track record advising major corporations on equity offerings and M&A transactions and was instrumental in the development of EFG Hermes's debt advisory practice. During his tenure in the Investment Banking division, he led and closed transactions with an aggregate value of more than USD 40 billion

**Robert Eichfeld**

Ex-CEO of Samba and Vice President at Citigroup (retired)

Robert Eichfeld is an independent Executive Member of the EFG Hermes Board. He is a former Chief Executive Officer of Samba Financial Services and Vice President at Citigroup. During his 33-year career with Citigroup, he managed many of Citibank's business, country and regional activities in postings throughout the Caribbean, Brazil, India, Indonesia, New Zealand and Pakistan, as well as two separate periods in Saudi Arabia. Mr. Eichfeld has advised a de novo venture capital fund in the United Arab Emirates and partnered with other investors

to establish an Islamic financial institution in Bahrain. He is currently a member of the Advisory Council of his alma mater, the Thunderbird School of Global Management, Chair of the Grameen Foundation focusing on the alleviation of poverty, and a member of the board of the National Philanthropic Trust as well as other philanthropic organizations. Mr. Eichfeld graduated from Wake Forest University and Thunderbird's Garvin School of International Management as well as Harvard's Program for Management Development

**Marwan Elaraby**

Managing Partner - Middle East, Shearman & Sterling LLP

Marwan Elaraby is based in Abu Dhabi where he serves as the Middle East Managing Partner of Shearman & Sterling. Marwan first joined Shearman & Sterling in New York in 1995 and became a partner in 2004. He previously served as Managing Director at Qalaa Holdings (formerly Citadel Capital), one of the leading private equity firms in the Middle East and Africa. Marwan also served as Executive Director at EFG Hermes' investment banking group, where he worked as an investment banker advising clients on numerous capital markets and M&A transactions in the Middle East. In recent years Mr. Alaraby has focused on sourcing

and executing investments in a variety of sectors, with a particular emphasis on energy. Prior to moving to the Middle East, he worked extensively with investment banking and corporate clients on a wide range of public and private corporate finance transactions. His practice focused on exempt offerings of high yield securities and has also included registered equity offerings, corporate governance advisory work and financial restructurings.

Mr. Alaraby is a New York-qualified lawyer. He holds a bachelor's degree in economics from the American University in Cairo and a Juris Doctor (J.D.) from Columbia University.

**Joseph Iskander**

Managing Director of Asset Management, Dubai Group

Joseph Iskander is Managing Director of Asset Management at Dubai Group and the former Head of Research at Dubai Capital Group until 2009. He joined Dubai Group as an Investment Manager in 2004 and has worked on a range of M&A transactions, advisory services, asset management and private equity transactions with a collective value in excess of \$8 billion. Prior to joining DG, Mr. Iskander headed the research team at Egypt's Prime Investments and was earlier an investment advisor at Com-

mercial International Bank (CIB). He began his career at Deloitte & Touche (Egypt) as an auditor. He has more than seventeen years of experience in the financial services industry, covering various areas such as banking, audit, research, private equity and asset management. Mr. Iskander represents Dubai Group on the board of Oasis Capital Bank in Bahrain, and Marfin Investment Group in Greece. He holds a degree in Accounting and Finance with high distinction from Helwan University.

**Charles McVeigh III**

Chairman of Rubicon Fund Management LLP and Senior Advisor to Citigroup Corporate

Charles McVeigh is a Non-Executive Member of the EFG Hermes Board. He is Chairman of Rubicon Fund Management LLP, a hedge fund based in London and Senior Advisor to Citigroup Corporate. Previously, he was Chairman of Citigroup Corporate and Investment Banking-Private Bank Partnership. He was also Co-Chairman of Citigroup's European Investment Bank (formerly Schroder Salomon Smith Barney) in 1987. He joined Salomon Brothers in 1971 before moving on to head Salomon Brothers International in 1975, becoming General Partner in 1977. He is a former member of the Fulbright Commission and sits on the Development Board and Advisory Council of the Prince's Trust, as well as serving on the

boards of Petropavlovsk, Savills and The Landmark Trust. Mr. McVeigh is also a Governor of Sandroyd School.

Mr. McVeigh has formerly served as President of the American Chamber of Commerce (subsequently evolved into British American Business Inc, where he was Co-Chairman). He has also served on the boards of Witan Investment Company PLC, Clear-stream, the LSE and LIFFE, the Bank of England's City Capital Markets and Legal Risk Review Committees, and on the London School of Economics' Financial Markets Committee. Mr. McVeigh holds a Bachelor's degree from the University of Virginia and an MBA from Long Island University.

**Thomas S. Volpe**

Managing Partner Volpe Investments LLC

Thomas Volpe is a Non-Executive Member of the EFG Hermes Board. He is Managing Partner of Volpe Investments LLC, a private equity investment firm. Prior to Volpe Investments LLC, Mr. Volpe served as the CEO of Dubai Group, the diversified banking, investments and insurance company of Dubai Holding. Previously, he founded and acted as Managing Partner, Chairman and CEO of Volpe Brown Whelan & Company (VBW), an international risk capital, asset management and investment banking firm focused on rapidly growing entrepreneurial companies in the technology and

health care industries. Prudential Securities acquired VBW in 1999, and Mr. Volpe served as Chairman of the renamed Prudential Volpe Technology Group until 2001. A distinguished investment industry veteran, he served as CEO, President and Board member of Hambrecht & Quist Incorporated, the world's leading technology and health care focused venture capital and investment banking firm. Mr. Volpe is a graduate of Harvard Business School (MBA), the London School of Economics (MSc Economics) and Harvard College (AB Economics).

EXECUTIVE COMMITTEE



Karim Awad

Chief Executive Officer

Karim Awad is Chief Executive Officer and a member of the board of EFG Hermes, the leading investment bank in the Arab world, with operations in eight countries serving regional and global clients. Since assuming leadership of the firm in 2013, Karim has led EFG Hermes' return to profitability by building a comprehensive regional advisory pipeline; extending its leadership as the Arab world's largest securities brokerage; continuing to lead its peers in like-for-like rankings as an asset manager; successfully refocusing the private equity business; and continuing to provide the region's highest-quality research offering. During the first nine months of 2014, EFG Hermes generated revenues of USD 214 mn and net profits of USD 57 mn.

Prior to assuming his current role, Karim was Chief Executive Officer of the Investment Banking platform with an overall responsibility for managing the firm's Investment Banking, Securities Brokerage, Research, Asset Management, and Private Equity divisions. Earlier he was head of Investment Banking, having joined the division in 1998.

Karim has a long track record advising major corporations on equity offerings and M&A transactions and was instrumental in the development of EFG Hermes's debt advisory practice. During his tenure in the Investment Banking division, he led and closed transactions with an aggregate value of more than USD 40 billion.



Mohamed Ebeid

Co-Head of Securities Brokerage

Mohamed Ebeid joined the EFG Hermes team in 1999, as a Retail Broker with HSB, working with high net worth clients. After a successful stint on the retail side, Mohamed moved to working with institutional clients, as part of the international institutional sales desk, in 2004. This new assignment saw him focusing on business development and key relation-

ship management. He has been instrumental to the introduction of new products and services that cater to the needs of this sophisticated client base. With more than 10 years of solid and well-rounded equities experience, Mohamed made his next move up the career ladder; as of 2011 he co-heads the firm's securities brokerage division.



Ahmed El Guindy

Head of Investment Banking

Ahmed El Guindy is Head of EFG Hermes' Investment Banking Division (IBD). Since 2012, Ahmed has worked on expanding the division's regional presence, leading the team to conclude high profile regional IPO's including: Emaar Malls Group, Edita Food Industries, Dubai Parks and Resorts, Orascom Construction Industries and Arabian Cement Company. Other notable transactions included: the merger between Al Mokhtabar and Al Borg to create Integrated Diagnostics Holding (IDH), the sale of Dubai First to First Gulf Bank, the private placement of Exceed Industries and the acquisition of Millennium Oil Services. He also led the execution of the capital increases of Palm

Hills, SODIC and GB Auto. Prior to heading the IBD, Ahmed was managing director covering the TMT and banking sectors. Notable transactions in the telecom sector included: the Weather Investment's merger with VimpelCom; the Mobinil bond issuance and the IPO of Telecom Egypt. Prior to joining EFG Hermes in 2004, Ahmed worked as a Research Analyst at the World Bank, focusing on macroeconomic analysis.

Ahmed holds a BA in Business Administration from the American University in Cairo and an MSc in Accounting and Finance from the London School of Economics.



Mohamed El Wakeel

Chief Operating Officer, Market Operations

Mohamed El Wakeel is a Managing Director of EFG Hermes' Market Operations. After 3 years with HSBC Bank, Mohamed joined EFG Hermes in 2000 as part of the operations team of the Financial Brokerage Group (FBG). He has since moved up the ranks, first heading brokerage operations for Egypt then becoming the Securities Brokerage Group Head of Operations. He

is currently the Group Head of EFG Hermes Market Operations.

Mohamed's hands-on experience has been key to the enhancement of the firm's brokerage operations as well the development and integration of the brokerage operations of newly acquired businesses.



Seif Fikry

Chief Executive Officer, Lower GCC excluding KSA Head of Coverage

Seif Fikry is Chief Executive Officer of EFG Hermes for the Lower Gulf Cooperation Council countries with responsibility for the entire platform (excluding Saudi Arabia). He previously served as Managing Director and Head of Securities Brokerage in the UAE and Oman. He has spearheaded the Firm's brokerage business in the Lower GCC for the past nine years, making it the number-one regional broker and growing its employee base from zero to 120 employees. Seif also developed the firm's MENA Trading capabilities, a UAE-based success story generating USD 100 million in revenues on a total annual trading volume in excess of USD 75 billion. Seif also plays a leading role in EFG Hermes' One on One Conference, the longest-running, most suc-

cessful MENA-dedicated investment conference that is now in its 11th year.

He joined in February 1997 and has held a number of key positions within the Financial Brokerage Group (FBG), the firm's institutional brokerage arm, including Head of the Institutional Desk and is a member of Emirates Securities & Commodities Authority's (ESCA) Advisory Committee.

Seif boasts over 18 years' experience in the equities market which have been instrumental in helping build EFG Hermes into the regional powerhouse that it is. He holds a Bachelor of Arts degree in Economics from the American University in Cairo.



Khaled Gamal

Chief Executive Officer, KSA Chief Business Development Officer, EFG Hermes Holding

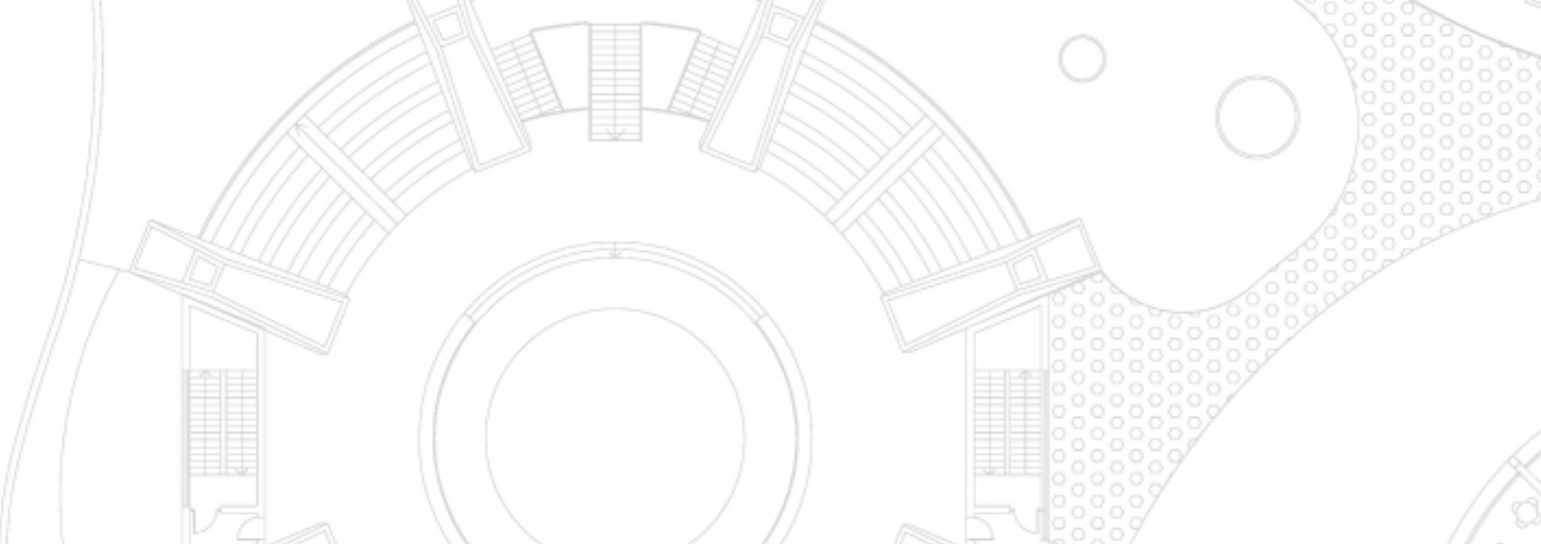
Khaled Gamal is Chief Executive Officer of EFG Hermes Saudi Arabia with responsibility for the Investment Banking, Asset Management and Brokerage Divisions in the Kingdom. With more than 13 years of Investment Banking experience, Khaled assumed his new role in March 2013.

His main responsibility is to continue positioning EFG Hermes as one of the top Investment Banks in Saudi Arabia by enhancing Investment Banking activity; growing AuMs for the EFG Hermes' Asset Management equity funds and portfolios, improving market share for the very challenging Brokerage business as well as identifying potential private equity opportunities. This assignment saw him improve the overall performance of EFG Hermes' Saudi operations across the different business lines.

Before moving to Saudi Arabia, Khaled served as Managing Director in the Investment Banking Divi-

sion where he participated in a number of landmark Equity and M&A transactions advising multinationals with strategic interests in the MENA region. Prior to joining EFG Hermes Investment Banking in 2000, he was working in the Commercial International Bank's (CIB) Credit Department. He holds a BA in Economics with a minor in Business Administration from the American University in Cairo.

In addition to his role as CEO of EFG Hermes KSA, Khaled has recently been appointed as the Chief Business Development Officer for EFG Hermes Holding. The new role will see him assume responsibility for developing business activities in accordance with the corporate growth and revenue goals across all business lines and different geographies. Khaled will also work on identifying potential strategic partnerships, alliances and relationships to expand core product lines as well as introducing new ones to the organization.



Karim Moussa
Head of Private Equity

Karim Moussa joined EFG Hermes in 2008, with primary responsibility for building the Group's infrastructure private equity platform. During this time, he also closed a number of flagship deals, such as the Nasdaq-Dubai's USD 445 mn take-private of DAMAS International and later its exit, delivering c. 2x cash-on-cash returns, and the USD 208 mn acquisition of 49% of EDPR France.

Karim sits on the Investment Committee of several EFG Hermes sponsored funds, including the InfraMed Infrastructure Fund, with combined AUM of c. USD 1 bn. He is also a Member of the Board of Directors of various portfolio companies.

Prior to joining EFG Hermes, Karim was a Vice President at Deutsche Bank, in the Global Bank-

ing division, with responsibilities for M&A, ECM and DCM advisory in MENA. In this role, he advised on the USD 4.2 bn Dubai Ports World IPO, the USD 670 mn sale of Sokhna Port to Dubai Ports World, and the USD 1.4 bn LBO of the Egyptian Fertilizers Company by Abraaj Capital. He joined Deutsche Bank in 2001 as an Analyst in the M&A execution team in Frankfurt, advising on several mid-cap transactions in Continental Europe. He moved to Dubai in 2005 with the CEO of Deutsche Bank MENA to help establish the bank's regional business. Prior to Deutsche Bank, Karim worked as an Investment Analyst at Berlin Capital Fund, a Venture Capital Fund managed by the Berliner Bank.

Karim holds a Masters in Business Administration and Mechanical Engineering (Diplom Wirtschaftsingenieur) from the Technical University of Berlin.



Amr Seif
Head of Asset Management

Amr Seif joined EFG Hermes in October 2013 as Head of the firm's Asset Management division. Prior to joining the firm, he worked as a Managing Director of Finance Unlimited at regional investment company Citadel Capital, where he was responsible for growing investments for portfolio holdings covering various industries: commercial banking, integrated investment banking, micro lending and insurance brokerage. After beginning his professional career in Egypt in 1991 with Shell

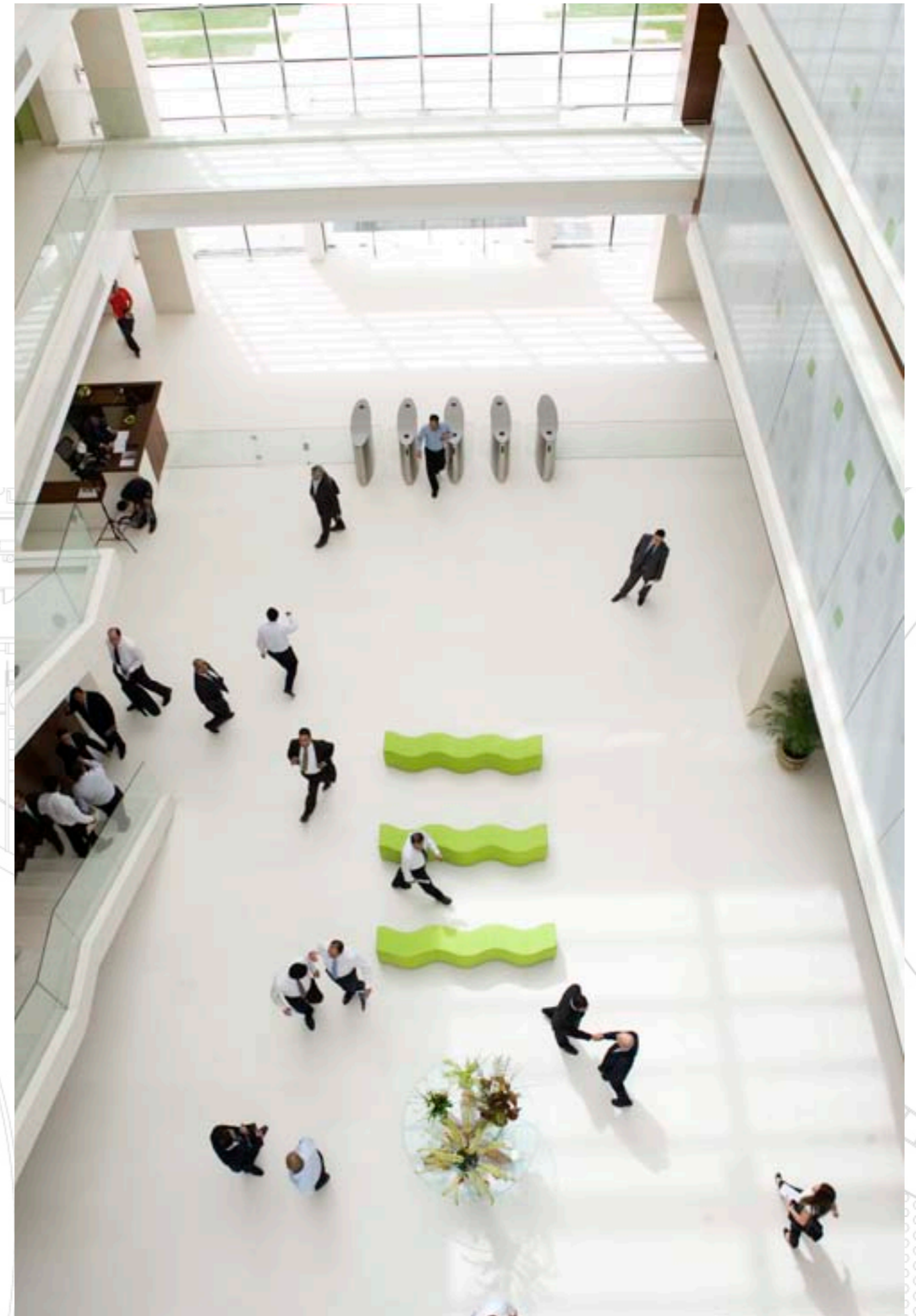
and, later, Citibank, Amr worked for a decade in London with JP Morgan and Investec as a fund manager, where he maintained a focus on markets including Turkey, Eastern Europe, and MENA. Throughout, he both managed existing funds and launched new products, earning a reputation for delivering consistent excess returns over relevant benchmarks and for topping like-for-like peers in both rising and declining markets.



Wael Ziada
Head of Research

Wael Ziada is both Executive Chairman of EFG Hermes Leasing and Managing Director of EFG Hermes' top-ranked Investment Research. He has over fifteen years of experience in the Middle East

equity capital markets and is a member of the EFG Hermes Group Executive Committee. He holds a BA in Economics from the American University in Cairo.



The USD 1.5 billion Arabian Cement Company (ACC) IPO was the first IPO in Egypt since 2011.

EFG HERMES HOLDING COMPANY (Egyptian Joint Stock Company)

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CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014
& Auditor's Report

AUDITOR'S REPORT



To the Board of Directors of the EFG Hermes Holding Company

We have audited the accompanying consolidated financial statements of EFG Hermes Holding Company and its subsidiaries which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statements of 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 group as of December 31, 2014 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 19, 2015

CONSOLIDATED BALANCE SHEET as at 31 December 2014

Translation of Consolidated Financial statements Originally issued in Arabic

Consolidated Balance Sheet

as at 31 December 2014

(in EGP)	Note no.	31/12/2014	31/12/2013
Assets			
Cash and due from banks	(4)	22,466,294,635	16,534,230,948
Investments at fair value through profit and loss	(5)	843,283,816	1,124,413,027
Accounts receivables (net)	(6)	1,166,525,868	823,841,307
Loans and advances	(7)	20,271,853,153	18,068,865,382
Available -for- sale investments	(8)	1,770,624,779	1,786,563,343
Held-to-maturity investments	(9)	22,011,645,921	22,139,071,831
Investments in associates	(10)	93,116,400	81,571,800
Investment property	(11)	292,305,254	320,250,709
Fixed assets (net)	(12)	1,537,798,596	1,307,073,381
Goodwill and other intangible assets	(13)	4,211,585,280	4,092,415,380
Other assets	(14)	998,963,923	1,093,444,771
Total assets		75,663,997,625	67,371,741,879
Liabilities			
Due to banks, financial institutions	(15)	2,686,306,997	917,202,147
Customers' deposits	(16)	54,853,116,880	49,745,040,988
Accounts payable - customers' credit balances		1,915,838,916	1,155,605,256
Bonds	(17)	565,767,200	554,120,600
Creditors and other credit balances	(18)	1,414,570,653	1,368,202,203
Other liabilities	(19)	709,699,478	694,591,378
Current tax liability		129,889,294	108,977,161
Deferred tax liabilities	(20)	752,022,642	702,897,901
Provisions	(21)	354,572,626	319,636,881
Total liabilities		63,381,784,686	55,566,274,515
Shareholders' equity			
Share capital	(22)	2,867,422,500	2,867,422,500
Legal reserve		990,432,067	990,432,067
Share premium	(30)	2,697,382,769	3,289,103,899
Other reserves		1,590,213,723	1,285,624,048
Retained earnings	(30)	926,620,676	936,046,512
		9,072,071,735	9,368,629,026
Treasury shares	(22-1)	(426,451,266)	-
Shareholders' equity		8,645,620,469	9,368,629,026
Net profit (loss) for the year		537,764,723	(540,322,092)
Shareholders' equity including net profit (loss) for the year		9,183,385,192	8,828,306,934
Non - controlling interests	(23)	3,098,827,747	2,977,160,430
Total shareholders' equity		12,282,212,939	11,805,467,364
Total shareholders' equity and liabilities		75,663,997,625	67,371,741,879

The accompanying notes are an integral part of these financial statements and are to be read therewith.

Mona Zulficar
Non-Executive Chairperson

Karim Awad
Executive Managing Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2014

Translation of Consolidated Financial statements Originally issued in Arabic

Consolidated Income Statement

for the year ended 31 December 2014

(in EGP)	Note no.	For the year end 31/12/2014	For the year end 31/12/2013
Fee and commission income		1,456,522,804	1,086,240,006
Fee and commission expense		(251,550,609)	(227,321,385)
Net fee and commission income		1,204,972,195	858,918,621
Securities gains		253,156,786	31,524,974
Share of profit of associates	(10)	8,742,756	8,031,600
Changes in the investments at fair value through profit and loss		1,950,723	51,614,241
Changes in the fair value of investment property	(11)	2,913,629	(83,759,019)
Gains from selling assets classified as held for sale		-	24,599,488
Gains from selling of investment property		2,028,283	3,033,544
Gains on selling fixed assets		14,547,725	-
Foreign currencies differences		54,127,643	165,533,482
Other income		102,984,695	193,462,230
Noninterest revenue		1,645,424,435	1,252,959,161
Interest and dividend income		3,382,790,206	3,186,491,823
Interest expense		(2,416,448,148)	(2,147,298,277)
Net interest income		966,342,058	1,039,193,546
Total net revenue		2,611,766,493	2,292,152,707
General administrative expenses	(29)	1,550,726,668	1,552,404,276
Net losses on loans and advances	(7)	74,659,464	59,869,000
Provisions	(21)	54,914,498	58,200,800
Depreciation and amortization	(12),(13)	86,210,759	94,759,321
Impairment loss on assets	(26)	15,297,935	768,069,614
Total noninterest expenses		1,781,809,324	2,533,303,011
Net profit (loss) before income tax		829,957,169	(241,150,304)
Income tax expense	(27),(33)	(122,972,057)	(93,832,079)
Net profit (loss) for the year		706,985,112	(334,982,383)
Equity holders of the parent		537,764,723	(540,322,092)
Non - controlling interests	(23)	169,220,389	205,339,709
		706,985,112	(334,982,383)
Earnings per share	(31)	1.00	(0.94)

The accompanying notes are an integral part of these financial statements and are to be read therewith.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

Translation of Consolidated Financial statements Originally issued in Arabic

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

Total	Non - controlling interests	Net profit year	Treasury shares	Retained earnings	Other reserves			Special reserve	Share premium	Legal reserve	Share capital	Note no.
					Fair value reserve	Hedging reserve	Cumulative adjustments					
EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
11 411 241 500	11 411 241 500	2 671 366 550	(6 918 613)	1 439 922 052	218 568 950	(12 426 631)	(26 442 387)	41 600 000	3 294 067 512	961 257 566	2 391 473 750	
(43 371 701)	(43 371 701)	(15 180 095)	(6 918 613)	(28 191 606)	218 568 950	(12 426 631)	(26 442 387)	41 600 000	3 294 067 512	961 257 566	2 391 473 750	
11 367 869 799	11 367 869 799	2 656 186 455	(6 918 613)	1 411 730 446	218 568 950	(12 426 631)	(26 442 387)	41 600 000	3 294 067 512	961 257 566	2 391 473 750	
(69 785 583)	(69 785 583)	(59 577 880)	-	(517 283 934)	-	-	-	-	-	-	477 903 750	(2)
446 887 930	446 887 930	-	-	41 600 000	-	-	-	(41 600 000)	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
340 277 552	340 277 552	-	-	-	-	-	-	-	-	-	-	
15 449 979	15 449 979	-	-	-	-	-	-	-	-	-	-	
8 786 986	8 786 986	-	-	-	-	-	-	-	-	-	-	
(10 688 673)	(10 688 673)	-	-	-	-	(10 688 673)	-	-	-	-	-	
115 634 266	115 634 266	-	-	-	-	-	-	-	-	-	-	
(334 982 383)	(334 982 383)	205 339 709	-	(540 322 092)	-	-	-	-	-	-	-	
11 879 451 873	11 879 451 873	2 977 160 430	-	(540 322 092)	227 355 936	(23 115 304)	(26 442 387)	41 600 000	3 289 103 899	990 432 067	2 867 422 500	
11 879 451 873	11 879 451 873	2 977 160 430	-	(540 322 092)	227 355 936	(23 115 304)	(26 442 387)	41 600 000	3 289 103 899	990 432 067	2 867 422 500	
(73 984 509)	(73 984 509)	-	-	-	-	-	-	-	-	-	-	
11 805 467 364	11 805 467 364	2 977 160 430	-	936 046 512	227 355 936	(23 115 304)	(26 442 387)	41 600 000	3 289 103 899	990 432 067	2 867 422 500	
122 663 774	122 663 774	-	-	591 936 007	-	-	-	-	-	-	-	
108 650 531	108 650 531	-	-	(540 322 092)	-	-	-	-	-	-	-	
-	-	-	-	(50 374 943)	-	-	-	-	-	-	-	
-	-	-	-	50 374 943	-	-	-	-	-	-	-	
23 115 304	23 115 304	-	-	(10 664 808)	-	-	-	-	-	-	-	
(5 811 144)	(5 811 144)	-	-	-	-	-	-	-	-	-	-	
(125 291 566)	(125 291 566)	-	-	-	-	-	-	-	-	-	-	
(426 451 266)	(426 451 266)	-	-	-	-	-	-	-	-	-	-	
72 884 830	72 884 830	-	-	-	-	-	-	-	-	-	-	
169 220 389	169 220 389	-	-	537 764 723	-	-	-	-	-	-	-	
3 098 827 747	3 098 827 747	3 098 827 747	-	926 620 676	277 730 879	(26 442 387)	(26 442 387)	41 600 000	3 289 103 899	990 432 067	2 867 422 500	
12 282 212 939	12 282 212 939	3 098 827 747	-	926 620 676	277 730 879	(26 442 387)	(26 442 387)	41 600 000	3 289 103 899	990 432 067	2 867 422 500	

The accompanying notes are an integral part of these financial statements and are to be read therewith

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

Translation of Consolidated Financial statements Originally issued in Arabic

Consolidated Statement of Cash Flows

for the year ended 31 December 2014

(in EGP)	31,December	
	2014	2013
Cash flows from operating activities		
Net profit (loss) before income tax	829 957 169	(241 150 304)
Adjustments to reconcile net profit (loss) to net cash provided by operating activities		
Depreciation and amortization	86 210 759	94 759 321
Provisions formed	54 914 498	58 200 800
Provisions used	(14 594 422)	(18 864 367)
Provisions reversed	(8 314 488)	(124 918 906)
Write- back of allowance	(26 976 840)	(29 394 000)
Gains on sale of fixed assets	(14 547 725)	-
Gains on sale of available -for- sale investments	(150 555 076)	(893 968)
Gains on sale of assets classified as held for sale	-	(24 599 488)
Gains on sale of investment property	(2 028 283)	(3 033 544)
Changes in the fair value of investments at fair value through profit and loss	(1 950 723)	(51 614 241)
Net losses on loans and advances	74 659 464	59 869 000
Impairment loss on assets	15 297 935	768 069 614
Changes in the fair value of investments property	(2 913 629)	83 759 019
Foreign currency translation differences	147 263 596	657 596 042
Currency differences gains	(54 127 643)	(165 533 482)
Operating profit before changes in working capital	932 294 592	1 062 251 496
Decrease in other assets	87 723 582	150 952 499
(Decrease) increase in creditors and other credit balances	(36 814 672)	125 074 709
Change in loans and advances	(1 865 594 500)	(2 562 609 400)
Change in customers' deposits	4 098 505 261	1 412 380 148
Increase in accounts receivables	(332 339 198)	(131 817 733)
Increase in accounts payables	749 172 640	410 635 597
Decrease (increase) in investments at fair value through profit and loss	288 539 440	(228 248 733)
Change in financial assets (over 3 months)	(3 087 491 100)	(287 219 400)
Income tax paid	(38 847 198)	(42 724 379)
Net cash provided from (used in) operating activities	795 148 847	(91 325 196)
Cash flows from investing activities		
Payments to purchase fixed assets and other intangible assets	(313 222 095)	(204 843 322)
Proceeds from sale of fixed assets	29 921 006	1 388 357
Proceeds from sale of available -for- sale investments	446 922 737	3 182 298
Payments to purchase available -for- sale investments	(121 464 040)	(5 563 433)
Payments to purchase investments in subsidiaries and associates	(9 765 349)	(13 439 626)
Proceeds from sale of held to maturity investments	541 139 200	389 569 400
Payments for long term lending	(2 173 929)	(11 478 469)
Proceeds from sale real property held for sale	34 748 506	-
Proceeds from sale/ payments to companies' share in Settlement Guarantee Fund	1 312 803	(201 165)
Proceeds from sale of non -current assets held for sale	10 628 752	78 439 200
Net cash provided from investing activities	618 047 591	237 053 240

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

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Consolidated Statement of Cash Flows (cont.)

for the year ended 31 December 2014

(in EGP)	31,December	
	2014	2013
Cash flows from financing activities		
Proceeds from issuing preferred shares	-	693 450 000
Purchasing of treasury shares	(426 451 266)	-
Dividends paid	(112 227 742)	(125 261 845)
Net cash (used in) provided from financing activities	(538 679 008)	568 188 155
Net change in cash and cash equivalents during the year	874 517 430	713 916 199
Cash and cash equivalents at the beginning of the year (note no. 28)	8 915 517 481	8 147 473 639
Cash and cash equivalents at the end of the year (note no. 28)	9 790 034 911	8 861 389 838

The accompanying notes are an integral part of these financial statements and are to be read therewith.

Notes to the consolidated financial statements

for the year ended 31 December 2014

1- Background

1-1 Incorporation

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

1-2 Purpose of the company

- The company is a universal bank with a lead position in the Arab world in investment banking, securities brokerage, asset management, private equity and research. The purpose of the company also includes the participation in the establishment of companies which issue securities or in increasing their share capitals, custody activities and margin trading.
- Acquisition of the Credit Libanais SAL (the Bank) During 2010, EFG Hermes Holding Company purchased 63.739% a controlling stake in Credit Libanais SAL (the Bank) through its wholly owned subsidiary EFG Hermes CL Holding SAL for an amount of USD 577,8 million. The company obtained the approval of the Central Bank of Lebanon for the acquisition transaction and the transfer of title has been completed.

1-3 Authorization of the financial statements

The financial statements were authorized for issue in accordance with a resolution of the board of directors on March 18, 2015.

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 Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for the following assets and liabilities which are measured at fair value:

- Derivative financial instruments.
- Financial instruments at fair value through profit and loss.
- Available-for-sale financial assets.
- Investment property.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of 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 accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note (20) – recognition of deferred tax assets and liabilities.
- Note (21) – provisions.
- Note (24) – contingent liabilities, valuation of financial instruments.

2.5 Financial assets and liabilities

Recognition and derecognition:

The Group initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are transferred.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting

Financial assets and liabilities are set-off and the net amount is presented in the financial position when, and only when, the Group has a legal right to set-off the amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3- Significant accounting policies applied

The accounting policies set out below have been applied consistently with those applied in the previous period presented in these consolidated financial statements and applied consistently by Group entities.

3-1 Basis of consolidation

The consolidated financial statements include the following companies:

3-1-1 Subsidiaries

- The consolidated financial statements include all subsidiaries that are controlled by the group and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Income Statement resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income Taxes applies to temporary differences that arise from the elimination of Income Statement resulting from intragroup transactions.
- Non - controlling interests are presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Non - controlling interests in the Income Statement of the group are also separately disclosed.
- The Group loses control when it loses the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities.

3-1-2 Associates

Investments in associates are accounted for using the equity method. Under the equity method the investment in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the income statement of the associates after the date of acquisition. Distributions received from associates reduce the carrying amount of the investment.

Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED for the year ended 31 December 2014

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recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3-2 Translation of the foreign currencies transactions

Transactions denominated in foreign currencies are recorded at the prevailing exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the prevailing exchange rates at that date. Foreign currency exchange differences arising on the settlement of transactions and the translation at the balance sheet date are recognized in the income statement.

3-3 Translation of the foreign subsidiaries' financials

As at the balance sheet date the assets and liabilities of consolidated subsidiaries are translated to Egyptian Pound at the prevailing rate as at the period end, and the shareholders' equity accounts are translated at historical rates, whereas the income statement items are translated at the average exchange rate prevailing during the period of the consolidated financial statements. Currency translation differences are recorded in the shareholders' equity section of the balance sheet.

3-4 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to Income Statement in the same period that the hedged item affects Income Statement.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in income statement. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in income statement.

3-5 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be

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measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in income statement. Gains are not recognized in excess of any cumulative impairment loss.

3-6 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (Note 3-11). Depreciation is charged to the income statement over the estimated useful-life of each asset using the straight-line method, the company reassess the useful lives of fixed assets on regular basis at the end of the financial year, the following are the estimated useful lives, for each class of assets, for depreciation calculation purposes:

	Estimated useful life
■ Buildings	33.3 - 40 years
■ Office furniture, equipment & electrical appliances	2 - 16.67 years
■ Computer equipment	3.33 - 5 years
■ Transportation means	3.33 - 8 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense is incurred.

3-7 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 (note 3-11) 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.

3-8 Intangible assets

3-8-1 Goodwill

Goodwill (positive and negative) represents amounts arising on acquisition of subsidiaries, and associates.

Goodwill (positive and negative) represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired at acquisition date.

- Positive goodwill is stated at cost less impairment losses (note 3-11).
- Negative goodwill arose from business combinations recognized directly in the income statement.
- Goodwill resulting from further acquisitions after control is obtained is determined on the basis of the cost of the additional investment and the carrying amount of net assets at the date of acquisition, accordingly, no fair value adjustments would be recognized.

3-8-2 Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment losses (note 3-11). Amortization is recognized in the income statement on a straight – line basis over the estimated useful lives of intangible assets which have useful lives.

The following are the estimated useful lives, for each class of assets, for amortization calculation purposes:

	Estimated useful life
■ Research and development expenses	3 years
■ Key money	10 years
■ License and franchise	5 years
■ Software	3 years

3-8-3 Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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3-9 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 balance sheet net of the unearned income.

3-10 Investments

3-10-1 Investments at fair value through profit and loss

An instrument is classified as at fair value through income statement if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in income statement when incurred. Financial instruments at fair value through income statement are measured at fair value, and changes therein are recognized in income statement.

3-10-2 Available-for-sale financial investments

Available-for-sale financial assets are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available for sale, is based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3-10-3 Held-to-maturity investments

Held-to-maturity investments are bought with the ability and intention to hold until maturity. They are stated in the balance sheet at their amortized cost, after taking into account any discounts or premium on acquisition, less provision for impairment value. Differences between amortized cost and redemption price are prorated over the period of the securities.

3-10-4 Investment property

Investment property is recorded at cost upon initial recognition, the company valued the investment property at fair value on balance sheet date, any gain or loss arising from a change in the fair value of investment property shall be recognized in income statement for the period in which it arises.

3-11 Impairment

3-11-1 Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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3-11-2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in income statement.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-12 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.

3-13 Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3-14 Other assets

Other assets are recognized at cost less impairment losses (note 3-11).

3-15 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 balance sheet date and amended (when necessary) to represent the best current estimate.

3-16 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.

3-17 Share capital

3-17-1 Repurchase of share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity.

Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

3-17-2 Dividends

Dividends are recognized as a liability in the year in which they are declared.

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3-18 Revenue recognition

3-18-1 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.

3-18-2 Dividend income

Dividend income is recognized when declared.

3-18-3 Custody fee

Custody fees are recognized when the service is provided.

3-18-4 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.

3-18-5 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 balance sheet. 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.

3-18-6 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.

3-18-7 Management fee

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

3-18-8 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.

3-19 Long term lending

Long term lending is recognized at cost net of any impairment loss. The group evaluates the loans at the balance sheet date, and in case of impairment in the redeemable value of the loan the loan is reduced by the value of impairment loss which is recognized in income statement.

3-20 Expenses

3-20-1 Employees' pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

3-20-2 Taxation

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognized

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in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Taxation is provided for in accordance with the fiscal regulations of the respective countries in which the Company and its subsidiaries operate.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-21 Earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3-22 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.

3-23 Loans and advances to customers and related provision

Loans and advances to customers are stated at principal together with interest earned at the balance sheet date, and after deduction of unrealized interest and provisions on sub-standard, doubtful and bad debts. These provisions are reviewed periodically by the management of the Bank, using criteria that are consistent with those of the preceding year. Specific provision for credit losses is determined by assessing each case individually.

Provisions for doubtful and bad debts are set up to cover any possible losses in principal and interest in the existing portfolio of loans and advances to customers and contingent accounts.

The level of provision to be constituted is based on the difference between the book value and the present value of the expected future cash flows after taking into consideration the realizable value of the guarantees provided. This provision charge is accounted in the statement of income. No general provisions are made on the loan portfolio apart from the "Reserve for general banking risks".

Provisions on doubtful accounts are written back to income only when the debt is restructured or repayment effectively resumed. Provision charges and provisions written back are recorded under "Net losses on loans and advances", in the statement of income.

Doubtful and bad loans and advances are written-off from the balance sheet and are recorded as memorandum accounts when all possible means of collection recourses have been exhausted, and the possibility of any future recovery is considered to be remote.

3-24 Unrealized interest on sub-standard, doubtful and bad debts

Interest on non performing loans and advances are only recognized in the statement of income upon realization.

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Interest receivable from sub-standard, doubtful and bad loans is reserved and deducted directly from the loan accounts at period end.

Interests are transferred to the "unrealized interest" account for every loan considered by the management as doubtful in the short run and transferred to the "non ordinary loans" account in accordance with the Lebanon Central Bank Circular N° 58.

3-25 Assets acquired in satisfaction of loans (unquoted assets ready for sale)

Real estate property acquired through the enforcement of security over loans and advances to customers is measured at cost less any accumulated impairment losses. The acquisition of such assets is regulated by the Lebanon Banking Authorities which require the liquidation of these assets within 2 years from acquisition. In case of default of liquidation the Group's lead regulator requires an appropriation from the yearly net income to a special reserve that is reflected under equity. This reserve can neither be distributed nor considered as an equity component while calculating the ratios set according to applicable laws, regulations and decisions.

3-26 Due from banks and other financial institutions

These are stated at cost less any amounts written off and provision for impairment where necessary.

3-27 Customers' deposits

All money market and customer deposits are carried at cost including interest, less amounts repaid.

3-28 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the group and accordingly are not recorded in the balance sheet.

3-29 Reserves for general banking risks

In compliance with the Lebanon Central Bank regulations and effective from 1996, Lebanese banks should appropriate from net profit for the year a minimum of 0.2% and a maximum of 0.3% from the total risk weighted assets and off balance sheet items based on rates specified by the Central Bank of Lebanon for any unspecified risks. The consolidated ratio should not be less than 1.25% of these risks at the end of the tenth financial year and 2% at the end of the twentieth financial year.

This reserve is not available for distribution, and is constituted in Lebanese weighted assets and off balance sheet items.

3-30 Allowances for credit losses

Specific impairment for credit losses is determined by assessing each case individually. This method applies to classified loans and advances and the factors taken into consideration when estimating the allowance for credit losses including the counterparty's credit limit, the counterparty's ability to generate cash flows sufficient to settle his advances and the value of collateral and potential repossession.

3-31 Segment reporting

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 subjected to risks and rewards that are different from those of other segments. The group's primary format for segment reporting is based on business segment.

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4- Cash and due from banks

	31/12/2014 EGP	31/12/2013 EGP
Cash on hand	285,832,262	293,937,747
Central Bank of Lebanon *		
■ Demand deposits	1,693,828,300	1,120,748,600
■ Time deposits	12,107,369,200	7,605,755,000
Other Central Banks		
■ Demand deposits	181,720,800	263,984,800
■ Time deposits	75,176,500	53,406,000
Cheques under collection	1,946,393	145,494
Banks - current accounts (net)	2,729,798,499	1,302,154,685
Banks - demand deposits	1,783,086,536	1,291,948,084
Banks - time deposits	3,447,002,945	4,519,129,738
Accrued interest	160,533,200	83,020,800
Balance	22,466,294,635	16,534,230,948

* In accordance with Central Bank of Lebanon's regulations, the Bank is required to constitute a mandatory reserve in Lebanese pounds of 15% and 25% of the average weekly customers' deposit accounts denominated in Lebanese pounds. The Bank is also required to constitute mandatory reserve in foreign currency, calculated on the basis of 15% of customers' deposit accounts denominated in foreign currency. Lebanese pounds reserve is non-interest bearing, whereas foreign currency reserve is floating -rate interest.

5- Investments at fair value through profit and loss

	31/12/2014 EGP	31/12/2013 EGP
Mutual Fund certificates	666,659,968	863,481,592
Equity securities	27,451,998	19,386,882
Debt securities	80,909,050	151,494,953
Treasury bills	53,894,900	90,049,600
Financial International Sukuk	14,367,900	-
Balance	843,283,816	1,124,413,027

6- Accounts receivables (net)

	31/12/2014 EGP	31/12/2013 EGP
Accounts receivables (net)	1,325,551,980	927,539,084
Other brokerage companies (net)	(159,026,112)	(103,697,777)
Balance	1,166,525,868	823,841,307

7- Loans and advances

		31/12/2014 EGP	31/12/2013 EGP
Loans and advances to customers	(7-1)	20,100,676,624	17,969,923,982
Loans and advances to related parties	(7-2)	169,002,600	98,941,400
Other Loans		2,173,929	-
Balance		20,271,853,153	18,068,865,382

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7-1 Loans and advances to customers

	31/12/2014			31/12/2013	
	Gross Amount EGP	Unrealized Interest EGP	Impairment Allowance EGP	Carrying Amount EGP	Carrying Amount EGP
Regular retail customers					
Cash collateral	517,206,800	-	-	517,206,800	454,079,800
Mortgage loans	6,742,975,838	-	-	6,742,975,838	5,848,198,873
Personal loans	259,994,600	-	-	259,994,600	226,830,600
Credit cards	179,713,900	-	-	179,713,900	178,457,000
Others	1,857,162,700	-	-	1,857,162,700	1,984,785,000
Regular corporate customers					
Corporate	9,277,811,455	-	-	9,277,811,455	8,290,291,428
Classified retail customers					
Watch	197,173,552	-	-	197,173,552	111,196,221
Substandard	190,340,600	(49,580,300)	-	140,760,300	77,887,200
Doubtful	235,470,000	(94,333,700)	(66,110,200)	75,026,100	72,854,800
Bad	71,101,600	(34,324,100)	(36,777,500)	-	-
Classified corporate customers					
Watch	647,301,579	-	-	647,301,579	622,583,660
Substandard	54,045,300	(6,739,800)	-	47,305,500	18,984,200
Doubtful	310,764,000	(52,329,800)	(86,832,500)	171,601,700	111,582,200
Bad	113,279,400	(42,943,900)	(70,335,500)	-	-
Collective provision for retail loans	-	-	(37,377,460)	(37,377,460)	(39,491,000)
Collective provision for corporate loans	-	-	(48 153 140)	(48 153 140)	(50,876,000)
Accrued interest receivable	72,173,200	-	-	72,173,200	62,560,000
Balance	20,726,514,524	(280,251,600)	(345,586,300)	20,100,676,624	17,969,923,982

7-2 Loans and advances to related parties

	31/12/2014 EGP	31/12/2013 EGP
Regular retail loans	11,378,700	680,800
Regular corporate loans	157,600,400	98,251,400
Accrued interest receivable	23,500	9,200
Balance	169,002,600	98,941,400

8- Available - for- sale investments

	31/12/2014 EGP	31/12/2013 EGP
Preferred shares	144,073,800	126,854,200
Equity securities	623,734,135	714,303,053
Mutual fund certificates	993,054,944	936,661,490
Accrued interest receivable	9,761,900	8,744,600
Balance	1,770,624,779	1,786,563,343

9- Held-to-maturity investments

	31/12/2014 EGP	31/12/2013 EGP
Lebanese government treasury bills and Eurobonds	16,801,290,294	15,762,749,057
Other sovereign bonds	151,753,600	68,954,000
Certificates of deposit issued by banks	4,490,746,551	5,662,645,517
Other debt instruments	218,725,375	275,067,257
Accrued interest receivable	349,130,101	369,656,000
Balance	22,011,645,921	22,139,071,831

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10- Investments in associates

	2014 Ownership %	2013 Ownership %	31/12/2014 EGP	31/12/2013 EGP
Agence Générale de Courtage d'Assurance SAL	25.86	25.86	46,337,300	35,654,600
Credit Card Management SAL	28.96	28.96	12,342,200	11,270,000
International Payment Network SAL	20.18	20.18	7,632,800	7,544,000
Net Commerce SAL	21.88	21.88	1,226,700	1,173,000
Liberty Executive Center SAL	-	29.98	-	55,200
Hot Spot Properties SAL	48.12	48.12	7,900,700	9,315,000
Dourrat Loubnan Al Iqaria SAL	45	45	17,676,700	16,560,000
Balance			93,116,400	81,571,800

11- Investment property

	31/12/2014 EGP	31/12/2013 EGP
Balance at 1 January	320,250,709	132,062,511
Reclassification from property, plant and equipment	-	118,119,954
Reclassification from assets classified as held for sale	-	208,649,494
Change in fair value	2,913,629	(83,759,019)
Disposals	(32,720,223)	(57,337,600)
Currency translation differences	1,861,139	2,515,369
Balance	292,305,254	320,250,709

Investment property amounted EGP 292,305,254 as at 31 December, 2014, represents the following:

- EGP 157,639,818 the fair value of the area owned by EFG Hermes Holding Company in Nile City Building.
- EGP 96,000,000 the fair value of the area owned by EFG Hermes Holding Company in the headquarters of the company in Smart Village Building.
- EGP 3,900,000 the fair value of the area owned by Hermes Securities Brokerage in the Elmanial Branch.
- EGP 34,765,436 the fair value of the area owned by EFG Hermes UAE Limited, one of the subsidiaries, in the Index Tower – UAE.

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12- Fixed assets

Particular	Office furniture, equipment & electrical Appliances						* Projects Under Construction	Total EGP
	Land & Buildings EGP	Leasehold Improvements EGP	Office furniture, equipment & electrical Appliances EGP	Computer Equipment EGP	Vehicles EGP			
Balance as at 1/1/2014	864,628,558	248,522,321	359,813,749	76,203,228	20,936,255	396,796,300	1,966,900,411	
Additions	6,998,300	564,950	15,138,282	3,173,695	1,808,769	268,486,850	296,170,846	
Disposals	(16,530,568)	(6,364,755)	(5,248,791)	(8,500)	(3,209,914)	-	(31,362,528)	
Reclassification	-	14,847,300	1,927,000	-	-	(16,774,300)	-	
Foreign currency translation differences	15,992,181	4,969,747	6,241,812	796,171	179,814	7,596,150	35,775,875	
Total cost as at 31/12/2014	871,088,471	262,539,563	377,872,052	80,164,594	19,714,924	656,105,000	2,267,484,604	
Accumulated depreciation as at 1/1/2014	138,071,778	189,448,064	251,504,373	64,574,143	16,228,672	-	659,827,030	
Depreciation	21,647,260	14,243,601	32,952,812	5,483,632	1,283,646	-	75,610,951	
Disposals' accumulated depreciation	(2,187,004)	(6,347,400)	(4,657,951)	(4,533)	(2,792,359)	-	(15,989,247)	
Reclassification	-	-	(11,862)	11,862	-	-	-	
Foreign currency translation differences	1,905,417	3,610,550	4,206,588	777,579	(262,860)	-	10,237,274	
Accumulated depreciation as at 31/12/2014	159,437,451	200,954,815	283,993,960	70,842,683	14,457,099	-	729,686,008	
Carrying amount as at 31/12/2014	711,651,020	61,584,748	93,878,092	9,321,911	5,257,825	656,105,000	1,537,798,596	
Carrying amount as at 31/12/2013	726,556,780	59,074,257	108,309,376	11,629,085	4,707,583	396,796,300	1,307,073,381	

* Projects under construction are represented in the following:

	31/12/2014 EGP	31/12/2013 EGP
Office spaces in Egypt	9,784,500	9,784,500
Preparation of new headquarters – Credit Libanais SAL “the Bank” - Lebanon	646,320,500	387,011,800
Balance	656,105,000	396,796,300

13- Goodwill and other intangible assets

	31/12/2014 EGP	31/12/2013 EGP
Goodwill (13-1)	195,309,571	195,309,571
Other intangible assets (13-2)	4,016,275,709	3,897,105,809
Balance	4,211,585,280	4,092,415,380

13-1 Goodwill is relating to the acquisition of the following subsidiaries:

	31/12/2014 EGP	31/12/2013 EGP
EFG Hermes Oman LLC	5,921,803	5,921,803
EFG Hermes IFA Financial Brokerage Company (KSC) – Kuwait	179,148,550	179,148,550
IDEAVELOPERS – Egypt	1,600,000	1,600,000
EFG Hermes Jordan	8,639,218	8,639,218
Balance	195,309,571	195,309,571

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13-2 Other intangible assets are represented in the following:

	31/12/2014 EGP	31/12/2013 EGP
Branches network - Credit Libanais Bank	3,984,821,688	3,872,523,738
Key Money	1,184,400	1,196,000
Licenses & Franchise	21,949,976	9,861,296
Software	8,319,645	13,524,775
Balance	4,016,275,709	3,897,105,809

14- Other assets

	31/12/2014 EGP	31/12/2013 EGP
Deposits with others (14-1)	45,057,312	50,573,225
Downpayments to suppliers	1,536,228	11,107,597
Prepaid expenses	122,314,707	110,459,628
Employees' advances	13,575,861	16,075,628
Accrued revenues	17,719,403	24,777,317
Taxes withheld by others	9,796,219	9,577,354
Payments for investments (14-2)	102,899,661	7,454,500
Re-insurers' share of technical reserve	68,385,000	66,727,600
Receivables - sale of investments	-	94,463,829
Receivables - sale of assets classified as held for sale	-	15,000,000
Infra Egypt fund	3,749,018	3,650,489
Settlement Guarantee Fund	27,311,388	28,604,207
Unquoted assets - Ready for sale acquired in satisfaction of loans	148,797,300	151,077,800
Due from EFG Hermes Employee Trust	277,594,632	339,901,084
Due from Ara inc. company	756,681	544,630
Due from related parties	11,862,800	33,409,800
Re-insurance accrued commission	16,873,000	16,376,000
Cards transaction on ATM	11,538,500	4,494,200
Re-insurance debtors	1,955,200	427,800
Sundry debtors	117,241,013	108,742,083
Balance	998,963,923	1,093,444,771

14-1 Deposits with others include an amount of EGP 28,270,500 (equivalent to LBP 6,015 million) represents deposit blocked by Credit Libanais SAL (the Bank) with the Ministry of Finance of Lebanon, in addition to an amount of EGP 12,564,122 in the name of the subsidiaries, Financial Brokerage Group Company and Hermes Securities Brokerage Company which represents blocked deposits for same day trading operations Settlement takes place in the Egyptian Stock Exchange. Both companies are not entitled to use these amounts without prior approval from Misr Clearance Company.

14-2 Payments for investments are represented in the following:

	31/12/2014 EGP	31/12/2013 EGP
Arab Visual Company	3,749,500	3,749,500
IDEAVELOPERS	25,000	25,000
AAW Company for Infrastructure	1,895,071	3,040,000
EFG –Hermes Direct Fund Management	640,000	640,000
Kuwait Invest Real Estate	96,590,090	-
Balance	102,899,661	7,454,500

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15- Due to banks and financial institutions

	31/12/2014 EGP	31/12/2013 EGP
Due to Central Bank of Lebanon	1,867,545,000	355,497,200
Current deposits of banks	188,714,400	144,987,400
Time deposits	34,662,500	42,554,600
Financial institutions	252,346,875	271,298,037
Bank overdraft	340,523,722	100,178,510
Accrued interest payable	2,514,500	2,686,400
Balance	2,686,306,997	917,202,147

16- Customers' deposits

	31/12/2014 EGP	31/12/2013 EGP
Deposits from customers (private sector):		
Saving accounts	29,722,841,980	28,170,802,502
Time deposits	15,168,516,800	12,587,614,800
Current accounts	5,211,092,100	4,833,771,286
	50,102,450,880	45,592,188,588
Deposits from customers (public sector):		
Time deposits	1,929,993,900	1,782,389,600
Current accounts	338,536,300	316,530,600
	2,268,530,200	2,098,920,200
Others	176,160,700	177,679,600
	52,547,141,780	47,868,788,388
Accrued interest payable	290,464,700	256,270,600
	52,837,606,480	48,125,058,988
Deposits from related parties:		
Long term saving accounts	623,741,700	537,399,600
Long term deposits	1,239,479,300	999,524,800
Short term deposits	145,667,100	79,101,600
Accrued interest payable	6,622,300	3,956,000
	2,015,510,400	1,619,982,000
Balance	54,853,116,880	49,745,040,988

17- Bonds

On November 11, 2010 Credit Libanais SAL issued US.\$ 75,000,000, 6,75% Subordinated Bonds due January 15, 2018 at an issue price of 100% of their principal amount. The bonds have been fully underwritten. The net proceeds from the sale of bonds will be used for general corporate purposes, and the obligation of the issuer in respect of the bonds constitutes direct, unsecured and general obligation of the issuer. The arranger of the offering is Credit Libanais Investment Bank SAL (an affiliate) and the bonds will not be listed on any stock exchange. The bonds balance is equivalent to EGP 565,767,200 as at December 31, 2014 versus EGP 554,120,600 as at December 31, 2013.

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18- Creditors and other credit balances

	31/12/2014 EGP	31/12/2013 EGP
Margins held against documentary credits	181,001,700	207,763,600
Technical reserve for insurance companies	446,382,500	389,210,600
Social Insurance Association	644,832	528,048
Unearned revenues	3,750,679	15,136,531
Suppliers	140,583,183	132,802,515
Accrued expenses	308,032,299	291,089,488
Clients' coupons- Custody Activity	7,900,800	5,950,397
Due to Industry Modernization Center	5,284,836	5,628,458
Dividends payable	125,844,918	106,582,450
Cards transaction on ATM	18,753,000	35,976,600
Re-insurance creditors	133,136,900	138,138,000
Sundry creditors	43,255,006	39,395,516
Balance	1,414,570,653	1,368,202,203

19- Other liabilities

	31/12/2014 EGP	31/12/2013 EGP
Preferred shareholders in subsidiaries *	708,525,000	693,450,000
Others	1,174,478	1,141,378
Balance	709,699,478	694,591,378

*On 16 September 2013, the extraordinary general meeting of Credit Libanaies SAL (the Bank) approved to issue 1,000,000 preferred shares at a price of LBP 11,000 per share with total amount of LBP 11,000 million (equivalent to EGP 51,700,000). These shares were issued and fully paid.

The extraordinary general meeting of the Bank approved at the same date to issue the preferred shares with premium amounting to LBP 139,750 per share with total amount of LBP 139,750 million (equivalent to EGP 656,825,000), settled in cash by the subscribers according to the terms set by the extraordinary general meeting on 4 July 2013.

20- Deferred tax assets and liabilities

	Balance as at 31 December 2014					
	Balance at 1/1/2014 EGP	Recognized in profit or loss EGP	Recognized in equity EGP	Net EGP	Deferred tax assets EGP	Deferred tax liabilities EGP
Fixed assets depreciation	(6,428,210)	(807,449)	-	(7,235,659)	-	(7,235,659)
Expected claims provision	828,250	1,942,747	-	2,770,997	2,770,997	-
Impairment loss on assets	6,347,907	(4,998,581)	-	1,349,326	1,349,326	-
Prior year losses carried forward	2,885,204	(68,615)	-	2,816,589	2,816,589	-
Company's share in affiliate's profits	(4,894,300)	4,894,300	-	-	-	-
Fair value adjustments *	(634,264,839)	2,294,213	(18,295,148)	(650,265,774)	-	(650,265,774)
Changes in fair value of cash flow hedges **	6,612,597	-	-	6,612,597	6,612,597	-
Fair value of available for sale financial assets ***	(73,984,510)	-	(34,086,208)	(108,070,718)	-	(108,070,718)
	(702,897,901)	3,256,615	(52,381,356)	(752,022,642)	13,549,509	(765,572,151)

* Deferred tax liabilities arising from the assets acquired and liabilities assumed as a result of the acquisition of the subsidiary Credit Libanais Bank.

** Directly deducted from cash flow hedges item presented in the statement of changes in equity.

*** Directly deducted from changes in the fair value of available -for-sale investments item presented in the statement of changes in equity.

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21- Provisions

		31/12/2014 EGP	31/12/2013 EGP
Expected claims provision	(21-1)	152,870,697	142,724,113
Servance pay provision	(21-1)	200,409,429	175,638,568
Other provisions		1,292,500	1,274,200
Balance		354,572,626	319,636,881

21-1

	Expected Claims Provision EGP	Severance pay provision EGP	Total EGP
Balance at the beginning of the year	142,724,113	175,638,568	318,362,681
Formed during the year	23,905,150	31,009,348	54,914,498
Provision reversed	(8,079,288)	(235,200)	(8,314,488)
Foreign currency differences	(293,678)	3,205,535	2,911,857
Amounts used during the year	(5,385,600)	(9,208,822)	(14,594,422)
Balance at the end of the year	152,870,697	200,409,429	353,280,126

22- Share capital

- The company's authorized capital amounts EGP 3,200 million and issued and paid in capital amounts EGP 2,867,422,500 distributed on 573,484,500 shares of par value EGP 5 per share.

Share capital	Ordinary shares
Issue at 1 January 2014	573,484,500
Treasury shares	(36,956,522)
Outstanding shares at 31 December 2014	536,527,978
Authorized - par value 5 EGP	3,200,000,000

22-1 Treasury shares

- The company's board of directors approved in its session held on April 27, 2011 to purchase a number of 5 million shares of the company's shares and the company has purchased a number of 391,000 shares from Egyptian Stock Exchange Market at cost of EGP 6,918,613. The company's Extraordinary General Assembly approved in its session held on July 25, 2013 to decrease the company's issued capital through cancelling a number of 391,000 shares of the company's shares which was thereon approved by The Egyptian Financial Supervisory Authority on September 1, 2013.
- The company's board of directors meeting held on January 8, 2014 approved to purchase treasury shares with a billion Egyptian pounds during the first nine months of the year 2014 through two phases, the first phase have been implemented through purchase of 36,956,522 shares at an average exercising price of EGP 11,5 per share with a total cost of EGP 425,974,172 and the second phase aims to purchase shares with an amount of approximately EGP 575 million during the period between the end of the second quarter or the third quarter of 2014, on October 1, 2014 the company's board of directors agreed to extend the period of implementation of the second phase of purchasing treasury shares program until the end of the second quarter of 2015, the Board also approved expanding the scope of the program to include the option of a dividend distribution.
- On July 22, 2014 the company's board of directors decided to sell the 36,956,522 treasury shares owned by the company to EFG Hermes IB Limited company (wholly owned subsidiary of the Group) at a price of EGP 15,32 per share, the procedures of selling have been taken on July 31, 2014. Egyptian Accounting Standards require presenting the above mentioned sold shares as treasury shares in the consolidated financial statements as the parent company and its subsidiary are one entity.
- On January 29, 2015 the company announced its intention to proceed with all the necessary steps to cancel the treasury shares owned by its subsidiary EFG Hermes IB once the decision is taken by the board of directors and the general assembly of the company in the light of the Egyptian Financial Supervisory Authority's decision dated August 19, 2014 pertaining to treasury shares held by listed companies or their subsidiaries, which force the company to either cancel the treasury shares or sell them within one year, as the sale to a subsidiary is not considered a sale to other party.

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23- Non - Controlling interests

	31/12/2014 EGP	31/12/2013 EGP
Share capital	437,215,446	444,194,165
Legal reserve	153,742,824	139,390,534
Other reserves	737,738,896	671,828,945
Retained earnings	181,678,631	144,359,186
Other equity	85,330,892	75,108,800
Increase in fair value of net assets	1,339,711,813	1,296,939,091
Net profit for the year	169,220,389	205,339,709
Interim dividends	(5,811,144)	-
Balance	3,098,827,747	2,977,160,430

24- Contingent liabilities

- The company guarantees its subsidiaries – Financial Brokerage Group, Hermes Securities Brokerage , EFG Hermes Jordan and EFG Hermes Oman LLC. – against the credit facilities granted from banks and EFG Hermes Brokerage – UAE against the Letters of Guarantee granted from banks amounting to:

	31/12/2014	31/12/2013
AED equivalent to EGP	153,670,000	97,670,000
	299,164,756	180,962,976

Off-balance sheet items :

	31/12/2014 EGP	31/12/2013 EGP
Financing commitments given to financial institutions	1,175,996,400	738,304,600
Commitments to customers	2,345,755,900	2,536,766,600
Guarantees given to customers	896,412,200	1,002,629,800
Restricted and non – restricted fiduciary accounts	50,153,700	52,191,600
Commitments of signature received from financial intermediaries	156,571,100	136,362,400
Securities' commitments	467,006,100	511,952,400
Other commitments received	36,980,300,300	33,750,802,600
Assets under management	30,133,757,058	28,884,605,600

25- Incentive fee revenue

Due to inadequate assurance concerning the revenue recognition conditions and collection of the incentive fee on managing investment funds and portfolios, the assets management companies (subsidiaries) deferred the recognition of incentive fee with an amount of EGP 59,818 till December 31, 2014 versus EGP 22, 156, 909 till December 31, 2013 as no revenues are recognized if there are any uncertainties regarding the recovery of the consideration due.

Subsidiary's name	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Egyptian Portfolio Management Group	59,818	8,305,866
Hermes Fund Management	-	274,966
EFG Hermes Financial Management (Egypt) Ltd.	-	13,576,077
Total	59,818	22,156,909

26- Impairment loss on assets

	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Impairment loss on accounts receivables & debit accounts	8,940,579	18,553,375
Impairment loss on available –for– sale investments	6,357,356	128,648,382
Impairment loss on fixed assets	-	6,467,051
Impairment loss on good will	-	512,229,590
Impairment loss on other loans	-	102,171,216
Total	15,297,935	768,069,614

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27- Income tax expense

	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Current income tax	126,228,672	91,774,921
Deferred tax	(3,256,615)	2,057,158
Total	122,972,057	93,832,079

28- Cash and cash equivalents

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

	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Cash and due from banks	22,466,294,635	16,534,230,948
Due to banks and financial institutions	(2,686,306,997)	(917,202,147)
Less: Assets – maturity more than three months	(9,989,952,727)	(6,755,638,963)
Effect of exchange rate	-	54,127,643
Cash and cash equivalents	9,790,034,911	8,915,517,481

29- General administrative expenses

	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Wages , salaries and similar items	1,023,092,536	1,035,266,023
Consultancy	55,658,123	65,719,025
Travel, accommodation and transportation	42,397,066	44,319,120
Leased line and communication	52,329,082	49,935,777
Rent and utilities expenses	81,329,433	83,560,851
Other expenses	295,920,428	273,603,480
Total	1,550,726,668	1,552,404,276

30- Retained earnings

On May 17, 2014 the Ordinary General Assembly meeting decided to use the amount of EGP 591,721,138 of Share premium reserve shown in the separate financial statements for the year ended 31 December 2013 to cover the holding company retained losses.

31- Earnings per share

	For the year ended	
	31/12/2014 EGP	31/12/2013 EGP
Net profit (loss) for the year	706,985,112	(334,982,383)
Net profit (loss) for equity holders of the parent company	537,764,723	(540,322,092)
Weighted average number of shares	539,970,503	573,484,500
Earnings per share	1.00	(0.94)

32- Segment reporting

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.

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	Investment banking EGP	Commercial banking EGP	Elimination EGP	Total EGP
Fee and commission income	989,621,028	466,901,776	-	1,456,522,804
Fee and commission expense	(50,843,861)	(200,706,748)	-	(251,550,609)
Net fee and commission income	938,777,167	266,195,028	-	1,204,972,195
Securities gains	206,561,710	46,595,076	-	253,156,786
Gains from selling of investment property	2,028,283	-	-	2,028,283
Gain on selling fixed assets	14,453,565	94,160	-	14,547,725
Share of profit of associate	-	8,742,756	-	8,742,756
Changes in the investments at fair value through profit and loss	6,093,763	(4,143,040)	-	1,950,723
Foreign currencies differences	18,450,419	35,677,224	-	54,127,643
Other income	47,491,499	55,493,196	-	102,984,695
Change in the fair value of investment property	2,913,629	-	-	2,913,629
Noninterest revenue	1,236,770,035	408,654,400	-	1,645,424,435
Interest and dividends income	165,437,708	3,350,594,148	(133,241,650)	3,382,790,206
Interest expense	(29,891,621)	(2,337,865,684)	(48,690,843)	(2,416,448,148)
Net interest income	135,546,087	1,012,728,464	(181,932,493)	966,342,058
Total net revenue	1,372,316,122	1,421,382,864	(181,932,493)	2,611,766,493
Total noninterest expenses	(868,779,747)	(901,582,000)	(11,447,577)	(1,781,809,324)
Net profit before income tax	503,536,375	519,800,864	(193,380,070)	829,957,169
Income tax expense	(61,414,209)	(63,929,932)	2,372,084	(122,972,057)
Net profit for the year	442,122,166	455,870,932	(191,007,986)	706,985,112
Total assets	10,625,835,786	63,974,736,200	1,063,425,639	75,663,997,625
Total liabilities	3,035,184,032	58,914,532,900	1,432,067,754	63,381,784,686
Shareholders' equity	7,590,651,754	5,060,203,300	(368,642,115)	12,282,212,939
Total equity and liabilities	10,625,835,786	63,974,736,200	1,063,425,639	75,663,997,625

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	Investment banking EGP	Commercial banking EGP	Elimination EGP	Total EGP
Fee and commission income	658,049,006	428,191,000	-	1,086,240,006
Fee and commission expense	(57,199,585)	(170,121,800)	-	(227,321,385)
Net fee and commission income	600,849,421	258,069,200	-	858,918,621
Securities gains	33,038,374	(1,513,400)	-	31,524,974
Gains from selling of investment property	3,033,544	-	-	3,033,544
Share of profit of associate	-	8,031,600	-	8,031,600
Changes in the investments at fair value through profit and loss	63,325,841	(11,711,600)	-	51,614,241
Gains from selling assets classified as held for sale	24,599,488	-	-	24,599,488
Foreign currencies differences	85,286,482	80,247,000	-	165,533,482
Other income	141,670,830	51,791,400	-	193,462,230
Change in the fair value of investment property	(83,759,019)	-	-	(83,759,019)
Noninterest revenue	868,044,961	384,914,200	-	1,252,959,161
Interest and dividends income	124,176,745	3,129,076,400	(66,761,322)	3,186,491,823
Interest expense	(16,787,242)	(2,117,407,600)	(13,103,435)	(2,147,298,277)
Net interest income	107,389,503	1,011,668,800	(79,864,757)	1,039,193,546
Total net revenue	975,434,464	1,396,583,000	(79,864,757)	2,292,152,707
Total noninterest expenses	(1,674,956,927)	(847,200,400)	(11,145,684)	(2,533,303,011)
Net (loss) profit before income tax	(699,522,463)	549,382,600	(91,010,441)	(241,150,304)
Income tax expense	(17,457,106)	(74,579,800)	(1,795,173)	(93,832,079)
Net (loss) profit for the year	(716,979,569)	474,802,800	(92,805,614)	(334,982,383)
Total assets	9,376,543,627	56,955,452,000	1,039,746,252	67,371,741,879
Total liabilities	1,922,458,024	52,195,372,000	1,448,444,491	55,566,274,515
Shareholders' equity	7,454,085,603	4,760,080,000	(408,698,239)	11,805,467,364
Total equity and liabilities	9,376,543,627	56,955,452,000	1,039,746,252	67,371,741,879

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33- Tax status

- As to Income Tax, the years from starting the operations to 31/12/2010 the competent tax inspectorate inspected the parent company's books and all the disputed points have been settled with the internal committee and as to years 2011 / 2012 has been inspected and the company was notified by form no. (19) which was objected thereon on the due date and the settlement procedures are currently taking place, and as to year 2013, according to tax form of tax law no. 91 of 2005 the company has submitted the tax return and paid the tax due.
- As to Salaries Tax, the parent company's books had been examined till 2008 and all the disputed points have been settled with the internal committee and the due amount has been paid and as to years 2009 / 2013, the parent company's books have not been inspected yet.
- As to Stamp Tax, the parent company's books had been examined from 1998 till 31/7/2006 and paid the due tax according to the resolution of appeal committee which was objected thereon in the courts, and the period from 1/8/2006 till 31/12/2013 have not been inspected yet.
- On June 4, 2014 a new law No. 44/2014 has imposed a 5% temporary additional annual tax on amounts exceed EGP 1 million from the tax base on the income of natural persons or the profits of Corporate Buddies in accordance with income tax law , and it has been proven and collected in accordance with this provisions . This law start working from June 5, 2014 for 3 years beginning from the current taxation period.
- On June 30, 2014 Presidential Decree has issued with Law No. 53 for the year 2014, this law has amended some articles of the Income Tax Law. promulgated by Law 91 of 2005, the most important amended rules are:
 - Impose tax on profit dividend.
 - Impose tax on capital gains resulting from selling of securities.

34- Group's entities

The parent company owns the following subsidiaries:

	Direct ownership %	Indirect ownership %
Financial Brokerage Group	99,88	0,04
Egyptian Fund Management Group	88,51	11,49
Egyptian Portfolio Management Group	66,33	33,67
Hermes Securities Brokerage	97,58	2,42
Hermes Fund Management	89,95	10,05
Hermes Corporate Finance	99,37	0,53
EFG Hermes Advisory Inc.	100	-
EFG Hermes Financial Management (Egypt) Ltd.	-	100
EFG Hermes Promoting & Underwriting	99,88	-
Bayonne Enterprises Ltd.	100	-
EFG Hermes Fixed Income	99	1
EFG Hermes Management	96,3	3,7
EFG Hermes Private Equity	1,59	63,41
EFG Hermes Brokerage – UAE LLC.	-	100
Flemming CIIC Holding	100	-
Flemming Mansour Securities	-	99,33
Flemming CIIC Securities	-	96
Flemming CIIC Corporate Finance	-	74,92
EFG Hermes UAE Ltd.	100	-
EFG Hermes Holding - Lebanon	99	-
EFG Hermes KSA	73,1	26,9
October Property Development Ltd.	-	100
EFG Hermes Lebanon	99	0,97
Mena Opportunities Management Limited	-	95
EFG Hermes Mena (Caymen) Holding	-	100
Mena (BVI) Holding Ltd.	-	95
EFG Hermes Mena Securities Ltd.	-	100
Middle East North Africa Financial Investments W.L.L	-	100
EFG Hermes Qatar LLC	100	-
EFG Hermes Oman LLC	-	51
EFG Hermes Regional Investment Ltd.	100	-
Offset Holding KSC	-	50
EFG Hermes IFA Financial Brokerage	-	45

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	Direct ownership %	Indirect ownership %
IDEVELOPERS	-	52
EFG Hermes CB Holding Limited	-	100
EFG Hermes Global CB Holding Limited.	100	-
EFG Hermes Syria LLC	49	20,37
Sindyan Syria LLC	97	-
Talas & Co. LLP	-	97
EFG Hermes Jordan	100	-
Mena Long-Term Value Feeder Holdings Ltd	-	100
Mena Long-Term Value Master Holdings Ltd	-	90
Mena Long-Term Value Management Ltd	-	90
EFG Hermes CL Holding SAL	-	100
Credit Libanais SAL "the Bank"	-	63,739
Credit Libanais Investment Bank SAL	-	63,65
Lebanese Islamic Bank SAL	-	63,64
Credit International SA	-	59,16
Cedar's Real Estate SAL	-	63,69
Soft Management SAL	-	29,96
Hermes Tourism & Travel SAL	-	63,73
Crédit Libanais d'Assurances et de Réassurances SAL	-	42,69
Business Development Center SARL	-	62,86
Capital Real Estate SAL	-	62,46
Credilease SAL	-	63,27
Collect SAL	-	28,64
EFG Hermes Investment Funds Co.	99,998	-
EFG Hermes IB Limited.	-	100
Meda Access Cayman Holdings Limited.	-	100
EFG Hermes Mutual Funds Co.	100	-
Beaufort Investments Company	100	-

35- 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 (no. 2&3) of 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.

35-1 Market risk

Market risk is defined as the potential loss in both on and off balance sheet positions 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.

35-2 Foreign currencies risk

■ The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.

■ As disclosed in note (3-2) the company has used the prevailing exchange rates to reevaluate monetary assets and liabilities at the financial position date.

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35-3 Risk management

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

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

35-4 Credit risk

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition, the effective credit appraisal procedure for examining applications for credit facilities followed by the Group, adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize, to a large extent, the exposure to credit risk. Note 7 of this report shows the distribution of loan portfolio by nature of facility, by economic sector.

35-5 Liquidity risk

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

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

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

35-6 Interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities.

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

35-7 Equity price risk

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

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

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35-8 Operational risk

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

35-9 Fair value of financial instruments

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

35-10 Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value, according to the valuation basis applied, in accounting policies to derivative financial instruments, (note no. 3-4).
- In accordance with an arrangement between the subsidiary, EFG Hermes MENA Securities Limited Co. and its customers ("the customers"), the Company from time to time enters into fully paid Shares Swap Transaction Contracts ("the contracts") with the customers. Under the contracts the customers pay to the Company a pre-determined price, which is essentially the market price at the trade date, in respect of certain reference securities. In return for such shares swap transactions the Company pays to the customers the mark to market price of the reference securities at a pre-determined date (normally after one year). However, the contracts can be terminated at any time by either of the parties, which shall be the affected party.

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

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

36- Corresponding figures

Certain reclassification and adjustments have been made to some comparative figures in order to conform with the current year presentation. These adjustments are attributable to the following:

	(As reported) For the year ended 31/12/2013 EGP	Adjustments EGP	(Amended) For the year ended 31/12/2013 EGP
Deferred tax liabilities	628,913,392	73,984,509	702,897,901
Other reserves	1,359,608,557	(73,984,509)	1,285,624,048

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