

EFG HERMES REPORTS FULL YEAR 2013 NORMALIZED GROUP EARNINGS OF EGP427 MILLION; ON TOTAL OPERATING REVENUE OF EGP2.2 BILLION

Cairo, March 27th, 2014 - EFG Hermes reported today normalized Group net profit after tax and before minority of EGP96 million in 4Q2013 up from a loss of EGP21 million a year earlier. The Group operating revenue rose 42% Y-o-Y to EGP637 million in 4Q2013. Total assets stood at EGP67.4 billion at the end of FY2013.

Key Highlights

4Q2013

- The Group net operating profit rose 302% to reach EGP163 million, resulting in a Group net operating profit margin of 26% for the quarter. Adjusting for the Investment Bank non-cash one-off charges booked below the operational line and the one-off operating expenses, the Group would have reported a normalized net profit after tax and before minority interest of EGP96 million versus a loss of EGP21 million a year earlier.
- The Investment Bank was profitable at the operational level, reporting a net operating profit of EGP18 million versus a loss of EGP60 million a year earlier, on higher revenue generated from most business lines.
- During the quarter, management decided to undertake the second phase of its balance sheet cleanup, which is a process that it started in 2Q2013. The actions, all of which are non-cash in nature, have resulted in one-off losses but will ultimately result in a clean book going into 2014.
- As a result of this strategy, the Investment Bank reported a net loss after tax and before minority of EGP617 million, impacted by EGP616 million of non-cash goodwill impairment charges, non-cash changes in FV of investment property and one-off operating expenses.
- Normalizing our earnings for the one-off charges, the investment bank's net loss after tax and before minority interest would be limited to EGP1 million (almost breakeven) as compared to a loss of EGP72 million a year earlier.
- Credit Libanais reported a net profit of USD16.8 million, up 71% Y-o-Y, boosted by strong NII and trading income.

FY2013

- The Group net operating profit rose 30% Y-o-Y to reach EGP610 million, reflecting a net operating profit margin of 28%. However, the Group bottom line was impacted by one-off charges and gains booked during the year, and adjusting for those charges/gains of EGP761 million, the Group would have reported a net profit after tax and before minority of EGP427 million as compared to EGP211 million a year earlier, a growth in normalized earnings of over 100%.

- Backed by higher revenue generated in FY2013, the Investment Bank managed to remain profitable operationally, with net operating profit reaching EGP30 million versus a loss of EGP23 million in FY2012.

- Credit Libanais reported a net profit of USD68.6 million, a 12% Y-o-Y increase, driven mainly by a 9% Y-o-Y increase in NII and by virtually flat Y-o-Y total operating expenses. The bank's total assets stood at USD8.4 billion and generated an ROAE of 12.1% in FY2013.

Investor Relations Contacts

Tel: +20 (0)2 35356710

Fax: +20 (0)2 3535 7017

Email: investor-relations@efg-hermes.com

www.efg-hermes.com