

EFG –Hermes Holding Company
(Egyptian Joint Stock Company)

Separate financial statements
for the period ended March 31, 2013
&
Review Report

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Significant accounting policies and other notes to the separate

financial statements

5-26



Hazem Hassan

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Review Report

To the Board of Directors of the EFG – Hermes Holding Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of EFG – Hermes Holding Company (Egyptian Joint Stock Company) as of 31 March, 2013 and the related separate statements of income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. The company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 31 March, 2013 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.



Hazem Hassan

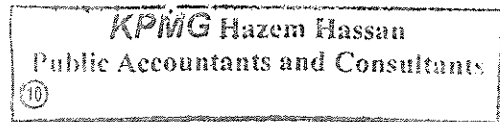
Explanatory Note

Without qualifying our opinion:

- The Company's General Ordinary Assembly meeting has not been held yet to approve the financial statements for the year ended 31 December, 2012.
- We draw attention to note No. (22) to the financial statements. On December 6, 2012, several resolutions of laws on amending certain provisions of the Tax Laws has been issued and published in the Official Gazette on that date. Later statements have been issued by certain officials in respect of freezing the enforcement of such resolutions. Due to the lack of emphatic information to the management on the enforcement date of such resolutions or the date of cancellation, the management hereby did not affect the tax bases, the related assets and liabilities, the results of operations during the period. These amounts and results may differ when reliable information become available on the enforcement of such resolutions and the effective date therefore.

Cairo, May 21, 2013

Hassan Bay
KPMG Hazem Hassan




EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of financial position
as at 31 March, 2013

	Note no.	31/3/2013 LE	31/12/2012 LE
Current assets			
Cash and cash equivalents	(4)	103 532 848	122 325 367
Investments at fair value through profit and loss	(5)	289 376 796	399 444 386
Due from subsidiaries	(6)	1 168 391 934	1 184 745 199
Other debit balances	(7)	72 662 924	45 045 727
Total current assets		<u>1 633 964 502</u>	<u>1 751 560 679</u>
Current liabilities			
Due to subsidiaries	(8)	167 374 497	208 040 442
Tax authority		3 341 307	3 388 605
Creditors and other credit balances	(9,23)	62 605 595	50 557 796
Expected claims provision	(10)	7 270 286	7 270 286
Total current liabilities		<u>240 591 685</u>	<u>269 257 129</u>
Working capital		<u>1 393 372 817</u>	<u>1 482 303 550</u>
Non - current assets			
Loans to subsidiaries	(11,23)	45 000 000	45 000 000
Available -for- sale investments	(12)	870 390 542	795 127 349
Investments in subsidiaries	(13)	4 699 332 609	4 699 332 609
Investments property	(14)	189 400 111	132 062 511
Fixed assets (net)	(15)	273 696 033	277 893 420
Deferred tax assets	(21)	4 320 540	4 334 332
Total non - current assets		<u>6 082 139 835</u>	<u>5 953 750 221</u>
Total investment		<u>7 475 512 652</u>	<u>7 436 053 771</u>
Financed through :			
Shareholders' equity			
Issued & paid - in capital	(16)	2 391 473 750	2 391 473 750
Legal reserve		990 432 067	961 257 586
Other reserves		3 294 318 603	3 219 055 410
Retained earnings		842 011 157	287 696 024
		<u>7 518 235 577</u>	<u>6 859 482 770</u>
Treasury shares	(16-1)	<u>(6 918 613)</u>	<u>(6 918 613)</u>
		7 511 316 964	6 852 564 157
Net (loss) profit for the period / year		<u>(35 804 312)</u>	<u>583 489 614</u>
Total shareholders' equity including net (loss) profit for the period / year		<u>7 475 512 652</u>	<u>7 436 053 771</u>

The accompanying notes from page (5) to page (26) are an integral part of these financial statements and are to be read therewith.


Mona Zulficar
Chairperson


Yasser El Mallawany
Executive Managing Director

~~Review Report~~ "attached"

Hassan Heikal
Executive Managing Director

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate income statement
for the period ended 31 March, 2013

	Note no.	For the period ended 31/3/2013 LE	For the period ended 31/3/2012 LE
Dividend income	(18)	197	1 036
Custody activity income		413 640	1 824 740
		<u>413 837</u>	<u>1 825 776</u>
Finance cost		-	(164 279)
General and administrative expenses	(19,23)	(67 151 907)	(59 682 330)
Fixed assets depreciation	(15)	(4 362 574)	(4 767 857)
Net activity's losses		<u>(71 100 644)</u>	<u>(62 788 690)</u>
Interest income	(23)	2 255 178	3 660 345
Changes in the fair value of investments at fair value through profit and loss		(2 325 332)	18 970 418
Gains on sale of investments		4 780 690	4 499 770
Foreign currencies differences		24 072 899	189 407
Other income	(23)	<u>6 526 689</u>	<u>6 410 575</u>
Net loss before tax		(35 790 520)	(29 058 175)
Deferred tax	(21)	(13 792)	(56 061)
Net loss for the period		<u><u>(35 804 312)</u></u>	<u><u>(29 114 236)</u></u>

The accompanying notes from page (5) to page (26) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company

(Egyptian Joint Stock Company)

Separate statement of changes in equity
for the period ended 31 March, 2013

	Issued & paid-in capital		Legal reserve	General reserve		Other reserves				Retained earnings	Treasury shares	Net profit (loss) for the year / period	Total
	LE	LE		LE	LE	Share premium	Fair value reserve	Hedging reserve	LE				
Balance as at December 31, 2011	2 391 473 750	956 785 000	158 271	3 294 067 512	(129 796 465)	(26 442 387)	202 716 889	(6 918 613)	89 451 721	6 771 495 678			
Carrying 2011 profit forward	-	4 472 586	-	-	-	-	84 979 135	-	(89 451 721)	-			
Net change in the fair value of available -for- sale investments	-	-	-	-	36 007 548	-	-	-	-	36 007 548			
Net loss for the period ended March 31, 2012	-	-	-	-	-	-	-	-	(29 114 236)	(29 114 236)			
Balance as at March 31, 2012	2 391 473 750	961 257 586	158 271	3 294 067 512	(93 788 917)	(26 442 387)	287 696 024	(6 918 613)	(29 114 236)	6 778 388 990			
Balance as at December 31, 2012	2 391 473 750	961 257 586	158 271	3 294 067 512	(48 727 986)	(26 442 387)	287 696 024	(6 918 613)	583 489 614	7 436 053 771			
Carrying 2012 profit forward	-	29 174 481	-	-	-	-	554 315 133	-	(583 489 614)	-			
Net change in the fair value of available -for- sale investments	-	-	-	-	75 263 193	-	-	-	-	75 263 193			
Net loss for the period ended March 31, 2013	-	-	-	-	-	-	-	-	(35 804 312)	(35 804 312)			
Balance as at March 31, 2013	2 391 473 750	990 432 067	158 271	3 294 067 512	26 535 207	(26 442 387)	842 011 157	(6 918 613)	(35 804 312)	7 475 512 652			

The accompanying notes from page (5) to page (26) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of cash flows
for the period ended 31 March, 2013

	Note no.	For the period ended 31/3/2013 LE	For the period ended 31/3/2012 LE
Cash flows from operating activities			
Net loss before tax		(35 790 520)	(29 058 175)
Adjustments to reconcile net loss before tax to net cash provided by operating activities :			
Fixed assets depreciation		4 362 574	4 767 857
Losses on sale of fixed assets		861	-
Changes in the fair value of investments at fair value through profit and loss		2 325 332	(18 970 418)
Foreign currencies differences		(24 072 899)	(189 407)
Operating loss before changes in working capital		(53 174 652)	(43 450 143)
Increase in treasury bills		-	(48 131 785)
Decrease (increase) in investments at fair value through profit and loss		107 742 258	(11 798 127)
Decrease in due from subsidiaries		16 353 265	113 688 912
Increase in other debit balances		(27 617 197)	(38 924 187)
(Decrease) increase in due to subsidiaries		(40 665 945)	67 220 326
(Decrease) increase in tax authority		(47 298)	13 636 441
Increase (decrease) in creditors and other credit balances		12 047 799	(79 489 188)
Net cash provided from (used in) operating activities		<u>14 638 230</u>	<u>(27 247 751)</u>
Cash flows from investing activities			
Payments to purchase fixed assets		(170 048)	(65 582)
Proceeds from sale of fixed assets		4 000	-
Proceeds from loans to subsidiaries		-	50 000 000
Payments to purchase available -for- sale investments		-	(415 885)
Payments to purchase investments in subsidiaries & associates		-	(6 027 500)
Payments to purchase investments property		(57 337 600)	-
Net cash (used in) provided from in investing activities		<u>(57 503 648)</u>	<u>43 491 033</u>
Net change in cash and cash equivalents during the period		(42 865 418)	16 243 282
Cash and cash equivalents at the beginning of the period	(20)	<u>146 398 266</u>	<u>81 849 861</u>
Cash and cash equivalents at the end of the period	(20)	<u><u>103 532 848</u></u>	<u><u>98 093 143</u></u>

The accompanying notes from page (5) to page (26) are an integral part of these financial statements and are to be read

EFG- Hermes Holding Company
(Egyptian Joint Stock Company)
Notes to the separate financial statements
for the period ended 31 March,2013

1- Description of business

1-1 Legal status

- EFG - Hermes Holding Company -Egyptian Joint Stock Company- was founded in pursuance of decree No. 106 of 1984.
- The company's extraordinary general meeting held on July 22, 1997 resolved to adjust the company's status and convert it in pursuance to the provisions of law No. 95/1992 and its executive regulation.
- EFG – Hermes is the leading investment bank in the Arab world and market leader in securities brokerage, investment banking, asset management, private equity and research.
- EFG-Hermes Group has been converted from an investment bank to a universal bank as a result of the acquisition of Credit Libanais SAL (the Bank) group.

1-2 Purpose of the company

- The company's purpose is participation in the companies establishment which issue securities or in increasing their share capitals.
- The company's extraordinary meeting held on March 14, 2004 decided to add the Custody Activity to the purpose of the company.
- The company obtained the approval of Capital Market Authority on February 5, 2007 to execute the Marginal Trading Activity.

2- Basis of preparation

2-1 Statement of compliance

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

2-2 Basis of measurement

The 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.

2-3 Functional and presentation currency

These financial statements are presented in Egyptian pounds (LE), which is the Company's functional currency and all the financial data presented are in Egyptian pounds (LE).

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.

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 (13) – Investments in subsidiaries.
- Note (21) – Recognition of deferred tax assets and liabilities.

2-5 Consolidated financial statements

The company has subsidiaries and according to the Egyptian Accounting Standard No. 17 "Consolidated Financial Statements" and the article No. 188 of the executive regulation of law No. 159-1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

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 financial statements certain reclassifications have been made to some comparative figures in order to conform with current period presentation. (note 26).

3-1 Translation of the foreign currencies transactions

The company maintains its accounts in Egyptian Pound. Transactions denominated in foreign currencies are recorded at the prevailing exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the prevailing exchange rates at that date. The foreign currencies exchange differences arising on the settlement of transactions and the translation at the balance sheet date are recognized in the income statement.

3-2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (Note3-6). Depreciation is charged to the income statement over the estimated useful-life of each asset using the straight-line method. The following are the estimated useful lives, for each class of assets, for depreciation calculation purposes:

	Estimated useful life
- Buildings	33.3 Years
- Furniture, office and electrical appliances	4 Years
- Computer equipment	4 Years
- Vehicles & Transportation means	5 Years
- Fixtures	2 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 as incurred.

3-3 Projects under construction

Projects under construction are recognized initially at cost. 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.

3-4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses (note 3-6). Amortization is recognized in the income statement on a straight – line basis over the estimated useful lives of intangible assets.

3-5 Investments

3-5-1 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.

3-5-2 Available-for-sale financial assets

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, identifies based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value can not be measured reliably are valued by an 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 can not estimate the fair value, it can be stated at cost less impairment loss.

3-5-3 Investments in subsidiaries & associates

Investments in subsidiaries and associates are valued at cost, the book value is amended by any impairment concerning the value of these investments (note 3-6). The impairment value is to be charged to the income statement for every investment individually.

3-5-4 Investments property

Investments property is recorded at fair value, any gain or loss arising from a change in the fair value of investment property shall be recognized in profit or loss for the period in which it arises.

3-6 Impairment

3-6-1 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 profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred profit or loss.

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 profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

3-6-2 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 profit or loss.

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.

3-7 Cash and cash equivalents

For the purpose of preparing the cash flow statement, cash and cash equivalent includes the balances, which maturity not exceeding three months from the date of acquisition and the balances included cash on hand, current accounts and time deposits with banks.

3-8 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.

3-9 Provisions

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

3-10 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 the deduction.

3-11 Issued 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.

3-12 Derivative financial instruments

The company 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 profit or loss 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 profit or loss.

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 profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

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

3-13 Revenue recognition

3-13-1 Gains (losses) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3-13-2 Dividend income

Dividend income is recognized when declared.

3-13-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

3-13-4 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

3-14 Expenses

3-14-1 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred on an effective interest basis.

3-14-2 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.

3-14-3 Taxation

Income tax on the profit or loss 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.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the

amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

3-15 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3-16 Profit sharing to employees

The 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.

4- Cash and cash equivalents

	31/3/2013	31/12/2012
	LE	LE
Cash on hand	823 136	430 889
Banks -current accounts	50 947 312	52 532 478
Banks -time deposits	51 762 400	69 362 000
Balance	<u>103 532 848</u>	<u>122 325 367</u>

5- Investments at fair value through profit and loss

	31/3/2013	31/12/2012
	LE	LE
Mutual fund certificates	285 826 083	395 710 391
Stocks	3 550 713	3 733 995
Balance	<u>289 376 796</u>	<u>399 444 386</u>

6- Due from subsidiaries

	31/3/2013	31/12/2012
	LE	LE
Hermes Securities Brokerage	215 931 193	175 824 819
Hermes Fund Management	7 095 206	5 243 864
EFG- Hermes Management	574 141	536 801
EFG – Hermes Advisory Inc.	554 838 476	655 288 290
Flemming CIIC Holding	25 226 380	20 822 071
October Property Development Ltd. Co.	86 308 251	86 259 087
EFG- Hermes Lebanon	1 800 209	1 327 256
EFG- Hermes Qatar	855 990	454 011
EFG-Hermes Private Equity	157 903	182 973
EFG-Hermes Global CB Holding Limited	236 800 171	219 686 577
EFG-Hermes Jordan	166 555	323 309
Talas & Co. LLP	8 278 454	7 680 814
Financial Brokerage Group Co.	13 823 908	(2 118 683)
Fixed Income Investment Limited	11 480 727	10 625 373
EFG- Hermes Oman LLC	1 206 788	2 280 097
EFG – Hermes Mena Securities Ltd.	1 523 260	--
EFG- Hermes IFA Financial Brokerage	2 324 322	328 540
	<hr/>	<hr/>
Balance	1 168 391 934	1 184 745 199
	<hr/> <hr/>	<hr/> <hr/>

7- Other debit balances

	31/3/2013	31/12/2012
	LE	LE
Accrued revenues	91 539	8 299 827
Taxes withheld by others	1 423 005	1 045 687
Deposits with others	1 075 089	1 075 089
Prepaid expenses	12 928 924	7 870 785
Employees advance	1 398 269	1 069 092
Downpayments to suppliers	89 280	89 280
Payments for purchase of investments *	3 140 000	4 140 000
Sundry debtors	52 516 818	21 455 967
	<hr/>	<hr/>
Balance	72 662 924	45 045 727
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* Payments for purchase of investments are represented in the following:

Company	31/3/2013	31/12/2012
	LE	LE
Arab Visual Company	2 500 000	2 500 000
International Company for Projects Management	--	1 000 000
EFG –Hermes Direct Fund Management	640 000	640 000
	<hr/>	<hr/>
Balance	3 140 000	4 140 000
	<hr/> <hr/>	<hr/> <hr/>

8- Due to subsidiaries

	31/3/2013	31/12/2012
	LE	LE
Arab Visual Company	5 000 000	5 000 000
Hermes Corporate Finance	10 229 309	10 277 639
EFG – Hermes Fixed Income	5 620 686	5 575 248
EFG- Hermes Financial Management (Egypt) Ltd	1 111 948	3 828 438
EFG-Hermes UAE Ltd. Co.	4 978 528	779 199
EFG-Hermes Holding-Lebanon	1 291 378	1 229 342
Financial Group for Real Estate	210 000	210 000
EFG- Hermes KSA	1 135 985	3 423 695
EFG-Hermes Promoting & Underwriting	44 654 220	68 482 090
EFG- Hermes Mutual Funds	10 000 000	10 000 000
EFG-Hermes Securitization Company.	5 000 000	5 000 000
EFG-Hermes Regional Investments Ltd.	1 805 777	1 682 775
Bayonne Enterprises Ltd.	7 178 388	11 305 368
Egyptian Fund Management Group.	43 022 428	58 412 875
EFG – Hermes Syria LLC	18 954 672	17 544 472
Sindyan Syria LLC	229 377	212 818
Egyptian Portfolio Management Group	5 964 916	5 118 099
EFG- Hermes Brokerage- UAE Ltd	986 885	(41 616)
	<hr/>	<hr/>
Balance	167 374 497	208 040 442
	<hr/> <hr/>	<hr/> <hr/>

9- Creditors and other credit balances

	31/3/2013	31/12/2012
	LE	LE
Social Insurance Authority	212 374	210 816
Accrued expenses	33 509 385	40 006 648
Clients coupons - custody activity	5 527 203	6 926 835
Unearned Revenue (Note no. 23)	13 679 600	2 487 200
Sundry credit balances	9 677 033	926 297
Balance	<u>62 605 595</u>	<u>50 557 796</u>

10- Expected claims provision

	31/3/2013	31/12/2012
	LE	LE
Balance at the beginning of the period / year	7 270 286	9 853 751
Amounts used during the period / year	--	(2 583 465)
Balance	<u>7 270 286</u>	<u>7 270 286</u>

11- Loans to subsidiaries

- On May 24, 27, 2012 the company has lent a subordinated loan to Hermes Securities Brokerage. (a subsidiary – 97.58%) an amount of LE 60 million (the first loan) and LE 170 million (the second loan). The purpose of the loan is to support the subsidiary's financial accredit required to its activity according to the rules of the Capital Market Authority in this regard. The loan interest will be paid annually and calculated based on a percentage equal to the average rate on the last bid on treasury bills of 364 days issued by the Central Bank of Egypt during the year plus a percentage of 0.125%. The loan is matured on May 23,26, 2014, on December 4, 2012 the company has settled an amount of LE 30 million, the balance of the (the first loan) as at March 31, 2013 amounted to LE 30 million, on November 20, 2012 the company has paid the full amount of (the second loan).
- On May 24, 2012 the company has lent a subordinated loan to Financial Brokerage Group Co. (a subsidiary – 99.87%) an amount of LE 30 million. The purpose of the loan is to support the subsidiary's financial accredit required to its activity according to the rules of the Capital Market Authority in this regard. The loan interest will be paid annually and calculated based on a percentage equal to the average rate on the last bid on treasury bills of 364 days issued by the Central Bank of Egypt during the year plus a percentage of 0.125%. The loan interest will be calculated starting from 24 May, 2012 and the loan is matured on May 24, 2014, on November 20, 2012 the company has settled an amount of LE 15 million, the balance of the loan as at 31 March, 2013 amounted to LE 15 million.

12- Available –for– sale investments

	31/3/2013	31/12/2012
	LE	LE
Stocks	144 396 755	149 581 107
Mutual fund certificates	725 993 787	645 546 242
	<u>870 390 542</u>	<u>795 127 349</u>
Balance	<u><u>870 390 542</u></u>	<u><u>795 127 349</u></u>

Available -for- sale investments are represented in the following:

	31/3/2013	31/12/2012
	LE	LE
Quoted investments	76 702 413	82 158 064
Non- quoted investments	793 688 129	712 969 285
	<u>870 390 542</u>	<u>795 127 349</u>
	<u><u>870 390 542</u></u>	<u><u>795 127 349</u></u>

13- Investments in subsidiaries

Company's name	Share percentage	Balance as at	Balance as at
		31/3/2013	31/12/2012
	%	LE	LE
Financial Brokerage Group Co. *	99.87	41 838 060	41 838 060
Egyptian Fund Management Group *	88.51	3 099 633	3 099 633
Egyptian Portfolio Management Group *	66.33	995 000	995 000
Hermes Securities Brokerage *	97.58	219 763 969	219 763 969
Hermes Fund Management *	89.95	6 439 709	6 439 709
Hermes Corporate Finance Co. *	99.37	5 476 029	5 476 029
EFG- Hermes Advisory Inc. *	100	6	6
EFG- Hermes Financial Management Ltd. *	100	10 000	10 000
EFG- Hermes Promoting & Underwriting *	99.88	7 990 000	7 990 000
EFG- Hermes Fixed Income	99	9 900 000	9 900 000
EFG- Hermes Management	96.30	1 249 490	1 249 490
Flemming CIIC Holding	100	100 000 000	100 000 000
EFG- Hermes Private Equity ***	1.59	39 975	39 975
EFG- Hermes – UAE Limited Company *	100	23 000 000	23 000 000
EFG- Hermes Holding Lebanon – S.A.L.	99	153 713	153 713
EFG- Hermes – KSA *	73.1	328 975 903	328 975 903
EFG- Hermes – Lebanon – S.A.L.	99	35 931 257	35 931 257
EFG- Hermes Regional Investments Ltd. */***	100	679 643 960	679 643 960

EFG - Hermes Holding Company
Notes to the separate financial statements
for the period ended 31/3/2013 (Cont'd)

Company's name	Share percentage	Balance as at 31/3/2013	Balance as at 31/12/2012
	%	LE	LE
EFG- Hermes Qatar L.L.C */ *****	40	30 944 090	30 944 090
EFG-Hermes Jordan *	100	33 610 631	33 610 631
EFG – Hermes Investment Funds Co *	99.998	9 999 800	9 999 800
EFG-Hermes Global CB Holding Limited**	100	3 137 096 006	3 137 096 006
EFG – Hermes Syria LLC ****	49	15 941 253	15 941 253
Sindyan Syria LLC ****	97	350 635	350 635
EFG – Hermes Investment Funds Co.	99.999	9 999 990	9 999 990
Financial Group for Real Estate Co.	99.992	249 980	249 980
EFG-Hermes Securitization Company	99.999	4 999 990	4 999 990
		4 707 699 079	4 707 699 079
Accumulate impairment loss on investments in subsidiaries		(8 366 470)	(8 366 470)
Balance		4 699 332 609	4 699 332 609

* Note no (25) .

** During 2010, EFG-Hermes Holding Company purchased 63.739% a controlling stack in Credit Libanais SAL (the Bank) through its wholly owned subsidiary EFG – Hermes CL Holding SAL for an amount of USD 577.8 million and the purchase agreement includes a Call Option for an additional 25 % of the Bank's shares. The call option will be exercisable over the next two years, at the terms including pricing same as those applicable to the initial acquisition. The company obtained the approval of the Central Bank Of Lebanon for the acquisition transaction and the transfer of title had been completed.

*** The Company owns 100% of EFG- Hermes Regional Investments Ltd Co, which owns 63.41% in EFG- Hermes Private Equity Co. hence the company has the control, therefore EFG- Hermes Private Equity is a subsidiary.

**** The Company owns 20.37 % of EFG - Hermes Syria LLC with indirect ownership through one of its subsidiaries - Sindyan Syria LLC (97%) .

***** During the first quarter of 2013, EFG- Hermes Qatar L.L.C increase the company's share capital from 5.5 million shares to 13.750 million shares, with an increase of 8.250 million shares have been subscribed in full value by QInvest in accordance with the agreement to enter into a Strategic alliance - Note (25) to change the proportion of ownership of EFG Hermes Holding from 100% to 40% with the company retain the right to control the financial and operating policy of the company and thus a subsidiary of the group.

- Investments in subsidiaries are represented in non - quoted investments.

14- Investment property

	31/3/2013	31/12/2012
	LE	LE
Nile City Building	132 062 511	132 062 511
Index Tower Building-Dubai	57 337 600	--
	<u>189 400 111</u>	<u>132 062 511</u>
Balance	<u><u>189 400 111</u></u>	<u><u>132 062 511</u></u>

15- Fixed assets (net)

	Land	Buildings	Office, Furniture & Equipment	Computer Equipment	Vehicles & transportation Mean	Fixtures	Total
	LE	LE	LE	LE	LE	LE	LE
Balance as at 1/1/2013	16 000 000	257 970 285	22 194 648	43 982 194	6 590 711	6 027 362	352 765 200
Additions during the period	--	--	49 690	120 358	--	--	170 048
Disposals during the period	--	--	--	(11 220)	--	--	(11 220)
	<u>16 000 000</u>	<u>257 970 285</u>	<u>22 244 338</u>	<u>44 091 332</u>	<u>6 590 711</u>	<u>6 027 362</u>	<u>352 924 028</u>
Accumulated depreciation							
as at 1/1/2013	--	20 155 430	12 864 274	31 508 055	6 209 409	4 134 612	74 871 780
Depreciation during the period	--	1 934 776	948 458	1 233 900	96 804	148 636	4 362 574
Disposals' accumulated depreciation	--	--	--	(6 359)	--	--	(6 359)
	<u>--</u>	<u>22 090 206</u>	<u>13 812 732</u>	<u>32 735 596</u>	<u>6 306 213</u>	<u>4 283 248</u>	<u>79 227 995</u>
Accumulated depreciation as at 31/3/2013	<u>--</u>	<u>22 090 206</u>	<u>13 812 732</u>	<u>32 735 596</u>	<u>6 306 213</u>	<u>4 283 248</u>	<u>79 227 995</u>
Net book value as at							
31/3/2013	<u>16 000 000</u>	<u>235 880 079</u>	<u>8 431 606</u>	<u>11 355 736</u>	<u>284 498</u>	<u>1 744 114</u>	<u>273 696 033</u>
Net book value as at							
31/12/2012	<u>16 000 000</u>	<u>237 814 855</u>	<u>9 330 374</u>	<u>12 474 139</u>	<u>381 302</u>	<u>1 892 750</u>	<u>277 893 420</u>

16- Capital

- The company's authorized capital amounts LE 3 200 million and issued and paid in capital amounts LE 1 913 570 000 distributed on 382 714 000 shares of par value LE 5 per share.
- The company's Extraordinary General Assembly approved in its session held on June 13, 2011 to increase the company's share capital from LE 1 913 570 000 to LE 2 391 473 750 with an increase amount of LE 477 903 750 through distributing of 95 580 750 stock dividend at one share to every outstanding four shares at the declaration date , this increase are financed from retained earnings according to the decision of the company's Ordinary General Assembly in its session held on the same date and the required procedures had been taken and this increase have been registered in the Commercial Register on September 6, 2011.

16-1 Treasury shares

The company's board of directors approved in its session held on April 27,2011 to purchase a number of 5 million shares of the company's shares and the company has purchased a number of 391 000 shares from Egyptian Stock Exchange Market at cost of LE 6 918 613, the actions are in process for execution of those shares.

17- Contingent liabilities & commitments

The company guarantees its subsidiaries – Financial Brokerage Group and Hermes Securities Brokerage against the credit facilities granted from banks and EFG-Hermes Brokerage – UAE against the credit facilities granted from banks amounting to AED 153 670 000 (equivalent to LE 287 439 735).

18- Dividend income

	For the period ended 31/3/2013 LE	For the period ended 31/3/2012 LE
Income from investments at fair value through profit and loss	197	1 036
	<hr/>	<hr/>
Total	197	1 036
	<hr/> <hr/>	<hr/> <hr/>

19- General administrative expenses

	For the period ended 31/3/2013 LE	For the period ended 31/3/2012 LE
Wages , salaries and similar items	47 467 830	37 705 465
Consultancy	8 228 623	5 614 786
Travel , accommodation and transportation	1 201 892	1 145 681
Other expenses	10 253 562	15 216 398
Total	<u><u>67 151 907</u></u>	<u><u>59 682 330</u></u>

20- Cash and cash equivalents

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

	For the period ended 31/3/2013 LE	For the year ended 31/12/2012 LE
Cash and cash equivalents as presented in the statement of financial position	103 532 848	122 325 367
Effect of exchange rate changes	--	24 072 899
Cash and cash equivalents (adjusted)	<u><u>103 532 848</u></u>	<u><u>146 398 266</u></u>

21- Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(A) Deferred tax	31/3/2013		31/12/2012	
	Assets LE	Liabilities LE	Assets LE	Liabilities LE
Fixed assets depreciation	--	(4 776 094)	--	(4 762 302)
Expected claims provision	90 750	--	90 750	--
Impairment loss on assets	2 393 287	--	2 393 287	--
Total deferred tax assets (liabilities)	<u>2 484 037</u>	<u>(4 776 094)</u>	<u>2 484 037</u>	<u>(4 762 302)</u>
Net deferred tax liabilities		<u><u>(2 292 057)</u></u>		<u><u>(2 278 265)</u></u>

(B) Deferred tax recognized directly in equity

	31/3/2013 LE	31/12/2012 LE
Changes in fair value of cash flow hedges	<u>6 612 597</u>	<u>6 612 597</u>

22- Tax status

- As to Income Tax, the years from starting the operations to 31/12/2010 the competent tax inspectorate inspected the company's books and all the disputed points have been settled with the Internal Committee and as to year 2011, according to tax form of tax law no. 91 of 2005 the company has submitted the tax return and paid the tax due and as to year 2012, the company has submitted the tax return according to tax form of tax law no. 91 of 2005.
- As to Salaries Tax, the 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, the company's books have not been inspected yet.
- As to Stamp Tax, the company's books had been examined from 1998 till 31/7/2006 and paid the due tax according to the resolution of Appeal Committee which was objected thereon in the courts, and the period from 1/8/2006 till 31/12/2012 have not been inspected yet.
- On December 6, 2012, several resolutions of laws on amending certain provisions of the Tax Laws has been issued and published in the Official Gazette on that date, provided that such resolutions shall come into force from the date following the date of publication. And such amendments are:
 - Amending the provisions of the Income tax Law No. 91 of 2005.
 - Amending the provisions of the General Sales tax Law No. 11 of 1991.
 - Amending the provisions of the Real Estate tax Law No. 196 of 2008.
 - Amending the provisions of the Stamp Duty Law No. 111 of 1980.

Later statements have been issued by certain officials in respect of freezing the enforcement of such resolutions, therefore the company management did not affect the financial statements with these amendments. when reliable information become available on the enforcement of such resolutions and the effective date therefore, these amendments might affect the taxes bases, the related assets and liabilities, the results of operations during the period.

23- Related party transactions

- General administrative expenses item includes an amount of LE 62 500 represents management fees provided by EFG- Hermes Private Equity (A subsidiary company) to the Company during the period according to agreement signed in this regard.

- Interest income item presented in the income statement includes an amount of LE 524 268 represent the interests value on subordinated loan which granted from the company to Financial Brokerage Group Co. (a subsidiary – 99.87%) and includes interest with an amount of LE 1 048 536 represent the interests value on subordinated loan which granted from the company to Hermes Securities Brokerage (A subsidiary company - 97.58%) (note no. 11).
- Loans to subsidiaries item as at March 31, 2013 is presented in the statement of financial position represents in the loan granted to Financial Brokerage Group (one of subsidiaries – 99.87%) with an amount of LE 15 million and the loan granted to Hermes Securities Brokerage (A subsidiary company - 97.58%) with an amount of LE 30 million (note no. 11).
- Other income item presented in the income statement includes an amount of LE 3 730 800 which represents the value of rental spaces for some affiliated companies in addition to LE 2 684 734 which represents the value of redemption of some expenses of the new headquarter that were allocated to the subsidiaries.
- Creditors and other credit balances item includes an amount of LE 13 679 600 represents the unearned revenues from the affiliated companies for rental of group's headquarter owned by the company.

24- 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 liabilities include loans and creditors. Note (No. 2) 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.

24/1 Market risk:

A. Foreign currencies risk

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

- As at the financial position date the company has assets and liabilities in foreign currencies equivalent to LE 357 613 773 and LE 95 858 555 respectively. The company's net exposures in foreign currencies are as follows:

	Surplus
	LE
USD	261 410 808
Euro	10 501
AED	2 087
GBP	319 451
CHF	12 371

As disclosed in note 3-1, "foreign currencies transactions" the company has used the prevailing exchange rates to revalue monetary assets and liabilities at the statement of financial position date.

B. Interest rate risk

The cash flows of the company affected by the changes in market rates of interest. To mitigate interest rate risk the company maintains banks deposits for short-term periods renewed monthly, and are negotiated in the re-pricing date comparing to interest rates announced by the central bank or LIBOR.

C. Price risk

The Company is exposed to market price risk for equity instruments, 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.

24/2 Credit risk

Financial institutions that the Group deals with are only those enjoying high credit quality. The Group has policies that limit the amount of credit exposure to any one financial institution.

24/3 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

24/4 Capital risk

The goal of the Company's management of capital management is to maintain the company's ability to continue to achieve returns for shareholders and benefits for other parties that use financial statements. The management company also aims to provide and maintain the best capital structure which would lead to lower capital costs.

24/5 Financial instruments' fair value

The financial instruments' fair value do not substantially deviated from their book value at the balance sheet date. According to the valuation basis applied, in accounting policies to the assets and liabilities, which included in the notes to the financial statements, note no. (13) of the notes to financial statements disclose the fair values of investments, except for trading and available-for-sale investments which are reported at cost.

24/6 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 instrument, (note no. 3-12).

25- Strategic alliance with QInvest L.L.C.

- EFG Hermes Holding Company's Extraordinary General Assembly agreed at the meetings dated June 2, 2012 and September 16,2012 to enter into a strategic alliance with QInvest through its subsidiary EFG Hermes Qatar LLC which will be 60% owned by QInvest and 40% owned by EFG Hermes Holding. The agreement involves the moving of the following business lines, Brokerage, Research, Asset Management, Investment Banking and the Infrastructure Fund businesses to EFG Hermes Qatar LLC - note no. (13).

- On May 1, 2013 EFG Hermes Holding Company's and QInvest, announced that the long-stop date for the satisfaction of the conditions precedent for their joint venture agreement to proceed had been reached without receiving the necessary regulatory approvals from the Egyptian Financial Supervisory Authority (EFSA). As a result of the long-stop date being reached, the joint venture agreement will automatically terminate.

26- Comparative figures

Certain reclassification has been made to the comparative figures in order to conform to current period presentation.