

3 April 2013

Stock Exchange & Symbol

Cairo (Reuters code): HRHO.CA
London (Reuters code): HRHOq.L
Bloomberg: HRHO EY
Reuters pages: EFGS .HRMS .EFGI
.HFISM CAP HFIDOM
Bloomberg page: EFGH

EFG HERMES REPORTS FULL YEAR 2012 GROUP NET PROFIT OF EGP211 MILLION; ON TOTAL OPERATING REVENUE OF EGP1.8 BILLION

Investor Relations Contacts:

investor-relations@efg-hermes.com
Tel: +20 2 3535 6710
Fax: +20 2 3535 7017

Hanzada Nessim

Head of Investor Relations
Strategy & Investor Relations
hnessim@efg-hermes.com
Tel: +20 2 3535 6502

Nada Al-Hamalawy

Associate Vice President
Strategy & Investor Relations
nalhamalawy@efg-hermes.com
Tel: +20 2 3535 6453

EFG Hermes (Main Office)

Building No. B129, Phase 3,
Smart Village – km 28 Cairo
Alexandria Desert Road, 6 October
Egypt 12577

Cairo, April 3rd, 2013 – EFG Hermes reported today Group net profit after tax and before minority of EGP211 million in FY2012 from EGP295 million in FY2011. The Group operating revenue rose 8% Y-o-Y to EGP1,828 million in FY2012, from EGP1,690 million a year earlier. Total assets stood at EGP59.5 billion at the end of FY2012.

Key Highlights

≡ Group revenue rose 8% Y-o-Y to EGP1.8 billion in FY2012 on higher revenue generated from the Investment Bank and the Commercial Bank. Group operating expenses came at EGP1.4 billion, resulting in a net profit after tax and before minority of EGP211 million and a Group net operating profit margin of 26%.

≡ The Investment Bank revenue rose 4% Y-o-Y to EGP694 million in FY2012; reflecting higher revenue generated by capital markets and treasury operations.

≡ Capital markets & treasury operations revenue rose 26% Y-o-Y to EGP102 million in FY2012, echoing the EGP devaluation and gains booked on equity funds as capital markets improved Y-o-Y.

≡ Fee and commission revenue rose 1% Y-o-Y to EGP592 million in FY2012, as the improvement in Brokerage, Asset Management and Investment Banking revenue was offset by a decline in Private Equity revenue.

≡ Credit Libanais net income came at USD61.2 million in FY2012, down 6% Y-o-Y and resulting in an after-tax RoAE of 12.9%. The Bank's operating revenue was driven by growth in all operating income lines, including NII, net fees and commissions, and largely, trading income.

≡ Brokerage remained #1 on the Egyptian Exchange and maintained a leading position in a number of other regional markets. Brokerage executions were flat Y-o-Y at USD18.6 billion in FY2012 in line with regional volumes.

≡ EFG Hermes Asset Management received #1 ranking from the Egyptian Investment Management Association (EIMA) for its top performing Equity and Islamic funds for 2012. Asset Management AuMs rose 4.2% Y-o-Y to stand at USD3.4 billion at the end of FY2012, as markets appreciated during FY2012. The improvement in markets added 11.7% to our AuMs while redemptions represented 7.6%.



- ≡ EFG-Hermes Investment Banking closed three major transactions in FY2012. These transactions include: the first demerger in Egypt for Orascom Telecom, the region's largest private placement this year for Egyptian Refining Company and a Landmark M&A in the healthcare sector for Al Mokhtabar Laboratories.
- ≡ Private Equity AuMs stood at USD0.68 billion, with no exits taking place in FY2012.



A. GROUP PERFORMANCE

I. Performance Indicators and Financial Highlights

Table 1: Key Operating Indicators

| | | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
|----------------------------|--------|-------|-------|-------|-------|-------|
| Total Brokerage Executions | USD mn | 4,014 | 4,004 | 3,813 | 0% | 5% |
| Investment Banking Fees | EGP mn | 4 | 22 | 10 | -83% | -64% |
| Assets under Management: | USD mn | 4,090 | 4,020 | 4,315 | 2% | -5% |
| In Private Equity* | USD mn | 680 | 690 | 980 | -1% | -31% |
| In Asset Management | USD mn | 3,410 | 3,330 | 3,274 | 2% | 4% |
| Deposits | USD mn | 6,961 | 6,536 | 6,293 | 7% | 11% |
| Loans | USD mn | 2,234 | 2,130 | 1,976 | 5% | 13% |
| Group Net Profit** | EGP mn | (21) | 84 | 31 | N/M | N/M |

*The decline in Private Equity's AuM is due to the expiration of ECP III's investment period, the fund is included at NAV

**Net profit after tax and before minority interest

Source: EFG Hermes and Crédit Libanais data

Table 2: Investment Bank/Commercial Bank Financial Performance – 4Q2012

| EGP (mn) | Investment Bank | | | | | Commercial Bank | | | | |
|---|-----------------|------|------|-------|-------|-----------------|------|------|-------|-------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 157 | 176 | 127 | -11% | 24% | 290 | 295 | 290 | -2% | 0% |
| Total Operating Expenses | 217 | 164 | 180 | 33% | 21% | 190 | 163 | 177 | 16% | 7% |
| Net Operating Profit | (60) | 12 | (53) | N/M | -13% | 100 | 131 | 113 | -23% | -11% |
| Net Operating Margin | N/M | 7% | N/M | | | 35% | 45% | 39% | | |
| Net Profit After Tax & Before Minority Interest | (72) | (11) | (63) | -532% | -14% | 51 | 95 | 94 | -46% | -46% |

Source: EFG Hermes management accounts

Table 3: Group Financial Performance – 4Q2012

| EGP (mn) | Group EFG Hermes | | | | |
|---|------------------|------|------|-------|-------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 447 | 471 | 417 | -5% | 7% |
| Total Operating Expenses | 407 | 327 | 357 | 24% | 14% |
| Net Operating Profit | 41 | 143 | 60 | -72% | -33% |
| Net Operating Margin | 9% | 30% | 14% | | |
| Net Profit After Tax & Before Minority Interest | (21) | 84 | 31 | N/M | N/M |

Source: EFG Hermes management accounts

Table 4: Financial Performance – FY2012

| EGP (mn) | Investment Bank | | | Commercial Bank | | | Group EFG Hermes | | |
|---|-----------------|------|-------|-----------------|-------|-------|------------------|-------|-------|
| | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y |
| Total Operating Revenue | 694 | 668 | 4% | 1,134 | 1,022 | 11% | 1,828 | 1,690 | 8% |
| Total Operating Expenses | 717 | 665 | 8% | 643 | 550 | 17% | 1,360 | 1,215 | 12% |
| Net Operating Profit | (23) | 3 | N/M | 491 | 471 | 4% | 468 | 475 | -1% |
| Net Operating Margin | -3% | 0% | | 43% | 46% | | 26% | 28% | |
| Net Profit After Tax & Before Minority Interest | (133) | (91) | -47% | 344 | 385 | -11% | 211 | 295 | -28% |

Source: EFG Hermes management accounts



II. Group Revenue

Table 5: Group Revenue

| EGP (mn) | 4Q12 | | 3Q12 | | 4Q11 | | Q-o-Q | Y-o-Y | FY12 | | FY11 | | Y-o-Y |
|---------------------------------------|------------|-------------|------------|-------------|------------|-------------|-------------|------------|--------------|-------------|--------------|-------------|------------|
| Investment Bank | 157 | 35% | 176 | 37% | 127 | 30% | -11% | 24% | 694 | 38% | 668 | 40% | 4% |
| Fees & Commissions | 145 | 32% | 135 | 29% | 104 | 25% | 7% | 40% | 592 | 32% | 587 | 35% | 1% |
| Capital Markets & Treasury Operations | 12 | 3% | 41 | 10% | 23 | 5% | -70% | -48% | 102 | 6% | 81 | 5% | 26% |
| <i>of which:</i> | | | | | | | | | | | | | |
| Net Interest Income* | 21 | 5% | 9 | 3% | 21 | 5% | 128% | -3% | 53 | 3% | 57 | 3% | -7% |
| Returns on Investments** | (9) | -2% | 31 | 7% | 1 | 0% | N/M | N/M | 48 | 3% | 24 | 1% | 104% |
| Commercial Bank | 290 | 65% | 295 | 62% | 290 | 70% | -2% | 0% | 1,134 | 62% | 1,022 | 60% | 11% |
| Total Revenue | 447 | 100% | 471 | 100% | 417 | 100% | -5% | 7% | 1,828 | 100% | 1,690 | 100% | 8% |

* Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)

** Represents realized & unrealized gains/losses on trading portfolio and dividend income

Source: EFG Hermes management accounts

4Q2012

Group revenue rose 7% Y-o-Y to EGP447 million driven by higher revenue generated from the Investment Bank's fee and commission business. The Investment Bank revenue rose 24% Y-o-Y to EGP157 million, while the Commercial Bank revenue was flat Y-o-Y at EGP290 million. The Investment Bank represented 35% of the Group revenue while the Commercial Bank represented the remaining, 65%.

The growth in the Investment Bank revenue came on the back of higher fee and commission revenue which rose 40% Y-o-Y to EGP145 million, offsetting the lower revenue generated from capital markets and treasury operations which declined 48% Y-o-Y to EGP12 million over the same period. The improvement in the fee and commission revenue is accredited to strong Asset Management and Brokerage revenues recorded over the quarter. Meanwhile, the Commercial Bank revenue came flat Y-o-Y as net interest income remained under pressure. In addition, 4Q2012 included provision charges of USD2.3 million as opposed to net collection of USD1.6 million during the same period of last year.

FY2012

Group revenue rose 8% Y-o-Y to EGP1.8 billion on higher revenue generated from the Commercial Bank and the Investment Bank. The Investment Bank represented 38% of the Group revenue while the Commercial Bank represented the remaining, 62%.

The Investment bank revenue increased 4% Y-o-Y to EGP0.7 billion on higher returns on investments as capital markets improved. The Commercial Bank revenue rose 11% Y-o-Y to EGP1.1 billion, largely due to higher trading income. That said, all operating income lines, including NII, net fees and commissions and trading income, saw Y-o-Y improvements.



III. Group Operating Expenses

Table 6: Investment Bank/Commercial Bank Operating Expenses – 4Q2012

| EGP (mn) | Investment Bank | | | | | Commercial Bank | | | | |
|---|-----------------|------------|------------|------------|-------------|-----------------|------------|------------|------------|------------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 157 | 176 | 127 | -11% | 24% | 290 | 295 | 290 | -2% | 0% |
| Total Operating Expenses | 217 | 164 | 180 | 33% | 21% | 190 | 163 | 177 | 16% | 7% |
| Net Operating Profit | (60) | 12 | (53) | N/M | -13% | 100 | 131 | 113 | -23% | -11% |
| Net Operating Margin | N/M | 7% | N/M | | | 35% | 45% | 39% | | |
| Employee Expenses | 163 | 110 | 118 | 49% | 38% | 102 | 99 | 98 | 3% | 4% |
| Employee Expenses/Operating Revenue | 104% | 62% | 93% | | | 35% | 34% | 34% | | |
| Employee Expenses/Operating Expenses | 75% | 67% | 66% | | | 54% | 61% | 55% | | |
| Other Operating Expenses | 54 | 54 | 62 | -1% | -12% | 88 | 64 | 79 | 36% | 11% |
| Other Operating Expenses/Operating Revenue | 34% | 31% | 48% | | | 30% | 22% | 27% | | |
| Other Operating Expenses/Operating Expenses | 25% | 33% | 34% | | | 46% | 39% | 45% | | |

Source: EFG Hermes Management Accounts

Table 7: Group Operating Expenses – 4Q2012

| EGP (mn) | Group EFG Hermes | | | | |
|---|------------------|------------|------------|------------|------------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 447 | 471 | 417 | -5% | 7% |
| Total Operating Expenses | 407 | 327 | 357 | 24% | 14% |
| Net Operating Profit | 41 | 143 | 60 | -72% | -33% |
| Net Operating Margin | 9% | 30% | 14% | | |
| Employee Expenses | 265 | 209 | 216 | 27% | 23% |
| Employee Expenses/Operating Revenue | 59% | 44% | 52% | | |
| Employee Expenses/Operating Expenses | 65% | 64% | 61% | | |
| Other Operating Expenses | 142 | 118 | 141 | 20% | 1% |
| Other Operating Expenses/Operating Revenue | 32% | 25% | 34% | | |
| Other Operating Expenses/Operating Expenses | 35% | 36% | 39% | | |

Source: EFG Hermes Management Accounts

Table 8: Group Operating Expenses – FY2012

| EGP (mn) | Investment Bank | | | Commercial Bank | | | Group EFG Hermes | | |
|---|-----------------|------------|------------|-----------------|------------|------------|------------------|--------------|------------|
| | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y |
| Total Operating Revenue | 694 | 668 | 4% | 1,134 | 1,022 | 11% | 1,828 | 1,690 | 8% |
| Total Operating Expenses | 717 | 665 | 8% | 643 | 550 | 17% | 1,360 | 1,215 | 12% |
| Net Operating Profit | (23) | 3 | N/M | 491 | 471 | 4% | 468 | 475 | -1% |
| Net Operating Margin | N/M | 0% | | 43% | 46% | | 26% | 28% | |
| Employee Expenses | 495 | 464 | 7% | 381 | 332 | 15% | 876 | 796 | 10% |
| Employee Expenses/Operating Revenue | 71% | 69% | | 34% | 33% | | 48% | 47% | |
| Employee Expenses/Operating Expenses | 69% | 70% | | 59% | 60% | | 64% | 66% | |
| Other Operating Expenses | 221 | 201 | 10% | 263 | 218 | 20% | 484 | 419 | 16% |
| Other Operating Expenses/Operating Revenue | 32% | 30% | | 23% | 21% | | 26% | 25% | |
| Other Operating Expenses/Operating Expenses | 31% | 30% | | 41% | 40% | | 36% | 34% | |

Source: EFG Hermes Management Accounts



4Q2012

Group operating expenses rose 14% Y-o-Y to EGP407 million as the Investment Bank and the Commercial Bank operating expenses increased Y-o-Y. Group operating expenses were split 53/47 between the Investment and the Commercial Bank.

The Investment Bank operating expenses rose 21% Y-o-Y to EGP217 million as employee expenses rose 38% Y-o-Y to EGP163 million.

The Commercial Bank operating expenses rose 7% Y-o-Y to EGP190 million, reflecting one-off expenses and accrued utility bills totaling to USD3.6 million and one-off arrears tax charge of USD1.5 million, all being booked in other operating expenses which rose 11% to EGP88 million.

FY2012

For the year, Group operating expenses rose 12% Y-o-Y to EGP1.4 billion as the Investment Bank and the Commercial Bank operating expenses increased. Group operating expenses were split 53/47 between the Investment and the Commercial Bank.

The Investment Bank operating expenses rose 8% Y-o-Y to EGP717 million as employee expenses and other operating expenses increased. Employee expenses rose 7% Y-o-Y to EGP495 million and other operating expenses increased 10% to EGP221 million.

The Commercial Bank operating expenses increased 17% Y-o-Y to EGP643 million. Employee expenses rose 15% Y-o-Y to EGP381 million, reflecting the 16% National Salary Correction in Lebanon which was effective since 4Q2011. Other operating expenses rose 20% Y-o-Y to EGP263 million, echoing the one-off arrears tax charge of USD4.0 million, being taken on general expenses by USD0.5 million monthly from May to December 2012 and the one-off expenses and accrued utility bills totaling to USD3.6 million booked in 4Q2012.



B. THE INVESTMENT BANK

I. Investment Bank Revenue

Table 9: Investment Bank Revenue

| EGP (mn) | 4Q12 | | 3Q12 | | 4Q11 | | Q-o-Q | Y-o-Y | FY12 | | FY11 | | Y-o-Y |
|---------------------------------------|------------|-------------|------------|-------------|------------|-------------|-------------|------------|------------|-------------|------------|-------------|-----------|
| Fees & Commissions | 145 | 92% | 135 | 75% | 104 | 82% | 7% | 40% | 592 | 85% | 587 | 88% | 1% |
| Capital Markets & Treasury Operations | 12 | 8% | 41 | 25% | 23 | 18% | -70% | -48% | 102 | 15% | 81 | 12% | 26% |
| <i>of which:</i> | | | | | | | | | | | | | |
| Net Interest Income* | 21 | 13% | 9 | 8% | 21 | 17% | 128% | -3% | 53 | 8% | 57 | 9% | -7% |
| Returns on Investments** | (9) | -6% | 31 | 17% | 1 | 1% | N/M | N/M | 48 | 7% | 24 | 4% | 104% |
| Total Revenue | 157 | 100% | 176 | 100% | 127 | 100% | -11% | 24% | 694 | 100% | 668 | 100% | 4% |

* Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)

** Represents realized & unrealized gains/losses on trading portfolio and dividend income

Source: EFG Hermes Management Accounts

4Q2012

The Investment Bank revenue rose 24% Y-o-Y to EGP157 million, underpinned by strong revenue generated from the fees and commissions business. Fee and commission revenue rose 40% Y-o-Y to EGP145 million, triggered by higher revenue generated from Asset Management and Brokerage.

Capital Markets and treasury operations revenue declined 48% Y-o-Y to EGP12 million as the quarter included losses on investments. Realized losses on investments reached EGP17.6 million compared to a loss of EGP8.2 thousand a year earlier.

FY2012

The Investment Bank revenue reached EGP694 million, up 4% Y-o-Y, boosted by capital markets and treasury operations revenue.

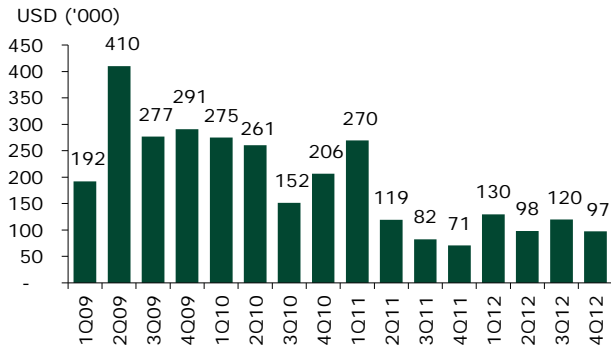
Capital markets and treasury operations revenue rose 26% Y-o-Y to EGP102 million, as returns on investments improved 104% Y-o-Y to EGP48 million. Higher returns on investments is mainly attributed to unrealized gains on equity funds which reached EGP36.3 million versus a loss of EGP15.7 million a year earlier.

Fee and commission revenue rose 1% Y-o-Y to EGP592 million, as the improvement in revenue generated from Brokerage, Investment Banking and Asset Management offset the decline in revenue generated from Private Equity.



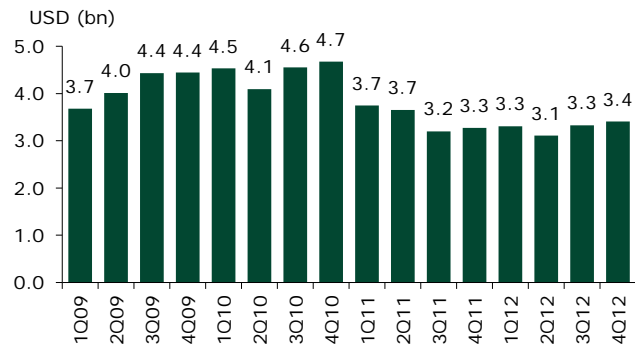
Fee and Commission Revenue

Figure 10: Brokerage Av. Daily Commission



*In 1Q2011, av. daily comm. in Egypt is calc. on 25 trading day
Source: EFG Hermes

Figure 11: Asset Management AuMs



Source: EFG Hermes

4Q2012

Fee and commission revenue rose 40% Y-o-Y to EGP145 million, driven by Asset Management and Brokerage revenue.

Asset Management revenue increased 167% Y-o-Y to EGP45 million on the back of stronger equity funds management fees and the materialization of incentive fees generated by local funds in 4Q2012 as opposed to 4Q2011 where incentive fees were negligible. Brokerage revenue rose 50% Y-o-Y to EGP65 million on the back of higher revenue booked by Egypt Brokerage as volumes rose sharply Y-o-Y. On the other hand, Investment Banking revenue contracted 64% Y-o-Y to EGP4 million, and Private Equity revenue declined 6% Y-o-Y to EGP31 million as management fees declined.

Table 12: Fee and Commission Revenue – 4Q2012

| (EGP mn) | 4Q12 | | 3Q12 | | 4Q11 | | Q-o-Q | Y-o-Y |
|---------------------------------|------------|-------------|------------|-------------|------------|-------------|-------------|-------------|
| Brokerage: Egypt | 53 | 36% | 50 | 37% | 33 | 32% | 5% | 58% |
| Brokerage: UAE | 3 | 2% | 2 | 1% | 2 | 2% | 30% | 44% |
| Brokerage: KSA | 1 | 1% | 2 | 1% | 1 | 1% | -15% | 10% |
| Brokerage: Oman | 1 | 1% | 1 | 1% | 1 | 1% | 41% | 29% |
| Brokerage: Kuwait | 6 | 4% | 7 | 5% | 5 | 5% | -9% | 21% |
| Brokerage: Jordan | 1 | 1% | 1 | 1% | 1 | 1% | 14% | 8% |
| Total Brokerage | 65 | 45% | 62 | 46% | 43 | 41% | 4% | 50% |
| Asset Management: Egypt | 27 | 19% | 10 | 7% | 9 | 9% | 173% | 207% |
| Asset Management: Regional | 18 | 12% | 15 | 11% | 8 | 8% | 23% | 123% |
| Total Asset Management | 45 | 31% | 25 | 18% | 17 | 16% | 84% | 167% |
| Private Equity | 31 | 22% | 26 | 20% | 33 | 32% | 18% | -6% |
| Investment Banking: Egypt | 3 | 2% | 22 | 16% | 10 | 10% | -84% | N/M |
| Investment Banking: Regional | 0 | 0% | 0 | 0% | 0 | 0% | N/M | N/M |
| Total Investment Banking | 4 | 3% | 22 | 16% | 10 | 10% | -83% | -64% |
| Fees & Commissions | 145 | 100% | 135 | 100% | 104 | 100% | 7% | 40% |

Source: EFG Hermes Management Accounts



FY2012

For the year, fees and commission revenue was up 1% Y-o-Y to EGP592 million. The improvement in Brokerage, Asset Management and Investment Banking revenue was offset by the decline in Private Equity revenue.

Brokerage revenue rose 9% Y-o-Y to EGP240 million, mainly attributed to higher revenue booked by Egypt Brokerage as volumes rose over FY2012. Investment Banking revenue rose 15% Y-o-Y to EGP122 million on strong advisory fees. Asset Management revenue rose 4% Y-o-Y to EGP121 million, lifted by higher incentive fees. Meanwhile, Private Equity revenue declined 24% Y-o-Y to EGP110 million on lower management fees and the disappearance of incentive fees.

Table 13: Fee and Commission Revenue – FY2012

| (EGP mn) | FY12 | | FY11 | | Y-o-Y |
|-------------------------------------|------------|-------------|------------|-------------|-------------|
| Brokerage: Egypt | 179 | 30% | 158 | 27% | 13% |
| Brokerage: UAE | 15 | 2% | 17 | 3% | -13% |
| Brokerage: KSA | 7 | 1% | 9 | 2% | -18% |
| Brokerage: Oman | 5 | 1% | 6 | 1% | -26% |
| Brokerage: Kuwait | 30 | 5% | 25 | 4% | 21% |
| Brokerage: Jordan | 4 | 1% | 5 | 1% | -22% |
| Total Brokerage | 240 | 40% | 220 | 38% | 9% |
| Asset Management: Egypt | 56 | 9% | 42 | 7% | 33% |
| Asset Management: Regional | 65 | 11% | 75 | 13% | -13% |
| Total Asset Management | 121 | 20% | 117 | 20% | 4% |
| Private Equity | 110 | 18% | 144 | 25% | -24% |
| Investment Banking: Egypt | 122 | 21% | 57 | 10% | 113% |
| Investment Banking: Regional | 0 | 0% | 48 | 8% | -99% |
| Total Investment Banking | 122 | 21% | 106 | 18% | 15% |
| Total Fees & Commissions | 592 | 100% | 587 | 100% | 1% |

Source: EFG Hermes Management Accounts



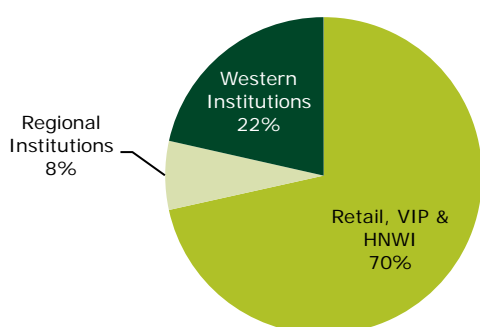
Fee and Commission Revenue – Brokerage

During the fourth quarter regional markets' performance were mixed. The MSCI EM Index gained 5.2% Q-o-Q and EFG Hermes MENA Index declined 1.0% over the same period. Regional volumes contracted with the average regional volumes declining -7.9% Q-o-Q (excluding KSA), however, Brokerage executions came flat Q-o-Q at USD4.0 billion. EFG Hermes Brokerage revenue was up 4% Q-o-Q to EGP65 million in 4Q2012.

In FY2012, most regional markets witnessed an improvement in terms of performance compared to a year earlier. The MSCI EM Index gained 15.1% Y-o-Y and EFG Hermes MENA Index rose 6.6% Y-o-Y. In terms of executions, EFG Hermes Brokerage executions were flat Y-o-Y at USD18.6 billion, this came in line with the aggregate regional markets' volumes which were largely unchanged at 2.4% Y-o-Y (excluding KSA).

Brokerage revenue breakdown across different customer segments essentially followed the same pattern from the last quarter. Revenue generated from the retail business (which includes online, call center, branches, VIP individuals and HNWI), accounted for 70% of total brokerage revenue in 4Q2012 versus 72% in 3Q2012. Western institutional client accounted for 22% of total Brokerage revenue at the end of 4Q2012 versus 21% in 3Q2012, and Regional institutional clients accounted for the remaining 8%.

Figure 14: Brokerage Revenue by Desk

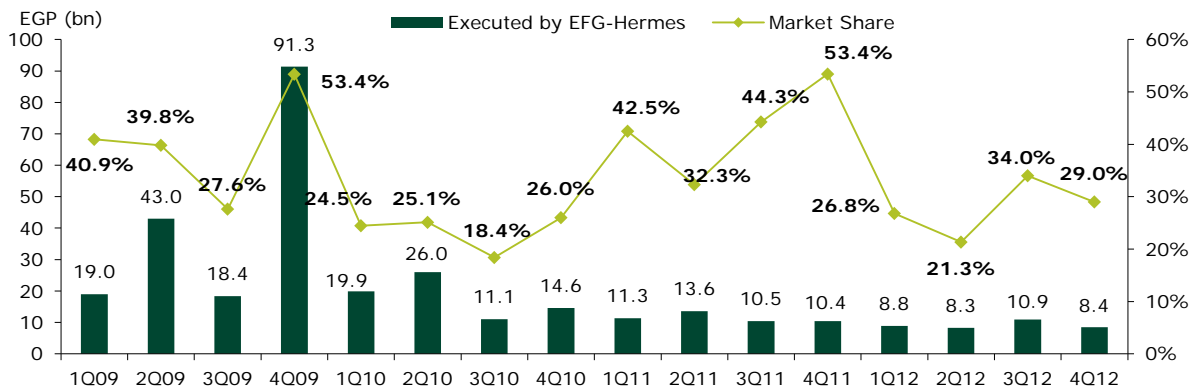


**4Q2012 Revenue Breakdown*
Source: EFG Hermes



Egypt

Figure 15: Egypt Executions and Market Share



Source: EGX, EFG Hermes

The rising political tension in Egypt during 4Q2012 impacted the Egyptian Stock Market. Volumes on the EGX declined 21.7% Q-o-Q and the Hermes Financial Index (HFI) lost 6.6% over the same period.

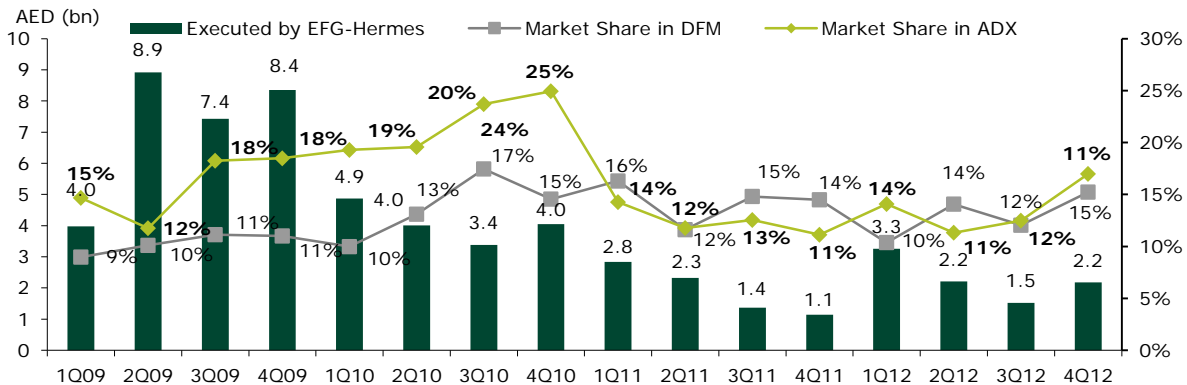
During the quarter foreign and GCC investors were net buyers with an average participation of 25-30% of the market. EFG-Hermes executed an average of 70% of the foreign institutional investors' participation. Our market share reached 29.0% in 4Q2012 and 27.4% for FY2012. Excluding the special transactions, EFG Hermes brokerage market share came at 27.0% in 4Q2012 and 28.5% in FY2012, with a solid number one ranking for the quarter and the full year and comfortably outperforming the following broker by 73% in FY2012.

Revenue generated from Egypt brokerage increased 5% Q-o-Q to EGP53 million in 4Q2012, keeping its contribution to the Group's total brokerage revenue at 81% in 4Q2012.



UAE

Figure 16: UAE Executions and Market Share



Source: DFM, ADX, EFG Hermes

UAE markets performance were relatively muted in 4Q2012, with the Dubai Financial Market General Index (DFMGI) gaining 2.8% Q-o-Q and Abu Dhabi Index (ADI) gaining 1.0% over the same period. In terms of volumes, the Dubai Financial Market (DFM) ended the quarter flat Q-o-Q and the Abu Dhabi Exchange (ADX) volumes rose 16.3% Q-o-Q.

With higher foreign participation in the UAE markets during the last quarter of the year, EFG Hermes market share on the DFM and the ADX clawed back to its previous levels. On the DFM, our market share rose to 15.2% in 4Q2012 from 12.0% a quarter earlier, and on ADX our market share rose to 17.0% in 4Q2012 from 12.5%. Our ranking rose to third place in the two markets versus fourth place last quarter.

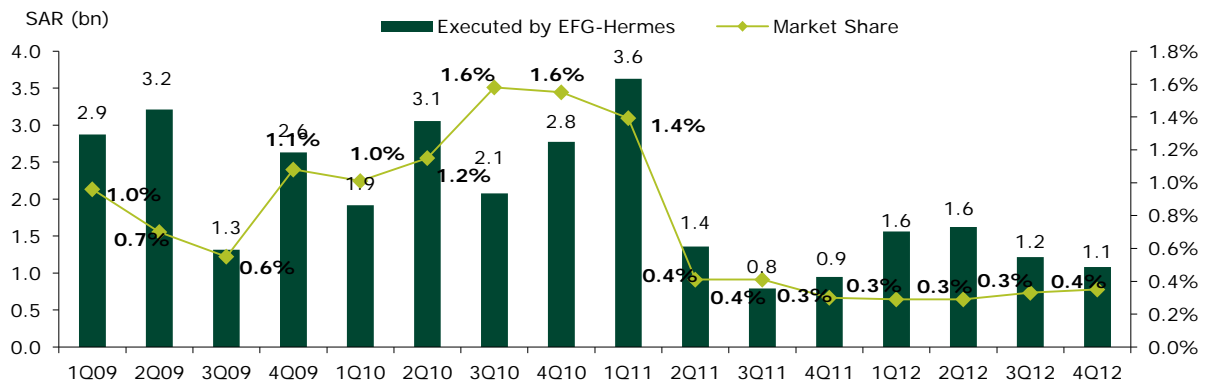
On the DFM, our brokerage ended FY2012 with a market share of 12.4% and fourth place ranking on DFM. Similarly, on ADX, we ended the year with a market share of 13.8% and a third place ranking.

Revenue from UAE brokerage operations reached EGP2.6 million in 4Q2012; up 30% Q-o-Q. As a result, UAE's contribution to the Group's total brokerage revenue rose to 4% from 3% in 3Q2012.



Saudi Arabia

Figure 17: KSA Executions and Market Share



Source: Tadawul, EFG Hermes

Fourth quarter was another lacklustre quarter for the Saudi Stock Market (Tadawul), with turnover declining 14.4% Q-o-Q and the Tadawul All Share Index (TASI) slipping 0.6% over the quarter.

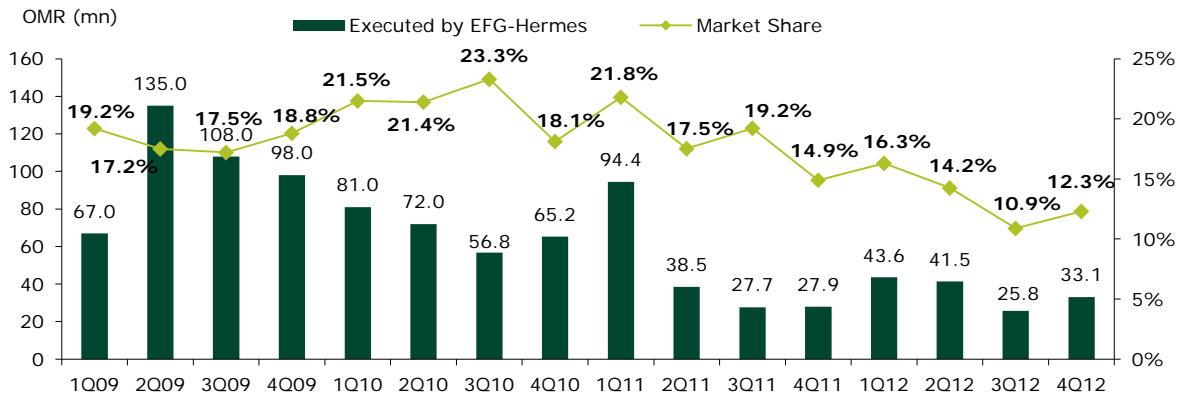
EFG Hermes Brokerage market share came at 0.35% in 4Q2012 versus 0.33% a quarter earlier. For FY2012, our market share stood at 0.31%, the Y-o-Y decline in our market share is attributed to the decline in the foreign institutions participation via the participatory notes which declined in the Saudi market by 50% in FY2012.

EFG Hermes KSA brokerage revenue reached EGP1.3 million in 4Q2012, down 15% Q-o-Q and represented 2% of the Group's total brokerage revenue.



Oman

Figure 18: Oman Executions and Market Share



Source: Muscat Securities Market, EFG Hermes

The Muscat Securities Market (MSM) finished the last quarter of the year with volumes up 7.2% Q-o-Q and the Muscat Securities Index (MSM30) adding 4.1% over the same period.

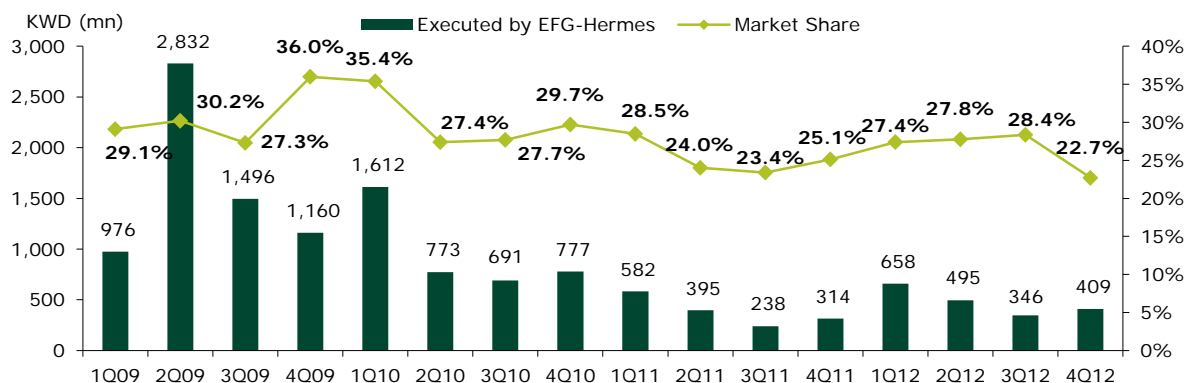
EFG Hermes Brokerage market share improved to 12.3% in 4Q2012 versus 10.9% a quarter earlier, and maintained its 6th place ranking. For the year, our market share stood at 13.5%, with a 6th place ranking. The Y-o-Y decline in our market share in FY2012 (19.2% in FY2011) is attributed to lower foreign institutional investors' participation in the Omani market.

EFG Hermes Oman brokerage revenue came in at EGP1.2 million, up 41% Q-o-Q and represented 1.9% of the Group's total brokerage revenue.



Kuwait

Figure 19: Kuwait Executions and Market Share



Source: Kuwait Securities Exchange, EFG Hermes

Volumes on the Kuwait Stock Exchange (KSE) bounced back, rising 49.7% Q-o-Q in 4Q2012. However, in terms of performance the KSE Index was muted, losing 0.8% over the quarter.

EFG Hermes Brokerage market share came at 22.7% in 4Q2012 versus 28.4% a quarter earlier, ending fourth quarter with a third place ranking. The decline in our 4Q market share is attributed to some block trades which were executed at affiliated brokerage houses. For FY2012, our market share stood solid at 26.5% with a second place ranking.

Kuwait Brokerage revenue decreased 9% Q-o-Q to EGP6.1 million, bringing its contribution to the Group's total brokerage revenue to 9% in 4Q2012.

Jordan

Volumes improved 32.0% Q-o-Q on the Amman Stock Exchange (ASE) in 4Q2012 and the Amman Stock Exchange (ASE) Index gained 2.9% Q-o-Q.

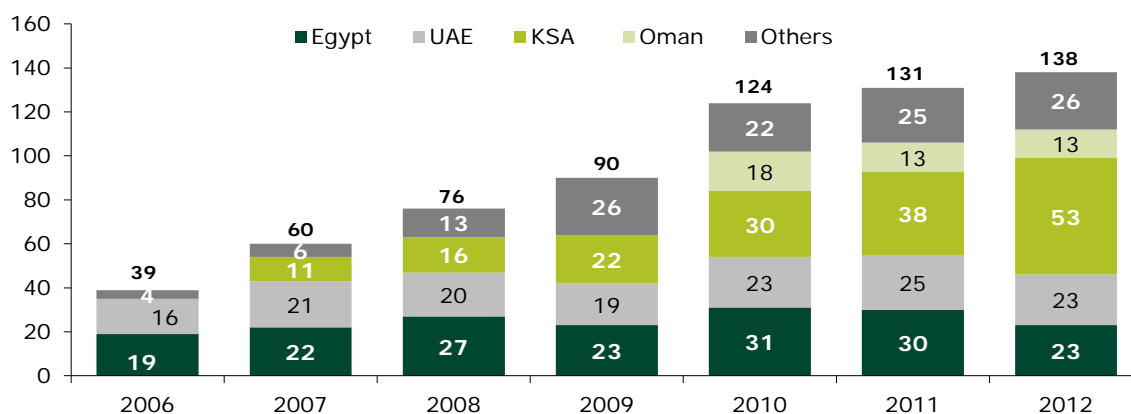
EFG Hermes Brokerage market share came at 6.8% versus 7.4% market share a quarter earlier. The decline in our market share in 4Q2012 reflects some special transactions executed outside EFG Hermes. For FY2012, our market share stood at 6.3%.

In 4Q2012, revenue from Jordan brokerage operations reached EGP1.0 million; a 14% Q-o-Q increase, bringing Jordan's contribution to the Group's total brokerage revenue to 2%.



Research

Figure 20: Research Coverage Universe



Source: EFG Hermes

The Research department coverage did not change over 4Q2012, standing at 138 companies distributed across the region (Egypt 23, UAE 23, KSA 53, Kuwait 9, Oman 13, Qatar 9, Lebanon 3, Morocco 3 and Jordan 2). Currently EFG Hermes covers 61% of the regional market capitalization.

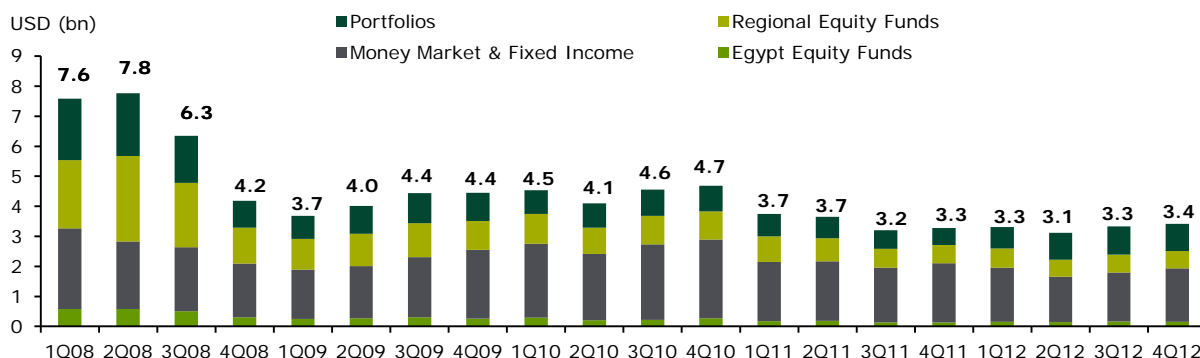
The research department covers 11 economies from a macro level and 8 countries in terms of regular strategy notes. In addition, the research team issues regular publications, including daily morning round-ups, after end of session wrap-ups and a regional monthly product.

During 4Q2012, our research department published the "MENA 2013 Investment Perspectives", which covers MENA economies, investment strategies, and an update on all companies under coverage.



Fee and Commission Revenue – Asset Management

Figure 21: Development of Listed Assets under Management



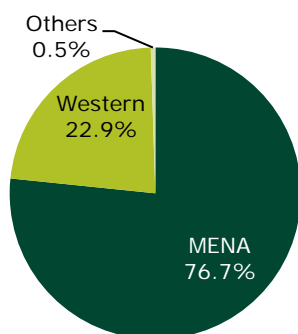
Source: EFG Hermes

EFG Hermes Asset Management ended fourth quarter and the year with USD3.4 billion of AuMs, up 2.4% Q-o-Q and 4.2% Y-o-Y. The increase in AuMs during the quarter is attributed to net cash inflows in the local money market funds (MMFs). The net cash inflow represented 3.7% of the AuMs improvement, however, this was partially offset by the negative markets performance (-1.3%) which weighted down on AuMs.

During FY2012, EFG Hermes AuMs were supported by markets appreciation, adding 11.7% to our AuMs while redemptions represented -7.6%, thus resulting in a net positive increase of 4.2% in AuMs. Regional redemptions represented 63% of total redemptions while redemptions in Egypt represented the remaining 37%.

EFG Hermes Asset Management team remains focused to maintain a diversified client base and attract more long-term and institutional clients. This is seen evident in the development of AuMs breakdown across different client segments throughout the quarters. Institutional clients accounted for 27.6% of total AuMs, SWF clients represented 14.5%, and Foundation/Pension/Insurance clients' contribution came at 41.4%.

Figure 22: Assets under Management by Geography



Source: EFG Hermes Asset Management



Fee and Commission Revenue – Investment Banking

During 4Q2012 the team was working on two important transactions that did not close during the quarter. However, for FY2012, the Investment Banking team successfully managed to close three transactions despite challenging conditions clouding the Egyptian and the regional markets, one of which is considered the largest private placement to take place in Egypt since 2007 and one of the largest in the region this year – the USD510 million placement for the Egyptian Refining Company “ERC” which closed in 2Q2012. In 1Q2012, the team was the sole advisor on the first demerger to be seen in Egypt advising Orascom Telecom S.A.E., setting a precedent for other similar transactions to follow. Additionally, the team advised Al Mokhtabar Laboratories on its merger with Al Borg Group in 3Q2012, closing by this the largest M&A in Egypt in FY2012 and the largest in the healthcare industry in the Arab world.

The team remains focused on generating more advisory mandates outside Egypt and across new sectors and industries to weather the current difficult investment scene. Additionally, the team’s primary focus is to increase its pitching efforts in the Levant and other GCC markets to ensure a healthy pipeline.

Fee and Commission Revenue – Private Equity

Private Equity assets under management reached USD0.68 billion at the end of FY2012 including the NAV of EFG Capital Partners Fund III instead of its total commitments. The team continues to be highly focused on portfolio management providing the necessary support to the different management teams.



Capital Markets and Treasury Operations Revenue

Table 23: Capital Markets and Treasury Operations Revenue

| EGP (mn) | 4Q12 | | 3Q12 | | 4Q11 | | Q-o-Q | Y-o-Y | FY12 | | FY11 | | Y-o-Y |
|---------------------------------------|------------|-------------|------------|-------------|------------|-------------|-------------|------------|------------|-------------|------------|-------------|-----------|
| Fees & Commissions | 145 | 92% | 135 | 75% | 104 | 82% | 7% | 40% | 592 | 85% | 587 | 88% | 1% |
| Capital Markets & Treasury Operations | 12 | 8% | 41 | 25% | 23 | 18% | -70% | -48% | 102 | 15% | 81 | 12% | 26% |
| <i>of which:</i> | | | | | | | | | | | | | |
| Net Interest Income* | 21 | 13% | 9 | 8% | 21 | 17% | 128% | -3% | 53 | 8% | 57 | 9% | -7% |
| Returns on Investments** | (9) | -6% | 31 | 17% | 1 | 1% | N/M | N/M | 48 | 7% | 24 | 4% | 104% |
| Total Revenue | 157 | 100% | 176 | 100% | 127 | 100% | -11% | 24% | 694 | 100% | 668 | 100% | 4% |

* Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)

** Represents realized & unrealized gains/losses on trading portfolio and dividend income

Source: EFG Hermes Management Accounts

4Q2012

With Capital markets retreating during 4Q2012, especially our main market Egypt, this was reflected in our capital markets & treasury operations revenue which declined 48% Y-o-Y to EGP12 million on investment losses.

Losses on investments reached EGP9 million in 4Q2012 compared to a gain of EGP1 million a year earlier. These losses were mainly attributed to realized losses on some investments which came at EGP17.6 million as opposed to a loss of EGP8.2 thousands a year earlier.

Net interest income was broadly unchanged Y-o-Y, down 3% to EGP21 million. The devaluation of the EGP was reflected in fx-gains which reached EGP15.7 million in 4Q2012 versus EGP8.2 million during the same period last year. Net interest earned declined to EGP5.3 million compared to EGP13.3 million a year earlier, as revenue generated from money market funds' (MMF) declined Y-o-Y.

FY2012

Overall FY2012 was a better year for Capital markets compared to a year earlier, the improvement seen in most of the regional markets together with the devaluation of the EGP contributed positively to our capital markets and treasury operations revenue, which rose 26% Y-o-Y to EGP102 million.

Returns on investments reached EGP48 million, up 104% Y-o-Y, as unrealized gains on equity funds reached EGP36.3 million versus unrealized losses of EGP15.7 million, a year earlier.

Net interest income declined 7% Y-o-Y to EGP53 million. The foreign exchange component contributed positively to the net interest income, with fx-gains reaching EGP24.8 million versus EGP13.7 million a year earlier as the EGP devaluated during FY2012. On the other hand, net interest earned declined 34% Y-o-Y to EGP28.6 million reflecting lower Y-o-Y revenue generated from money market funds' (MMF).



II. Investment Bank Operating Expenses

Table 24: Investment Bank Operating Expenses – 4Q2012

| EGP (mn) | Fees & Commissions | | | | | Capital Markets & Treasury Operations | | | | |
|---|--------------------|------------|------------|------------|-------------|---------------------------------------|-----------|-----------|------------|-------------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 145 | 135 | 104 | 7% | 40% | 12 | 41 | 23 | -70% | -48% |
| Total Operating Expenses | 189 | 146 | 155 | 29% | 21% | 29 | 18 | 24 | 62% | 17% |
| Net Operating Profit | (43) | (11) | (51) | -305% | 16% | (17) | 23 | (2) | N/M | -996% |
| Net Operating Margin | N/M | N/M | N/M | | | N/M | 57% | N/M | | |
| Employee Expenses | 140 | 96 | 100 | 45% | 40% | 23 | 13 | 18 | 76% | 29% |
| Other Operating Expenses | 48 | 50 | 55 | -2% | -12% | 5 | 5 | 7 | 20% | -17% |
| Other Operating Expenses/Operating Revenue | 33% | 37% | 53% | | | 45% | 11% | 28% | | |
| Other Operating Expenses/Operating Expenses | 26% | 34% | 35% | | | 19% | 26% | 27% | | |

Source: EFG Hermes Management Accounts

Table 25: Investment Bank Operating Expenses – 4Q2012

| EGP (mn) | Total Investment Bank | | | | |
|---|-----------------------|------------|------------|------------|-------------|
| | 4Q12 | 3Q12 | 4Q11 | Q-o-Q | Y-o-Y |
| Total Operating Revenue | 157 | 176 | 127 | -11% | 24% |
| Total Operating Expenses | 217 | 164 | 180 | 33% | 21% |
| Net Operating Profit | (60) | 12 | (53) | N/M | -13% |
| Net Operating Margin | N/M | 7% | N/M | | |
| Employee Expenses | 163 | 110 | 118 | 49% | 38% |
| Number of Employees | 901 | 917 | 970 | -2% | -7% |
| Other Operating Expenses | 54 | 54 | 62 | -1% | -12% |
| Other Operating Expenses/Operating Revenue | 34% | 31% | 48% | | |
| Other Operating Expenses/Operating Expenses | 25% | 33% | 34% | | |

Source: EFG Hermes Management Accounts

Table 26: Investment Bank Operating Expenses – FY2012

| | Fee & Commission Income | | | Capital Markets & Treasury Operations | | | Total Investment Bank | | |
|---|-------------------------|------------|------------|---------------------------------------|-----------|------------|-----------------------|------------|------------|
| | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y | FY12 | FY11 | Y-o-Y |
| Total Operating Revenue | 592 | 587 | 1% | 102 | 81 | 26% | 694 | 668 | 4% |
| Total Operating Expenses | 633 | 591 | 7% | 84 | 74 | 13% | 717 | 665 | 8% |
| Net Operating Profit | (41) | (4) | -967% | 18 | 7 | 157% | (23) | 3 | N/M |
| Net Operating Margin | N/M | N/M | | 18% | 9% | | N/M | 0% | |
| Employee Expenses | 433 | 409 | 6% | 62 | 55 | 14% | 495 | 464 | 7% |
| Employee Expenses/Operating Revenue | 73% | 70% | | 61% | 68% | | 71% | 69% | |
| Employee Expenses/Operating Expenses | 68% | 69% | | 75% | 74% | | 69% | 70% | |
| Number of Employees | | | | | | | 901 | 970 | -7% |
| Other Operating Expenses | 200 | 182 | 10% | 21 | 19 | 12% | 221 | 201 | 10% |
| Other Operating Expenses/Operating Revenue | 34% | 31% | | 21% | 24% | | 32% | 30% | |
| Other Operating Expenses/Operating Expenses | 32% | 31% | | 25% | 26% | | 31% | 30% | |

Source: EFG Hermes Management Accounts



4Q2012

The Investment Bank operating expenses rose 21% Y-o-Y to EGP217 million on the back of higher employee expenses as employee expenses rose 38% Y-o-Y reached EGP163 million.

On the other hand, other operating expenses fell 12% Y-o-Y to EGP54 million as cost cutting measures continued on all other operating expense line items, including Promotional and advertising, Consultancy, legal and third party fees, office expenses, data communication, occupancy, etc.

FY2012

For the year, operating expenses rose 8% Y-o-Y to EGP717 million, on the back of higher employee expenses and other operating expenses, with the former rising 7% Y-o-Y and the latter increasing 10% Y-o-Y to EGP495 million and EGP221 million, respectively.



C. THE COMMERCIAL BANK

Table 27: Commercial Bank Key Financial Highlights and Ratios

| USD (mn) | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | Q-o-Q | FY11 | FY12 | Y-o-Y |
|--------------------------------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| Balance Sheet: | | | | | | | | | |
| Total Assets | 7,978 | 7,735 | 7,493 | 7,353 | 7,188 | 3.1% | 7,978 | 7,188 | 11.0% |
| Loans | 2,234 | 2,203 | 2,130 | 2,049 | 1,976 | 1.4% | 2,234 | 1,976 | 13.1% |
| Deposits | 6,961 | 6,694 | 6,536 | 6,423 | 6,293 | 4.0% | 6,961 | 6,293 | 10.6% |
| Shareholders' Equity: | 619 | 607 | 589 | 584 | 569 | 2.0% | 619 | 569 | 8.8% |
| Tier 1 capital | 529 | 517 | 501 | 498 | 478 | 2.3% | 529 | 478 | 10.6% |
| Tier 2 capital | 90 | 89 | 88 | 86 | 91 | 1.5% | 90 | 91 | -0.8% |
| P&L: | | | | | | | | | |
| Net Interest Income | 30.8 | 31.5 | 31.9 | 31.4 | 31.9 | -2.3% | 125.5 | 122.2 | 2.7% |
| Net Fees and Commissions | 10.5 | 8.8 | 9.1 | 8.0 | 10.5 | 19.1% | 36.4 | 32.8 | 10.9% |
| Trading Income | 7.4 | 6.5 | 3.8 | 4.1 | 4.4 | 14.3% | 21.9 | 10.9 | 99.9% |
| Total Operating Income | 49.0 | 47.1 | 45.3 | 44.5 | 47.5 | 3.9% | 185.8 | 168.6 | 10.2% |
| Net Provisions | (2.3) | (0.5) | 0.9 | (0.5) | 1.6 | 358% | (2.4) | 4.7 | N/M |
| Net Operating Income | 46.7 | 46.6 | 46.2 | 44.0 | 49.1 | 0.2% | 183.4 | 173.3 | 5.9% |
| Staff Cost | 16.5 | 16.3 | 15.2 | 14.5 | 16.4 | 1.0% | 62.4 | 55.7 | 12.2% |
| General Expenses | 14.2 | 10.5 | 10.1 | 7.5 | 13.6 | 35.3% | 42.4 | 36.8 | 15.1% |
| Total Operating Expenses | 32.8 | 28.7 | 27.1 | 23.7 | 31.8 | 14.1% | 112.2 | 98.6 | 13.9% |
| Net Income | 10.0 | 15.7 | 17.3 | 18.3 | 13.7 | -36.4% | 61.2 | 64.9 | -5.6% |
| Ratios: | | | | | | | | | |
| Net Interest Margin | 1.7% | 1.8% | 1.80% | 1.8% | 1.9% | -0.1% | 1.7% | 1.9% | (0.2) |
| Cost-to-income* | 60.1% | 57.7% | 56.1% | 53.0% | 58.2% | 2.4% | 60.1% | 58.2% | 1.9 |
| Loans-to-deposits | 32.1% | 32.9% | 32.6% | 31.9% | 31.4% | -0.8% | 32.1% | 31.4% | 0.7 |
| NPL / Gross Loans | 3.9% | 3.6% | 3.8% | 3.7% | 3.9% | 0.3% | 3.9% | 3.9% | 0.0 |
| Provision Cover | 91.1% | 95.0% | 93.9% | 97.3% | 96.5% | -3.9% | 91.1% | 96.5% | (5.4) |
| ROAE (after- tax) | 12.9% | 14.5% | 15.1% | 15.3% | 14.9% | -1.5% | 12.9% | 14.9% | (2.0) |
| ROAA (after-tax) | 0.8% | 0.9% | 1.0% | 1.0% | 1.0% | -0.1% | 0.8% | 1.0% | (0.1) |
| Core Tier 1 Capital Ratio** | 11.4% | N/A | 12.3% | N/A | 12.1% | N/R | 11.4% | 12.1% | (0.7) |
| Total Capital Adequacy Ratio** | 13.4% | N/A | 14.5% | N/A | 14.5% | N/R | 13.4% | 14.5% | (1.1) |

* Including extraordinary items

** Equity includes FY2012 net profits

Source: Crédit Libanais

I. Overview

For FY2012 Credit Libanais "CL" demonstrated well above peer average loan growth (+13.1%) and equally well above peer average deposit growth (10.6%), increasing its total assets to just under the USD8 billion mark, a Y-o-Y increase of 11%.

Total operating income was up 3.9% Q-o-Q and 10.2% Y-o-Y. However, during the last quarter, a higher than projected growth in deposits resulting in lower NII, unexpectedly high net provisions for NPLs, and more importantly, various unbudgeted (mostly one-off) general expenses, resulted in Net Income after tax for 4Q2012 of USD10 million, a 36.4% decline Q-o-Q.



Net Income after tax for FY2012 came at USD61.2 million, a 5.6% decline Y-o-Y, which despite a very high cost-to-income ratio of 60.1%, produced a RoE of 12.9% for the year and capital adequacy ratios well above the regulatory minimums.

The well above market increase in deposits, mainly in the more expensive time deposits (increasing interest expense and lowering NII), reflects management's defensive stance towards the region's political turmoil.

The Q-o-Q increase in net provisions of USD2.3 million reflects the apparent slow-down in the Lebanese economy and is related mostly to consumer loans. This is not alarming, as CL's NPL ratio is still at 3.9% (in line with market) and the provision cover is high (in the low 90s - excluding collateral).

Excluding these one-offs of USD2.7 million and the USD4.0 million extraordinary tax charge, which we have been amortizing monthly since May this year and excluding the USD6 million one-off gain from the sale of securities, the FY2012 'organic' cost-to-income ratio would have been 58.4%.

Otherwise, the rest of the performance for the year includes an increase in trading income (mainly FX trading gains in Iraq) and relatively flat fee and commission income despite the progress made earlier in the year in trade finance volumes. The loans/deposits ratio ended flat for the year due to the strong increase in deposits in the last quarter, which offset the robust loan growth.

International operations in Senegal and Iraq are still at an early stage of their development, yet they are both already at or near break-even.

II. Selected Financials & qualitative information

Assets:

Total Assets reached USD8.0 billion at the end of the quarter, an increase of 3.1% Q-o-Q and 11.0% Y-o-Y, primarily driven by loan growth.

The composition of total assets was relatively stable Q-o-Q; Loans represented 28.0% of total assets, securities 42.6% and cash 26.2%.

Total assets allocation by business line remained virtually unchanged from the previous quarter with 19.8% allocated to retail banking, 13.5% to corporate banking, 65.5% to treasury & capital markets and 1.2% to investment banking.

Loans:

Total Loans reached USD2.2 billion at the end of 4Q2012, an increase of 1.4% Q-o-Q and 13.1% Y-o-Y.

Loan growth by type: Retail loans grew by 3.3%, Corporate loans by 2.7% and SME loans contracted 7.3%, on a Q-o-Q basis.

Loan distribution by type: In 4Q2012, corporate and retail loans marginally increased their Q-o-Q contribution to the bank's total loan book. Of the total loan book corporate and retail loans represented 44.4% and 41.6%, respectively at the equally marginal expense of SME loans which declined to 14.0%.



Loan distribution by sector, Q-o-Q: Personal & consumer loans and loans to the trading sector represented 46.2% and 27.9% of the total loan book, respectively. Meanwhile, loans to the industrial sector accounted for 14.2% while loans to the construction sector accounted for 8.8%.

Loan quality: The NPL ratio reached 3.9% this quarter versus 3.6% a quarter earlier, as NPLs from consumer retail loans increased. The coverage ratio declined to 91.1%. Of total loans, 73% is covered by mortgage, cash or bank guarantees, as collateral, in addition to any relevant provisions, where applicable.

Loans by currency: At the end of 4Q2012, the loan book was split 38/62 between local and foreign currency, respectively. Based on the bank's local currency deposits and relevant local currency reserve requirements with the Central Bank of Lebanon, Credit Libanais has exhausted its lending limit in LBP. As a result loan growth is driven mainly by loans in foreign currency.

Deposits:

Total deposits reached USD7.0 billion at the end of 4Q2012, up 4.0% Q-o-Q and 10.6% Y-o-Y, driven mainly by an increase in term deposits.

Deposits contribution by type: Composition of total deposits changed slightly, Term deposits represented 30.8% from 28.8% a quarter earlier, mainly on the account of saving accounts which represented 58.7% at the end of the quarter versus 60.3% in 3Q2012. Sight deposits contribution to total deposits was 10.6% versus 10.9% a quarter earlier. The increasing content of the term deposits within total deposits, puts an upward pressure on the average cost of funding (ie interest expense), as term deposits are by far the most expensive customer deposit source.

Deposits by sector: By the end of 4Q2012, deposits were split 96/4% between retail and corporate, respectively.

Deposits by currency: The split between foreign and local currency deposits came at 53/47%, respectively.

Loans/Deposits ratio: The loans/deposits ratio reached 32.1%, down from 32.9% a quarter earlier as deposits grew faster than loans during the quarter.

Net Interest income:

Net Interest Income for the quarter reached USD30.8 million, a 2.3% decline Q-o-Q and USD125.5 million for FY2012, a 2.7% increase Y-o-Y.

The quarterly reduction in NII reflects higher interest expense as deposits grew at 4.0% Q-o-Q, exceeding the 1.4% loan growth. On an annual basis, NII growth was limited to 2.7% despite the strong growth in loans (13.1% Y-o-Y). This was a result of the declining spreads and the base-effect impact of the maturity of very high coupon government securities during 2011.

Fee & Commission Income:

F&Cs for the quarter came at USD10.5 million, up 19.1% Q-o-Q and USD36.4 million for FY2012, an increase of 10.9% Y-o-Y.

The rise in fee and commission income during the quarter related to high insurance premiums booked at the insurance company, as well as the end-of-year retail account fee charges. For FY2012, the improvement in F&Cs is due to progress made in trade finance and in incremental revenue generated by the affiliated companies.



Trading income:

Trading Income reached USD7.4 million in 4Q2012, an increase of 14.3% Q-o-Q, and USD21.9 million for FY2012, an increase of 100.0% Y-o-Y.

The quarterly increase in trading income reflects foreign exchange income generated from Iraq. For the year, the sharp increase reflects the fx-gains combined with gains in the AFS portfolio.

Net Provisions:

In 4Q2012, net provisions charge reached USD2.3 million versus a charge of USD0.5 million a quarter earlier. For FY2012, net provisions charge amounted to USD2.4 million versus net collections of USD4.7 million in FY2011.

CL closed the year with an NPL ratio of 3.9% and a coverage ratio of 91.1%

Net Operating Income (i.e. after provisions):

NOI came at USD46.7 million for 4Q2012, flat Q-o-Q. For FY2012, NOI reached USD183.4 million, a 5.9% Y-o-Y increase.

Total Operating Expenses:

TOEs for the quarter were USD32.8 million, up 14.1% Q-o-Q. For FY2012, TOEs reached USD112.2 million, a 13.9% Y-o-Y increase.

Staff expenses were broadly flat, up 1% Q-o-Q at USD16.5 million. For FY2012, staff expenses rose 12.2% Y-o-Y to reach USD62.4 million, reflecting the effect of the 16% National Salary Correction in Lebanon, effective from 4Q2011.

General expenses rose sharply in 4Q2012, up 35.5% Q-o-Q to USD14.2 million. The substantial Q-o-Q increase reflects to a large extent one-off cost items booked in 4Q2012. These include (1) USD575,000 of IT related expenses, (2) USD300,000 of oil & fuel expenses (3) USD675,000 of publicity expenses, (4) USD600,000 of municipality tax adjustments and (5) USD540,000 of legal and consulting fees related to the Iraq Greenfield project. Moreover, 4Q2012 included USD920,000 of accruals of utility bills.

General expenses came at USD42.4 million, up 15.1% Y-o-Y in FY2012. This reflects (1) the one-off arrears tax charge of USD4.0 million, being taken on general expenses by USD0.5 million monthly from May to December, and (2) the above mentioned one-off expenses combined with the accrued delayed utility bills charge.

Net Income:

NI came at USD10.0 million in 4Q2012, a decline of 36.4% Q-o-Q. For the FY2012, net income declined 5.6% to USD61.2 million.

Excluding the arrears tax charge and the one-off general expense items in 4Q2012, NI for 4Q2012 and FY2012 would have been lower 5.9% Q-o-Q and higher 6.1% Y-o-Y, respectively.

Cost-to-Income Ratio:

Cost-to-Income remains high at 60.1%, reflecting both expenses related to the international expansion and unexpected one-off items.

Net Interest Margin:

NIM declined to 1.7% at the end of the quarter from 1.8% a quarter earlier due to the increased interest expense.



III. International Operations

International operations are still at an early stage of their development but demonstrating promising growth prospects. Monitoring carefully possible negative impact of the turmoil in Mali on Senegal.

High level financial highlights:

SENEGAL

Credit International reported a net loss of USD0.1 million for FY2012 compared to a loss USD0.7 million a year earlier.

Balance sheet highlights:

Total Assets : USD59.6 million

Loans : USD28.6 million

Deposits : USD31.5 million

IRAQ

The two CL branches in Iraq reported a net profit of USD0.8 million versus a loss of USD0.3 million in FY2011, mainly driven by foreign exchange trading income.

Balance sheet highlights:

Total Assets : USD53.7 million

Loans : USD1.8 million

Deposits : USD18.6 million



In this earnings release EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. Such forward looking statements by their nature may involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. Examples may include financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions; and the effect of current, pending and future legislation, regulations and regulatory actions. Furthermore, forward looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue. EFG Hermes does not undertake any obligation to update or revise any forward looking statements.

Accordingly, readers are cautioned not to place undue reliance on forward looking statements, which speak only as of the date on which they are made.

This document is provided for informational purposes only. It does not constitute an offer to sell or a solicitation of an offer to buy any securities or interests described within it in any jurisdiction. We strongly advise potential investors to seek financial guidance when determining whether an investment is appropriate to their needs.

EFG Hermes Holding SAE has its address at Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October and has an issued capital of EGP 2,391,473,750

المجموعة المالية هيرميس القابضة شركة مساهمة القرية الذكية مبنى 129ب، المرحلة الثالثة، السادس من أكتوبر رأس المال المصدر: 2,391,473,750 ج.م

Stock Exchange & Symbol:

Cairo: HRHO.CA

London: HRHOq.L

Bloomberg: EFGH

Reuters pages: . EFGS .HRMS .EFGI .HFISMCAP .HFIDOM

EFG Hermes (Holding Main Office)

Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October Egypt 12577

Tel +20 2 353 56 499

Fax +20 2 353 70 942

efghermes.com