

EFG HERMES REPORTS THIRD QUARTER 2013

GROUP NET PROFIT OF EGP116 MILLION; ON TOTAL OPERATING REVENUE OF EGP528 MILLION

Cairo, November 14th, 2013 - EFG Hermes reported today Group net profit after tax and before minority of

EGP116 million in 3Q2013 up 38% Y-o-Y from EGP84 million in 3Q2012. The Group operating revenue rose 12% Y-o-Y to EGP528 million in 3Q2013, from EGP471 million a year earlier. Total assets stood at EGP66.4 billion at the end of 3Q2013.

Key Highlights

- Group revenue rose 12% Y-o-Y to EGP528 million in 3Q2013 while the Group's operating expenses reached EGP359 million, resulting in a net operating profit margin of 32% and a net profit after tax and before minority of EGP116 million.
- The Investment Bank revenue rose 8% Y-o-Y to EGP191 million in 3Q2013, supported by the one-off gain of EGP24 million realized from the sale of the old headquarter.
- Fee and commission revenue rose 2% Y-o-Y to EGP139 million in 3Q2013. The improvement in Asset Management and Brokerage revenue offset the decline in revenue generated from Investment Banking and Private Equity.
- Adjusting for the one-off gains/expenses and impairment charges incurred in 9M2013 which include one-off expenses related to restructuring and third party & legal expenses of EGP59 million; impairment charges of EGP110 million; and one-off gain of EGP24 million from the sale of the old headquarters, the Investment Bank's net loss after tax and before minority for 9M2013 would be EGP23 million versus a loss of EGP61 million a year earlier.
- Applying the same set of adjustments (one-off gains/expenses) for the third quarter figures, the Investment Bank's net loss after tax and before minority interest would have been in the range of EGP20 million pressured by fx losses that resulted from the strengthening of the EGP against the USD for the period versus a loss of EGP11 million during the comparable period of last year.
- Credit Libanais net income after tax came at USD17.9 million in 3Q2013, up 14% Y-o-Y and 2% Q-o-Q, resulting in an after-tax RoAE of 12.1 %. The Bank's operating revenue was driven by higher fee and commission revenue and higher net interest income as the Bank remains committed to its strategy of containing deposits growth. Loan/deposits ratio jumped to 36.1% from 34.5% a quarter earlier.
- Brokerage remained #1 on the Egyptian Stock Exchange and maintained a leading position in a number of other regional markets. In tandem with declining market volumes in 3Q, Brokerage executions declined 24% Q-o-Q to reach USD6.3 billion.

- Asset Management AuMs stood at USD3.0 billion at the end of 3Q2013, up 4% Q-o-Q. With Egypt and regional equity markets appreciating, market performance added 8% to total AuMs, offsetting the outflows resulting from local MMFs redemptions. The size of MMFs has been impacted by the CBE new regulations imposed in 2Q and has affected all MMFs in general.
- EFG Hermes Investment Banking booked Dubai First transaction revenue in 3Q2013. It has also worked on the technical listing of the Bank of London and Middle East ("BLME") on the Nasdaq Dubai Exchange in early October, with fees from that transaction expected to hit the 4Q2013 financial statements. Furthermore, the team is currently advising Al Futtaim Group on its first investment in sub-Saharan Africa with an offer worth USD86 million to take full control of Nairobi-listed car retailer CMC Holdings.
- Private Equity AuMs stood at USD0.65 billion, with no exits taking place during the quarter.

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