



BANKING ON **HUMAN CAPITAL**



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At EFG Hermes people are our greatest asset & the driving force of our organization. Our 865 talented investment and back-office professionals are the guardians of our brand name and the avid caretakers of our clients' trust. They come from 25 different nations, bringing with them unique insights into the cultures and industries in which we operate. They are the developers of the systems that make our success scalable and that protect both our institution and our clients. They are the trainers of the next generation of professionals who will take our firm into new markets and new lines of business.

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THE REGION'S LEADING INVESTMENT BANK

With a team of more than 800 talented employees, EFG Hermes has successfully expanded over the course of 30 years to become the region's leading investment bank providing a wide spectrum of financial services

WHAT WE DO

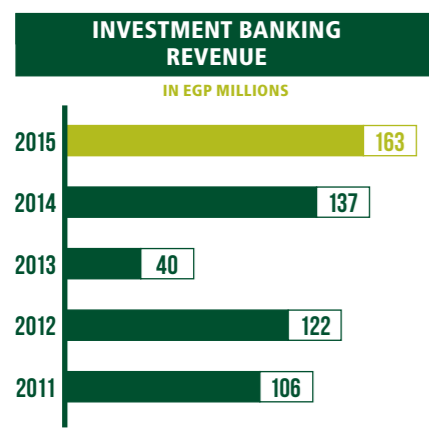
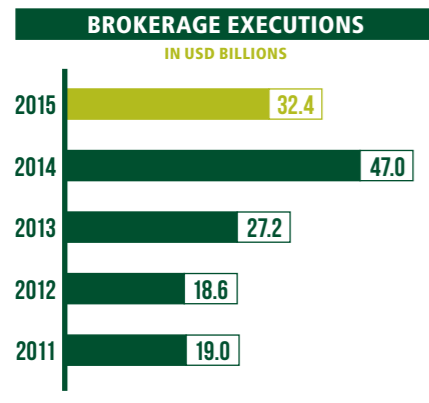
With a current footprint spanning seven countries in the Middle East and North Africa, EFG Hermes had its origins in Egypt and successfully expanded over the course of 30 years to become the region's leading investment bank. Drawing on our proven track record and a team of over 800 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research, and private equity. Furthermore, EFG Hermes owns a 64% majority stake in the Lebanese commercial bank, Crédit Libanais.

To further augment our array of services, we launched EFG Hermes Leasing in 2015 as a wholly owned subsidiary that offers leasing services and highly sought-after, value-added advisory to large corporations and SMEs across Egypt.

THE INVESTMENT BANK SECURITIES BROKERAGE

With the region's largest brokerage team, EFG Hermes Securities Brokerage is the leading brokerage house in the Arab world, catering to a variety of investors from local and foreign institutions to individual, high-net-worth individuals and family offices. Our clients benefit from our strong network of contacts and state-of-the-art systems, designed with the needs and security concerns of institutions in mind, as well as our track record of successfully structuring and executing large, complex transactions on behalf of an assortment of different kinds of investors.

Through a single broker, EFG Hermes has a presence in eight markets and indirect access to most markets in the MENA region via our network of trusted partners. In addition to multimarket trading, fundamental analysis, and technical analysis in several MENA markets, we also offer additional services such as conditional orders, margin trading, and same day trading in certain markets. The division's trading services include 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, complemented by custody services for retail and institutional clients, fundamental and technical research products and, an ATM facility for Egyptian retail investors.



We provide a wide spectrum of services including investment banking, asset management, brokerage, research, private equity and leasing

INVESTMENT BANKING

EFG Hermes Investment Banking deploys the largest and most diverse group of investment banking professionals in the region with the deepest knowledge of companies, markets, and economies, and proven global expertise. We have executed some of the largest cross-border transactions in the region through a distribution network that encompasses more than 117 thousand investors across North America, Europe, the Middle East, and Africa. The Investment Banking team has successfully completed some USD 53.5 billion in M&A transactions since 1995 and as lead advisor has raised more than USD 20.3 billion through initial public offerings (IPO), rights issues, secondary offerings, and private placements.

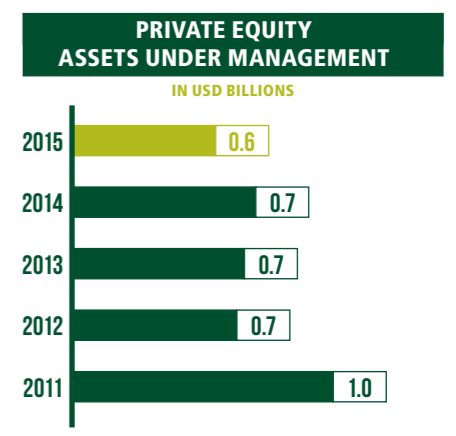
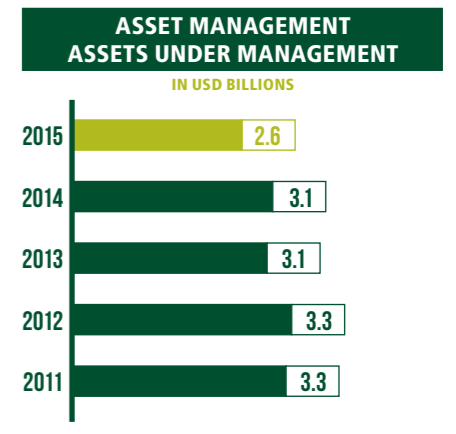
ASSET MANAGEMENT

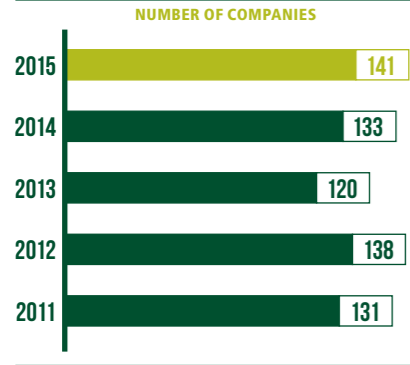
As the leading asset manager in the MENA region with a team of 49 seasoned professionals, EFG Hermes Asset Management has a long track record of superior performance in the region. We serve a client base that includes multinational corporations, endowments, foundations, and family offices, and manage mutual funds and discretionary portfolios in both country-specific and regional mandates. We offer both conventional and Sharia-compliant mandates in index tracking absolute return strategies. Our products are tailored to each investor's objectives and risk constraints, and are constantly reviewing and expanding our fund product offering to better meet our clients' investment needs.

PRIVATE EQUITY

Leveraging the power of the EFG Hermes distribution platform across the region, including the firm's network of relationships with major regional corporations and financial institutions as well as public market intelligence through EFG Hermes' group-wide accrued insight, the division has transformed from a private equity group raising money from across the region to invest predominantly in Egypt to a group raising money from around the world to invest throughout MENA and Europe.

Today, we have raised more than USD 1.6 billion in over 10 funds from Limited Partners across the globe. We manage around USD 0.6 billion in private equity funds from two hubs, Cairo and Dubai. The funds we manage invest across a diverse spectrum of sectors across the region, including tourism, real estate, financial services, industrials, infrastructure, building materials, oil and gas, food and agribusiness, FMCG, and retail. Our success is grounded in unparalleled knowledge of the region, its business climate and its opportunities.



COMPANIES UNDER ACTIVE RESEARCH COVERAGE**RESEARCH**

EFG Hermes Research is made up of a fully independent research team, recognized as providing the highest quality and most in-depth coverage of MENA markets. We offer our clients unrivalled bilingual coverage of stocks and economies in every Arab country with an active stock market. With an on-the-ground presence in four major regional cities — Cairo, Riyadh, Dubai, and Muscat — our professional analysts cover stocks that account for more than half of the regional's aggregate market capitalization across 11 countries and nine industry sectors.

Our research analysis combines equities research, macro research, and strategy and index research, and is both exclusive and complimentary to our clients. We offer fair, unbiased, comprehensive coverage that commands respect from a diverse range of buy-side clients, corporations, industry media, and others.

To further augment our array of services, we successfully launched our newest subsidiary EFG Hermes Leasing to offer leasing services and highly sought-after advisory to large corporations and SMEs across Egypt

LEASING

EFG Hermes Leasing offers tailored leasing solutions and value-added advisory services that help corporations and SMEs meet their business goals with the fastest turnaround time in Egypt. We provide services to finance almost anything, from technology systems and medical equipment to vehicles and machinery, and offer turnkey solutions for building owners, construction, energy systems, industrial equipment, waste management, and much more.

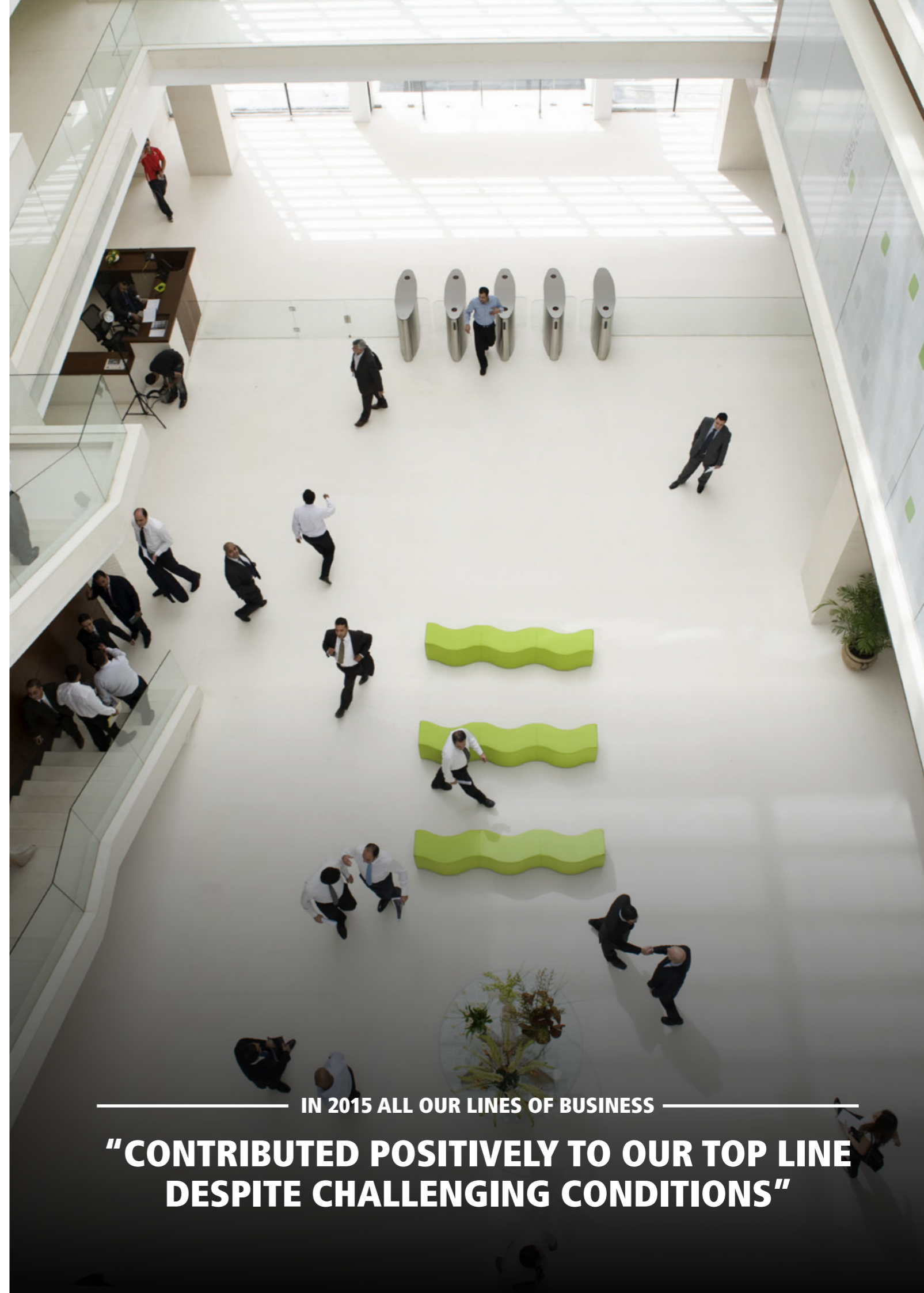
By creating a dedicated, comprehensible platform through which companies and entrepreneurs can explore tailored financing options to suit their needs, we are addressing a gap in the market that has left smaller companies lacking access to viable credit facilities.

THE COMMERCIAL BANK

EFG Hermes acquired a controlling interest in Crédit Libanais towards the end of 2010 in order to diversify and streamline the Group's revenue stream. The acquisition was immediately earnings accretive, and Crédit Libanais continues to contribute positively to the Group's bottom line.

Crédit Libanais is the largest mortgage lender and 9th largest bank in Lebanon, continuing to gain market share in a very competitive environment. It is a highly liquid institution with lines of business that include Corporate Banking, Retail Banking, SME Banking, Private Banking, Leasing, and Asset Management.

Crédit Libanais has 73 branches — including a representative office in Canada — in Lebanon, Iraq, Bahrain and Cyprus, in addition to a Crédit International branch in Dakar, Senegal.



IN 2015 ALL OUR LINES OF BUSINESS

“CONTRIBUTED POSITIVELY TO OUR TOP LINE DESPITE CHALLENGING CONDITIONS”

OUR GUIDING PRINCIPLES

EFG Hermes' success is owed to its enduring commitment to the values that have shaped the company since its founding in 1984. These values; Integrity, Commitment, Leadership, and Value Creation, have helped nurture a culture of inclusion that informs all aspects of the firm's business activities across the MENA region and beyond. At EFG Hermes we:

- Strive to operate with integrity in everything we do, aspiring to transparency, and adhering to global best practices in corporate governance;
- Take a broad view of leadership, fostering talent at all levels of the firm who lead the market by example and capitalize on the brand equity created by a winning team to diversify our business and expand our footprint;
- Maintain a sharp focus on recognizing and capturing opportunities to sustainably create value for all our stakeholders;
- Make our commitments 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.

OUR SIX Ps

To ensure the implementation of these values we developed and refined the Six Ps of our strategy: People, Positioning, Presence, Products, Profits, and Public Responsibility, that function as the key pillars supporting our operations and the benchmark of our performance.

People: Recognizing that the success of any company is incumbent on the satisfaction of its employees, we remain committed to developing our employees individual growth and career paths by making various leadership programs and training facilities available for them to expand their skill-sets. Over the years, we have been fortunate in our ability to employ and retain some of the best bankers of the region, while refining our employees to become leaders in the industry who are loyal to the firm and its outlook for the future. Our people have and will always remain the most important asset of the company.

Market Positioning: EFG Hermes has built a geographical presence that is second to none in the region. In addition to our headquarters in Egypt, we have an on-the-ground presence in the UAE, Kuwait, Saudi Arabia, Oman, and Jordan. This platform is truly unique in nature and offers us a great opportunity to diversify our revenues base in the future. Going forward we remain vigilant for

expansion opportunities in the region and across Africa. Our vision to expand our footprint continues to influence key strategic and operational decisions at EFG Hermes.

Geographical Presence: The past 13 years have seen significant expansions across the GCC region, turning EFG Hermes into a full-fledged regional bank. We have succeeded in consolidating our position in the GCC market and are now on the lookout for expansion opportunities that could offer us additional regional growth and expand our footprint. Sub-Saharan Africa as well as other frontier markets are on the radar screen amid growing global and regional investor interest and an improving business environment.

Product Offering: Over the past 30 years, EFG Hermes has grown into one of the region's best brand names, a feat made possible through an array of factors, not the least of which includes our premium portfolio of product offerings. Going forward, our strategy for expansion involves leveraging our brand name to diversify the respective product offerings within the different divisions that comprise EFG Hermes. Growing our traditional business lines — whether it is the fund and portfolio business in AM or the IPO and M&A activity in IBD — will continue to be our area of focus, along with our new foray into the finance sector with the newly established EFG Hermes Finance platform.

Profitability: Our primary responsibility as a leading bank in the region is the continuous creation of value for our shareholders. While market conditions and their impact on share prices are uncontrolled variables, our focus on growing group profitability is a key contributor toward value enhancement. Our Six-P model was designed to help drive growth in various terms, including the revenue line. However, we will also continue to be highly focused on maintaining a very lean cost structure that will help us weather the inherent volatility of the industry in which we operate.

This strong focus on enhancing profitability will take place as the firm continues to implement the best practices, prudent risk control, and general good governance that have become synonymous with EFG Hermes.

Public Responsibility: A later addition to the original five Ps created in 2014, Public Responsibility was added to the model in 2015 as an affirmation of EFG Hermes' commitment to its corporate citizenship. Going beyond external legislations that determine CSR, EFG Hermes refined its internal and external operations to not only incorporate, but also promote sustainable practices. We believe that by investing in sustainable practices, we will directly contribute to society through the promotion of a better quality of life, and, in doing so, improve our competitive advantage through better risk management and operational cost savings.

EFG Hermes has come a long way since its founding, a journey that would not have been possible without the strict adherence to the principles that set us apart from our competitors. We pride ourselves on the values that have established EFG Hermes as a trusted brand with a vast network of loyal customers, and going forward remain ever-mindful of the components that made such success possible.

Benchmarking our performance in 2015 against the Six Ps of our strategy proves that we have managed to deliver as a team despite immense market challenges

CHAIRPERSON'S FOREWORD



Mona Zulficar, one of Egypt's most distinguished corporate, banking, and project finance attorneys, has served as Non-Executive Chairperson of the EFG Hermes Board since 2008

Dear Shareholders,

As I share this brief message with you, we are witnessing unprecedented changes in the global macro environment characterized by low oil prices, a shrinking Chinese economy, an outflow of funds from emerging markets, and regional instability. All these factors combined have caused global markets to plunge to their lowest levels in decades amid fears of slower growth. While we cannot be immune to global headwinds, we can certainly navigate around them.

I believe it is safe to say that we at EFG Hermes have successfully done so in 2015 and that we are in full possession of the focus, clarity, and human capital required to continue doing so in the year ahead.

I am extremely proud of what we have achieved and that we have managed to uphold our commitments to our customers, our shareholders, and our communities, despite the tremendous challenges that we have faced. The fact is plain and simple; human capital is our most valuable asset, and they are the reason that we have been able to formulate and execute a new strategy characterized by our Six Ps, namely People, Positioning, Presence, Products, Profits, and Public Responsibility.

This strategy has led us to solidify our position as the region's number one broker and to back our claim as the region's investment bank of choice, closing out the year with advisory and execution on 9 high-level transactions, including four IPOs. Our award winning asset management and private equity divisions are venturing into new territory. Asset management just launched EFG Hermes' first UCITS compliant fund serving European investors who were otherwise unable to access our funds, and Private Equity is investing in progressive new sectors such as renewable energy. Last but not least, EFG Hermes' critically acclaimed Research division continues to innovate with unrivalled signature products, including newly-launched video-based reports.

These are remarkable achievements even in the best of times. Our new leadership deserves a great deal of credit for successfully achieving the required objectives and crossing the brink of their challenging first year. They have done so by essentially staying one step ahead of the market and finding creative ways to diversify our revenue stream to offset the volatility that we are currently witnessing across our markets. Diversification and expansion in terms of both products and services will be essential to minimize risks and expand opportunities going forward.

An example of this forward looking strategy is our newest subsidiary, EFG Hermes Leasing, which launched in May 2015. In less than a year of operation,

our Leasing division has turned a profit, again a testament to the outstanding team of professionals who are running the business. Leasing is just the first of several non-bank financing ventures that are currently in the pipeline at EFG Hermes.

I am also very proud of the firm's achievements on the sustainability front. This is an area where we have made a tremendous push to lead by example. Management has clearly articulated that achieving sustainability goals goes hand in hand with achieving our operational targets. I'm a firm believer in the premise that businesses will never flourish without a healthy environment and a stable society. Our now 5-year membership in the United Nations Global Compact (UNGC) and the publication of our first sustainability report in 2015 is just the tip of the iceberg. We all need to do more to insure that we are pursuing an inclusive growth model, which is why I am deeply gratified to see that our people have become more engaged.

Not only are we helping through the EFG Hermes Foundation with projects like the rehabilitation and comprehensive development of impoverished villages in Upper Egypt, but we are also seeing our young EFG Hermes investment bankers volunteer their time to help empower the younger generation through mentorship programs and financial literacy tutorials. It is precisely this type of engagement in training and skills development that is going to move us as a society to the next level, and I couldn't be prouder of the role that we are playing on that front.

Internally within our firm, we have also placed a renewed emphasis on training. We have brought back our renowned investment banking course along with other training programs that are, in my view, an investment in the future stars and leaders of EFG Hermes.

Finally, I would like to welcome two new esteemed Board members to our remarkable Board of Directors: Marwan Elaraby, co-Managing Partner, Europe, Middle East, and Africa at Shearman & Sterling, and Jonathan Cimino, CEO of Dubai Group. I would also like to take this opportunity to thank the entire Board of EFG Hermes, nine of whom are non-executive, for continuing to play an active role in the company. We are extremely fortunate to have such an experienced and dedicated Board that not only oversees shareholders' interests, but also serves as an invaluable professional resource for our management by providing time, guidance, and strategic direction. Their expertise has been instrumental in helping us overcome the challenges of the past year.

While the year ahead is shaping up to be a difficult one, we are nonetheless exploring new opportunities and new markets that will further minimize our exposure to risk. With our unparalleled team of professionals led by management that is truly visionary, I am confident that we will continue to deliver value for our shareholders in the months and years to come.

Mona Zulficar
Non-Executive Chairperson

Human capital is our most valuable asset, and they are the reason that we have been able to formulate and execute a new strategy characterized by our Six Ps, namely People, Positioning, Presence, Products, Profitability, and Public Responsibility

NOTE FROM THE CEO



Our talented and experienced team of professionals at EFG Hermes have succeeded in beating the odds and solidifying our position as MENA's premier investment bank

Dear Shareholders,

As you may by now have intuited, the theme of our 2015 Annual Report is people. With that in mind, we are mindful that we are not just a firm at which people are the creators of value, but that those for whom we create value are themselves people, whether it is the clients we serve or the shareholders to whom we are beholden. Looking back at 2015, people once again lay at the heart of our success. Conditions were challenging across our footprint, but the fortitude and professional skills of our team — and the sound systems and policies of our institution — were more than equal to the task.

The true test of an institution is not how it performs in bull markets, but when the bears are out in force. Low oil prices, volatility in capital markets, divergent monetary policies between the US, the European Union, and Asia, geo-strategic developments across our footprint, and the slowdown of growth in China made 2015 a challenging year for MENA markets.

Despite this, EFG Hermes thrived, delivering profitability to our shareholders by serving our clients with the highest of global standards, launching our non-bank financial services platform, and laying the groundwork that will see us further diversify our product portfolio and our geographical base.

As we did so, we continued to benchmark our progress against our Six-P strategy, a review of which I have set out below.

POSITIONING

We closed the year as the region's largest broker. We are the clear market leader in Egypt, Kuwait, and the Nasdaq Dubai, closed 2015 as number two in Abu Dhabi and Oman, and remained the largest international securities brokerage in Saudi Arabia. Our Research house is not just the leader in the MENA region — it is one of the best in the wider Europe, Middle East, and Africa region, having ranked on the leaderboard of Institutional Investor's Europe, Middle East, and Africa (EMEA) Research Team for 2015, including recognition as the top-ranked MENA equity strategy team for the year.

Our Asset Management team continues to manage the region's largest AUM base, with USD 2.6 billion under management. It launched in 2015 the Sharia-compliant Hasaad fund in Saudi Arabia as well as two IPO funds, and laid the groundwork for the successful 2016 launch of the MENA UCITS and EFG Hermes Frontier Funds. It also took steps to acquire new talent that will focus relentlessly on one thing going forward: to grow our AUM base to a level commensurate with the superior returns the team delivers year after year.

EGP460^{MN}

net profit in 2015

Our Private Equity division also continued to build for the future, partnering last year with a top-tier global institutional investor to pursue a renewable energy opportunity in Portugal, but ultimately losing by an extremely narrow margin after having successfully raised supporting debt from European banks. The division's existing Vortex unit, a French wind farm portfolio, outperformed its budget in 2015 in terms of electricity generation and EBITDA. Going forward, the team will continue to seek opportunities in consumer staples, healthcare, and infrastructure.

Finally, our Investment Banking division delivered a stellar year with four IPOs, two rights issues, and four M&A transactions. The division has lead-managed and executed all international-standard IPOs — those executed in accordance with the international standards (Reg S/Rule 144A) — to have come out of Egypt and the UAE in the past 24 months and ended 2015 on the top of the Thomson Reuters ECM League Table. The division also has a deep pipeline for execution in 2016, market conditions permitting.

PRODUCT DIVERSIFICATION

I am delighted to report that our EFG Hermes Leasing subsidiary grew from launch in May 2015 to close the year as the fifth-ranked player in the Egyptian market in terms of deal booking during 4Q15 with a 9% market share. The Leasing division contributed EGP 20 million to the Group's top line and holds great potential going forward as it forms the core of our new EFG Hermes Finance platform, to which we added in early 2016 Egypt's largest private sector microfinance company, Tanmeyah. EFG Hermes Leasing's short turnaround time and position as a gateway to additional EFG Hermes services — coupled with the outstanding team and systems now in place — will make this a long growth business. Tanmeyah has similarly strong growth prospects, run as it is by an outstanding team of managers and founders who will continue to run the business in a highly under-penetrated market.

The new funds introduced in 2015 and early 2016 by our Asset Management arm also fall under this vertical, as does a major shift in our brokerage platform that we anticipate launching in 2016.

PRESENCE

Throughout 2015, we began laying the foundation for a strategy that will allow us to sustainably deliver growth in the years to come. One aspect of this was our careful study of a number of compelling expansion opportunities that will not just extend our reach, but begin our transformation from a MENA firm into a full-fledged frontier house. We accordingly disclosed in early 2016 that we are exploring a transaction that could see us expand into

The true test of an institution is not how it performs in bull markets, but when the bears are out in force

We endeavour to make all our business practices fundamentally sustainable and ensure that the creation of shareholder value does not come at the expense of societies

we have run an abridged version of the flagship Investment Banking Program for which we are known. As you will read in the section entitled “Our People,” we have rolled out a number of initiatives that make it easier for staff to manage their administrative paperwork, to onboard new hires, to encourage meaningful communication between managers and employees, and to begin growing the next generation of leaders that our firm will require. Throughout, we will continue to always aim first to hire at the bottom and promote from within as we grow our product lineup and our footprint. This will offer further room for advancement and new career paths for many of our front-line and business partner staff alike, ensuring we retain the best and brightest of our people.

PROFITABILITY

Despite the turbulence of 2015 in all markets in which we operate, the firm delivered net profit after tax and minority interest of more than EGP 460 million on revenues north of EGP 2,600 million. Setting aside the one-time gains we recorded in 2014 from the sale of an investment unrelated to our core business, our bottom line would have advanced nearly 5% year-on-year.

PUBLIC RESPONSIBILITY

On this front, the firm’s goal is simple: We aim to ensure that the creation of shareholder value does not come at the expense of the societies, of the environment, or of the economies of the countries in which we do business. The EFG Hermes Foundation has been moving ahead with its integrated development approach. They made an important grant to Assiut University in 2015 that allowed it to double its capacity for arthroscopic surgery and continued to implement a comprehensive development program for the village of Al Makhzan in the governorate of Qena. As articulated in our first sustainability report last year, we will endeavour to make all our business practices fundamentally sustainable.

Pakistan. Our transformation into a firm that comprehensively covers some of the world’s most exciting emerging and frontier markets will be a long journey, but it is the natural evolution for EFG Hermes.

PEOPLE

People are and will always be the driving force of this institution. With that in mind, I am exceptionally pleased to note that we delivered in 2015 an Investment Banking Fundamentals Training Program, the first time since 2010 that

OUTLOOK

We expect 2016 to be another challenging year for emerging markets in general, and that geopolitical turbulences and the fallout from low oil prices on key economies in which we operate will continue to present headwinds. That said, I am confident that the outstanding team we have here at EFG Hermes will continue to beat the odds, helping our clients capture new growth opportunities and enlarging the scope of what we offer product-wise and geographically.

We have been working hard at selling our stake in Crédit Libanais, and, at the time of the publishing this annual report, had reached a conclusive agreement that is subject to Central Bank of Lebanon approval to sell most of our stake in the Bank. Selling the Bank in this challenging time is risky given the consistent profits that it provided to our P&L annually. However, it was a necessary step to unlock a significant amount of value for our shareholders and to reshape the business model in a manner that will be more accretive on the medium to long term.

Subject to due diligence and regulatory approval, we will begin our transformation into a frontier house with a key acquisition. We will ensure that we have the right people in the right positions to deliver on our vision. We will continue to tightly control costs to protect our ability to deliver growth in a profitable manner. Moreover, we will pursue opportunities to divest our stake in Crédit Libanais, providing us with additional liquidity to carry forward this exciting new chapter in our three-decade-old growth story.

Leading an institution such as EFG Hermes is both the privilege and the challenge of a lifetime. As I do so, I am honoured each day to work with outstanding professionals — and to share the trust with that you, our shareholders, and the Board have entrusted us. I look forward to reporting to you next year in this same space on how we have earned the right to retain it.



Karim Awad

Group Chief Executive Officer



MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

The Group maintained its regional leadership position, delivering solid, resilient performance amid challenging market conditions

Our commitment to deliver sustainable returns despite challenging operating environments remains among our top priorities

The firm reported full-year operating revenues of EGP 2,616 million, a slight increase compared to the previous year, despite the macro-economic strains besieging regional business. Meanwhile, our Net Profit After Tax and Minority Interest (NPAT) came in at EGP 461 million, up 5% year-on-year after adjusting for the one-time gain of EGP 97 million related to the sale of a non-core asset in 2014.

Contributing 43% to the Group's NPAT, the Investment Bank recorded a net profit of EGP 200 million in 2015, down 34% year-on-year partly due to non-core asset sale in 2014 in addition to weaker markets hindering the performance of the Brokerage and Asset Management divisions. On the other hand, the Commercial Bank reported a NPAT of EGP 261 million in 2015, up 12% year-on-year. The Commercial Bank generated 57% of the Group's net profit.

At the operational level, the Group's net operating profit recorded EGP 995 million in 2015, up 3% year-on-year after extracting the non-core asset sale from 2014 figures. The firm's commitment to its cost optimization strategy, with the Investment Bank's operating expenses declining 3% year-on-year to EGP 724 million, supported the Group's operational profitability and helped deliver a net operating profit margin of 38%.

The Group's performance is broken down into two business segments — the Investment Bank and the Commercial Bank. Presented first is a brief review of the Investment Bank and its divisions, followed by an overview of the Commercial Bank performance, represented through our 64% stake in the Lebanese Commercial Bank, Crédit Libanais.

THE INVESTMENT BANK

The Investment Bank contributed EGP 1,050 million to FY15 revenues, filtering through to a bottom line of EGP 200 million. Although profitability declined 3% year-on-year after adjusting for the non-core asset sale, it is a decent performance given challenging market conditions and the relatively strong previous comparative year.

USD 3.3^{BN}
total Investment Bank AUMs

Representing 79% of the Investment Bank's revenues, fees and commissions contracted 13% year-on-year to EGP 828 million. Brokerage and Asset Management were impacted by weaker markets and declining liquidity, while on the other hand, the Investment Banking division saw a relatively strong year that included four high profile IPOs. The launch of the Leasing business in 2015 also contributed to this year's Investment Bank top line. Egypt operations represented 60% of the fees and commissions revenue in 2015 versus 49% in 2014, primarily reflecting the sharp increase in the Investment Banking revenue generated from Egypt due to Egyptian companies' IPOs.

Capital markets and treasury operations revenue, which represents the remaining 21% of the Investment Bank revenue, generated EGP 221 million in 2015. If we normalize the division's revenue (excluding non-core asset sale in 2014), capital market and treasury operations revenue would be higher 29% year-on-year.

LINES OF BUSINESS

SECURITIES BROKERAGE

Over 2015, country-specific challenges and renewed concerns over energy prices took tolls on MENA markets, with regional indices retreating and volumes shrinking as compared to a strong 2014. However, EFG Hermes managed to grow its market shares in 2015 and improve its ranking in its major markets, with EFG Hermes Brokerage closing the year with a leadership position in three markets, namely Egypt, Kuwait, and Nasdaq Dubai.

Executions reached USD 32.4 billion, down 31% year-on-year, translating into a Brokerage revenue of EGP 344 million, down 24% year-on-year. Over the course of 2015, average daily commission decreased 33% to USD 160 thousand as 2014 was a relatively strong year that saw the inclusion of UAE markets and Qatar in the MSCI EM index.

INVESTMENT BANKING

The Investment Banking division maintained its strong momentum throughout 2015 and successfully closed 10 high profile equity and M&A transactions, liaising between global, regional, and local players to attract substantial capital into the domestic Egyptian market. Revenues from the Investment Banking division came in at EGP 163 million in 2015, up 18% year-on-year.

On the equity front, the Investment Banking division had one of its best years to date, concluding four landmark IPOs despite turbulence in global and regional capital markets. These included advising on the precedent-setting demerger and subsequent dual listing of OCI N.V.'s construction business, as well as the IPOs of Edita Food Industries, Integrated Diagnostics Holding, and Emaar Misr. Additionally, the company advised on Palm Hills Developments' and Ghabbour Auto's rights issues. The firm's strong ECM performance was manifested by its topping of the Middle Eastern equity capital markets league tables, with aggregate executions of over USD 2.8 billion.

On the M&A front, the division concluded the sale of Fawry, a leading Egyptian electronic payments processor, to an esteemed consortium of

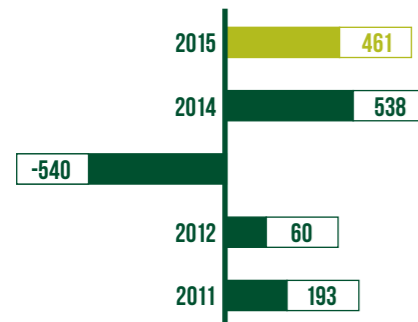
EGP 88^{BN}

Group total assets

The strength of our franchise, together with our focus on the core business, is the basis of our success

GROUP NET PROFIT

IN EGP MILLIONS



financial sponsors, finalized the sale of El Rashidi El Mizan in a USD 95 million landmark cross border transaction to Olayan Financing Company, and advised on the sale of Schweppes Egypt to The Coca Cola Company. Moreover, the division executed Egypt's first real estate backed security offering for Amer Group.

ASSET MANAGEMENT

EFG Hermes' assets under management (AUM) stood at USD 2.6 billion at the end of 2015, losing 11% of their value year-on-year mainly on the back of:

- (i) Weak markets, representing 7% of the decline,
- (ii) Redemptions, largely on money market fund (MMF) outflows, and
- (iii) Devaluation, as more than 50% of the total asset base is denominated in EGP while we report our AUMs in USD.

Revenues from the Asset Management division were lower 21% year-on-year, standing at EGP 215 million in 2015. However, on the asset raising efforts during the year, the division saw a net inflow on the equity side, launching three new equity funds in KSA, namely "Hasaad," a Saudi Sharia-compliant fund and two IPO funds (the Muscat and the NOMW funds), in addition to a number of new institutional equity portfolios.

PRIVATE EQUITY

Contributing 8% to the Investment Bank's top line, Private Equity posted revenues of EGP 86 million in 2015, down 5% year-on-year. AUMs stood at USD 0.6 billion at the end of 2015, affected by the plunge in oil prices.

On the renewable energy front, Vortex's French investment outperformed the budget in 2015 in terms of electricity generation and EBITDA by c.4% and c.13% respectively, as the team continued to work closely with EDPR's management to optimise production and enhance the portfolio's profitability. Vortex's solid performance was acknowledged at the MENA Fund Manager Performance Awards and was awarded the "Best Private Equity Fund in MENA."

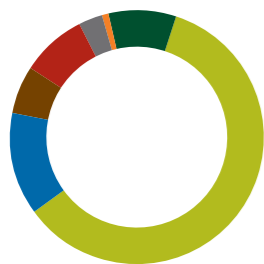
Meanwhile, with the division continuing its divestment strategy seeking lucrative exits, ECP II GP entered into a SPA to exit ECP II Fund's last remaining investment, Kandil Steel Holding.

LEASING

EFG Hermes Leasing was ranked 8th place with a market share of 5%, an outstanding performance given the business being operational for only six months of the year. Leased assets contracts booked by the division in 2015 totalled EGP 708 million with revenues standing at EGP 20 million.

RESEARCH

The Research department's coverage reached 141 companies at the end of 2015, distributed across the region (Egypt 28, UAE 22, KSA 49, Kuwait 7, Oman 13,

GROUP REVENUES

- 13% ■ Securities Brokerage
- 6% ■ Investment Banking
- 8% ■ Asset Management
- 3% ■ Private Equity
- 1% ■ Leasing
- 8% ■ Capital Markets & Treasury Ops
- 60% ■ Commercial Bank

Qatar 9, Lebanon 3, Morocco 3, Jordan 5, and others 2). Currently, EFG Hermes Research covers 57% of the regional market capitalization, 11 economies from a macro level, and 8 countries in terms of regular strategy notes. Additionally, the Research team issues regular publications, including daily morning round-ups, post-session wrap-ups, and a regional monthly product. EFG Hermes Research offers investors the region's finest and most comprehensive research portal. Available to EFG Hermes clients, Research Online provides both simple and advanced search functionalities as well as access to EFG Hermes Research's full three-year product archive.

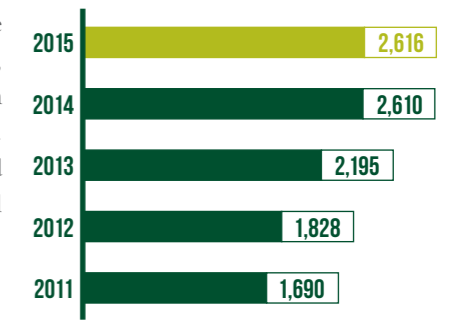
THE COMMERCIAL BANK

Operating within an environment of continued severe regional turmoil and increasing competition among Lebanese banks for market share and profitability, Crédit Libanais managed to report a NPAT of USD 66.6 million in 2015, up 4% compared to the previous year. The Bank's net revenues reached USD 194.3 million, up 3% year-on-year, supported by higher net-interest income, which rose 9% year-on-year to USD 151.8 million on the back of asset allocation toward investments in securities and long-term placements with the central bank. The Bank was able to contain expenses during 2015, with total operating expenses marginally up 2% year-on-year to EGP 118.2 million.

Crédit Libanais continues to be well capitalized, maintaining solid capital adequacy ratios well over the levels prescribed by the regulators, with a total capital adequacy ratio of 15%. Asset quality remained solid with the NPL ratio at 4%. Total assets stood at USD 9.9 billion at the end of the year, up 8% year-on-year.

GROUP REVENUES

IN EGP MILLIONS

**TABLE OF GROUP FINANCIAL HIGHLIGHTS**

In EGP millions	2015	2014	% Change
Group Operating Revenues	2,616	2,610	0%
Investment Bank	1,050	1,220	-14%
Commercial Bank	1,567	1,390	13%
Group Operating Expenses	1,622	1,552	4%
Investment Bank	724	748	-3%
Commercial Bank	898	804	12%
Group Net Operating Profit	995	1,058	-6%
Investment Bank	326	472	-31%
Commercial Bank	669	586	14%
Group NP after Tax & Minority Interest	461	538	-14%
Investment Bank	200	304	-34%
Commercial Bank	261	234	12%



المجموعة المالية هيرميس
EFG HERMES

LINES OF BUSINESS

HIGHLIGHTS OF 2015



SECURITIES BROKERAGE

32.4 USD
BN

IN MARKET EXECUTIONS



INVESTMENT BANKING

3.1 USD
BN

IN INVESTMENT BANKING
EXECUTIONS



ASSET MANAGEMENT

2.6 USD
BN

IN ASSETS UNDER MANAGEMENT



PRIVATE EQUITY

0.6 USD
BN

IN PRIVATE EQUITY FUNDS UNDER
MANAGEMENT



RESEARCH

141 COMPANIES

UNDER ACTIVE RESEARCH
COVERAGE



LEASING

708 EGP
MN

IN BOOKED CONTRACTS

SECURITIES BROKERAGE

- Maintained leadership position, closing the year as the number one brokerage by share of market executions in Egypt, Kuwait, and Nasdaq Dubai, as well as securing leading positions in other regional markets where we operate
- Upheld market share in Egypt of above 30% for four consecutive quarters
- Opened a new branch in Assiut, bringing the total domestic branch network to 10; six in Cairo, two in Alexandria, one in Mansoura, and one in Assiut
- Secured a 1st place ranking in Kuwait for the first time since entering the market in 2008

INVESTMENT BANKING

- Closed a total of 10 high-profile equity and M&A transactions, including four IPOs, two rights issues, three M&As, and Egypt's first real-estate backed security offering
- Had one of the division's best years to date with executions of over USD 3.1 billion
- Was the only Egyptian firm to have placed in the top 10 on the Thomson Reuters ECM league tables in the past two years
- Lead-managed four out of the five largest transactions in the Middle East and executed all international-standard IPOs to have come out of Egypt and the UAE in the past 24 months

ASSET MANAGEMENT

- Added new institutional equity portfolios: the Sharia-compliant Hasaad fund in Saudi Arabia and two new IPO funds
- Annualized outperformance rate of c.12% since December 2011 and tracking error of around 6%
- Consistently outperformed the MSCI Emerging Markets Index, the global benchmark for the industry, for five consecutive years

PRIVATE EQUITY

- Outperformed its budget of electricity generation and EBITDA by c.4% and c.13%, respectively on Vortex, the Private Equity division's platform for investments in renewable energy
- Paid down EUR 10.4 million of long term debt and distributed c. EUR 8 million to Vortex investors, representing a cash yield of 10%
- Entered into an SPA to exit Kandil Steel Holding, the remaining investment in legacy fund ECP II
- Recognized at the 2015 MENA Fund Manager Performance Awards for Vortex's solid performance, earning the title of "Best Private Equity Fund" in the MENA region

RESEARCH

- Provided in-depth coverage of c.57% of regional equities
- Participated in 4 IPOs, providing written research materials and support to drum up demand during roadshows
- Was the only research institution in the Arab world to be included in the Institutional Investor's 2015 ranking for the top research teams in Europe, the Middle East, and Africa

LEASING

- Finished the year in 8th place ranking on the industry league tables
- Signed contracts with a total of 24 multi-sector entities
- Achieved market share of 5% in a highly-fragmented leasing market on a full-year basis
- Added EGP 20 million to the Group's top-line performance
- Booked EGP 708 million in leasing assets by the end of 2015



SECURITIES BROKERAGE

EFG Hermes Securities Brokerage is the region's premier equity house with on-the-ground presence in eight markets that cover most of the MENA region. The division has consistently maintained its position of leadership in all regional markets, closing out the year as the number one brokerage by share of market executions in Egypt, Kuwait, and NASDAQ Dubai, as well as ranking in the top positions in all other markets.

#1

ranked broker in three regional markets

344 EGP MN

FY15 revenue

BROKERAGE RANKINGS (PERCENT OF TOTAL MARKET EXECUTIONS)

	2015		2014	
	Market Share	Rank	Market Share	Rank
Egypt	32.7% ▲	1ST	27.40%	1ST
Kuwait	27.3% ▲	1ST	25.60%	2ND
Oman	21.7% ▲	3RD	18.70%	4TH
UAE / Abu Dhabi	27.4% ▲	2ND	17.40%	3RD
UAE / Dubai	14.7% ▲	5TH	12.10%	6TH
UAE/NASDAQ Dubai	52.0% ▲	1ST	36.1%	1ST
Jordan	6.6% ▼	7TH	8.80%	3RD
Saudi Arabia*	1.1% ▲	6TH	1.00%	5TH

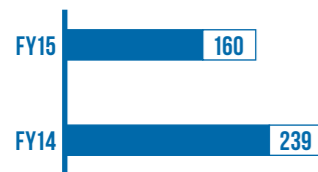
* Among independent brokers not affiliated with commercial banks

IN 2015 OUR SB TEAM

"RANKED AS #1 BROKER IN KUWAIT FOR THE FIRST TIME SINCE ACQUISITION"

AVERAGE DAILY COMMISSIONS

IN USD THOUSANDS



OVERVIEW

EFG Hermes Securities Brokerage’s direct presence in Egypt, Jordan, Kuwait, Oman, Saudi Arabia, and the UAE allows it to provide an unparalleled variety of products and services to a wide client base of institutions, high-net-worth, and individual clients. These best-in-class products and services range from award-winning research to online, mobile, and phone trading platforms, providing seamless access to key markets across the region.

The division was ranked as the number one brokerage by share of market executions in Egypt, Kuwait, Abu Dhabi, and Nasdaq Dubai, as well as ranking in the top positions in all other markets. The exceptional performance was all the more remarkable given the extreme market volatility witnessed throughout the year.

OPERATIONAL HIGHLIGHTS OF 2015

EFG Hermes Securities Brokerage teams across the region have performed remarkably well within an environment, characterised by low commodity prices, political unrest, and volatility across emerging markets. The rankings showcase the Division’s remarkable resilience and ability to maintain focus, having delivered consistently strong results despite the weak global and regional macro-economic outlook.

In Egypt, the firm managed to maintain a market share above 30% for four consecutive quarters in 2015, maintaining its position as the country’s number-one broker with a FY15 market share of 33% up from 27% in FY14. Traditionally strong on the institutional front, the EFG Hermes Egypt Brokerage team continued to deliver on its strategy to grow market share on the retail side of the business as well. In 2015, the firm was able to capitalize on IPO activity in Egypt, which saw first-time traders enter the market. As part of its drive to expand geographical outreach and widen its pool of clients within Egypt, the Securities Brokerage division opened its newest branch in Assiut, Upper Egypt, bringing its total domestic branch network up to 10 branches comprised of six in Cairo, two in Alexandria, one in Mansoura, and one in Assiut.

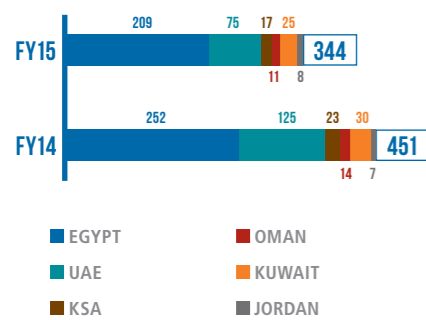
In Kuwait, the firm was able to secure a 1st-place ranking for the first time since it entered the Kuwaiti market in 2008. With a 27% market share in FY15, up from 26% in FY14, the brokerage team in Kuwait successfully expanded operations, capturing a significant portion of flow from foreign institutional investors as well as retail and noticeably increased its base of high-net-worth client additions. A recent revamp of the online trading platform has also been a major contributor to new client acquisitions in Kuwait.

EFG Hermes Securities Brokerage continues to be the number one foreign broker in KSA, where the market officially opened up to foreign investors in 2015.

In the UAE, EFG Hermes Brokerage came in second place on the ADX with a 27% market share, a significant jump from 17% in FY14. Furthermore, the firm had a strong performance on the DFM in Dubai, closing the year with a market share of 15%. Securities Brokerage’s stellar performance in the UAE served as an additional testament to the resilient track record that the firm established with both institutional and retail clients in GCC markets.

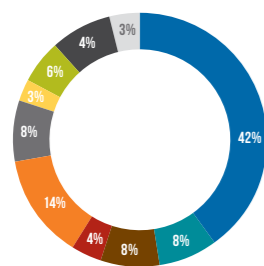
BROKERAGE REVENUE

IN EGP MILLIONS



EGYPT OMAN
UAE KUWAIT
KSA JORDAN

COMMISSIONS BREAKDOWN BY MARKET



EGYPT ADX
KUWAIT NASDAQ DUBAI
KSA QATAR
OMAN JORDAN
DFM OTHERS

In Oman, EFG Hermes Securities Brokerage improved its ranking from 4th to 3rd place with 22% market share, up from 19% in FY14, by successfully exploiting the huge increase in local institutional business.

In Jordan, the division achieved a 7th place ranking with 7% market share as a result of market share dilution across the board due to a number of special deals that took place during the year. Excluding these transactions puts the division at a higher ranking.

UNIQUE CORPORATE ACCESS

The division continued to provide unparalleled corporate access to its clients through its signature conferences, the One on One and the London MENA. The EFG Hermes One on One, the region’s leading platform for those looking for investment opportunities in MENA, is a conference that continues to develop and grow larger and more influential each year. The 2015 conference brought together more than 450 investors from 200 institutions — with aggregate AUMs of over USD 10 trillion — with senior managers from 107 companies spanning 14 countries across the Middle East and Africa.

The fifth annual London MENA Conference, the largest MENA-centric investor conference in the UK, included over 3,000 face-to-face meetings between 250 investors, representing 117 international financial institutions, and senior management from 90 top-listed MENA companies. Presenting companies in attendance represented 10 industries, hailing from 13 countries, with an aggregate market capitalisation of about USD 282 billion.

The superior accomplishments of the Securities Brokerage team were recognized by Global Investor ISF. The magazine’s prestigious awards program voted EFG Hermes “Best Broker” in Egypt, Oman, and Kuwait at their 2015 Awards while EMEA Finance named EFG Hermes Securities Brokerage as the “Best Broker in Egypt” at the 2015 African Banking Awards.

KEY FINANCIAL HIGHLIGHTS OF 2015

Brokerage revenue declined 24% year-on-year to EGP 344 million, primarily on the back of lower commissions as volumes contracted in markets across the region. Country-specific challenges and concerns over low energy prices contributed to the general downturn and shrinking volumes. Despite the adverse conditions, EFG Hermes Securities Brokerage continued to grow its market shares and improve its rankings in all its major markets, with executions reaching USD 32.4 billion, down 31% year-on-year in FY15.

Egyptian equities continued to be the largest contributor to the commissions pool, representing 42%, followed by the DFM where commissions accounted for 14% of the total. Commissions from KSA, Kuwait, and the ADX remained steady between 8-9% contribution to the total pool. Average daily commissions decreased 33% coming in at USD 160 thousand in FY15, compared to USD 239 thousand in FY14, which was a particularly good year that marked the inclusion of the UAE and Qatar in the MSCI Emerging Markets Index.

IPO ACTIVITY

EFG Hermes Securities Brokerage was involved with 4 notable IPOs in 2015, including Emaar Misr, the largest public offering in Egypt since 2008, the public offerings of Integrated Diagnostics Holdings (IDH), and Edita Food Industries, and the admission of Orascom Construction Limited — the demerged entity from OCI N.V. — on Nasdaq Dubai and its simultaneous offering on the EGX, the first dual listing in Egypt and UAE.

2016 OUTLOOK

Given market conditions regionally and globally, 2016 is shaping up to be another challenging year. However, opportunities still exist in both Egypt and the region.

Securities Brokerage is perfectly positioned to capture new opportunities in line with the firm’s overall 2016 strategy to diversify risk by expanding both product range and geographic expansion beyond MENA and into frontier markets.

A complete revamp of the EFG Hermes online trading platform is currently in progress and should be ready to launch by 2H16. When complete, EFG Hermes clients will have the ability to trade the region from one pool of cash. Other initiatives currently in progress will diversify and add to the firm’s online platform.



INVESTMENT BANKING

EFG Hermes Investment Banking's prominent position is rooted in decades of consistency of coverage, its ability to execute cross-border transactions, and most importantly our preeminent client base. We advised on more than USD 78 billion in announced transactions between equity raising, M&A advisory, and debt.

#1

investment bank in the Middle East in 2015
as ranked by fees generated from ECM
transactions according to Thomson Reuters

4 IPOs

in 2015 including Emaar Misr, Integrated
Diagnostics Holdings (IDH), Edita Food
Industries, and Orascom Construction Limited

163 EGP
MN

FY15 revenue

IN 2015 OUR IB TEAM

**"EXECUTED USD 2.8 BN IN AGGREGATE ECM
TRANSACTIONS"**

LANDMARK DEALS

JANUARY, 2015
SCHWEPPES EGYPT

JANUARY, 2015
AMER GROUP

MARCH, 2015
ORASCOM CONSTRUCTION LIMITED

APRIL, 2015
EDITA FOOD INDUSTRIES

MAY, 2015
INTEGRATED DIAGNOSTICS
HOLDING (IDH)

MAY, 2015
GB AUTO

JUNE, 2015
PALM HILLS
DEVELOPMENTS (PHD)

JULY, 2015
EMAAR MISR

SEPTEMBER, 2015
FAWRY

DECEMBER, 2015
EL RASHIDI EL MIZAN

OVERVIEW

Since 2011, EFG Hermes Investment Banking has specifically worked towards increasing its pitching efforts in regional markets to ensure a healthy deal pipeline. The Investment Banking team has been able to consistently outperform regional and global peers through their choice of high-quality investment stories and their unrivalled ability to raise considerable demand from local, regional, global, and emerging market investors despite challenging market conditions.

The division's clients range from closely-held family businesses to major multinational corporations. The department 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, in addition to their ability to operate as a team.

OPERATIONAL HIGHLIGHTS OF 2015

EFG Hermes Investment Banking closed a total of 10 high-profile equity and M&A transactions in 2015, including four IPOs, two rights issues, three M&As, and Egypt's first real-estate backed security offering. The division had one of its best years to date in terms of equity capital markets transactions with aggregate executions of over USD 2.8 billion.

The Investment Banking team closed 2015 as the number one investment bank in the Middle East as ranked by fees generated from equity capital market transactions, according to an independent report compiled by Thomson Reuters Deal Making Intelligence. EFG Hermes came out ahead of both global and regional peers, in addition to being the only Egyptian firm to have placed in the top 10 on the Thomson Reuters ECM league tables in the past two years.

The firm has lead-managed four out of the five largest transactions in the Middle East in 2015 and executed all international-standard (Reg S/Rule 144A) IPOs to have come out of Egypt and the UAE in the past two years. Additionally, the team successfully liaised between regional and local players to attract substantial capital into Egypt's domestic market. The team's ability to continue to capture the lion's share of deal flow coming out of the region is a testament to their core strength and ability to navigate the turbulence that has defined regional and emerging markets in 2015.

LANDMARK DEALS IN 2015

Orascom Construction Limited - acted as sponsor, global coordinator, and joint bookrunner on the demerger and subsequent dual listing of OCI N.V.'s construction business, Orascom Construction Limited, through a USD 1.4 billion share capital reduction and distribution to OCI N.V. shareholders. This was coupled with a primary listing on Nasdaq Dubai, where the distributed shares were relocated, and a secondary listing on the Egyptian Exchange (EGX)

through a USD 185 million capital increase. This transaction represents the first dual listing between Nasdaq Dubai and the EGX with share fully fungible between the two exchanges.

Edita Food Industries - acted as joint global coordinator and bookrunner on the USD 267 million IPO of Edita Food Industries, which was 12x oversubscribed with offerings on both the EGX in the form of ordinary shares and on the London Stock Exchange (LSE) in the form of GDRs.

Integrated Diagnostics Holding (IDH) - listed the shares of IDH on the LSE, generating USD 3.7 billion in demand on a USD 334 million offering whereby the team acted as a joint global coordinator and bookrunner. The transaction represented the division's first advisory on a primary listing that is solely on a foreign exchange.

GB Auto - acted as sole financial advisor to GB Auto on its USD 126 million rights issue.

Palm Hills Developments (PHD) - acted as lead manager and sole bookrunner to Palm Hills Developments on its USD 216 million rights issue.

Emaar Misr - acted as joint global coordinator and bookrunner on the USD 300 million IPO of Emaar Misr, which was 36x oversubscribed for the public tranche, while the private tranche was 11x oversubscribed. The transaction was the largest IPO in Egypt since 2008.

Fawry - concluded the USD 100 million sale of Fawry, a leading Egyptian electronic payments processor to a prestigious consortium of financial investors.

Schweppes Egypt - advised on the sale of Schweppes Egypt to The Coca-Cola Company.

El Rashidi El Mizan - advised Qalaa Holdings on the sale of confectioner, El Rashidi El Mizan for USD 95 million to Saudi Arabia's Olayan Financing Company.

Amer Group - acted as joint financial advisor and underwriter to Amer Group on Egypt's first real-estate backed security offering for a total consideration of USD 28 million.

KEY FINANCIAL HIGHLIGHTS OF 2015

Investment Banking revenue rose 18% year-on-year to EGP 163 million in 2015, driven by higher advisory fees generated from Egypt operations. Meanwhile, total revenues from the division accounted for 20% of the Investment Bank's total fees and commission income in 2015.

2016 OUTLOOK

EFG Hermes Investment Banking is continuing to build a healthy pipeline of regional deals in multiple sectors of the economy during 2016. The team has also proven its ability to capture much of the international interest in Egyptian retail and consumer plays despite concerns over EGP devaluation and lack of economic visibility.

2016 is expected to get off to a strong start with a number of transactions slated for 1H16.

The Investment Banking team has been mandated to act as the sole global coordinator and bookrunner on the IPO of Arabian Food Industries Company S.A.E. (Domty), Egypt's leading cheese manufacturer. Domty shares will begin trading on the EGX in March of 2016.

Agreements have also been reached for a transaction involving the sale of stakes in Medsofts to Archer Daniel Midlands (ADM), with expected closing during 1H16.



ASSET MANAGEMENT

EFG Hermes Asset Management is the region's leading investment manager with USD 2.6 billion in assets under management (AUM) as of December 2015, and a multitude of fund offerings that reach a wide and ever-growing client base.

215 EGP
MN

FY15 revenue

2.6 USD
BN

in assets under management

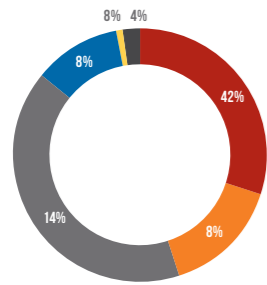
12%

annualized outperformance rate
of EFG Hermes managed funds since
December 2011

IN 2015 OUR AM TEAM

**"LAID THE GROUNDWORK FOR 2016 LAUNCH
OF FIRST MENA UCITS & FRONTIER
UCITS FUNDS"**

ASSETS UNDER MANAGEMENT BY TYPE OF CLIENT



- INSTITUTIONS
- SWFS
- FOUNDATION/ PENSION/ INSURANCE/ ENDOWMENT
- HNWI/FAMILY OFFICE
- PRIVATE BANKS
- FOF/ RETAIL/ OTHERS

OVERVIEW

EFG Hermes Asset Management’s ability to consistently outperform the market is attributable to a talented group of experienced professionals who have built a multi-year track record as award-winning portfolio managers in their respective areas. With a team of 49 professionals across three regional offices, EFG Hermes Asset Management is the asset manager of choice for those interested in investing in the Middle East; the division serves a global client base that includes sovereign wealth funds, endowments, foundations, multinational corporations, family offices, high-net-worth individuals, and others.

The division’s funds and discretionary offerings include equity, money market, fixed income, indexed, capital protected, Sharia- and UCITS-compliant mandates tailored to each investor’s targeted objectives and risk appetite.

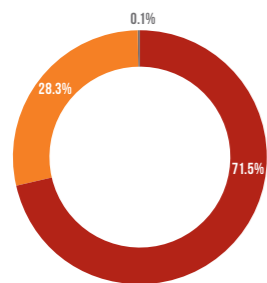
OPERATIONAL HIGHLIGHTS OF 2015

In 2015, the EFG Hermes Asset Management Division expanded its global outreach through new institutional equity portfolios, the Sharia-compliant Hasaad fund in Saudi Arabia as well as two new IPO funds, and laid the groundwork for the launch of the EFG Hermes MENA UCITS Fund and the EFG Hermes Frontier UCITS Fund in 2016.

The Asset Management Division also welcomed industry veteran Sadiq Hussain to its world-class team of investment professionals as a Managing Director to head Business Development. Hussain’s diverse international experience and knowledge of frontier markets will be of great value as the firm looks to expand its footprint outside the Middle East.

The past year saw the Division continue to outperform its peers, with an annualized outperformance for the flagship MEDA Fund of about 12% since December 2011, and a tracking error of around 6% since the current portfolio manager joined in January 2012. For the past five years, EFG Hermes Asset Management has consistently beaten the MSCI Emerging Markets Index. Performance is the outcome of the proprietary research effort managed by 19 investment professionals across the three locations.

ASSETS UNDER MANAGEMENT BY GEOGRAPHY



- MENA
- EUROPE
- OTHERS

In 2015, the Hassad Fund, a Sharia-compliant freestyle Saudi equity fund, targeted at local and regional investors was successfully launched. Hassad aims to generate long-term capital appreciation by investing in Sharia-compliant equities listed on the Saudi Arabian stock exchange, Tadawul. Moreover, the team launched two IPO funds that invests in newly listed companies in the Saudi market. The Saudi market is by far the largest, most liquid, and most diverse equity market in the MENA region, and thus the roll-out of a new Sharia-compliant, Saudi-focused equity fund falls in line with the firm’s strategy to expand the universe of what’s investable in order to meet the needs of clients in the larger markets.

MENA Long-term Value fund is a partnership between Wellcome Trust and EFG Hermes, with EFG Hermes acting as the fund’s investment manager. During 2015, the fund made its third high profile private investment joining a consortium of

international financial investors to acquire a majority stake in Fawry, Egypt’s leading e-payment services platform in a transaction that values Fawry at around USD 100 million.

The fund continues to make compelling private investments, calling on the unique mix of local-market expertise and global experience of our team of asset management professionals. The fund has been structured to capitalize on the region’s secular growth story through investing in domestically driven opportunities that provide exposure to sectors with low penetration levels and to the region’s compelling demographics.

Asset Management’s client based, however, remains well diversified in 2015 with a focus on long-term and institutional clients. Foundation/pension/insurance/endowment clients represent 41% of the clients’ base, institutional clients represent 30%, and SWFs represent another 15%.

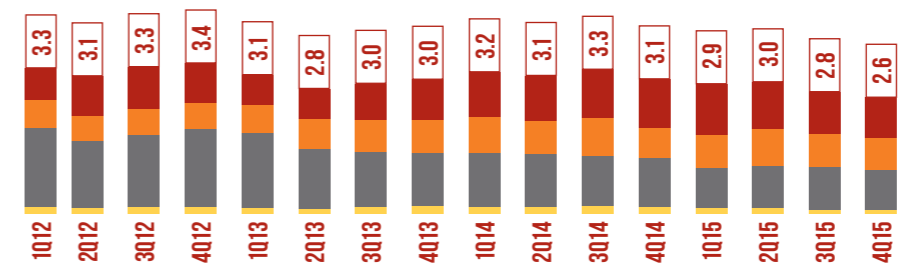
The EFG Hermes Asset Management Division has garnered seven prestigious awards in 2015, including six from MENA FM, including an unmatched, fourth consecutive award “Egypt Asset Manager” as well as the title of “Best Asset Manager in Egypt” from EMEA Finance’s African Banking Awards. The team also won “Best Asset Management Company” in Egypt by Global Banking and Finance, “Best Egyptian Fund for the Bank of Alexandria Fixed Income Fund,” and “Best for Discretionary Portfolio Management” by Acquisition International. The industry recognition and the unprecedented honour of being awarded the newly introduced “MENA Asset Manager” by MENA FM serve as a testament to the division’s ability to consistently outperform its peers with a diversified portfolio of funds despite challenging market conditions.

KEY FINANCIAL HIGHLIGHTS OF 2015

Asset Management revenue declined 21% y-o-y to EGP 215 million in FY15, pressured by lower incentive fees booked as markets retreated in 2015. Meanwhile, total revenues from the Division accounted for 26% of the Investment Bank’s total fees and commission income in FY15.

DEVELOPMENT OF ASSETS UNDER MANAGEMENT

IN USD BILLION



- PORTFOLIOS
- REGIONAL EQUITY FUNDS
- MONEY MARKET AND FIXED INCOME
- EGYPT EQUITY FUNDS

2016 OUTLOOK

In response to demand from European investors with an interest in investing in MENA, EFG Hermes Asset Management laid the foundation for the launch of its first UCITS funds for MENA and for Frontier markets in early 2016.

The MENA fund offers European investors access to the award-winning flagship MEDA Fund, which has risen 70% over the last four years and 56% over the last three years. The EFG Hermes MENA Equity Fund is a UCITS clone of the MEDA Fund, which invests primarily in MENA and up to 15% in Turkey. The fund provides exposure to all companies with growth prospects and positive cash flows.

The EFG Hermes Frontier Equity UCITS Fund is EFG Hermes’ first investment vehicle outside MENA markets. The fund’s focus is South East Asia, Sub-Saharan Africa and the Middle East. As opportunities arise, the fund will expand its investment footprint to include markets in Southeast Europe and other Frontier regions.

The team continues to build on forging relations with non-MENA prospective clients in order to diversify the client base geographically yet maintain their institutional nature that we already have.



PRIVATE EQUITY

EFG Hermes Private Equity is one of the Arab world's leading private equity firms with more than a decade of experience in investments across a broad industrial footprint. The division has raised and managed more than USD 1.6 billion since its inception through ten funds.

0.6 USD
BN

in assets under management

208 USD
MN

invested through Vortex, a platform for European renewable energy opportunities, in EDPR, a 334 MW French wind farm business

86 EGP
MN

FY15 revenue

IN 2015 OUR PE TEAM

"COMPETED FOR NEW OPPORTUNITIES IN THE EUROPEAN RENEWABLE ENERGY SECTOR"

The division has gradually grown from an Egypt-focused private equity house to become a regional group that strongly competes for global mandates in fast-growing sectors such as renewables

OVERVIEW

EFG Hermes Private Equity continues to enhance its competitive position by leveraging the power of the EFG Hermes distribution platform across the region, including the firm's network of relationships with major regional corporations, governments, and financial institutions.

The division has gradually grown from an Egypt-focused private equity house to become a regional group that strongly competes for global mandates in fast-growing sectors such as renewables. Since 2014, it has entered into

promising investments outside the region and into Europe. The Private Equity team also sponsored and advised the EUR 385 million InfraMed Fund, an infrastructure fund that targets the Mediterranean region.

The experienced and dynamic investment professionals at EFG Hermes Private Equity possess an unparalleled knowledge of the region, its business climate, and its opportunities. Furthermore, the team prides itself on its ability to structure innovative deals and creatively capitalize on the strengths of the MENA region. The division typically focuses on opportunity-specific, management-driven investment vehicles that are tailored to current investor needs and market dynamics with value creation at their core as opposed to generalist funds and financial engineering.

OPERATIONAL HIGHLIGHTS OF 2015

EFG Hermes Private Equity's investment in French renewables company EDPR through Vortex, the division's platform for investments in the renewable energy sector, has already outperformed investment targets and distributed dividends to its investors in 2015, its first year of operation.

Vortex, which is managed by EFG Hermes and funded primarily by GCC sovereign capital to invest in European renewable energy assets, signed a USD 208 million deal in 2014 to purchase a 49% equity stake and outstanding shareholders loans in EDPR, a 334 MW French wind farm business. For the past year, the EFG Hermes Private Equity team has been working closely with EDPR's management to ensure the optimal performance of its business plan. EDPR is Private Equity's second investment in renewables after its 2013 investment in Jordanian Tafila Wind Farm via InfraMed.

The EDPR deal has garnered a significant amount of recognition for the Private Equity Division with awards from Acquisition International as "Deal of the Year

2014" and Global M&A Network's Atlas as "Private Equity Deal of the Year." Vortex's solid performance was also recognized at the 2015 MENA Fund Manager Performance Awards, earning the title of "Best Private Equity Fund in MENA."

Vortex's French investment has performed remarkably well in 2015 by outperforming its budget in terms of both electricity generation and EBITDA by c.4% and c.13%, respectively, as the team continued to work closely with EDPR's management to optimise production and enhance the portfolio's profitability. EDPR France distributed EUR 22 million to Vortex, and in turn, Vortex paid down EUR 10.4 million of its long-term debt, and distributed about EUR 8 million to its investors during its first year of investment, representing a net cash yield of 10%.

Supported by Vortex's solid performance and in line with the division's clear mandate to grow the Vortex platform to 1,000 MW of power generation within the next three years, the private equity team continues to compete for new investment opportunities across the European renewable energy sector alongside top-tier global renewable energy developers. In 3Q15 the division was shortlisted among 10 global private equity powerhouses in a bid to acquire one of Portugal's largest wind portfolios, a testament to the magnitude and potential of EFG Hermes' Private Equity Division. Acting in partnership with a top-tier global asset manager, Vortex was shortlisted for the final bidding process on a portfolio with a net installed capacity of about 650 MW, delivering an EBITDA of about EUR 90 million per annum. The consortium was able to raise a total equity of EUR 350 million for the transaction and secure c. EUR 550 million in credit-committee-approved long-term financing from major European lenders. The consortium came second bidder at binding offer process.

In 2015, the Private Equity Division hired Edwina Kelly, a project financier with years of experience in the renewable energy and infrastructure sectors, to focus on growing the firm's private equity investments in renewables. A structured finance specialist from Europe's largest solar energy company, Kelly's expertise will add value in terms of both fundraising and Vortex deal flow.

The Private Equity Division continues to seek lucrative exits from its legacy funds ECP II and ECP III as per its divestment strategy while continuing to pursue investment themes in infrastructure, healthcare, real estate, and consumer plays. ECP II has entered into an SPA to exit the fund's remaining investment, Kandil Steel Holding.

KEY FINANCIAL HIGHLIGHTS OF 2015

Private Equity AUMs closed the year with USD 0.6 billion. Private Equity revenue declined 5% year-on-year to EGP 86 million in 2015, accounting for 10% of the Investment Bank fees and commission income in 2015.

2016 OUTLOOK

Heading into the new year, EFG Hermes Private Equity will continue to pursue yield-generating assets in the renewable energy space as it also looks to potential roll-up plays in renewables. Energy, with an emphasis on renewables, continues to be one of three EFG Hermes Private Equity investment themes for 2016, alongside healthcare and consumer plays.

The division is looking to acquire international operational assets in infrastructure and renewable energy verticals with existing yields while continuing to capitalizing on the EDPR experience to channel deep pools of capital from the MENA region.

With a number of Vortex opportunities in the pipeline for 2016, EFG Hermes Private Equity is looking to leverage its track record in renewables to create a permanent capital vehicle in Egypt that will act as a holding company for future projects.



RESEARCH

A consistent focus on quality has propelled EFG Hermes Research to the leader board, amongst global research houses, of the industry's most prestigious EMEA ranking of sell-side analysts.

141

companies under coverage

11

regional economies covered
from a macro level

8

countries under coverage with
regular strategy notes

3-YR

product archives available on
EFG Hermes' Research Portal

IN 2015 OUR RESEARCH TEAM

**"LAUNCHED VIDEO-BASED REPORTS THAT ARE
INSIGHTFUL, ACCESSIBLE, & PERSONALIZED"**

The division became the only research institution in the Arab world to be included in Institutional Investor's 2015 ranking for the top research teams in EMEA

OVERVIEW

With unrivalled on-the-ground access to the region's major markets, the award-winning EFG Hermes Research Division has solidified its position as the region's leading research house, with comprehensive coverage and a diversified product portfolio that includes in-depth coverage of 141 regional equities, which is equivalent to about 57% of the aggregate regional market capitalisation distributed as

follows: (Egypt 28, UAE 22, KSA 49, Kuwait 7, Oman 13, Qatar 9, Lebanon 3, Morocco 3, Jordan 5, and others 2).

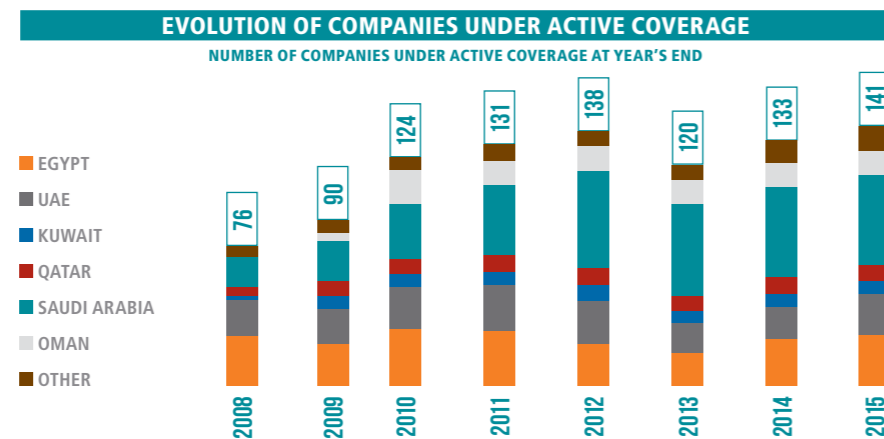
Having direct presence in the region's major financial centres, including Cairo, Dubai, Riyadh, and Muscat, allows the EFG Hermes Research team to provide expert coverage of 11 economies from a macro perspective, including Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, and the UAE, as well as regular and timely strategy notes for eight economies.

EFG Hermes clients can access products via an online research portal, which offers one-stop access to all research materials, 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 research portal is fully-searchable and includes three years of historical data and research coverage updated daily with the latest news and commentaries.

OPERATIONAL HIGHLIGHTS OF 2015

EFG Hermes Research reported a strong operational performance in 2015, fuelled by an experienced, award-winning team that maintained its focus on quality at every level and responded admirably to an increasingly volatile market environment. The research team participated in four IPOs in 2015, providing written research material and support to drum up demand during roadshows.



Alongside the IPO-related work, the team was simultaneously able to deliver daily coverage and reach out to current and future clients.

The research team's primary focus in 2015 was fine-tuning its Middle East and North Africa equity strategy, an effort that has proven highly successful with EFG Hermes Research becoming the only research institution in the Arab world to be included in Institutional Investor's 2015 ranking for the top research teams in Europe, the Middle East, and Africa (EMEA). The 12th place finish, ahead of major global players, is the best performance by a MENA research house on the industry's most-followed ranking of sell-side analysts. EFG Hermes Research was recognised in the ranking despite the fact that the firm's coverage is only limited to MENA, meaning that the team scored higher than all their other peers did on MENA coverage. The Research Division's consumer team also featured prominently in the same poll, which is based on survey responses from more than 500 global portfolio managers and buy-side analysts at 343 leading asset management firms around the world.

In 2015, the division also began revamping its research infrastructure, a process that will eventually see the firm move into "4G research distribution." EFG Hermes Research introduced video and audio uploads, the first component in its endeavour to create a platform for communication and distribution through video, audio, and mobile-based application. The core of the new platform is an emphasis on digital distribution that will deliver timely and easy-to-access information on mobile devices.

NEW PRODUCTS

In 2015, the division launched a number of new products to enhance its responsiveness to market changes and client needs, including the following:

- Video-based reports that include analysts giving verbal, opinion-based input in a format that aims to make research more insightful, accessible, and personalised.
- Pre- and post-conference reports for the Egypt Economic and Development Conference (EEDC).
- A fully comprehensive guide to the Saudi Arabian market in May 2015, a month before MENA's biggest and most liquid stock market opened to foreign investors, with in-depth strategy notes and a sector-by-sector overview, including companies under coverage.
- A special report entitled 'Putting MENA to the Stress Test,' which takes a look at the risks facing the MENA region as a whole, delving deep into the issues facing each economy and its potential impact on its neighbours.
- The 2015 MENA Investment Perspective Research Yearbook, an annual product that is internationally recognised as the most comprehensive guide to MENA equities.

2016 OUTLOOK

For 2016, the Research Division aims to continue investing in its infrastructure to replace its existing system with FactSet research management solution, a global-standard provider of all tools the research needs to enhance the workflow and provide differentiated ideas and high-quality research to clients.

Enhancing user experience for clients will also involve further growth in the digital communication industry and development of the online presence this year by delivering a full approach for interactive website, mobile, and other smart-device solutions to achieve a seamless communication experience across multiple channels.

A second area of focus for the current year will be expanding coverage. Plans are underway to launch a fundamental research product for retail clients, as well as small- and mid-cap coverage.



LEASING

EFG Hermes Leasing is the firm's first venture into the finance sector and the core of EFG Hermes' new financial services platform. The division has been able to quickly establish itself in the market as a long-term partner for businesses, creating value for clients, vendor partners, and parent companies alike by offering unrivalled financial solutions.

5%

market share at the end of 2015 in a highly fragmented market

20 EGP
MN

FY15 revenue
in less than six months of operation

708 EGP
MN

value of lease
portfolio at the end of 2015

IN 2015 OUR LEASING TEAM

"TURNED A PROFIT IN LESS THAN SIX MONTHS OF OPERATION"

EFG Hermes Leasing is the first component of a larger EFG Hermes finance platform that will offer additional non-bank financial services

OVERVIEW

EFG Hermes Leasing is the firm's first venture into the finance sector. Established in 2015, EFG Hermes Leasing is a wholly owned subsidiary of EFG Hermes Holding that utilizes the firm's decades of experience across several industries and geographies to offer financial leasing services to high-potential corporations and SMEs across Egypt. The company provides tailored leasing solutions

and highly sought-after, value-added advisory to help qualified businesses of all sizes meet their goals.

Our unparalleled team of professionals, who all have strong backgrounds in leasing, have successfully worked with clients to identify and deliver their specific financing needs. EFG Hermes Leasing prides itself on delivering the fastest turnaround times in the industry coupled with state-of-the-art financial management systems. We provide financing solutions for a wide range of industries and business needs, examples being technology systems, vehicles, medical or industrial equipment, machinery, and energy systems in addition to commercial and administrative buildings.



EFG Hermes Leasing offers tailored leasing solutions and value-added advisory services that help corporations and SMEs meet their business goals

Through our payment programs, clients can add the necessary CAPEX to grow their business while reaping the rewards of working with a single, well-connected, flexible financing house without over stretching their cash positions.

Apart from our core leasing services, we act as a connection between our clients and a number of non-bank financial services such as investment banking, securities brokerage, asset management, private equity, and research products and services offered by EFG Hermes.

EFG Hermes Leasing has tremendous potential in Egypt, where companies of all sizes often require alternative options for their financing needs.

OPERATIONAL HIGHLIGHTS OF 2015

After securing board approval in late 2014, EFG Hermes Leasing was able to launch in under six months as a full-fledged leasing operation with the licensing, infrastructure, and team of professionals required to catapult the business into a position of leadership in the industry within a remarkably short period of time.

Given the heavily regulated environment in Egypt, getting the business up and running would not have been possible without the right leadership and the cooperation of EFG Hermes' various support functions, including HR, Marketing, and Risk and Compliance.

Despite tremendous macro challenges, including the foreign exchange crisis and slow industrial growth, EFG Hermes Leasing managed to carve a niche for itself in the market by achieving an 8th place ranking on the industry league table on a full year basis, and an impressive overall 5th place finish in 4Q15. The year ended on a positive note with the conclusion of contracts with a total of 24 multi-sector entities, with booked contracts worth EGP 708 million and a market share of 5% in a highly fragmented leasing market as of year-end 2015.

The stellar performance of EFG Hermes Leasing in its first year of operation exceeded the company's original growth forecasts and served as a growth catalyst within the Egyptian leasing industry as a whole. Excluding special deals on the Suez Canal that amounted to EGP 4.5 billion, leasing has been the fastest growing financial industry in Egypt during 2015.

KEY FINANCIAL HIGHLIGHTS OF 2015

EFG Hermes' greenfield leasing business turned an impressive performance after less than one year in operation, adding EGP 20 million to the Group's top line, and holds great potential going forward as it becomes a core operation of the newly launched EFG Hermes Finance platform.

2016 OUTLOOK

In 2016, EFG Hermes Leasing will focus on creating a new value proposition through vendor agreements whereby the company can become the leasing arm for suppliers of various industries, and by entering into strategic alliances with other market players in an effort to tackle the fragmentation in the market.

EFG Hermes Leasing's current portfolio distribution stands at 10% SMEs and 90% corporate clients, but the target for 2016 is to readjust that balance in favour of SMEs with a target of achieving a portfolio that includes 20% SMEs and 80% corporates by the end of 2016. Through further market segmentation, negotiating better vendor agreements, and utilizing more group support, EFG Hermes Leasing is strongly positioned to achieve robust growth in 2016.

Product diversification and domestic geographical expansion are also on the table with plans to offer leasing services throughout EFG Hermes' regional footprint. EFG Hermes Leasing is the first component of the larger EFG Hermes Finance platform that will offer additional non-bank financial services. The division's short turnaround time and position as a gateway to additional EFG Hermes services, coupled with the outstanding team and systems now in place, has perfectly positioned it as a long-growth business.

COMMERCIAL BANK

2015 CRÉDIT LIBANAIS

KEY PERFORMANCE INDICATORS

73

Crédit Libanais branches
(Lebanon – Cyprus – Bahrain –
Iraq – Canada)

1

International branch
(Senegal)

85

ATMs across
Lebanon

9.9 USD
BN

Total Assets
up 8% year-on-year

66.6 USD
MN

Net Profit after Tax
up 4% year-on-year

3 USD
BN

Total Loans
up 4% year-on-year

1,643

Employees

6%

Loans Market Share

290 K

Customers served in Lebanon

836 USD
MN

Total Equity
up 5% year-on-year

8.4 USD
MN

Total Deposits
up 9% year-on-year

35%

Loans/Deposits Ratio



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

An energetic, proactive approach to corporate governance is vital to the integrity of any corporation, particularly financial institutions. 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 documentation we require of our clients. As a result, EFG Hermes has succeeded in maintaining its reputation and market leadership in the face of challenges such 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 in addition to their ability to represent the interests of shareholders. The Board of Directors met six times throughout 2015.

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

COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

Obeying 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

All 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 AND 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 while conducting their regular daily duties.

STANDARDS & POLICIES

The firm's standards and policies comply with Egyptian as well as international corporate governance guidelines.

CONFIDENTIALITY

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

CORPORATE OPPORTUNITIES

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

AUDIT

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

CORPORATE GOVERNANCE COMMITTEES

THE EXECUTIVE COMMITTEE

The Executive Committee is appointed by EFG Hermes' Board of Directors. It is comprised of eight members, who are strategically selected to ensure all divisions are represented. The Board has delegated to EFG Hermes' Executive

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

Committee the authority to exercise all the powers and authority of the Board, implement the policy decisions of the Board, and oversee risk management structures and policies of the firm. Its purview includes: investments and capital expenditure up to EGP 10 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 and liability management of the firm, constitution of EFG Hermes' 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; and reviewing the Management Accounts on a monthly basis. The Executive Committee meets once a month to discuss and follow up on day-to-day operations of the firm and address any pressing issues that may arise.

THE COMPENSATION COMMITTEE

The Compensation Committee is comprised of three non-executive, independent board members. The Committee meets once a 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 that 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 2015.

The Chairperson of the A&RC reports directly to the Board of Directors and presents the Committee's recommendations, which must be addressed promptly and are followed up in subsequent meetings. The Board of Directors is briefed on all A&RC meeting proceedings and resolutions. By ensuring open communication between internal risk officers, internal and external auditors, and the Board of Directors, the A&RC brings a high level of transparency to the firm.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is comprised of nine members and meets at least quarterly. EFG Hermes adopted a corporate sustainability strategy in 2014 that strives to achieve a triple bottom line and realize positive financial performance

while making a positive social impact and championing the environment. The Committee is charged with setting up sustainability frameworks that encourage responsible investments, foster a sustainable corporate culture, and influence stakeholders to adopt sustainable practices.

The Sustainability Committee advises the Board on proposed changes to the firm's core values and business principles as well as standards for reputational and environmental risks, and the adoption of appropriate corporate sustainability targets and measures.

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

BUSINESS CONTINUITY COMMITTEE

The Business Continuity Committee is comprised of six members from the senior management at the Group level, and is supported by a Business Continuity Team 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 development 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. The Committee meets on a per-incident basis and at least once annually.

THE BUSINESS RISK AND COMPLIANCE COMMITTEE

The Business Risk and Compliance Committee is comprised of seven members from senior management, and representatives from the Compliance, Risk, and Internal Audit departments. The Committee meets at least once per quarter or as required. The Committee oversees compliance, risk, legal, and operational issues within the firm's Brokerage Business, and, where relevant, raises concerns related to compliance, risk, legal, and related operational 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; litigation and other legal cases; status of documentation relating to clients, distributors, brokers, and other relevant parties; compliance monitoring highlights including anti-money laundering, complaints, and personal account dealing; notice of any regulatory updates or visits in any relevant jurisdictions; and operational issues including error trade reporting among other things. The Committee is also kept apprised of cross-functional support projects.

Asset Management has a separate Business Risk and Compliance Committee comprised of six members. The Committee performs the same function as the Brokerage Business Risk and Compliance Committee in relation to the funds and portfolios managed by the Asset Management department.

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 of 31 December 2015, a total of **13,077** 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 reach or exceed five percent of voting rights. Further notification is made once a multiple of the five percent is exceeded or reduced by a shareholder.

EXECUTIVE HOLDINGS AND MANAGEMENT TRANSACTIONS

As of December 31, 2015, the EFG Hermes Board of Directors and Executive Board held a total of **1,769,927** EFG Hermes shares, representing **0.27%** of the total **614,894,578** 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.

 EFGHERMES



**RISK &
COMPLIANCE**

“INTEGRITY, TRANSPARENCY, ACCOUNTABILITY”

As the region's leading investment bank operating in multiple markets, EFG Hermes upholds a strict culture of compliance that allows it to manage the rules and regulations of multiple authorities and regulators in Egypt, Jordan, and the GCC. Dealing with these types of challenges requires a clear compliance strategy built on a strong governance culture that promotes integrity, transparency, and accountability.

RISK & COMPLIANCE

We have a Compliance team comprised of 26 talented and dedicated officers who work to ensure that all departments at EFG Hermes adhere to appropriate statutory provisions, official regulations and internal policies. The firm also has a five-member Risk team to ensure that all operational, market, and credit risks in the business are identified, assessed, and mitigated through adequate controls. Both teams report to the Group Head of Risk and Compliance.

INTERNAL AUDIT

Our efforts to enhance the internal audit function continued throughout 2015. We adopted continuous auditing as our new methodology, which requires performing more frequent risk-based reviews to enhance audit monitoring

We have also expanded our audit scope to assess business conformity to sustainability KPIs. Compliance and the EFG Hermes Green Team have jointly drafted a new Supplier Code of Conduct that now requires suppliers to abide by our sustainability commitments and all applicable laws regarding labour, human rights, health and safety, environmental protection, and ethical practices.

Internal Audit has also come up with a new initiative called “Voice It” as an online tool for employees to communicate new ideas and voice complaints. Additionally, we have installed grievance boxes in our office in Egypt, the UAE, and Kuwait.

2015 HIGHLIGHTS

- Updated policies and procedures manuals for compliance and risk management
- Updated business continuity plan and conducted drills across all regional offices
- Enhanced risk reporting modules for both internal and external clients

- Conducted stress testing for all funds and portfolios for the asset management and securities brokerage lines of businesses
- Updated the employee code of conduct and enhanced the conflict of interest section within the code
- Rolled out a Supplier Code of Conduct
- Integrated sustainability into all formal audit work programs and followed up with lines of business on meeting their sustainability goals
- Held the annual mandatory anti-money-laundering (AML) and anti-fraud courses for all employees

DEVELOPMENT OF POLICIES & PROCEDURES CYBER SECURITY

The IT Department continued the implementation of its cyber security plan, which was officially introduced to employees through a mandatory online course. The course, which specifically seeks to raise firm-wide awareness on how to protect against security breaches and cyber attacks, has been added to the firm's list of annual mandatory courses along with the AML and anti-fraud courses.

FATCA COMPLIANCE

The Compliance team completed a year-long process to become compliant with the US government's Foreign Account Tax Compliance Act (FATCA), which came into effect in 2014. All financial institutions, including commercial and investment banks worldwide, are now required to disclose information about accounts held by their American clients. Failure to comply with the American tax law could lead to institutions being blocked by US markets.

Becoming FATCA compliant required completing a thorough assessment of EFG Hermes Holdings, its subsidiaries, and the thousands of clients with whom they do business in every market. After collecting the data, EFG Hermes issued reports to the US government's Internal Revenue Service (IRS). The completion of this rigorous reporting process before the deadline of 30 June 2015 marked a major milestone for the firm. FATCA compliance is an ongoing obligation that EFG Hermes will be required to fulfil on an annual basis.

LEASING

As part of Internal Audit's mandate to monitor any new business for a period of 6 months after the start of operations, we conducted a full review of EFG Hermes Leasing,

Compliance ensured that the newly launched leasing activities are included as part of the firm's compliance coverage.

RAISING EMPLOYEE AWARENESS

The successful continuity of the compliance function is largely dependent upon being able to effectively communicate our strategy, policies, and procedures to staff members. We now have three mandatory training courses on AML, anti-fraud, and cyber security (our newest course) that employees must take and be evaluated on annually. Thus far 93% of EFG Hermes employees have

successfully completed AML, 92% have completed anti-fraud, and 90% have finished their annual cyber security training.

To ensure that all our employees including our new hires are fully aligned, we have developed a new orientation package in partnership with our HR department that is designed to give trainees a comprehensive view of how the firm operates. The new hire orientation, which came into effect in 2016, is not exclusively business specific, but a proactive understanding of practices.

We are also offering ongoing training for our risk and compliance staff that entails the completion of several courses, including technical courses in risk management and compliance for members of both departments.

2016 OUTLOOK

In line with the EFG Hermes corporate strategy, the internal audit team will continue to automate all operations throughout the department. We will conduct a cyber-security GAP analysis to review how EFG Hermes governs and manages cyber security within its business context and available resources. We will also review the firm's critical information assets with an eye toward identifying any existing threats. The results of the GAP analysis will be used to provide overall guidance and direction for EFG Hermes' cyber security program in the coming years.



IN 2015 OUR RISK & COMPLIANCE TEAM

**“UPDATED THE BUSINESS CONTINUITY PLAN
& CONDUCTED DRILLS ACROSS ALL OFFICES”**



**SUSTAINABILITY
& THE EFG HERMES
FOUNDATION**

SUSTAINABILITY

EFG Hermes views corporate social responsibility as more than just a philanthropic effort but rather a key cornerstone of our guiding strategy. Our belief in creating shared value that benefits companies and communities alike led us last year to add the sixth principle of Public Responsibility to our five definitive core principles of People, Positioning, Presence, Products, and Profits. Together, the incorporation of these Six Ps form the pillars that help EFG Hermes achieve its goals and maintain its status as the leading investment bank in the region.

For the last five 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, labour, environment, and anti-corruption.

Member corporations are required to prepare an annual communication on progress that identifies the manner in which they run their business and how it aligns with their strategy and meets the 10 UNGC principles.

Our first sustainability report, issued in 2015, stands as a testament to our belief in full transparency and accountability in each and every aspect of our operations. The report also outlines the holistic approach to sustainability that we have been shaping and working towards for the past five years. Our dedication to sustainability is rooted in the firm's belief that a healthy environment and a stable society have a fundamental impact on our ability to grow as a company and as a nation.

Sustainability and the rising role of the private sector in helping to bring about inclusive growth are topics that have recently been placed on national agendas in Egypt and the region. We are proud to report that EFG Hermes has played a leading role in shaping the dialogue on sustainability. In October 2015, Hanaa Helmy, CEO of the EFG Hermes Foundation, spoke to leading members of the business community at the first sustainability conference organized by the EGX about the importance of sustainable business practices and the value that businesses can gain by aligning their goals with organizations such as the UNGC.

At EFG Hermes, we believe that not only is it critical to integrate 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 that financial profitability can be maintained as we engage in this strategy. The key element of our sustainability strategy will continue to leverage EFG Hermes'

position as the leading investment bank in the MENA region, and encourage a trend whereby investing in a socially conscientious way becomes an economically viable method to generate group profitability.

THE GREEN TEAM

The application of this outlook began in 2014 and was further expanded on a broader scale in 2015 both internally and externally. Through the efforts of our Green Team, a group of determined employees from various departments at EFG Hermes, came the initiation of the "Rethink" campaign. The initiative works towards the adoption of sustainability policies across all levels and departments at the firm. At the core of the Rethink campaign, we reimagine activities, achievements, and messages so that they are conducive to and encouraging of renewable habits that will help further our business practices as well as our society and environment.

In partnership with Microsoft, the Green Team is implementing two mentorship programs aimed at having employees engage with the surrounding community. Employees volunteer to mentor young professionals and undergraduates on matters of finance, career, and entrepreneurship. The mentorship program is designed to guide youth along successful career paths and instil in them values that lead to success.

Under the umbrella of "Save vs. Waste," the Green Team launched an online sustainability awareness campaign that highlighted the contrast between positive and negative sustainable practices, messages that were also shared with stakeholders during the London MENA conference.

In addition to the mentorship programs and the online awareness campaign, the Green Team has successfully established and sought to implement innovative initiatives to help promote sustainability within the office space and in personal practices such as recycling bins, double-sided printing, and encouraging a carpooling system. Moreover, employees are also invited to engage in the Rethink campaign through the quarterly sustainability competition where competitors submit ideas on how the company can expand its sustainable footprint internally.

Our suppliers are now also obliged to sign a supplier code of conduct prior to doing business with EFG Hermes. The code requires our suppliers to uphold sustainability beliefs shared by EFG Hermes and all applicable laws regarding labour and human rights, health and safety, environmental protection, and ethics practices whenever they make products or perform services for the firm. The code goes beyond mere compliance with the law by drawing upon internationally recognized standards to advance social and environmental responsibilities.

Sustainability and the rising role of the private sector in helping to bring about inclusive growth are topics that have recently been placed on national agendas in Egypt and the region



The EFG Hermes Foundation is an independent, non-profit, non-governmental organization established by EFG Hermes in 2006. Since that time, the Foundation has contributed over EGP 50 million to support sustainable, innovative, and 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 the full involvement of beneficiaries ensures that projects are sustainable and meet the actual needs of the communities they will target.

In 2015, the EFG Hermes Foundation continued to make progress on its three main focus areas, namely rehabilitating impoverished rural areas, improving the quality and availability of healthcare, and supporting youth development.

REHABILITATING IMPOVERISHED RURAL AREAS

As a continuation of our patented integrated development model, the EFG Hermes Foundation has embarked on an ambitious project to rehabilitate the impoverished village of Al Makhzan, located in the Qoos municipality in the governorate of Qena. In cooperation with the Kuwaiti Initiative Group for the Support of the Egyptian People, the Foundation has developed and implemented a sustainable development plan that addresses the basic needs of the residents of Al Makhzan.

After conducting a detailed participatory needs assessment, the Foundation has committed to enhancing housing services at Al Makhzan for 362 homes, and building a new school over an area of 400 square meters and a bakery to benefit the local community and the surrounding villages. We have currently completed and delivered the first batch of houses, benefiting 21 families.

In June 2015, the Foundation signed a memorandum of understanding (MOU) with the Egyptian government authorizing it to build a new school and refurbish facilities at an existing school, benefiting a total of 1,700 children in Al Makhzan. The Foundation is currently working in cooperation with the Egyptian Ministry of Health to renovate and equip the village's existing health unit.

In June 2015, the Foundation opened a bakery in Al Makhzan, which serves as an income-generating project for local residents. Work in Al Makhzan is expected to continue throughout 1Q16. Al Makhzan is the EFG Hermes Foundation's

second integrated development project of this nature. The first was successfully completed in 2011 in Ezbet Yacoub located in the governorate of Beni Sweif.

IMPROVING THE QUALITY AND AVAILABILITY OF HEALTHCARE ASSUIT UNIVERSITY HOSPITAL

From organizing employee blood drives to helping expand the treatment of both Hepatitis C and cerebral palsy in Egypt, the EFG Hermes Foundation looks to support initiatives that can further enhance the quality and availability of healthcare in Egypt.

In November 2015, the Foundation inaugurated the second Arthroscopic Surgery Unit at Assuit University Hospital, the leading provider of arthroscopic surgeries in Egypt. The new facility was funded by a EGP 900 thousand grant from the Foundation to support the purchase of machinery and equipment required to expand the hospital's renowned capabilities in the field of orthopaedic arthroscopic surgery. The grant has effectively enabled the hospital to equip a second operating room that will double their capacity to treat patients.

BLOOD DRIVE

The EFG Hermes Foundation conducted three blood donation campaigns in 2015 in collaboration with the Triple Effect Organization, which aims to triple the number of current blood donors in line with World Health Organization (WHO) guidelines. The blood drive, which benefited a total of 369 patients in need of blood, is part of the Foundation's overall goal of working to improve public health in Egypt.

SUPPORTING YOUTH DEVELOPMENT

The EFG Hermes Foundation undertook four key projects in 2015 to help further youth development. The first initiative was conducted in cooperation with the Ministry of Education whereby the Foundation has agreed to donate EGP 1.6 million over a period of four years to sponsor 20,000 public school students to go on field trips to Kidzania, one of the world's leading global edutainment brands that functions as an entertainment centre alongside a space where children can emulate and perform various tasks that prepare them for real world interaction.

The second initiative includes a donation of EGP 1.2 million from the EFG Hermes Foundation to the MOVE Foundation for Children with Cerebral Palsy to expand their current facilities, which have been operational since 2004. MOVE seeks to provide educational, health, and nutritional services for the 250,000 children with Cerebral Palsy in Egypt.

The third initiative involves signing an MOU with Microsoft Egypt to expand the services of Microsoft's online platform, Masr Ta3mal (Egypt Works). Masr Ta3mal is an initiative that offers career guidance, skills assessments, and hundreds of online courses for youths to develop their capacity and help them find suitable jobs. The EFG Hermes Foundation has successfully contributed to the platform with a financial literacy tutorial.



OUR PEOPLE

BUILDING TOMORROW'S LEADERS

Some businesses create shareholder value through the development of physical assets, product portfolios, or land banks. At EFG Hermes, our most important asset is human capital.

Our 865 talented investment professionals and business partners are the guardians of our brand name and the avid caretakers of our clients' trust. They are the creators of the business models that make our success scalable and that protect both our firm and our clients. They are the mentors of the next generation of professionals who will take us into new markets and develop our new lines of business.

2015 IN REVIEW

Over the course of 2015, the Human Resources team continued to build on and enhance its solid foundation. As the firm grew and expanded into new lines of business, we made certain that we continued to develop our talent acquisition, talent development, and talent management tools to stay ahead of the competition and in sync with the business's needs.

2015 saw the introduction of the EFG Hermes core competency mode. Initiative, commitment to excellence, accountability, and collaboration articulate what the firm stands for — what we value and what we are good at, what we look for in our people and how we do our work.

The all-new **Investment Banking Fundamentals (IBF)** programme made its debut in 2015. An intensive 2-week course for analysts and first-year associates developed in collaboration with UK-based Capital City Training, IBF was so successful that we added an additional round to accommodate the overwhelming demand. We expect this program to make a regular appearance on our L&D calendar.

Also new in 2015 was the firm's **Experiential Learning Program**, a revamp of the former internship programme. This new programme, which has been redesigned to ensure it creates tangible value for both the firm and for interns, offers students job shadowing and information interviewing opportunities with professionals in

their fields of interest in addition to internships. With 90 participants across Egypt, the UAE, Oman, and Saudi Arabia in 2015 (up from 54 in 2014 and 42 in 2013), this was the largest intake of interns we have seen.

Process improvements introduced in 2015 have seen HR go high-tech by rolling out online tools to streamline various HR elements in a manner that allows employees to seamlessly manage their affairs and complete various requirements on-the-go:

- **A new online on boarding system** provides new hires with a comprehensive on boarding module covering vital information about the firm from minor details such as the dress code, to more important matters such as important regulatory requirements, documentation, and corporate structure. This ensures that new hires hit the ground running from day one.
- **The 3-month probation review has also moved online**, allowing recent hires and managers to complete their evaluations at their convenience, and provides HR with an invaluable database of feedback that is analysed and utilised to pinpoint areas of improvement.
- **A new automated leave request feature** makes it easy for employee and manager to submit and approve requests seamlessly, thus organizing team resources more efficiently.

2016 OUTLOOK

- **The blueprint for the EFG Hermes Leadership Academy** is now complete and gearing up for its launch. The Academy will form the backbone of the firm's leadership programmes, enabling the firm to roll-out leadership and management mastery curricula that, when coupled with our technical proficiencies, will further distinguish EFG Hermes from other firms in the region. The initiative features carefully envisioned learning tracks based on level and scope of role for participants and aims to create the next generation of leaders who will propel the business forward. By creating a pool of qualified future leaders, it will also support talent management and succession planning strategies. The Academy will be open to both front office and business partner staff and should run at least one round in 2016.
- With the curriculum for the **Interviewer Certification Training Programme** now in place, HR will hold the first round of this custom-designed course in 2016, setting in place firm-wide talent acquisition skills and standards.

Our 865 talented investment professionals and business partners are the guardians of our brand name and the avid caretakers of our clients' trust



BOARD OF DIRECTORS

BOARD OF DIRECTORS

The EFG Hermes Board of Directors is composed of one executive and nine 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 that target 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 Mallowany is the Non-Executive Vice Chairman of the EFG Hermes Board. Since becoming the Chief Executive Officer of the firm in 2003, Mr. El Mallowany 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 Mallowany joined EFG Hermes at the time of the firm's merger with CIIC. He holds a Bachelor's degree in Accounting from Cairo University.



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.

Prior to assuming his current role, Mr. Awad 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.

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.



CHARLES MCVEIGH III
CHAIRMAN, 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.



ROBERT EICHFELD
EX-CEO, 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 UAE 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



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, Mr. Volpe 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).



TAKIS ARAPOGLOU
INDEPENDENT NON-EXECUTIVE BOARD MEMBER, EFG HERMES HOLDING SAE AND CRÉDIT LIBANAIS SAL

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 has been CEO of Commercial Banking at EFG Hermes Holding, 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 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 currently holds the following non-executive board positions: Chairman and member of the Corporate Governance committee of Tsakos Energy Navigation (TEN) Ltd. listed on 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 Crédit Libanais.

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

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



JOSEPH ISKANDER
MANAGING DIRECTOR 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 USD 8 billion.

Prior to joining DG, Mr. Iskander headed the research team at Egypt's Prime Investments and was earlier an investment advisor at Commercial International Bank (CIB). He began his career at Deloitte & Touche (Egypt) as an auditor and 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.



JONATHAN CIMINO
BOARD MEMBER, REPRESENTING DUBAI GROUP

Jon Cimino is the Chief Executive Officer of Dubai Group. Since joining Dubai Group in 2008, he has also held the posts of COO and Managing Director, Finance. His responsibilities have covered financial management, debt restructuring, and asset management.

Mr. Cimino is an investment banker and a stockbroker having spent a large portion of his career as head of Investment Banking, CEO, and Country Head of SBC Warburg and UBS in New Zealand. During this time, he worked extensively on privatization mandates for the government of New Zealand. Upon leaving UBS in 2001, he formed his own boutique investment bank, Cimino Partners, which undertook various M&A and capital market transactions including acting as Lead Manager for IPOs on the New Zealand Stock Exchange (NZX). Mr. Cimino has formerly been a public company director in New Zealand for listed companies in the transportation, environmental, biotechnology, and private equity sectors.

Mr. Cimino currently represents Dubai Group on the boards of Acacia Investments in Bahrain and Lafarge Emirates Cement in the UAE. He holds a Bachelor of Finance and Administration from Victoria University of Wellington, New Zealand and completed the Advanced Management Program at Harvard Business School.



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. Mr. Elaraby 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. Mr. 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.

EXECUTIVE COMMITTEE



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, Karim has led EFG Hermes' return to profitability by building a comprehensive regional advisory pipeline; extended its 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 private equity business; and continued to provide the region's highest-quality research offering.

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.



KHALED GAMAL
CEO, EFG HERMES KSA & EFG HERMES
CHIEF BUSINESS DEVELOPMENT OFFICER

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 Division where he participated in a number of landmark Equity and M&A transactions; advising multinationals with strategic interests in the MENA region.

In addition to his role as CEO of EFG Hermes KSA, Khaled has been appointed as the Chief Business Development Officer for EFG Hermes Holding. The new role has seen 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.

Prior to joining EFG Hermes Investment Banking in 2000, Khaled worked 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.



AHMED EL GUINDY
HEAD OF INVESTMENT BANKING, EFG HERMES

Ahmed El Guindy is Head of EFG Hermes' Investment Banking Division. Since 2012, Ahmed has worked on expanding the division's regional presence, leading the team to conclude high profile regional IPOs 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 IB, 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.



AMR SEIF
HEAD OF ASSET MANAGEMENT, EFG HERMES

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 (currently Qalaa Holdings), 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 was based in London with JP Morgan and Investec as a fund manager for a decade, 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.



MOHAMED EBEID
CO-HEAD OF SECURITIES BROKERAGE, EFG HERMES

Mohamed Ebeid joined EFG Hermes 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 relationship 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 co-heads the firm's securities brokerage division as of 2011.

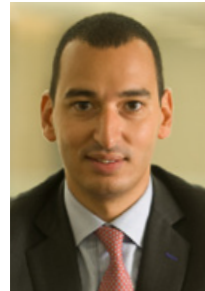


Wael Ziada

HEAD OF RESEARCH, EFG HERMES

Wael Ziada is EFG Hermes's Head of Research and oversaw the division's rapid expansion of multi-sector coverage and inclusion of about 57% of the MENA region's aggregate capitalisation. In parallel, he is also the chairman of EFG Hermes Leasing and was a catalyst that aided the company to acquire the 8th place ranking in the financial leasing industry in under six months of operations.

Wael has over 15 years of experience in the Middle East equity capital markets and is a member of the Executive Committee of the firm. Wael has worked on more than eight IPOs and has working knowledge on a variety of sectors including, Telecoms, Real Estate, and hospitality. Prior to joining EFG Hermes Wael worked as an economist for G15 group and a consultant. Wael has a BA in Economics from the American University in Cairo



Karim Moussa

HEAD OF PRIVATE EQUITY, EFG HERMES

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 million take-private of DAMAS International and later its exit, delivering about 2x cash-on-cash returns, and the USD 208 million acquisition of 49% of EDPR France.

Karim sits on the Investment Committee of several EFG Hermes sponsored funds, including the EUR 385 InfraMed Fund. 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 Banking division with responsibilities for M&A, ECM, and DCM advisory in MENA. In this role, he advised on the USD 4.2 billion Dubai Ports World IPO, the USD 670 million sale of Sokhna Port to Dubai Ports World, and the USD 1.4 billion LBO of the Egyptian Fertilizers Company by Abraaj Capital. He joined Deutsche Bank in 2001 as an Analyst in the M&A execution team in Frankfurt, advising on several mid-cap transactions in Continental Europe.



Mohamed El Wakeel

CHIEF OPERATING OFFICER, MARKET OPERATIONS, EFG HERMES

Mohamed El Wakeel is COO of EFG Hermes' Operations. After three 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.

Mohamed is currently the Group Head of EFG Hermes Market Operations. His 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.



IN 2015 THE FIRM

"INTRODUCED THE ALL-NEW INVESTMENT BANKING FUNDAMENTALS PROGRAMME"



**CONSOLIDATED
FINANCIAL
STATEMENTS**

Auditor's Report

To the shareholders of the EFG Hermes Holding Company

We have audited the accompanying consolidated financial statements of EFG Hermes Holding Company which comprise the consolidated statement of financial position as at 31 December 2015, 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 company as of December 31, 2015 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 23, 2016

Consolidated Statement of Financial Position

as at 31 December 2015

<i>(in EGP)</i>	Note no.	31/12/2015	31/12/2014
Assets			
Cash and due from banks	(4)	26,456,336,103	22,305,761,435
Investments at fair value through profit and loss	(5)	584,988,674	843,283,816
Accounts receivables (net)	(6)	1,152,562,684	1,166,525,868
Loans and advances	(7)	22,767,229,109	20,199,656,453
Available -for- sale investments	(8)	1,839,153,380	1,760,862,879
Held-to-maturity investments	(9)	26,776,423,305	21,662,515,820
Investments in associates	(10)	94,043,999	93,116,400
Investment property	(11)	295,444,152	292,305,254
Leased assets (net)	(12)	467,000,589	-
Fixed assets (net)	(13)	1,679,295,854	1,537,798,596
Goodwill and other intangible assets	(14)	4,573,414,469	4,211,585,280
Other assets	(15)	1,714,180,306	1,590,585,824
Total assets		88,400,072,624	75,663,997,625
Liabilities			
Due to banks and financial institutions	(16)	3,855,071,009	2,683,792,497
Customers' deposits	(17)	64,245,803,241	54,556,029,880
Accounts payable - customers' credit balances		1,986,949,572	1,915,838,916
Bonds	(18)	613,917,600	565,767,200
Creditors and other credit balances	(19)	1,877,552,961	1,714,172,153
Other liabilities	(20)	769,999,478	709,699,478
Current tax liability		116,578,675	129,889,294
Deferred tax liabilities	(21)	798,960,213	752,022,642
Provisions	(22)	422,738,071	354,572,626
Loans	(23)	328,680,803	-
Total liabilities		75,016,251,623	63,381,784,686
Shareholders' equity			
Share capital	(24)	3,074,472,890	2,867,422,500
Legal reserve		1,523,711,250	990,432,067
Share premium	(32)	1,922,267,826	2,697,382,769
Other reserves		2,118,547,403	1,590,213,723
Retained earnings	(32)	858,175,608	926,620,676
		9,497,174,977	9,072,071,735
Treasury shares	(24-1)	-	(426,451,266)
Shareholders' equity		9,497,174,977	8,645,620,469
Net profit for the year		461,428,759	537,764,723
Shareholders' equity including net profit for the year		9,958,603,736	9,183,385,192
Non - controlling interests	(25)	3,425,217,265	3,098,827,747
Total shareholders' equity		13,383,821,001	12,282,212,939
Total shareholders' equity and liabilities		88,400,072,624	75,663,997,625

The accompanying notes from page 90 to page 119 are an integral part of these financial statements and are to be read therewith.

Mona Zulficar
Chairperson

Karim Awad
Executive Managing Director

Consolidated Income Statement

for the year ended 31 December 2015

(in EGP)	Note no.	For the year ended 31/12/2015	For the year ended 31/12/2014
Fee and commission income		1,358,943,005	1,456,522,804
Fee and commission expense		(273,518,731)	(251,550,609)
Net fee and commission income		1,085,424,274	1,204,972,195
Securities gains		140,441,123	253,156,786
Share of profit of associates	(10)	10,118,400	8,742,756
Changes in the investments at fair value through profit and loss		(1,009,701)	1,950,723
Changes in the fair value of investment property	(11)	-	2,913,629
Revenues from leasing activities		28,447,420	-
Foreign currencies differences		134,047,507	54,127,643
Other income		57,095,257	119,560,703
Non-interest revenue		1,454,564,280	1,645,424,435
Interest and dividend income		4,073,361,407	3,382,790,206
Interest expense		(2,932,898,828)	(2,416,448,148)
Net interest income		1,140,462,579	966,342,058
Total net revenue		2,595,026,859	2,611,766,493
General administrative expenses	(31)	1,587,323,418	1,550,726,668
Net losses on loans and advances	(7)	74,735,400	74,659,464
Provisions	(22)	74,191,007	54,914,498
Depreciation and amortization	(12),(13),(14)	94,611,202	86,210,759
Impairment loss on assets	(28)	3,431,871	15,297,935
Total non-interest expenses		1,834,292,898	1,781,809,324
Net profit before income tax		760,733,961	829,957,169
Income tax expense	(21),(29),(35)	(111,811,218)	(122,972,057)
Net profit for the year		648,922,743	706,985,112
Equity holders of the parent		461,428,759	537,764,723
Non - controlling interests	(25)	187,493,984	169,220,389
		648,922,743	706,985,112
Earnings per share	(33)	0.75	0.87

The accompanying notes from page 90 to page 119 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 2015

(in EGP)	Note no.	Share capital	Legal reserve	Share premium	General reserve	Translation reserve	Fair value reserve	Hedging reserve	Cumulative adjustments	Other reserve	Retained earnings	Treasury Shares	Net (loss) profit for the year	Non - controlling interests	Total
Balance as at 31 December, 2013 (before adjustment)		2,867,422,500	990,432,067	-	373,146	837,436,564	344,000,602	(26,442,387)	(23,115,304)	227,355,936	936,046,512	-	(540,322,092)	2,977,160,430	11,879,451,873
Prior year adjustments		-	-	-	-	-	(73,984,509)	-	-	-	-	-	-	-	(73,984,509)
Balance as at 31 December, 2013 (after adjustments)		2,867,422,500	990,432,067	-	373,146	837,436,564	270,016,093	(26,442,387)	(23,115,304)	227,355,936	936,046,512	-	(540,322,092)	2,977,160,430	11,805,467,364
Foreign currencies translation differences		-	-	-	-	122,663,774	-	-	-	-	-	-	-	-	122,663,774
Transfer to retained earnings	(32)	-	-	-	(214,877)	-	-	-	-	591,936,007	-	-	-	-	-
Net change in the fair value of available-for-sale investments (net of tax)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carrying 2013 loss forward		-	-	-	-	-	-	-	-	-	-	-	540,322,092	-	-
Transfer to other reserves		-	-	-	-	-	-	-	23,115,304	50,374,943	-	-	-	-	-
Cumulative adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	23,115,304
Interim dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	(5,811,144)
2013 dividends payout		-	-	-	-	-	-	-	-	(10,664,808)	-	-	-	-	(114,626,758)
Purchasing of treasury shares	(24-1)	-	-	-	-	-	-	-	-	-	-	(426,451,266)	-	-	(426,451,266)
Change in non - controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	72,884,830
Net profit for the year ended 31 December 2014		-	-	-	-	-	-	-	-	-	-	-	537,764,723	169,220,389	706,985,112
Balance as at 31 December 2014		2,867,422,500	990,432,067	-	158,269	960,100,338	378,666,624	(26,442,387)	-	277,730,879	926,620,676	(426,451,266)	537,764,723	3,098,827,747	12,282,212,939
Increase in paid-in capital	(24)	391,833,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currencies translation differences		-	-	-	-	479,091,733	-	-	-	-	-	-	-	-	479,091,733
Transfer to retained earnings		-	-	-	-	(8,486,169)	-	-	-	8,486,169	-	-	-	-	-
Transfer to legal reserve *		-	533,279,183	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in the fair value of available-for-sale investments (net of tax)		-	-	-	-	-	-	-	-	-	-	-	-	-	(44,454,589)
Carrying 2014 profit forward		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 dividends payout		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement on treasury shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 dividends payout		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canceling treasury shares **		-	-	-	-	-	-	-	-	-	-	-	-	-	(167,104)
Acquisition of NCI without a change in control		(184,782,610)	-	-	-	-	-	-	-	-	-	426,618,370	-	-	-
Change in non - controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	(61,999,176)
Net profit for the year ended 31 December 2015		-	-	-	-	-	-	-	-	-	-	-	-	-	200,773,464
Balance as at 31 December 2015		3,074,472,890	1,523,711,250	-	158,269	1,430,705,902	334,212,035	(26,442,387)	-	379,913,584	858,175,608	-	461,428,759	3,425,217,265	13,383,821,001

* According to EFG Hermes Holding Company's Ordinary General Assembly held on May 17, 2015.

** According to EFG Hermes Holding Company's Ordinary General Assembly held on November 16, 2015.

The accompanying notes from page 90 to page 119 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 2015

<i>(in EGP)</i>	31 , December	
	2015	2014
Cash flows from operating activities		
Net profit before income tax	760,733,961	829,957,169
Adjustments to reconcile net profit to net cash provided from operating activities		
Depreciation and amortization	94,611,202	86,210,759
Provisions formed	74,191,007	54,914,498
Provisions used	(21,633,494)	(14,594,422)
Provisions reversed	(1,320,900)	(8,314,488)
Write-back of allowance	(11,092,500)	(26,976,840)
Gains on sale of fixed assets	(728,902)	(14,547,725)
Gains on sale of available -for- sale investments	(77,443,015)	(150,555,076)
Gains on sale of investment property	-	(2,028,283)
Changes in the fair value of investments at fair value through profit and loss	1,009,701	(1,950,723)
Net losses on loans and advances	74,735,400	74,659,464
Impairment loss on assets	3,431,871	15,297,935
Changes in the fair value of investment property	-	(2,913,629)
Foreign currency translation differences	811,014,691	147,263,596
Foreign currencies exchange differences	(134,047,507)	(54,127,643)
Operating profit before changes in working capital	1,573,461,515	932,294,592
(Increase) decrease in other assets	(25,879,980)	87,723,582
Increase (decrease) in creditors and other credit balances	11,712,415	(36,814,672)
Change in loans and advances	(921,741,180)	(1,865,594,500)
Change in customers' deposits	5,079,645,900	4,098,505,261
Decrease (increase) in accounts receivables	17,376,257	(332,339,198)
(Decrease) increase in accounts payables	(41,302,168)	749,172,640
Change in investments at fair value through profit and loss	275,689,470	288,539,440
Change in financial assets (over 3 months)	(174,297,600)	(3,087,491,100)
Income tax paid	(126,117,961)	(38,847,198)
Net cash provided from operating activities	5,668,546,668	795,148,847
Cash flows from investing activities		
Payments to purchase fixed assets and other intangible assets	(118,561,498)	(313,222,095)
Proceeds from sale of fixed assets	4,366,526	29,921,006
Payments to purchase leased assets	(475,042,716)	-
Proceeds from sale of available -for- sale investments	143,650,841	446,922,737
Payments to purchase available -for- sale investments	(163,134,549)	(121,464,040)
Payments to purchase investments in subsidiaries and associates	(139,086,696)	(9,765,349)
Proceeds from investments in associates	6,997,200	-
Payments to purchase / proceeds from sale of held to maturity investments	(3,304,592,700)	541,139,200
Payments for long term lending	-	(2,173,929)
Proceeds from sale of real property held for sale	-	34,748,506
Proceeds from companies' share in Settlement Guarantee Fund	-	1,312,803
Payments to / proceeds from sale of non-current assets held for sale	(2,677,500)	10,628,752
Net cash (used in) provided from investing activities	(4,048,081,092)	618,047,591

Consolidated Statement of Cash Flows (cont.)

for the year ended 31 December 2015

<i>(in EGP)</i>	31 , December	
	2015	2014
Cash flows from financing activities		
Purchasing of treasury shares	-	(426,451,266)
Dividends paid	(132,246,678)	(112,227,742)
Proceeds from long term loans	327,483,878	-
Net cash provided from (used in) financing activities	195,237,200	(538,679,008)
Net change in cash and cash equivalents during the year	1,815,702,776	874,517,430
Cash and cash equivalents at the beginning of the year (note no. 30)	9,766,063,718	8,915,517,481
Cash and cash equivalents at the end of the year (note no. 30)	11,581,766,494	9,790,034,911

The accompanying notes from page 90 to page 119 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 2015

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 22, 2016.

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 (21) – Recognition of deferred tax assets and liabilities.
- Note (22) – Provisions.
- Note (26) – 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 financial position 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 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 in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3-3 Translation of the foreign subsidiaries' financials

As at the financial position 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 financial position.

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 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 financial position 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 - 50 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.

Leased assets are recorded at their historical cost after deducting the accumulated depreciation and any impairment in its value (note 3-11), and are depreciated using the straight line method over the estimated productive life for each type of assets as follows:

	Estimated useful life
Buildings and premises	20 years
Equipment	5 -7 years
Vehicles & transportation means	5 years

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.

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 financial position 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 financial position date, investments that are not quoted, and whose fair value can not 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 financial position 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 financial position 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.

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 Trade, and notes receivables, debtors and other debit balances

- Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.
- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.
- The provision for doubtful debts is calculated on the investment cost of the leased assets (cost of leased assets in addition to its return at the date of calculating the provision) which are uncertainly collected i.e. (doubtful rent value) after deducting the credit deposits held by the Company. The Company's provisions committee specifies the provision percentage for each credit class which is calculated according to the risk rates of the doubtful rent values or according to the negative changes of the credit indicators, this provision is reviewed regularly or whenever there is a need to do so.

3-13 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.

3-14 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.

3-15 Other assets

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

3-16 Provisions

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

3-17 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.

3-18 Share capital**3-18-1 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.

3-18-2 Dividends

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

3-19 Revenue recognition**3-19-1 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.

3-19-2 Dividend income

Dividend income is recognized when declared.

3-19-3 Custody fee

Custody fees are recognized when the service is provided.

3-19-4 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".

3-19-5 Fee and commission income

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

3-19-6 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.

3-19-7 Management fee

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

3-19-8 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.

3-19-9 Finance lease income

Income resulted from lease contracts is recognized based on internal return rate resulted from lease contracts in addition to the equivalent amount of a periodical depreciation installment. The differences between the income recognized and accrued rental value for the same period is suspended in a separate account, and is to be settled with the carrying amount of the leased assets at the end of contract period.

3-20 Long term lending

Long term lending is recognized at cost net of any impairment loss. The Group evaluates the loans at the financial position 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.

3-21 Expenses**3-21-1 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.

3-21-2 Taxation

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognized 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 at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the financial position 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 financial position 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.

3-22 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.

3-23 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.

3-24 Loans and advances to customers and related provision

Loans and advances to customers are stated at principal together with interest earned at the financial position 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 income statement. 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 income statement.

Doubtful and bad loans and advances are written-off from the financial position 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.

3-25 Unrealized interest on sub-standard, doubtful and bad debts

Interest on non performing loans and advances are only recognized in the income statement upon realization. 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 No. 58.

3-26 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.

3-27 Due from banks and other financial institutions

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

3-28 Customers' deposits

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

3-29 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 financial position.

3-30 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 financial position 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 financial position items.

3-31 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.

3-32 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.

3-33 Initial application of new Egyptian Accounting Standards "EAS"

On July 9, 2015 the minister Decree No. 110 for the year 2015 was issued to modify the Egyptian Accounting Standards "EAS" by modifying some of the existing and issuing new to replace the old one that was issued by the ministry decree No. 243 for the year 2006 and to start using the new standards after January 1, 2016 to be used by the entities that it's financial year starts in or after that date

In the following table the most prominent amendments on the Egyptian Accounting Standards (EAS) that may have a significant impact on the financial statements of the company at the beginning of the implementation thereof:

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
EAS (1) Presentation of Financial Statements	<p>Statement Of Financial Position</p> <ul style="list-style-type: none"> The standard does not require to present the working capital presentation. The reference financial statements that was included in 2006 standards was excluded; which presented the working capital presentation. A column shall be added to the statement of financial position including balances of the beginning of the first presented comparative period in case of retrospective implementation or change in an accounting policy or reclassification carried out by the entity. <p>Income Statement (Profit or Loss)/Statement of Comprehensive Income</p> <p>The entity shall disclose all recognized income and expense captions during the financial period in two separate statements; one of them presents the profit or loss components (Income Statement) and the other one starts with the profit or loss and presents the other comprehensive income items (Statement of Comprehensive Income).</p>	<ul style="list-style-type: none"> Re-presenting all the presented financial statements, disclosures and their accompanying notes including the comparative figures to be in conformity with the required amendments to the standard. Adding a new statement, 'Statement of Comprehensive Income', for the current and comparative period.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
EAS (10) Property, Plant and Equipment (PPE)	<ul style="list-style-type: none"> The financial shall disclose amount movement of the PPE and its depreciations in the notes accompanying the financial statements at the beginning and the end of the current period and the comparable period. The option of using the revaluation model in the subsequent measurement of PPE has been canceled 	<p>Re-presenting the comparative figures related to the PPE in the notes accompanying the financial statements to be in conformity with the required amendments on the standard.</p> <p>Currently, the management is assessing the potential impacts on its financial statements resulting from application of the standard</p>
EAS (23) Intangible Assets	<ul style="list-style-type: none"> The option of using the revaluation model in the subsequent measurement of intangible assets has been canceled. 	The amendment on the standard has no impact on the figures presented in the financial statements.
EAS (34) Investment Property	<ul style="list-style-type: none"> The option of using the fair value model in the measurement after recognition of the Property Investment has been canceled. 	The fair value of the investment at the beginning of the implementation of this standard shall be considered deemed cost of that investment for the purposes of the subsequent accounting treatment according to EAS (10) "PPE".
EAS (41) Operating Segments	<ul style="list-style-type: none"> EAS 33 "Segment Reports" has been replaced with EAS (41) "Operating Segments". <p>Accordingly, the disclosure and the volume of the required disclosures that the Segment Reports must disclose on; mainly depends on the Segments information presented to Chief Operating Decision Maker (CODM) of the entity to make decisions on the resources that must be allocated to the segment and assess its performance.</p>	On the date of implementing the standards, the entity shall re-present the information corresponding to the earlier periods including the interim periods, unless the information is not available and the cost of preparing such information is too high.
EAS (25) Financial Instruments: Presentation	<p>Any financial instrument with a resale right shall be classified as an equity instrument instead of classifying it as a financial liability; if it meets the conditions in accordance with the paragraphs (16 A and 16 b) or paragraphs (16 c and 16 d) of the same standard, from the date the instrument has all the features and meets all the conditions set out in those paragraphs.</p> <p>The Entity shall re-classify the financial instrument from the date the instrument ceases to have all the features or meet all conditions set out in those paragraphs.</p>	Re-presenting any financial instrument meets all the conditions including all the presented comparative periods.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
EAS (40) Financial Instruments: Disclosures	<ul style="list-style-type: none"> A new Egyptian Accounting Standard No.(40) "Financial Instruments: Disclosures" was issued including all the disclosures required for the financial instruments. <p>Accordingly, EAS (25) was amended by separating the disclosures from it. The name of the standard became "Financial Instruments: Presentation" instead of "Financial Instruments: Presentation and Disclosure"</p>	Retroactive amendment to all the comparative figures of the presented disclosures shall be carried out.
Egyptian Standard No. (45) Fair Value Measurement	<p>The new Egyptian Accounting Standard No. (45) "Fair Value Measurement" was issued and shall be applied when another standard requires or allows measurement or disclosure to be made at fair value.</p> <p>This standard aims the following:</p> <ol style="list-style-type: none"> Defining the fair value. Laying down a framework to measure the fair value in one standard. Identifying the disclosure required for the fair value measurements. 	Currently, the management is assessing the potential impacts on its financial statements resulting from application of the standard.
Egyptian Standard No. (29) Business Combination	<p>The purchase method was cancelled and replaced by the acquisition method; as results:</p> <ol style="list-style-type: none"> Changing the acquisition cost to become the cash consideration transferred; and to be measured at fair value at the acquisition date. Contingent consideration: the fair value of the consideration shall be recognized at the acquisition date as a part of consideration transferred. Changing the method of measuring goodwill in case of Step Acquisition is made. <ul style="list-style-type: none"> The transaction cost (the cost related to the acquisition): Shall be charged to the Income Statement as an expense in which the costs incurred it and shall not be added to the cash consideration transferred; except for the costs of issuing equity as debt instruments directly related to the acquisition process. 	Currently, the management is assessing the potential impacts on its consolidated financial statements resulting from application of the standard.
Egyptian Standard No.(42): The Consolidated Financial Statements	<ul style="list-style-type: none"> The new Egyptian Accounting Standard No. (42) "The Consolidated Financial Statements" was issued and accordingly Egyptian Accounting Standard No. (17) "The Consolidated and Separate Financial Statements" has changed to become "The Separate Financial Statements". <p>Pursuant to the new Egyptian Accounting Standard No. (42) "The Consolidated Financial Statements"</p> <p>The control model has changed to determine the investee entity that must be consolidated.</p>	Retroactive amendment to all the comparative figures of the consolidated financial statements and financial information presented.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
Egyptian Standard No.(42): The Consolidated Financial Statements	<ul style="list-style-type: none"> Accounting for the changes in the equity of the parent company in a subsidiary are accounted for as transactions with equity holders in their capacity as equity holders. Any Investment retained in a former subsidiary re-measured at fair value at the date when control is lost and recognize any resulting difference in the Income Statement. Losses applicable to the Non-Controlling Interest "NCI" in a subsidiary including component of Other Comprehensive Income are allocated to the owners of the holding entity and the NCI even if this causes the NCI to have a deficit balances. 	Currently, the management is assessing the potential impacts on its consolidated financial statements resulting from application of the standard.
Egyptian Standard No. (18): Investments in Associates	<ul style="list-style-type: none"> The accounting treatment of the joint ventures shall be added to this standard accordingly, the Investments in associates and joint ventures shall be accounted for that investments using the equity method in the Consolidated and Individual Financial Statements. The entity shall discontinue to use the Equity method from the date when its investment ceases to be an associate or a joint venture provided that the retained interest shall be re-measured using the fair value and the difference shall be recognized in the Income Statement . If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continue to apply the Equity Method and does not re-measure the retained Interest. If an entity's ownership interest in an associate or a joint venture reduced, but the entity continues to apply the Equity Method, the entity shall reclassify to profit or loss the proportions of the gain or loss that previously been recognized in OCI relating to that reduction in Ownership interest. 	Retroactive amendment to all the comparative figures and financial information presented. Currently, the management is assessing the potential impacts on its financial statements resulting from application of the standard.
Egyptian Standard No. (44): Disclosure of Interests in Other Entities	<ul style="list-style-type: none"> A new Egyptian Accounting Standard No.(44) "Disclosure of Interests in Other Entities" was issued in order to comprise all the required disclosures pertaining to the investments in subsidiaries, associates, joint arrangements, and the unconsolidated Structured Entities. The objective of this standard is to comply the entity to disclose the information that enable users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance, and cash flows. 	Retroactive amendment to all the comparative figures for the disclosures presented.

4- Cash and due from banks

	31/12/2015 EGP	31/12/2014 EGP
Cash on hand	330,455,059	285,832,262
Central Bank of Lebanon *		
■ Demand deposits	2,439,916,500	1,693,828,300
■ Time deposits	14,423,916,900	12,107,369,200
Other Central Banks		
■ Demand deposits	180,412,500	181,720,800
■ Time deposits	91,743,900	75,176,500
Cheques under collection	191,092	1,946,393
Banks - current accounts (net)	3,264,037,258	2,729,798,499
Banks - demand deposits	2,074,277,100	1,783,086,536
Banks - time deposits	3,651,385,794	3,447,002,945
Balance	26,456,336,103	22,305,761,435

* 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

	31/12/2015 EGP	31/12/2014 EGP
Mutual fund certificates	279,857,518	666,659,968
Equity securities	44,918,956	27,451,998
Debt securities	33,802,800	80,909,050
Treasury bills	211,338,900	53,894,900
Financial International Sukuk	15,070,500	14,367,900
Balance	584,988,674	843,283,816

6- Accounts receivables (net)

	31/12/2015 EGP	31/12/2014 EGP
Accounts receivables (net)	1,161,543,659	1,325,551,980
Other brokerage companies (net)	(8,980,975)	(159,026,112)
Balance	1,152,562,684	1,166,525,868

7- Loans and advances

	31/12/2015 EGP	31/12/2014 EGP
Loans and advances to customers	(7-1) 22,682,036,365	20,028,503,424
Loans and advances to related parties	(7-2) 84,267,300	168,979,100
Other loans	925,444	2,173,929
Balance	22,767,229,109	20,199,656,453

7-1 Loans and advances to customers

	31/12/2015			31/12/2014	
	Gross amount EGP	Unrealized interest EGP	Impairment allowance EGP	Carrying amount EGP	Carrying amount EGP
Regular retail customers					
Cash collateral	634,363,500	-	-	634,363,500	517,206,800
Mortgage loans	8,317,810,579	-	-	8,317,810,579	6,742,975,838
Personal loans	239,133,900	-	-	239,133,900	259,994,600
Credit cards	205,198,500	-	-	205,198,500	179,713,900
Others	1,619,193,900	-	-	1,619,193,900	1,857,162,700
Regular corporate customers					
Corporate	10,292,945,401	-	-	10,292,945,401	9,277,811,455
Classified retail customers					
Watch	188,221,679	-	-	188,221,679	197,173,552
Substandard	215,378,100	(61,761,000)	-	153,617,100	140,760,300
Doubtful	344,168,400	(120,207,000)	(92,264,100)	131,697,300	75,026,100
Bad	108,079,200	(50,209,500)	(57,869,700)	-	-
Classified corporate customers					
Watch	709,012,506	-	-	709,012,506	647,301,579
Substandard	97,292,700	(13,831,200)	-	83,461,500	47,305,500
Doubtful	365,619,000	(64,831,200)	(95,757,600)	205,030,200	171,601,700
Bad	140,862,000	(61,337,700)	(79,524,300)	-	-
Collective provision for retail loans	-	-	(55,559,400)	(55,559,400)	(37,377,460)
Collective provision for corporate loans	-	-	(42,090,300)	(42,090,300)	(48,153,140)
Balance	23,477,279,365	(372,177,600)	(423,065,400)	22,682,036,365	20,028,503,424

7-2 Loans and advances to related parties

	2015/12/31 EGP	2014/12/31 EGP
Regular retail loans	16,034,400	11,378,700
Regular corporate loans	68,232,900	157,600,400
Balance	84,267,300	168,979,100

8- Available - for- sale investments

	31/12/2015 EGP	31/12/2014 EGP
Preferred shares	146,747,400	144,073,800
Equity securities	740,682,044	623,734,135
Mutual fund certificates	951,723,936	993,054,944
Balance	1,839,153,380	1,760,862,879

9- Held-to-maturity investments

	31/12/2015 EGP	31/12/2014 EGP
Lebanese government treasury bills and Eurobonds	18,769,882,679	16,801,290,294
Other sovereign bonds	212,267,100	151,753,600
Certificates of deposit issued by banks	7,493,521,703	4,490,746,551
Other debt instruments	300,751,823	218,725,375
Balance	26,776,423,305	21,662,515,820

10- Investments in associates

	2015 Ownership %	2014 Ownership %	31/12/2015 EGP	31/12/2014 EGP
Agence Générale de Courtage d'Assurance SAL	25.86	25.86	42,304,500	46,337,300
Credit Card Management SAL	28.96	28.96	14,881,800	12,342,200
International Payment Network SAL	20.18	20.18	8,292,600	7,632,800
Net Commerce SAL	21.88	21.88	1,377,000	1,226,700
Hot Spot Properties SAL	48.12	48.12	8,236,500	7,900,700
Dourrat Loubnan Al Iqaria SAL	45	45	18,951,599	17,676,700
Balance			94,043,999	93,116,400

11- Investment property

	31/12/2015 EGP	31/12/2014 EGP
Balance at 1 January	292,305,254	320,250,709
Change in fair value	-	2,913,629
Disposals	-	(32,720,223)
Foreign currency translation differences	3,138,898	1,861,139
Balance	295,444,152	292,305,254

Investment property amounted EGP 295,444,152 as at 31 December, 2015, 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 37,904,334 the fair value of the area owned by EFG Hermes UAE Limited, one of the subsidiaries, in the Index Tower – UAE.

12- Leased assets

	Buildings & premises EGP	Equipment EGP	Computer equipment EGP	Cars & transportation means EGP	Total EGP
Additions during the year	317,083,363	35,682,882	2,625,401	119,651,070	475,042,716
Total cost as at 31/12/2015	317,083,363	35,682,882	2,625,401	119,651,070	475,042,716
Depreciation for the year	5,230,877	643,537	47,146	2,120,567	8,042,127
Accumulated depreciation as at 31/12/2015	5,230,877	643,537	47,146	2,120,567	8,042,127
Net carrying amount as at 31/12/2015	311,852,486	35,039,345	2,578,255	117,530,503	467,000,589

- Leased assets (after depreciation) include an amount of EGP 78,611,789 represents leased assets that have not been registered yet in the Egyptian Financial Supervisory Authority and the required procedures to register those assets are currently taking place.

13- Fixed assets

Particular	Land & buildings	Leasehold improvements	Office furniture, equipment & electrical appliances	Computer equipment	Vehicles	* Projects under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1/1/2015	871,088,471	262,539,563	377,872,052	80,164,594	19,714,924	656,105,000	2,267,484,604
Additions	290,700	8,035,693	40,071,783	8,977,429	6,781,893	43,714,500	107,871,998
Disposals	(10,977,562)	(4,610,388)	(8,692,383)	(2,410,145)	(2,376,022)	-	(29,066,500)
Reclassification	-	2,866,733	(25,616,914)	33,946,512	38,969	(11,235,300)	-
Foreign currency translation differences	50,809,979	19,217,749	22,312,833	2,384,767	922,163	55,477,900	151,125,391
Total cost as at 31/12/2015	911,211,588	288,049,350	405,947,371	123,063,157	25,081,927	744,062,100	2,497,415,493
Accumulated depreciation as at 1/1/2015	159,437,451	200,954,815	283,993,960	70,842,683	14,457,099	-	729,686,008
Depreciation	23,239,015	13,413,892	31,383,591	5,605,982	1,880,012	-	75,522,492
Disposals' accumulated depreciation	(10,977,562)	(1,790,388)	(8,053,208)	(2,410,145)	(2,197,573)	-	(25,428,876)
Reclassification	-	(4,738,388)	(27,472,025)	32,171,942	38,471	-	-
Foreign currency translation differences	6,338,002	14,301,196	14,766,040	2,341,689	593,088	-	38,340,015
Accumulated depreciation as at 31/12/2015	178,036,906	222,141,127	294,618,358	108,552,151	14,771,097	-	818,119,639
Carrying amount as at 31/12/2015	733,174,682	65,908,223	111,329,013	14,511,006	10,310,830	744,062,100	1,679,295,854
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

* Projects under construction are represented in the following:

	31/12/2015 EGP	31/12/2014 EGP
Office spaces in Egypt	9,784,500	9,784,500
Preparation of new headquarters – Credit Libanais SAL “the Bank” - Lebanon	734,277,600	646,320,500
Balance	744,062,100	656,105,000

14- Goodwill and other intangible assets

	31/12/2015 EGP	31/12/2014 EGP
Goodwill	(14-1) 195,309,571	195,309,571
Other intangible assets	(14-2) 4,378,104,898	4,016,275,709
Balance	4,573,414,469	4,211,585,280

14-1 Goodwill is relating to the acquisition of the following subsidiaries:

	31/12/2015 EGP	31/12/2014 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
IDEVELOPERS – Egypt	1,600,000	1,600,000
EFG Hermes Jordan	8,639,218	8,639,218
Balance	195,309,571	195,309,571

14-2 Other intangible assets are represented in the following :

	31/12/2015 EGP	31/12/2014 EGP
Branches network - Credit Libanais Bank	4,344,286,589	3,984,821,688
Key money	1,076,100	1,184,400
Licenses & franchise	23,063,540	21,949,976
Software	9,678,669	8,319,645
Balance	4,378,104,898	4,016,275,709

■ Amortization of other intangible assets amounted EGP 11,046,583 for the year ended December 31, 2015 versus EGP 10,599,808 for the year ended December 31, 2014.

15- Other assets

	31/12/2015 EGP	31/12/2014 EGP
Deposits with others	(15-1) 47,854,400	45,057,312
Downpayments to suppliers	299,910	1,536,228
Prepaid expenses	133,954,610	122,314,707
Employees' advances	15,414,994	13,575,861
Accrued revenues	742,890,543	609,341,304
Taxes withheld by others	13,347,142	9,796,219
Payments for investments	(15-2) 5,768,590	102,899,661
Re-insurers' share of technical reserve	95,109,900	68,385,000
Infra Egypt Fund	3,959,279	3,749,018
Settlement Guarantee Fund	30,881,735	27,311,388
Unquoted assets - ready for sale acquired in satisfaction of loans	164,138,400	148,797,300
Due from EFG Hermes Employee Trust	263,989,219	277,594,632
Due from Ara Inc. Company	274,349	756,681
Due from related parties	13,550,700	11,862,800
Re-insurance accrued commission	18,309,000	16,873,000
Cards transaction on ATM	14,948,100	11,538,500
Re-insurance debtors	1,591,200	1,955,200
Sundry debtors	147,898,235	117,241,013
Balance	1,714,180,306	1,590,585,824

15-1 Deposits with others include an amount of EGP 30,676,500 (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 12,779,297 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.

15-2 Payments for investments are represented in the following:

	31/12/2015 EGP	31/12/2014 EGP
Arab Visual Company	3,749,500	3,749,500
IDEVELOPERS	25,000	25,000
AAW Company for Infrastructure	1,887,590	1,895,071
EFG Hermes Direct Fund Management	-	640,000
Kuwait Invest Real Estate	-	96,590,090
Vortex Energy Investments II	106,500	-
Balance	5,768,590	102,899,661

16- Due to banks and financial institutions

	31/12/2015 EGP	31/12/2014 EGP
Due to Central Bank of Lebanon	2,939,160,600	1,867,545,000
Current deposits of banks	156,294,600	188,714,400
Time deposits	38,168,400	34,662,500
Financial institutions	294,089,450	252,346,875
Bank overdraft	427,357,959	340,523,722
Balance	3,855,071,009	2,683,792,497

17- Customers' deposits

	31/12/2015 EGP	31/12/2014 EGP
Deposits from customers (private sector):		
Saving accounts	33,931,427,100	29,722,841,980
Time deposits	19,028,397,441	15,168,516,800
Current accounts	5,814,484,500	5,211,092,100
	58,774,309,041	50,102,450,880
Deposits from customers (public sector):		
Time deposits	2,542,401,000	1,929,993,900
Current accounts	473,183,100	338,536,300
	3,015,584,100	2,268,530,200
Others:		
	228,158,700	176,160,700
	228,158,700	176,160,700
	62,018,051,841	52,547,141,780
Deposits from related parties:		
Long term saving accounts	721,956,000	623,741,700
Long term deposits	1,367,610,900	1,239,479,300
Short term deposits	138,184,500	145,667,100
	2,227,751,400	2,008,888,100
Balance	64,245,803,241	54,556,029,880

18- 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 are equivalent to EGP 613,917,600 as at December 31, 2015 versus EGP 565,767,200 as at December 31, 2014.

19- Creditors and other credit balances

	31/12/2015 EGP	31/12/2014 EGP
Margins held against documentary credits	124,455,300	181,001,700
Technical reserve for insurance companies	541,033,500	446,382,500
Social Insurance Association	805,996	644,832
Unearned revenues	10,770,337	3,750,679
Suppliers	202,536,381	140,583,183
Accrued expenses	643,506,178	607,633,799
Clients' coupons- custody activity	11,248,960	7,900,800
Due to Industry Modernization Center	5,773,294	5,284,836
Dividends payable	154,466,265	125,844,918
Cards transaction on ATM	15,835,500	18,753,000
Re-insurance creditors	118,513,800	133,136,900
Lease settlement account	14,169,044	-
Sundry creditors	34,438,406	43,255,006
Balance	1,877,552,961	1,714,172,153

20- Other liabilities

	31/12/2015 EGP	31/12/2014 EGP
Preferred shareholders in subsidiaries *	768,825,000	708,525,000
Others	1,174,478	1,174,478
Balance	769,999,478	709,699,478

* On 16 September 2013, the extraordinary general meeting of Credit Libanais 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 56,100,000). 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 712,725,000), settled in cash by the subscribers according to the terms set by the extraordinary general meeting on 4 July 2013.

21- Deferred tax liabilities

	Balance as at 31 December 2015					
	Balance at 1/1/2015 EGP	Recognized in profit or loss EGP	Recognized in equity EGP	Net EGP	Deferred tax assets EGP	Deferred tax liabilities EGP
Fixed assets depreciation	(7,235,659)	(165,549)	-	(7,401,208)	-	(7,401,208)
Expected claims provision	2,770,997	(2,160,747)	-	610,250	610,250	-
Impairment loss on assets	1,349,326	1,802,207	-	3,151,533	3,151,533	-
Prior year losses carried forward	2,816,589	(448,307)	-	2,368,282	2,368,282	-
Fair value adjustments *	(650,265,774)	(521,580)	(55,504,816)	(706,292,170)	-	(706,292,170)
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 ***	(108,070,718)	-	10,061,221	(98,009,497)	-	(98,009,497)
	(752,022,642)	(1,493,976)	(45,443,595)	(798,960,213)	12,742,662	(811,702,875)

* 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.

22- Provisions

		31/12/2015 EGP	31/12/2014 EGP
Expected claims provision	(22-1)	190,387,261	152,870,697
Severance pay provision	(22-1)	230,973,810	200,409,429
Other provisions		1,377,000	1,292,500
Balance		422,738,071	354,572,626

22-1

	Expected claims provision EGP	Severance pay provision EGP	Total EGP
Balance at the beginning of the year	152,870,697	200,409,429	353,280,126
Formed during the year	41,715,997	32,475,010	74,191,007
Foreign currency differences	641,793	16,177,039	16,818,832
Provisions reversed	(1,275,000)	(45,900)	(1,320,900)
Transfer to collective allowance	25,500	-	25,500
Amounts used during the year	(3,591,726)	(18,041,768)	(21,633,494)
Balance at the end of the year	190,387,261	230,973,810	421,361,071

23- Loans

Loans as at 31 December 2015 represent the loans from banks to EFG Hermes Leasing (wholly owned subsidiary). EFG Hermes Leasing Company is committed to settle the finance granted by waiving the rental value of the finance lease contracts to the banks within those limit of the facility amount.

Currency	Financial limit	Finance contract date	Maturity date	31/12/2015 EGP
EGP	150 million	10/6/2015	10/6/2023	139,904,817
EGP	80 million	4/6/2015	4/6/2022	70,811,772
EGP	200 million	14/7/2015	14/7/2022	101,381,149
EGP	200 million	4/11/2015	4/11/2022	16,583,065
				328,680,803

	31/12/2015 EGP
Current	54,142,170
Non-current	274,538,633
Balance	328,680,803

24- 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.
- The company's Extraordinary General Assembly approved in its session held on May 31, 2015 to increase the company's authorized capital from EGP 3 200 million to EGP 6 billion and to increase issued and paid-in capital from EGP 2,867,422,500 to EGP 3,259,255,500 with an increase amounting to EGP 391,833,000 by issuing 78,366,600 shares of par value EGP 5 through the issuance of free shares at a ratio of 1.46 free share for every ten outstanding shares and approximating the fractions in favor of the small shareholders. This increase is financed from the 2014 profits which were approved in the Ordinary General Assembly in its session held on May 17, 2015 after the exclusion of 36,956,522 shares. The required procedures have been taken for this increase and the registration in the Commercial Register took place on July 5, 2015.

- On September 30, 2015, The company's board of directors approved to decrease the company's issued capital from EGP 3,259,255,500 to EGP 3,074,472,890 with a decrease amounting to EGP 184,782,610 by cancelling 36,956,522 treasury shares with par value EGP 5 each and the company's Extraordinary General Assembly approved it in its session held on November 16, 2015, and the Egyptian Financial Supervisory Authority approved the cancellation on December 15, 2015, The required procedures have been taken for this decrease and the registration in the Commercial Register took place on December 20, 2015.

24-1 Treasury shares

- 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 426,451,266 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 whether cancel the treasury shares or sell them within one year, as the sale to a subsidiary is not considered a sale to an other party.
- On August 31, 2015, The company's board of directors approved the re-acquisition of 36,956,522 shares of the holding company from EFG Hermes IB Limited company (wholly owned subsidiary of the Group), the re-acquisition took place on September 17, 2015 and the company's Extraordinary General Assembly approved in its session held on November 16, 2015 to cancel the treasury shares and the Egyptian Financial Supervisory Authority approved the cancellation on December 15, 2015. The required procedures have been taken for this decrease and the registration in the Commercial Register took place on December 20, 2015.

25- Non - controlling interests

	31/12/2015 EGP	31/12/2014 EGP
Share capital	423,420,239	437,215,446
Legal reserve	164,513,308	153,742,824
Other reserves	875,611,621	737,738,896
Retained earnings	206,077,866	181,678,631
Other equity	111,613,500	85,330,892
Increase in fair value of net assets	1,456,486,747	1,339,711,813
Net profit for the year	187,493,984	169,220,389
Interim dividends	-	(5,811,144)
Balance	3,425,217,265	3,098,827,747

26- 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 issued from banks amounting to:

	31/12/2015	31/12/2014
AED	118,670,000	153,670,000
equivalent to EGP	251,877,075	299,164,756

- Group off-balance sheet items :

	31/12/2015 EGP	31/12/2014 EGP
Financing commitments given to financial institutions	1,101,375,600	1,175,996,400
Commitments to customers	2,622,165,000	2,345,755,900
Guarantees given to customers	965,450,400	896,412,200
Restricted and non – restricted fiduciary accounts	54,197,700	50,153,700
Commitments of signature received from financial intermediaries	194,218,200	156,571,100
Securities' commitments	411,131,400	467,006,100
Other commitments received	42,128,590,800	36,980,300,300
Assets under management	28,218,132,733	30,133,757,058

27- 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 2,755,516 till December 31, 2015 versus EGP 59,818 till December 31, 2014 as no revenues are recognized if there are any uncertainties regarding the recovery of the consideration due.

Subsidiary's name	For the year ended	
	31/12/2015 EGP	31/12/2014 EGP
Egyptian Portfolio Management Group	2,750,549	59,818
EFG Hermes Financial Management (Egypt) Ltd.	4,967	-
Total	2,755,516	59,818

28- Impairment loss on assets

	For the year ended	
	31/12/2015 EGP	31/12/2014 EGP
Impairment loss on accounts receivables & debit accounts	2,037,207	8,940,579
Impairment loss on available –for– sale investments	1,394,664	6,357,356
Total	3,431,871	15,297,935

29- Income tax expense

	For the year ended	
	31/12/2015 EGP	31/12/2014 EGP
Current income tax	113,305,194	126,228,672
Deferred tax	(1,493,976)	(3,256,615)
Total	111,811,218	122,972,057

30- Cash and cash equivalents

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

	31/12/2015 EGP	31/12/2014 EGP
Cash and due from banks	26,456,336,103	22,305,761,435
Due to banks and financial institutions	(3,855,071,009)	(2,683,792,497)
Less: assets – maturity more than three months	(11,019,498,600)	(9,989,952,727)
Effect of exchange rate	-	134,047,507
Cash and cash equivalents	11,581,766,494	9,766,063,718

31- General administrative expenses

	For the year ended	
	31/12/2015 EGP	31/12/2014 EGP
Wages , salaries and similar items	1,063,168,442	1,023,092,536
Consultancy	31,335,310	55,658,123
Travel , accommodation and transportation	44,439,229	42,397,066
Leased line and communication	57,613,910	52,329,082
Rent and utilities expenses	76,524,458	81,329,433
Other expenses	314,242,069	295,920,428
Total	1,587,323,418	1,550,726,668

32- Retained earnings

On May 17, 2014 the Ordinary General Assembly meeting decided to use the amount of EGP 591,721,130 of share premium reserve shown in the separate financial statements for the year ended 31 December 2013 to cover the retained losses of the holding company.

33- Earnings per share

	For the year ended	
	31/12/2015 EGP	31/12/2014 EGP
Net profit for the year	648,922,743	706,985,112
Net profit for equity holders of the parent company	461,428,759	537,764,723
Weighted average number of shares	614,894,578	618,337,103
Earnings per share	0.75	0.87

34- 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.

For the year ended December 31, 2015

	Investment banking EGP	Commercial banking EGP	Elimination EGP	Total EGP
Fee and commission income	852,451,805	506,491,200	-	1,358,943,005
Fee and commission expense	(48,731,131)	(224,787,600)	-	(273,518,731)
Net fee and commission income	803,720,674	281,703,600	-	1,085,424,274
Securities gains	99,355,523	41,085,600	-	140,441,123
Share of profit of associates	-	10,118,400	-	10,118,400
Changes in the investments at fair value through profit and loss	(668,001)	(341,700)	-	(1,009,701)
Revenues from leasing activities	28,447,420	-	-	28,447,420
Foreign currencies differences	107,726,407	26,321,100	-	134,047,507
Other income	35,501,857	21,593,400	-	57,095,257
Non-interest revenue	1,074,083,880	380,480,400	-	1,454,564,280
Interest and dividends income	123,515,673	4,029,770,100	(79,924,366)	4,073,361,407
Interest expense	(52,738,776)	(2,823,171,300)	(56,988,752)	(2,932,898,828)
Net interest income	70,776,897	1,206,598,800	(136,913,118)	1,140,462,579
Total net revenue	1,144,860,777	1,587,079,200	(136,913,118)	2,595,026,859
Total non-interest expenses	(829,314,758)	(992,393,700)	(12,584,440)	(1,834,292,898)
Net profit before income tax	315,546,019	594,685,500	(149,497,558)	760,733,961
Income tax expense	(31,890,639)	(82,553,700)	2,633,121	(111,811,218)
Net profit for the year	283,655,380	512,131,800	(146,864,437)	648,922,743
Total assets	11,274,798,128	75,719,266,500	1,406,007,996	88,400,072,624
Total liabilities	3,587,395,327	69,903,731,400	1,525,124,896	75,016,251,623
Total shareholders' equity	7,687,402,801	5,815,535,100	(119,116,900)	13,383,821,001
Total shareholders' equity and liabilities	11,274,798,128	75,719,266,500	1,406,007,996	88,400,072,624

For the year ended December 31, 2014

	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
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	63,973,347	55,587,356	-	119,560,703
Change in the fair value of investment property	2,913,629	-	-	2,913,629
Non-interest 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 non-interest 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

35- Tax status (the holding company)

- As to Income Tax, the years till 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 have 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 the competent Tax Inspectorate inspected the parent company's books 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 2014, it has not been inspected yet.
- 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 2009/2012 company's books had been examined and the settlement procedures are currently taking place, and as to years 2013 / 2014 , 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 court, and the period from 1/8/2006 till 31/12/2013 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 2014, it has 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 a Presidential Decree has issued law No. 53 for the year 2014, this law has amended some articles of the law on Income Tax promulgated by law No. 91/2005 the most important of these amended rules are :
 - 1- Impose taxes on dividends.
 - 2- Impose taxes on capital gains resulted from selling shares and securities.
- On April 6, 2015 the Ministry Decree No. 172 for the year 2015 was issued, amending the provisions of the Executive Regulations of the Income Tax law issued by the Decree of the Minister of Finance No.991/2005.
- On August 20, 2015 President Decree No. 96 for the year 2015 was issued, amending some provisions of the income tax laws No. 91 for the year 2005 and No. 44 for the year 2014 charging temporary additional income tax, taking effect the day after the decree is published. Significant changes included in the decree are presented in the following:
 1. Reducing the income tax to 22.5% from net annual profits.
 2. Duration of imposed temporary tax (5%) is amended.
 3. Tax on dividends is amended.
 4. Imposed capital tax on the output from dealing in securities listed in the stock exchange ceasing for 2 years starting from 17/5/2015.

36- 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	-	57,723
IDEAVELOPERS	-	52
EFG Hermes CB Holding Limited	-	100
EFG Hermes Global CB Holding Limited	100	-
EFG Hermes Syria LLC	49	20,37
Sindyan Syria LLC	97	-
Talas & Co. LLP	-	97
EFG Hermes Jordan	100	-
Mena Long-Term Value Feeder Holdings Ltd.	-	100
Mena Long-Term Value Master Holdings Ltd.	-	90
Mena Long-Term Value Management Ltd.	-	90
EFG Hermes CL Holding SAL	-	100
Crédit Libanais SAL "the Bank"	-	63,739
Crédit Libanais Investment Bank SAL	-	63,65
Lebanese Islamic Bank SAL	-	63,64
Crédit 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

	Direct ownership %	Indirect ownership %
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	-
EFG Hermes Leasing	99	1
EFG Hermes-Direct Investment Fund	64	-

37- Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes (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.

37-1 Market risk

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

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

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

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

37-2 Foreign currencies risk

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

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

37-3 Risk management

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

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

37-4 Credit risk

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

37-5 Liquidity risk

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

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

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

37-6 Interest rate risk

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

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

37-7 Equity price risk

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

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

37-8 Operational risk

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

37-9 Fair value of financial instruments

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

37-10 Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value, according to the valuation basis applied, in accounting policies to derivative financial instruments, (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.

38- 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 31/12/2014 EGP	Adjustments EGP	(Amended) for the year ended 31/12/2014 EGP
Cash and due from banks	22,466,294,635	(160,533,200)	22,305,761,435
Loans and advances	20,271,853,153	(72,196,700)	20,199,656,453
Available -for- sale investments	1,770,624,779	(9,761,900)	1,760,862,879
Held-to-maturity investments	22,011,645,921	(349,130,101)	21,662,515,820
Other assets	998,963,923	591,621,901	1,590,585,824
Due to banks and financial institutions	2,686,306,997	(2,514,500)	2,683,792,497
Customers' deposits	54,853,116,880	(297,087,000)	54,556,029,880
Creditors and other credit balances	1,414,570,653	299,601,500	1,714,172,153

39- Subsequent events

- On 16 March 2016, the Company's Board of Directors approved to: Proceed with all necessary steps required to complete the sale of approximately 40% of shares of Credit Libanais S.A.L. Bank (indirect subsidiary) at price of US\$ 33 per share (prior to payment of associated fees) to a consortium of Lebanese and Arab Investors. This sale process is subject some conditions precedent, including the approval of the Central Bank of Lebanon; with targeted execution no later than 30 June 2016.

Enter into an Irrevocable Underwriting Agreement with Credit Libanais Investment Bank S.A.L. ("CLIB"), a wholly owned subsidiary of Credit Libanais, which will guarantee the sale of the remaining stake of the bank at the same price, on or before 31 May 2017.

- On 24 February 2016, the company announced that it has signed buying agreements to acquire 76.7 % of Tanmeyah Micro Enterprise Services S.A.E. stocks through acquiring 70 % of Financial Unlimited Company – a subsidiary of Qalaa Holding Company – and acquiring 6.7% of the shares held by Tanmeyah's management, in a transaction with an amount of EGP 345 million, The procedures of transferring of the title are currently taking place.

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