

## **EFG HERMES REPORTS FULL YEAR 2015 GROUP EARNINGS OF EGP461 MILLION; ON TOTAL OPERATING REVENUES OF EGP2,616 MILLION**

**Cairo, March 23<sup>rd</sup>, 2016** – EFG Hermes reported today Group net profit after tax and minority interest of EGP80 million in 4Q15 on Group operating revenues of EGP708 million. Total assets stood at EGP88 billion at the end of 4Q15.

### **Key Highlights**

#### **4Q2015**

- ≡ Operating in challenging markets characterized by economic and operational uncertainties, the Group continues to be profitable. The Group posted a net operating profit of EGP215 million, down 18% Y-o-Y on higher operating expenses; and reflecting a Group net operating profit margin of 30%. The Group reported a net profit after tax and minority interest (“NPAT”) of EGP80 million, down 38% Y-o-Y;
- ≡ The Investment Bank managed to post operational growth in 4Q15, reporting a net operating profit of EGP81 million, up 2% Y-o-Y. This filtered into a net profit after tax and minority interest of EGP44 million, down 18% Y-o-Y, on higher provisions required;
- ≡ Fee and commission revenue, which represents 72% of the Investment Bank revenue in 4Q15, declined 15% Y-o-Y to EGP229 million, as higher revenue generated from Private Equity and the positive revenue contribution from the newly launched Leasing business failed to mitigate lower revenue generated from Brokerage, Asset Management and Investment Banking as markets weakened;
- ≡ The Investment Bank operating expenses rose 9% to EGP238 million, on the back of higher employee expenses. An increase that is considered limited, given a 5% Y-o-Y headcount expansion, an EGP devaluation which impacted employee expenses denominated in USD pegged currencies, and inflationary pressures;
- ≡ Credit Libanais posted a net profit after tax of USD12.9 million, down 33% Y-o-Y; pressured by a number of one-off charges negatively impacting revenues and expenses during the quarter. Loans/deposits stood at 35.3% at the end of the quarter.

**Khalid Ellaicy**  
Chief Financial Officer  
kellaicy@efg-hermes.com  
Tel: +20 2 3535 6551

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

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

**Listings & Symbols**  
**The Egyptian Exchange**  
Reuters code: HRHO.CA  
Bloomberg code: HRHO EY

**London Stock Exchange (GDRs)**  
Reuters code: HRHOq.L  
Bloomberg code: EFGD LI

## Key Highlights Con't

### FY2015

---

- ≡ The Group reported a net operating profit and a NPAT of EGP995 million and EGP461 million, respectively. If we normalize earnings by excluding the one-off gain of EGP97 million booked in FY14 and related to SODIC's stake sale, the Group net operating profit and NPAT would be higher 3% Y-o-Y and 5% Y-o-Y, respectively. This comes as a testament to our ongoing commitment to deliver sustainable results despite weaker markets and challenging macro-economic environment;
- ≡ The Investment Bank reported a NPAT of EGP200 million, down 34% Y-o-Y. On an adjusted basis and after excluding the one-off gain of EGP97 million related to non-core asset sale of SODIC in FY14, the Investment Bank NPAT would be marginally down 3% Y-o-Y in FY15, a strong performance given subdued MENA markets;
- ≡ Fees and commissions declined 13% Y-o-Y to EGP828 million in FY15, as weak markets in 2015 overshadowed the operational improvement in some core businesses. The improvement in Investment Banking revenue combined with additional revenue generated from the Leasing business failed to offset the weakness in revenues generated from Brokerage, Asset Management and Private Equity;
- ≡ The Investment Bank operating expenses declined 3% Y-o-Y to EGP724 million, as the firm remained committed to its cost optimization strategy that enabled it to sustain a lean cost base despite weak markets in 2015;
- ≡ Credit Libanais reported a net profit after tax of USD66.6 million in FY15, up 4% Y-o-Y. The improvement in its profitability was supported by net interest income growth and contained expenses.

**I. FINANCIAL PERFORMANCE**
**i. Group Financial Performance**

<i>in EGP millions</i>	<b>Group Financial Highlights</b>							
	<b>4Q15</b>	<b>3Q15</b>	<b>4Q14</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>	<b>FY15</b>	<b>FY14</b>	<b>Y-o-Y</b>
<b>Group Operating Revenue</b>	<b>708</b>	<b>668</b>	<b>702</b>	6%	1%	<b>2,616</b>	<b>2,610</b>	0%
Investment Bank	318	228	298	40%	7%	1,050	1,220	-14%
Commercial Bank	390	440	404	-11%	-4%	1,567	1,390	13%
<b>Group Operating Expenses</b>	<b>494</b>	<b>395</b>	<b>441</b>	25%	12%	<b>1,622</b>	<b>1,552</b>	4%
Investment Bank	238	155	218	53%	9%	724	748	-3%
Commercial Bank	256	240	223	7%	15%	898	804	12%
<b>Group Net Operating Profit</b>	<b>215</b>	<b>273</b>	<b>261</b>	-21%	-18%	<b>995</b>	<b>1,058</b>	-6%
Investment Bank	81	73	80	11%	2%	326	472	-31%
Commercial Bank	134	200	181	-33%	-26%	669	586	14%
<b>Group Net Operating Margin</b>	<b>30%</b>	<b>41%</b>	<b>37%</b>			<b>38%</b>	<b>41%</b>	
Investment Bank	25%	32%	27%			31%	39%	
Commercial Bank	34%	45%	45%			43%	42%	
<b>Group Net Profit After Tax &amp; Minority Interest</b>	<b>80</b>	<b>120</b>	<b>131</b>	-33%	-38%	<b>461</b>	<b>538</b>	-14%
Investment Bank	44	40	54	9%	-18%	200	304	-34%
Commercial Bank	37	80	77	-54%	-52%	261	234	12%

Source: EFG Hermes Management Accounts

The Group reported a net profit after tax and minority interest ("NPAT") of EGP80 million, down 38% Y-o-Y in 4Q15; mainly on lower contributions from the Commercial Bank and the Investment Bank. The Commercial Bank NPAT fell 52% Y-o-Y to EGP37 million in 4Q15, pressured by lower revenues and higher operating expenses, while the Investment Bank bottom line declined 18% Y-o-Y to EGP44 million on higher non-operating expenses. In 4Q15, the Investment Bank generated 54% of the Group's net profit, while the Commercial Bank generated the remaining 46%.

Operationally, the Group posted a net operating profit of EGP215 million, down 18% Y-o-Y in 4Q15, on weaker results reported by the Commercial Bank as the Bank reported a net operating profit of EGP134 million, down 26% Y-o-Y in 4Q15. Meanwhile, the Investment Bank net operating profit inched up 2% Y-o-Y to EGP81 million in 4Q15, supported by higher operating revenue.

In FY15, the Group's profitability declined 14% Y-o-Y to EGP461 million, on the back of the Investment Bank reporting a NPAT of EGP200 million, down 34% Y-o-Y. The decline in the Investment Bank's profitability was due to lower Y-o-Y revenues generated, as FY14 included a one-off gain related to SODIC's stake sale that if we exclude, the Group's NPAT would be 5% Y-o-Y higher. On the other hand, the Commercial Bank reported a NPAT of EGP261 million in FY15, higher 12% Y-o-Y; partially offsetting the Investment Bank decline. The Commercial Bank generated 57% of the Group's net profit, while the Investment Bank generated the remaining 43% in FY15.

On the operational level, the Group net operating profit decreased 6% Y-o-Y to EGP995 million in FY15, as the Investment Bank reported weaker results with its net operating profit declining 31% Y-o-Y to EGP326 million. This was partially mitigated by the Commercial Bank reporting a net operating profit of EGP669 million in FY15, up 14% Y-o-Y. If we exclude SODIC's capital gain, the Group's net operating profit would be up 3% Y-o-Y.

## ii. Investment Bank Financial Performance

<i>in EGP millions</i>	<b>Investment Bank Financial Highlights</b>							
	<b>4Q15</b>	<b>3Q15</b>	<b>4Q14</b>	Q-o-Q	Y-o-Y	<b>FY15</b>	<b>FY14</b>	Y-o-Y
Total Operating Revenue	318	228	298	40%	7%	1,050	1,220	-14%
Total Operating Expenses	238	155	218	53%	9%	724	748	-3%
Net Operating Profit	81	73	80	11%	2%	326	472	-31%
Net Operating Margin	25%	32%	27%			31%	39%	
<b>Net Profit After Tax &amp; Minority Interest</b>	<b>44</b>	<b>40</b>	<b>54</b>	9%	-18%	<b>200</b>	<b>304</b>	-34%

Source: EFG Hermes Management Accounts

The Investment Bank managed to report a net operating profit of EGP81 million, up 2% Y-o-Y in 4Q15; albeit operating in very difficult markets characterized by depressed volumes and low activity. This filtered into a net profit after tax and minority interest of EGP44 million, down 18% Y-o-Y in 4Q15, on higher provisions required.

In FY15, the Investment Bank reported a NPAT of EGP200 million, down 34% Y-o-Y. On an adjusted basis and after excluding the one-off gain of EGP97 million related to non-core asset sale of SODIC in FY14, the Investment Bank NPAT would be marginally down 3% Y-o-Y in FY15.

<i>in EGP million</i>	<b>Investment Bank Revenue</b>							
	<b>4Q15</b>	<b>3Q15</b>	<b>4Q14</b>	Q-o-Q	Y-o-Y	<b>FY15</b>	<b>FY14</b>	Y-o-Y
<b>Brokerage</b>	<b>93</b>	<b>68</b>	<b>109</b>	36%	-15%	<b>344</b>	<b>451</b>	-24%
Egypt	60	40	66	51%	-8%	209	252	-17%
Regional	32	28	43	14%	-25%	135	199	-32%
<b>Asset Management</b>	<b>99</b>	<b>45</b>	<b>109</b>	121%	-9%	<b>215</b>	<b>272</b>	-21%
Egypt	10	12	17	-21%	-44%	39	72	-46%
Regional	89	33	92	175%	-3%	176	200	-12%
<b>Investment Banking</b>	<b>14</b>	<b>50</b>	<b>41</b>	-72%	-67%	<b>163</b>	<b>137</b>	18%
Egypt	14	49	10	-72%	36%	142	48	198%
Regional	0	0	31	N/R	N/R	21	90	-77%
<b>Private Equity (Egypt)</b>	<b>12</b>	<b>23</b>	<b>10</b>	-48%	16%	<b>86</b>	<b>90</b>	-5%
<b>Leasing</b>	<b>12</b>	<b>7</b>	<b>0</b>	78%	N/R	<b>20</b>	<b>0</b>	N/R
<b>Capital Markets &amp; Treasury Operations</b>	<b>89</b>	<b>35</b>	<b>28</b>	152%	219%	<b>221</b>	<b>269</b>	-18%
<b>Total Operating Revenue</b>	<b>318</b>	<b>228</b>	<b>298</b>	40%	7%	<b>1,050</b>	<b>1,220</b>	-14%

\*Brokerage revenue highlighted above represents entities and not markets.

Source: EFG Hermes Management Accounts

The Investment Bank operating revenue rose 7% Y-o-Y to EGP318 million in 4Q15, on higher capital markets & treasury operations revenue which rose 219% Y-o-Y to EGP89 million. Fee and commission revenue, which represents 72% of the Investment Bank revenue in 4Q15, declined 15% Y-o-Y to EGP229 million. Egypt operations generated 47% of fees and commissions, while regional operations represented the remaining 53%.

Revenue generated from the recently launched Leasing division together with higher revenue generated from Private Equity division failed to mitigate lower revenue generated from Brokerage, Asset Management and Investment Banking. Private Equity revenue rose 16% Y-o-Y to EGP12 million in 4Q15, while the recently launched leasing business added EGP12 million to the Investment Bank revenue. On the other hand, Brokerage revenue declined 15% Y-o-Y to EGP93 million, primarily on lower executions as markets

liquidity contracted. Asset Management revenue declined 9% Y-o-Y to EGP99 million in 4Q15 on lower incentive fees. Investment Banking revenue decreased 67% Y-o-Y to EGP14 million on lower advisory fees.

In FY15, the Investment Bank revenue declined 14% Y-o-Y to EGP1,050 million, however if we exclude the one-off gain related to non-core asset sale (SODIC); revenue would be lower 7% Y-o-Y, a decent performance given weak markets in FY15 and a relatively strong comparative year, FY14.

Fees and commissions represented 79% of the total Investment Bank revenue in FY15 and capital markets and treasury operations represented the remaining 21%. Of the fee and commission revenue, Egypt operations represented 60% in FY15 versus 49% in FY14. The higher revenue contribution from the Egyptian operations reflects primarily the sharp increase in the Investment Banking revenue generated from Egypt on the back of Egyptian companies IPOs and equity raising.

Fees and commissions declined 13% Y-o-Y to EGP828 million in FY15, as the improvement in the Investment Banking revenue combined with the additional revenue generated from the Leasing business failed to mitigate the weakness in revenues generated from Brokerage, Asset Management and Private Equity.

The Investment Banking revenue rose 18% Y-o-Y to EGP163 million in FY15, on higher advisory fees generated from Egypt operations. Leasing business contributed EGP20 million to the fees and commissions pool in FY15. Brokerage revenue fell 24% Y-o-Y to EGP344 million, mainly on lower commission as volumes contracted. Asset Management revenue declined 21% Y-o-Y to EGP215 million on lower incentive fees, and Private Equity revenue weakened 5% Y-o-Y to EGP86 million on lower management fees. Moreover, capital markets & treasury operations revenue (excluding the one-off gain in FY14) rose 29% Y-o-Y to EGP221 million in FY15.

## iii. Investment Bank Operating Expenses

<i>in EGP millions</i>	<b>Investment Bank Operating Expenses</b>							
	<b>4Q15</b>	<b>3Q15</b>	<b>4Q14</b>	Q-o-Q	Y-o-Y	<b>FY15</b>	<b>FY14</b>	Y-o-Y
Employee Expenses	<b>181</b>	<b>107</b>	<b>152</b>	69%	19%	<b>524</b>	<b>550</b>	-5%
Employee Expenses/Operating Revenue	57%	47%	51%			50%	45%	
Employee Expenses/Operating Expenses	76%	69%	69%			72%	74%	
Number of Employees	868	869	825	0%	5%	868	825	5%
Other Operating Expenses	<b>57</b>	<b>48</b>	<b>67</b>	19%	-15%	<b>199</b>	<b>198</b>	1%
Other Operating Expenses/Operating Revenue	18%	21%	22%			19%	16%	
Other Operating Expenses/Operating Expenses	24%	31%	31%			28%	26%	
<b>Total Operating Expenses</b>	<b>238</b>	<b>155</b>	<b>218</b>	53%	9%	<b>724</b>	<b>748</b>	-3%

Source: EFG Hermes Management Accounts

Total operating expenses rose 9% Y-o-Y to EGP238 million in 4Q15, on the back of higher employee expenses which increased 19% Y-o-Y to EGP181 million. The increase in employee expenses in 4Q15 was mainly on the back of : (i) headcount increase resulting mainly from the new Leasing business hires; (ii) USD appreciation against the EGP which impacted salaries denominated in USD pegged currencies; and (iii) inflationary pressures.

Other operating expenses declined 15% Y-o-Y to EGP57 million in 4Q15. Occupancy expenses increased 10% Y-o-Y to EGP10 million, data communication expenses rose 14% Y-o-Y to EGP10 million, and office expenses added 6% Y-o-Y to EGP5 million. General expenses rose 98% Y-o-Y to EGP6 million, mainly on the back of accrued donations. Meanwhile, promotions and advertising expenses was marginally unchanged at EGP7 million. Travel expenses declined 5% Y-o-Y to EGP6 million, consultancy and service fees declined 59% Y-o-Y to EGP10 million, and telephone/fax/mobile expenses decreased 15% Y-o-Y to EGP2 million.

In FY15, total operating expenses declined 3% Y-o-Y to EGP724 million, on lower employee expenses which decreased 5% Y-o-Y to EGP524 million, thus maintaining employee expenses at 50% of the total operating revenues at the end of FY15. This echoes the flexibility of the Investment Bank cost structure and emphasizes the Firm's ability to control costs. Moreover, other operating expenses was merely flat (+1%) Y-o-Y at EGP199 million in FY15.

II. OPERATIONAL PERFORMANCE

i. Brokerage

Markets performance were mixed during 4Q15, but in terms of liquidity aggregate volumes improved in 4Q15 as compared to a quarter earlier. EFG Hermes maintained its strong footing and market share in some markets albeit tough operating environment, with executions improving 19% Q-o-Q to USD8.1 billion. Consequently, Brokerage revenue improved 36% Q-o-Q to reach EGP93 million in 4Q15.

Over 2015, country specific challenges and renewed concerns over energy prices took its toll on MENA markets, with Regional indices retreating and volumes shrinking as compared to a strong 2014. However, EFG Hermes managed in 2015 to grow its market shares and improve its ranking in its major markets, with executions reaching USD32.4 billion, down 31% Y-o-Y, and translating into a Brokerage revenue of EGP344 million in FY15, down 24% Y-o-Y.

in EGP millions	Brokerage Revenue							
	4Q15	3Q15	4Q14	Q-o-Q	Y-o-Y	FY15	FY14	Y-o-Y
Egypt	60	40	66	51%	-8%	209	252	-17%
UAE	17	17	26	-1%	-34%	75	125	-40%
KSA	4	3	6	48%	-33%	17	23	-29%
Oman	2	2	4	-26%	-50%	11	14	-22%
Kuwait	8	4	6	92%	31%	25	30	-17%
Jordan	2	2	2	-12%	15%	8	7	19%
<b>Total Revenue</b>	<b>93</b>	<b>68</b>	<b>109</b>	<b>36%</b>	<b>-15%</b>	<b>344</b>	<b>451</b>	<b>-24%</b>

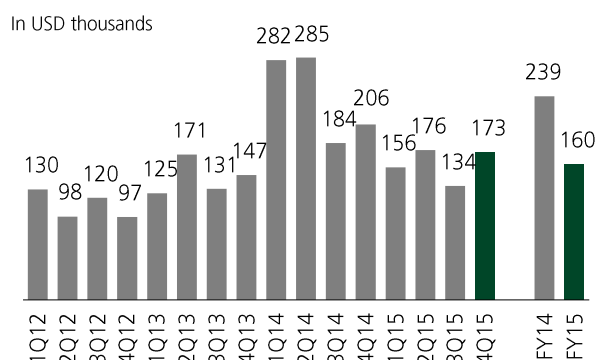
\*Revenue highlighted above represents entities and not markets.

Source: EFG Hermes Management Accounts

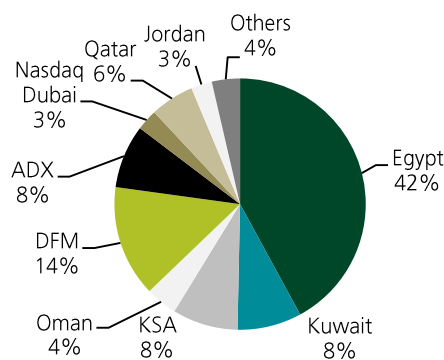
In terms of pure market commissions during FY15, Egyptian equities continued to be the largest contributor to the commission pool, representing 42%, followed by DFM where commissions represented another 14%. Commissions' contribution from KSA, Kuwait and ADX operations to the total pool were broadly unchanged, in the range of 8%/ 9%.

Average daily commission improved 29% Q-o-Q to USD173 thousand, yet declined 16% Y-o-Y on the back of contracting volumes on a Y-o-Y basis. Over FY15, average daily commission decreased 33% to USD160 thousand, as FY14 was a relatively a strong year which included UAE markets and Qatar inclusion in MSCI EM index.

Average Daily Commissions



Commissions Breakdown by Market



\*Based on FY15 figures



<i>in USD million</i>	<b>Brokerage Market Share &amp; Executions</b>							
	<b>4Q15</b>	<b>3Q15</b>	<b>4Q14</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>	<b>FY15</b>	<b>FY14</b>	<b>Y-o-Y</b>
<b>Egypt</b>								
Market share	39.4%	31.4%	27.7%	8.0%	11.7%	32.7%	27.4%	5.3%
Executions	2,033	1,269	1,877	60.2%	8.3%	6,839	9,425	-27.4%
<b>UAE - DFM</b>								
Market share	21.5%	17.3%	17.4%	4.2%	4.0%	14.7%	12.1%	2.7%
Executions	1,118	1,360	3,131	-17.8%	-64.3%	6,075	12,547	-51.6%
<b>UAE - ADX</b>								
Market share	33.6%	27.1%	22.8%	6.5%	10.8%	27.4%	17.4%	10.1%
Executions	1,433	1,030	1,223	39.2%	17.2%	4,514	6,799	-33.6%
<b>UAE - Nasdaq Dubai</b>								
Market share	65.6%	49.0%	30.9%	16.6%	34.7%	52.0%	36.1%	15.9%
Executions	426	278	206	52.8%	106.8%	1,401	1,044	34.2%
<b>KSA</b>								
Market share	1.5%	1.3%	1.5%	0.2%	0.0%	1.1%	1.0%	0.1%
Executions	1,306	968	1,947	34.8%	-32.9%	5,039	5,765	-12.6%
<b>Kuwait</b>								
Market share	30.2%	27.8%	22.8%	2.4%	7.5%	27.3%	25.6%	1.8%
Executions	800	705	1,118	13.5%	-28.4%	3,662	5,466	-33.0%
<b>Oman</b>								
Market share	12.9%	30.0%	19.8%	-17.1%	-6.9%	21.7%	18.7%	2.9%
Executions	148	186	285	-20.3%	-47.9%	780	1,096	-28.8%
<b>Jordan</b>								
Market share	4.8%	5.3%	7.5%	-0.5%	-2.7%	6.6%	8.8%	-2.2%
Executions	68	82	58	-17.1%	16.3%	317	280	13.5%

\*Executions in Qatar, Bahrain, Morocco and Lebanon represent an additional 19% of total Brokerage executions in 4Q15 and 14% in FY15.

Source: EFG Hermes and Regional Exchanges

**Egypt:** Egypt Brokerage market share (excluding special transactions) continued to improve in 4Q15, reaching 39.4% from 31.4% a quarter earlier; thus maintaining its top rank on EGX, with executions 40% higher than the following broker. EFG Hermes Brokerage successfully captured 45% in 4Q15 and around 12% of the retail business, in a market largely dominated by retail investors.

Moreover, EFG Hermes Brokerage market share rose to 32.7% in FY15 from 27.4% a year earlier, closing the year with first place ranking.

Worth noting, that during 4Q15 EFG Hermes Brokerage successfully executed a special transaction in the OTC market, which involved the sale of Piraeus Bank to ABK (Ahli Bank of Kuwait), a deal worth EGP1.2bn.

**UAE – Dubai:** EFG Hermes market share and ranking continued to advance for another quarter, reaching 21.5% in 4Q15 from 17.3% in 3Q15 to hold a top ranked position on DFM in 4Q15. This improvement came on the back of higher institutional clients' executions and despite low volumes, with the institutional business market share advancing to 18.4% in 4Q15 up from 13.7% in 3Q15, meanwhile the HNW inflow inched up to 0.9% from 0.6% and the retail business declined to 1.6% from 2.4% a quarter earlier.

For FY15, Brokerage market share reached 14.7% with a fifth place ranking versus a market share of 12.1% in FY14 and a sixth place ranking.

**UAE – ADX:** Boosted by institutional business, EFG Hermes market share on the ADX continued to improve, reaching 33.6% in 4Q15 versus 27.1% in 3Q15; with a second place ranking for the quarter. If we exclude special transactions executed during 4Q15, EFG Hermes Brokerage would be top ranked with a market share of 28.2%. The increase in institutional business and foreign inflows was underpinned by Etisalat's removal of foreign ownership restrictions and inclusion in the MSCI EM index in its semi-annual index review in 4Q15.



The Institutional business market share rose to 32.3% in 4Q15 from 25.3% in 3Q15, while the HNW inflow broadly unchanged at 0.3% and the retail business market share came declining to 1.0% from 1.2% over the same period.

For FY15, Brokerage market share reached 27.4% with a second place ranking versus a market share of 17.4% in FY14 and a third place ranking.

**UAE – Nasdaq Dubai:** The Firm's market share reached 65.6% in 4Q15 up from 49.0% in 3Q15; and reached 52.0% in FY15 from 36.1% a year earlier; thus maintaining its first place ranking in the market for 4Q15 and FY15.

**Saudi Arabia:** EFG Hermes KSA market share continued to increase, rising to 1.5% in 4Q15 from 1.3% a quarter earlier, with a second place ranking among foreign brokerage firms. The market continued to be dominated by retail investors whereas the percentage of foreign institutions participation via participatory notes did not exceed an average of 2.8% in 4Q15 and the QFI participation was very low, c.0.36% of the market turnover. In FY15, market share rose to 1.1% from 1.0% a year earlier.

EFG Hermes Saudi continues to focus its efforts on targeting: (i) Saudi HNW clients, to expand its client base as they represent around 85% of the market activity; (ii) GCC HNW and Institutional clients who seek a one-stop shop in the MENA region; and (iii) QFI clients who now can trade the Saudi market.

**Kuwait:** The Firm's market share increased to 30.2% in 4Q15 versus 27.8% a quarter earlier; thus maintaining its first place ranking in 4Q15. This came supported by increased clients' acquisition locally as well as capturing a significant portion of foreign institutional investors flow into Kuwait.

For FY15, the firm's market share stood at 27.3% a decent increase as compared to FY14's market share of 25.6%. The firm's ranking for the full year came at 1<sup>st</sup> place (for the first time since acquisition in 2008) versus 2<sup>nd</sup> in FY14.

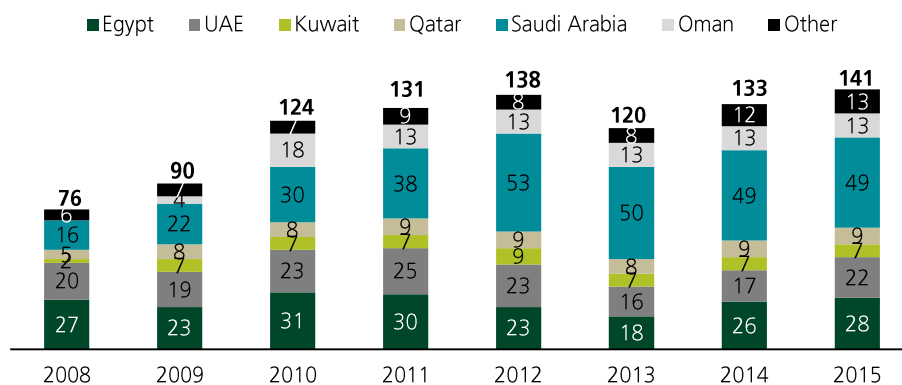
**Oman:** EFG Hermes Oman market share declined to 12.9% in 4Q15 from 30.0% in 3Q15 with a fourth place ranking, as the quarter included special transactions, which represented 60% of the market turnover.

Market share rose to 21.7% from 18.7% in FY2014 with a third place ranking in FY15, mainly as a result of the increase in foreign and GCC institutions activity in Oman. If we exclude special transactions executed during the year, EFG Hermes Oman would hold a second place ranking with a market share of 22.7%.

**Jordan:** EFG Hermes Jordan market share decreased to 4.8% in 4Q15 from 5.3% in 3Q15 with a sixth place ranking in 4Q15. For FY15, the Firm market share decreased to 6.6% from 8.8% in FY14 to hold a seventh place ranking. If we exclude special transactions, EFG Hermes Jordan market share would be 8.5% with a sixth place ranking.

ii. Research

**Research Coverage Universe**



Source: EFG Hermes

The Research department coverage reached 141 companies at the end of 4Q15, distributed across the region (Egypt 28, UAE 22, KSA 49, Kuwait 7, Oman 13, Qatar 9, Lebanon 3, Morocco 3, Jordan 5 and others 2). Currently EFG Hermes covers 57% of the regional market capitalization.

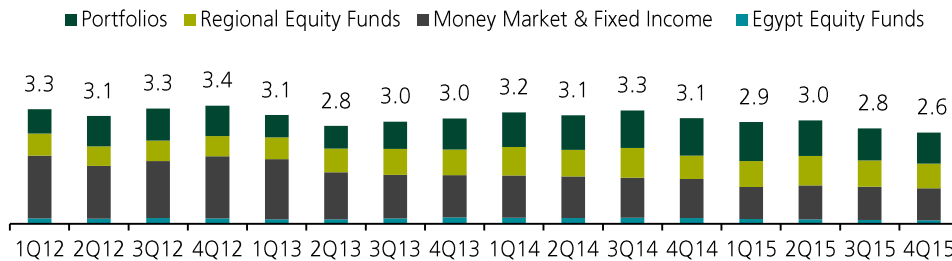
The research department covers 11 economies from a macro level and 8 countries in terms of regular strategy notes. In addition, the research team issues regular publications, including daily morning round-ups, after end of session wrap-ups and a regional monthly product.

EFG Hermes Research offers investors the research portal. Available to EFG Hermes clients, Research Online provide both simple and advanced search functionality and access to EFG Hermes Research’s full three-year product archive.

iii. Asset Management

**Development of Assets under Management**

In USD billion



Source: EFG Hermes Asset Management

EFG Hermes Assets under Management declined 4.2% Q-o-Q in 4Q15 to stand at USD2.6 billion at the end of the quarter. Weakening regional markets represented 1.9% of the decline in AuMs, while redemptions in Egypt MMFs and Regional equity funds, represented the remaining 2.3%.

On the equity side, the team saw injections into existing Regional (KSA) equity funds and a new equity portfolio in Egypt, however this failed to offset the outflows in Regional equity funds/portfolios seen during the quarter.

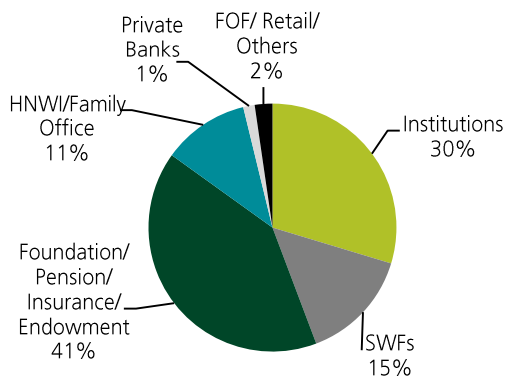
In FY15, assets under management lost 11.1% Y-o-Y of its value. Weak markets took its toll on AUMs, representing 7.3% of AuMs decline; while redemptions represented the remaining 3.8%. Net outflows in Local MMFs represented 6.1% of AuMs size in FY15, suggesting net inflows on the equity front. The team added three new equity funds in KSA, “Hasaad” a Saudi shariah compliant fund and two IPO funds: Muscat Capital IPO fund and NOMW IPO fund. This in addition to a number of new institutional equity portfolios.

It is important to highlight that more than 50% of the total asset base is denominated in Egyptian pound, thus the EGP devaluation exerts downward pressure on the size of the AuMs given that we report our AuMs in USD.

The Asset Management clients’ base remained well diversified with special focus on long-term and institutional clients. With a slight re-classification: Foundation/Pension/Insurance/Endowment represented 41% at the end of 4Q15, Institutional clients represented 30% of total AuMs, SWF clients represented 15%, and HNWI/Family Office clients represented 11%.

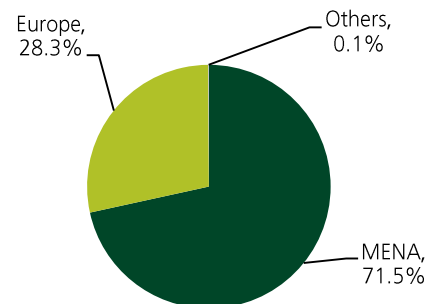
Funds origination was broadly unchanged in 4Q15, with MENA clients represented 72% of total AuMs in 4Q15 and European clients representing the remaining 28%.

Assets under Management by Type of Client



Source: EFG Hermes Asset Management

Assets under Management by Geography



Source: EFG Hermes Asset Management

**Funds/Portfolios Performance**

The EFG Hermes MEDA Fund ended the quarter with a NAV of USD61 million versus a NAV of USD66 million in 3Q15. There were minimal subscriptions to the fund amounting to USD10 thousand and redemptions totaled to USD2.7 million during the quarter. In terms of performance, the MEDA fund lost 6.4% versus the S&P Pan Arab Composite LargeMid Cap TR Net USD Index, which fell 7.5% in 4Q15.

The EFG Hermes Saudi Arabia Equity Fund ended the quarter with a NAV of USD18 million at the end of 4Q15 versus a NAV of USD20 million a quarter earlier. The fund saw subscriptions of USD4.0 million and redemptions of USD4.8 million. Over the quarter, the fund lost 4.7% versus the Tadawul All Share Index, which was down 6.7%.

The EFG Hermes Telecom Fund ended the quarter with a NAV of USD14 million in 4Q15 versus a NAV of USD15 million. The fund lost 3.9% over 4Q15 versus MSCI EMEA Telecom Index, which was down 17.4%.

The EFG Hermes Egypt Fund ended 4Q15 with a NAV of USD26 million versus a NAV of USD28 million at the end of 3Q15. The fund saw subscriptions of USD0.01 million in 4Q15 while total redemptions reached USD0.11 million. In terms of performance, the fund lost 7.9% versus the Hermes Financial Index (HFI), which declined 6.6% over the same period.

The MENA Long Term Value Fund ended the quarter with a NAV of USD431 million compared to USD455 million in 3Q15. No new subscriptions or redemptions were made during the quarter. The Fund declined 5.3% in 4Q15.

For the equity, fixed income and balanced portfolios AuMs were USD917 million versus USD939 million at the end of 3Q15. The client base remained split between insurance companies, banks, regional HNWI/Family Office and SWFs.

#### iv. Investment Banking

The Investment Banking division maintained its strong momentum throughout 2015 and managed to successfully close 10 high profile equity and M&A transactions. In terms of M&A executions, the investment banking team closed a transaction in the F&B sector in 4Q15, the sale of El Rashidi El Mizan in a USD95 million landmark cross border transaction to Olayan Financing Company. EFG Hermes was successful in liaising between regional and local players to attract substantial capital into the domestic Egyptian market.

During the year, the division concluded the USD100 million sale of Fawry - a leading Egyptian electronic payments processor - to an esteemed consortium of financial sponsors. And in facilitating the great interest in F&B assets in Egypt, EFG Hermes advised on the sale of Schweppes Egypt to The Coca Cola Company.

On the equity front, the investment banking division had one of its best years to date by successfully concluding four landmark initial public offerings—in spite of turbulence in global and regional capital markets. The firm's strong ECM success was manifested by its topping of the Middle Eastern equity capital markets league tables, with aggregate executions of over USD2.8 billion. The department advised on the precedent setting demerger and subsequent dual listing of OCI N.V.'s construction business, Orascom Construction Limited, through a USD1.4 billion share capital reduction and distribution to OCI N.V. shareholders. This was coupled with a primary listing on Nasdaq Dubai, where the distributed shares were relocated, and a secondary listing on the Egyptian Stock Exchange by means of an USD185 million capital increase. The team also acted as Joint Global Coordinator and Bookrunner on the highly successful USD267 million IPO of EDITA Food Industries which was 12x oversubscribed. Furthermore, in expanding its global reach, EFG Hermes conducted its first listing company on the London Stock Exchange in its landmark listing USD334 million of Integrated Diagnostics Holding. The fourth IPO was the Emaar Misr IPO, which was the first pure Egyptian real estate IPO since the financial crisis in 2008, and had a record subscription of 35.9x for the public tranche. EFG Hermes was also the Financial Advisor on Palm Hills Developments' USD216 million rights issue and Ghabbour Auto's USD126 million rights issue.

Additionally, the department executed Egypt's first real estate backed security offering, acting as the joint financial advisor & underwriter to Amer Group for a total consideration of USD28 million.

Building on the strong successes witnessed in 2015, EFG Hermes Investment Banking has successfully managed to secure a strong pipeline of prospective transactions, including initial public offerings, equity raising and M&A transactions in various sectors across the MENA region in 2016.

## v. Private Equity

Assets under management stood at USD0.6 billion at the end of FY15, affected by the plunge in oil prices. The private equity team will continue its divestment strategy of ECP III seeking lucrative exits while at the same time pursuing its investment themes in infrastructure, real estate and healthcare.

### **Infrastructure:**

Vortex's French investment outperformed the budget in 2015 in terms of electricity generation and EBITDA by c.4% and c.13% respectively as the team continued to work closely with EDPR's management to optimize production and enhance the portfolio's profitability. EDPR France distributed EUR 22mn to Vortex, and in turn Vortex paid down EUR 10.4mn of its long term debt, and distribute c.EUR 8mn to its investors over the first year of investment which represented net cash yield of 10%. Vortex's solid performance was also recently acknowledged in the MENA Fund Manager Performance Awards and was awarded the "Best Private Equity Fund in MENA". The team continues to work closely with EDPR's management to ensure business plan realization.

Supported by the solid performance and in line with our mandate to grow the Vortex platform to 1,000 MW in the coming years, the team screened/analyzed more than 15 investment opportunities, surpassing USD 2bn in value and spreading across the European renewable energy arena, in Q4 2015. Opportunities screened encompassed different renewable technologies (Onshore Wind, Offshore Wind and Solar PV) at varying development stages (operational and under development) alongside top-tier renewable energy developers.

### **ECP II:**

ECP II GP has entered into a SPA to exit ECP II Fund's last remaining investment, Kandil Steel Holding. The SPA was signed between Amr Mohyeldin Khalil Kandil ("Buyer"), the Company's CEO and principal shareholder and ECP Fund II on May 13, 2015 to acquire the entire stake of ECP Fund II (16.5%).

## vi. Leasing

EFG Hermes Leasing was ranked 5<sup>th</sup> in terms of deal booking for 4Q15 with a market share of 9%, supported by healthy bookings taking place during the last two month of the year. On a full year basis, we succeeded to capture the 8<sup>th</sup> place with a market share of 5%, despite being operational for only six months of the year.

### Contracts Booked during 4Q15 (by Asset Size)

	Company	Lease Value (EGP mn)	Market Share
1	Incolease	1,100	21%
2	Corplease	849	17%
3	Al Tawfik Lease	619	12%
4	Techno lease	456	9%
<b>5</b>	<b>EFG Hermes Leasing</b>	<b>450</b>	<b>9%</b>
6	Al Ahly	433	8%
7	QNB	348	7%
8	GB Lease	135	3%
9	Orix	133	3%
10	Global Lease	131	3%

Source: Egyptian Financial Supervisory Authority and EFG Hermes calculations

### Contracts Booked during FY15 (by Asset Size)

	Company	Lease Value (EGP mn)	Market Share
1	Incolease	2,067	14%
2	Corplease	2,025	14%
3	QNB	1,788	12%
4	Al Tawfik Lease	1,694	12%
<b>5</b>	<b>Al Ahly</b>	<b>1,503</b>	<b>10%</b>
6	GB Lease	1,130	8%
7	Techno lease	979	7%
<b>8</b>	<b>EFG Hermes Leasing</b>	<b>708</b>	<b>5%</b>
9	Arab African	559	4%
10	Orix	493	3%

Source: Egyptian Financial Supervisory Authority and EFG Hermes calculations

With funding arrangement in place, the contracted net financed assets “NFAs” were financed by a combination of equity that was committed to the business, and debt acquired from banks.



**III. COMMERCIAL BANK**

<i>In USD million</i>	<b>Key Financial Highlights and Ratios</b>									
	<b>4Q15</b>	<b>3Q15</b>	<b>2Q15</b>	<b>1Q15</b>	<b>4Q14</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>	<b>FY15</b>	<b>FY14</b>	<b>Y-o-Y</b>
<b>Balance Sheet:</b>										
Total Assets	9,936	9,751	9,553	9,335	9,162	2%	8%	9,936	9,162	8%
Cash and CB placements	2,295	2,223	2,193	1,990	2,046	3%	12%	2,295	2,046	12%
Interbank	712	633	637	661	714	13%	0%	712	714	0%
Securities	3,629	3,572	3,450	3,430	3,178	2%	14%	3,629	3,178	14%
Loans	2,968	2,983	2,913	2,873	2,856	-1%	4%	2,968	2,856	4%
Deposits	8,406	8,275	8,091	7,872	7,739	2%	9%	8,406	7,739	9%
Shareholders' Equity:	836	819	800	808	794	2%	5%	836	794	5%
Tier 1 capital	746	730	712	721	704	2%	6%	746	704	6%
Tier 2 capital	90	89	88	86	90	1%	0%	90	90	0%
<b>P&amp;L:</b>										
Net Interest Income:	40.6	37.4	38.3	35.4	39.5	8%	3%	151.8	139.7	9%
Interest Income	136.6	133.2	126.9	122.6	124.8	3%	10%	519.2	468.5	11%
Interest Expense	(96.0)	(95.7)	(88.6)	(87.1)	(85.3)	0%	13%	(367.4)	(328.8)	12%
Net Fee and Commission Income	9.1	11.1	7.3	9.1	9.1	-18%	0%	36.6	37.4	-2%
Trading Income	3.2	3.5	2.4	3.6	5.6	-11%	-44%	12.7	14.0	-9%
Pre-Provisioning Income	53.6	52.1	48.4	48.4	57.2	3%	-6%	202.5	195.1	4%
Provisions	(3.2)	(3.2)	(1.4)	(2.0)	(5.6)	0%	-43%	(9.7)	(10.5)	-8%
Recoveries/collections	0.7	0.3	0.2	0.3	1.5	141%	-55%	1.4	3.8	-62%
Net Provisions	(2.5)	(2.9)	(1.2)	(1.7)	(4.1)	-14%	-39%	(8.3)	(6.7)	23%
<b>Net Operating Income</b>	<b>51.1</b>	<b>49.3</b>	<b>47.2</b>	<b>46.6</b>	<b>53.2</b>	<b>4%</b>	<b>-4%</b>	<b>194.3</b>	<b>188.4</b>	<b>3%</b>
Staff Cost	19.8	16.9	17.5	17.2	19.5	17%	1%	71.5	69.3	3%
General Expenses	13.4	9.4	8.2	8.8	10.7	43%	25%	39.8	40.0	-1%
Total Operating Expenses	35.1	28.1	27.3	27.7	32.1	25%	9%	118.2	116.4	2%
<b>Net Income after Tax</b>	<b>12.9</b>	<b>18.4</b>	<b>18.3</b>	<b>17.1</b>	<b>19.1</b>	<b>-30%</b>	<b>-33%</b>	<b>66.6</b>	<b>64.2</b>	<b>4%</b>
Net Income less preferred shares*	11.1	16.6	16.6	15.3	17.3	-33%	-36%	59.6	57.2	4%
<b>Ratios:</b>										
Net Interest Margin	1.6%	1.6%	1.6%	1.6%	1.7%	0.0	0.0	1.6%	1.7%	0.0
Cost-to-income**	58.0%	55.4%	56.3%	57.1%	59.3%	2.6	-1.3	58.0%	59.3%	-1.3
Loans-to-deposits	35.3%	36.1%	36.0%	36.5%	36.9%	-0.7	-1.6	35.3%	36.9%	-1.6
NPL / Gross Loans	4.1%	3.6%	3.7%	3.7%	3.6%	0.5	0.6	4.1%	3.6%	0.6
Provision Cover	75.5%	81.9%	79.0%	76.9%	78.4%	-6.4	-2.9	75.5%	78.4%	-2.9
ROAE (after-tax)	9.6%	10.4%	10.3%	9.7%	9.8%	-0.8	-0.2	9.6%	9.8%	-0.2
ROAA (after-tax)	0.7%	0.8%	0.8%	0.7%	0.7%	-0.1	0.0	0.7%	0.7%	0.0
Core Tier 1 Capital Ratio***	13.7%	13.8%	13.8%	14.4%	14.4%	-0.1	-0.7	13.7%	14.4%	-0.7
Total Capital Adequacy Ratio***	14.7%	15.1%	15.1%	15.8%	15.8%	-0.4	-1.0	14.7%	15.8%	-1.0

\* Preferred shares dividends for FY14 were approved in the AGM

\*\* Includes extraordinary items

\*\*\* Calculations for FY15 ratios include net profits which is yet to approved in the AGM

Source: Credit Libanais data

**i. Results in Context**

Within an environment of continued severe regional turmoil and increasing competition among Lebanese banks for market share and profitability, banks like Credit Libanais, with mainly a domestic presence in Lebanon, focus primarily on acquiring deposits to subsequently place them in high-yielding deposits with the Central Bank.

Credit Libanais reported a net profit after tax of USD12.9 million in 4Q15, down 30% Q-o-Q and 33% Y-o-Y. Higher interest income generated from investments in securities and long-term placements with the Central Bank failed to offset lower trading income and higher operating expenses, as the quarter included a number of one-off charges that took its toll on the profitability. However, the Bank reported a net profit after tax of USD66.6 million in FY15, up 4% Y-o-Y.

Net interest income continued to grow in FY15 despite deposits growing faster than loans and contracting net spreads, as higher revenue was realized from increasing asset allocation towards investments in securities and long-term placements with the Central Bank.

Credit Libanais continues to be well capitalized, maintaining solid capital adequacy ratios, well over the levels prescribed by the regulators.

ii. Selected Financial & Qualitative Information

≡ **Assets**

Total Assets stood at USD9.9 billion at the end of 4Q15, up 2% Q-o-Q and 8% Y-o-Y. Asset growth during the quarter was supported by additional placements with the central bank and investment in securities.

Composition of assets was largely stable in 4Q15 and over FY15. Cash allocation to total assets represented 30% at the end of FY15, while securities contribution to total assets stood at 37% and loans represented another 30% of total assets.

Asset allocation to treasury & capital markets grew to 62.9% at the end of FY15 from 61.3% at the end of FY14, mainly on the account of corporate banking which declined to 15.7% from 17.2% over the same period. Retail Banking represented 20.1% of total assets while Investment banking stood at 1.2% at the end of FY15.

≡ **Loans**

Total Loans stood at USD3.0 billion at the end of FY15, down 1% Q-o-Q and up 4% Y-o-Y.

<i>In USD million</i>	Loans by Type						
	4Q15	3Q15	2Q15	1Q15	4Q14	Q-o-Q	Y-o-Y
<b>Loans</b>	<b>2,968</b>	<b>2,983</b>	2,913	2,873	<b>2,856</b>	<b>-0.5%</b>	<b>3.9%</b>
Corporate	1,470	1,503	1,456	1,424	1,448	-2.2%	1.6%
Retail	1,210	1,181	1,165	1,162	1,129	2.4%	7.1%
SME	288	299	291	287	279	-3.6%	3.3%

Source: Crédit Libanais

**Loan growth by type:** Loan book contracted by 0.5% Q-o-Q in 4Q15, largely on corporate loan book declining 2.2% over the quarter. On a Y-o-Y basis, loan book grew 3.9%, driven mainly by retail loan book growth, which grew 7.1% Y-o-Y.

**Loan distribution by type:** At the end of FY15, corporate loans represented 50% of total loans, retail loans represented 41% and SME loans represented the remaining 9%; virtually unchanged over the year.

**Loan distribution by business line:** The change in loans distribution across different economic sectors was limited Q-o-Q and Y-o-Y, with the Personal and Consumer sector loans representing 45.4% of total loans. Industrial and agricultural loans represented another 14.0% and 1.5%, respectively, whereas loans to trade and construction sectors were 28.3% and 10.4%, respectively.

**Loan quality:** NPL ratio came at 4.1% at the end of FY15 versus 3.6% a year earlier. Coverage ratio declined to 75.5% at the end of FY15 from 78.4% at the end of FY14, as less provision were required during the year. The increase in the NPL ratio and the decline in the coverage ratio are explained, as some performing loans were reclassified as substandard loans and thus included in NPLs, with no additional provisions are required.

**Loans by currency:** The loan book was split 41/59 between local and foreign currency, respectively at the end of FY15.

**Yield on Loans:** The average yield on loans continued its downward trend in 4Q15, with the yield on LBP denominated loans decreasing to 6.45% in 4Q15 from 6.52% in 3Q15 together with the yield on FC denominated loans declining to 6.73% from 6.84% over the same period. This collectively resulted in the average blended rate declining to 6.61% from 6.70%.

Over the year, the blended yield on loans declined from 6.72% at the end of FY14 to close the year at 6.61%, this was on the back of contracting yield on LBP denominated loans which declined to 6.45% in FY15 from 6.83% in FY14. On the other hand, the yield on FC denominated loans increased to 6.73% from 6.65% over the same period.

It is worth noting that the trend of declining yield on loans on the LBP dominated loans over the past few quarters is largely attributed to loans allocated to low-yield sectors, which exerted pressure on blended rates.

### ☰ Deposits

Deposits rose to USD8.4 billion at the end of FY15, an increase of 2% Q-o-Q and 9% Y-o-Y.

In USD million	Deposits By Type						
	4Q15	3Q15	2Q15	1Q15	3Q14	Q-o-Q	Y-o-Y
<b>Deposits</b>	<b>8,406</b>	<b>8,275</b>	8,091	7,872	<b>7,739</b>	<b>1.6%</b>	<b>8.6%</b>
Savings	4,507	4,479	4,433	4,357	4,280	0.6%	5.3%
Term	3,033	2,927	2,819	2,721	2,630	3.6%	15.3%
Sight	866	869	839	793	829	-0.4%	4.4%

Source: Crédit Libanais

**Deposits contribution by type:** On a Q-o-Q basis, term deposits was the main driver for the Q-o-Q growth, up 3.6% Q-o-Q. Following suit, on a Y-o-Y, term deposits were the main driver for deposit growth, increasing 15.3% Y-o-Y. At the end of FY15, term deposits represented 36% of the total deposit base while saving deposits represented 54% of total deposits and sight deposits represented the remaining 10%.

**Deposits by business line:** At the end of FY15, deposits were split 80/20 between retail and corporate, respectively, largely unchanged Q-o-Q and Y-o-Y.

**Deposits by currency:** Deposit split at the end of the year was 47/53 between local and foreign currency, respectively, largely unchanged Q-o-Q and Y-o-Y.

**Cost of Deposits:** The blended average cost of deposits remained stable Q-o-Q at 4.58% at the end of FY15, as both LBP and FC dominated deposits remained broadly unchanged.

On a Y-o-Y basis, the blended average cost of deposits increased to 4.58% from 4.44% in 4Q14. This was on the back of higher cost of deposits for the LBP dominated deposits, which rose to 5.80% in 4Q15 from 5.71% in 4Q14 and on an increase in average cost of FC deposits, which increased to 3.44% from 3.31% in 4Q14.

**Loans/Deposits ratio:** The loans/deposits ratio declined to 35.3% in 4Q15 from 36.1% at the end of 3Q15 and 36.9% at the end of FY14. This was mainly attributed to the current operating environment for the Lebanese Banks, which focuses on deploying deposits to placements with the CB and investment in securities, in the absence of borrowing demand by clients.

### ☰ Net Interest income

Net interest income rose 8% Q-o-Q and 3% Y-o-Y to USD40.6 million in 4Q15, on the back of higher interest generated from long-term placements and investments in securities, and despite declining loan/deposit ratio and contracting spreads.

Net interest income increased 9% Y-o-Y to USD151.8 million in FY15, driven by interest income generated from long-term placements and investments in securities, which offset the contracting spreads, and the downward pressure exerted on NII from growing deposits faster than loans.

### ≡ Fee & Commission Income

Fee and commission income declined 18% Q-o-Q and came flat Y-o-Y at USD9.1 million in 4Q15. Worth noting here that 3Q15 included exceptionally higher fee and commission income generated by one of the subsidiaries during the quarter. For FY15, fee and commission income was marginally down 2% Y-o-Y to USD36.6 million.

### ≡ Trading income

Trading income declined 11% Q-o-Q and 44% Y-o-Y to USD3.2 million in 4Q15. Worth noting that a one-off charge of USD2.2 million related to fx-trading in Iraq was booked during the quarter. Meanwhile, trading income declined 9% Y-o-Y to USD12.7 million in FY15.

### ≡ Net Provisions

Net provisions came at USD2.5 million in 4Q15 compared to USD2.9 million in 3Q15 and USD4.1 million in 4Q14, lower 14% Q-o-Q and 39% Y-o-Y. For the year, net provisions reached USD8.3 million up 23% Y-o-Y.

### ≡ Net Operating Income (i.e. after provisions)

Net operating income rose 4% Q-o-Q and declined 4% Y-o-Y to USD51.1 million in 4Q15, the Q-o-Q increase is attributed to higher NII and lower provisions. Meanwhile, the lower NOI on a Y-o-Y basis is attributed mainly to lower trading income. In FY15, net operating income rose 3% Y-o-Y to USD194.3 million, supported mainly by NII growth.

### ≡ Total Operating Expenses

Total operating expenses rose 25% Q-o-Q and 9% Y-o-Y to USD35.1 million in 4Q15, the increase in expenses is partially attributed to non-recurring expenses, including publicity and legal fees, that were booked in 4Q15. In FY15, total operating expenses remained under control Y-o-Y, up 2% to USD118.2 million.

### ≡ Net Income after Tax

Net income declined 30% Q-o-Q and 33% Y-o-Y to USD12.9 million in 4Q15, mainly on higher expenses booked in 4Q15. Meanwhile, net income rose 4% Y-o-Y to USD66.6 million mainly on higher NII and contained expenses.

### ≡ Cost/Income Ratio

Cost-to-income reached 58.0% in FY15 from 59.3% in FY14, underpinned by higher banking income and controlled expenses.

### ≡ Net Interest Margin

NIMs came at 1.6% at the end of 4Q15, broadly unchanged Q-o-Q and Y-o-Y.

### ≡ Branch Productivity and Efficiency ratios

	Branch Productivity						
	4Q15	3Q15	2Q15	1Q15	4Q14	Q-o-Q	Y-o-Y
Employees/Branch	23	22	22	22	23	0.4%	-2.1%
Loans/Branch (USD mn)	41	41	40	39	40	-0.5%	2.5%
Deposits/Branch (USD mn)	115	113	111	108	108	1.6%	7.1%
Revenue/Employee (USD thousand)	34	32	30	30	35	6.3%	-3.6%

Source: Crédit Libanais

## iii. International Operations

**High level financial highlights:****SENEGAL**

Crédit International reported a net loss of USD5 thousand in 4Q15 versus a net profit of USD158.1 thousand a quarter earlier; however for the year, the bank reported a net profit of USD605 thousand from USD293 thousand in FY14.

Balance sheet highlights:

Total Assets : USD85.7 million

Loans : USD38.1 million

Deposits : USD55.9 million

**IRAQ**

The Iraq operations reported a net profit of USD28 thousand up from a net loss of USD193 thousands in 3Q15. For FY15, the Iraq operations reported a net loss of USD755 thousand versus a net loss of USD1.6 million in FY14; largely due to the lack of revenue generated from foreign exchange transactions which ended in 2013 after the change in trading regulations.

Balance sheet highlights:

Total Assets : USD35.9 million

Loans : USD7.7 million

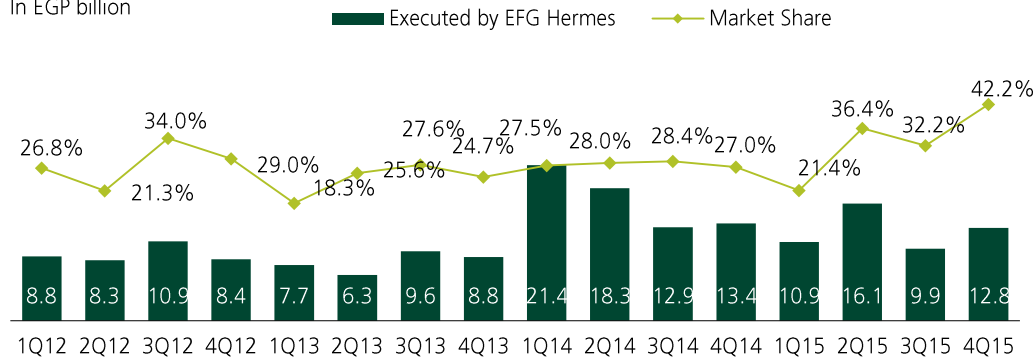
Deposits : USD8.2 million

IV. ANNEX

EFG Hermes Executions & Market Shares

Egypt:

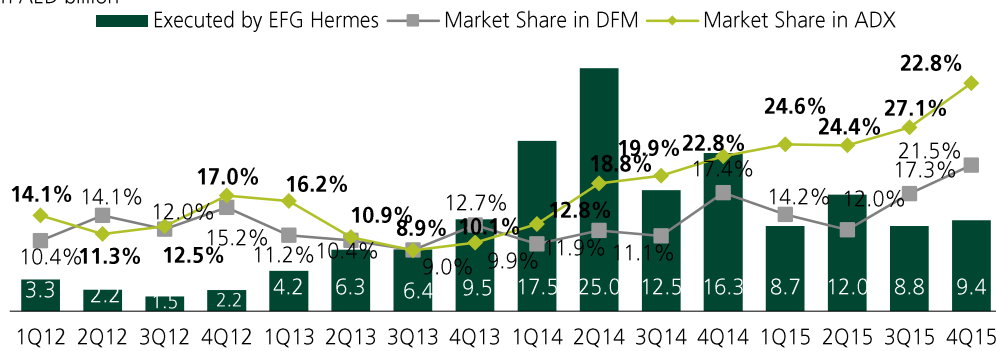
In EGP billion



\*Including special transactions

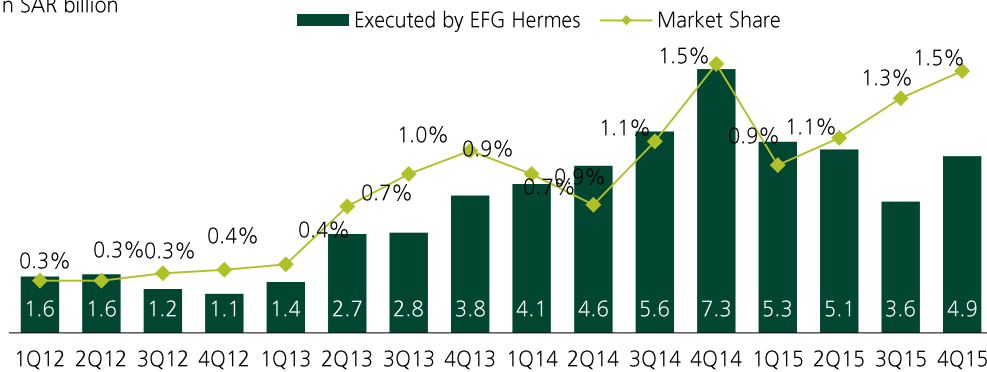
UAE

In AED billion

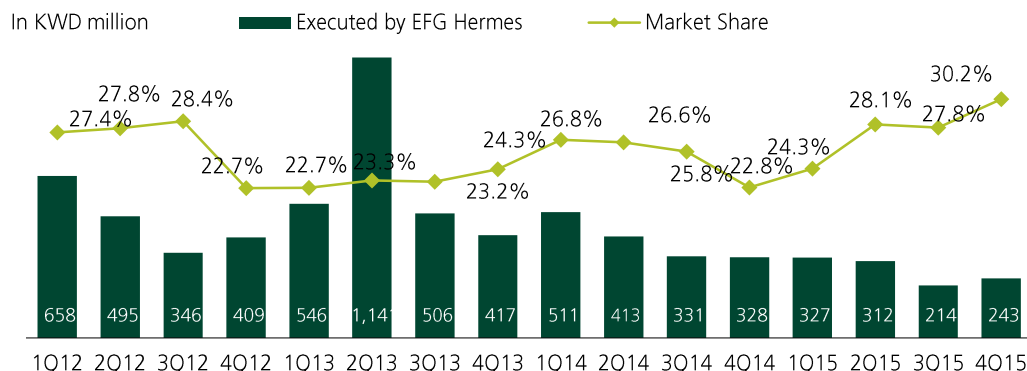


KSA:

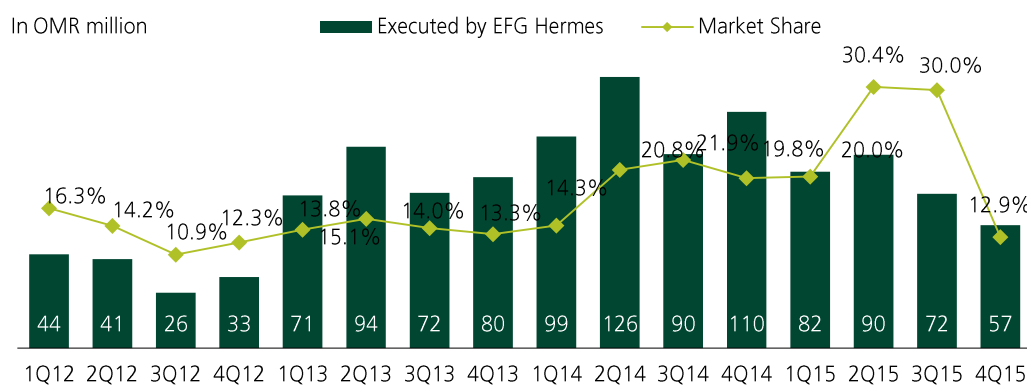
In SAR billion



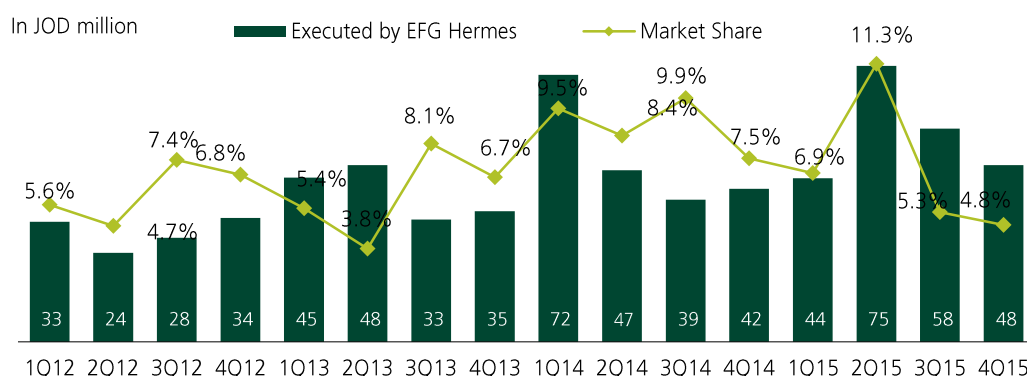
Kuwait:



Oman:



Jordan:





---

In this earnings release EFG Hermes may make forward looking statements, including, for example, statements about future fund raising, investment banking transactions, private equity exits, leasing business outlook and the Commercial bank business strategy. 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 3,074,472,890

---

**Listings & Symbols**

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

[London Stock Exchange \(GDRs\)](#)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

Reuters pages: .EFGS .HRMS .EFGI .HFISMCA .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

[www.efghermes.com](http://www.efghermes.com)