

## **EFG HERMES REPORTS FULL YEAR 2014 GROUP EARNINGS OF EGP538 MILLION; ON TOTAL OPERATING REVENUES OF EGP2.6 BILLION**

**Cairo, March 19<sup>th</sup>, 2015** – EFG Hermes reported today Group net profit after tax and minority interest of EGP131 million in 4Q14, up from a net loss of EGP565 million a year earlier. Total assets stood at EGP75.7 billion at the end of 4Q14.

### **Key Highlights**

#### **4Q2014**

- ≡ A solid set of results reported by the Investment Bank and the Commercial Bank, filtered into the Group's profitability, with the Group reporting a net profit after tax and minority interest of EGP131 million in 4Q14, compared with a net loss of EGP565 million in 4Q13.
- ≡ The Group delivered good operational performance which resulted in net operating profit rising 51% Y-o-Y to EGP261 million in 4Q14 that translates into a net operating profit margin of 37% in 4Q14 from 26% a year earlier.
- ≡ Building on higher revenue and contained expenses, the Investment Bank net operating profits rose 346% Y-o-Y to reach EGP80 million; this filters into a net profit after tax and minority interest of EGP54 million, up from a net loss of EGP620 million in 4Q13.
- ≡ Fee and commission revenue drove the underlying performance of the Investment Bank; rising 24% Y-o-Y to EGP270 million. This was largely due to an improvement in Brokerage revenue and Investment Banking regional revenue.
- ≡ The Investment Bank operating expenses declined 12% Y-o-Y to EGP218 million on lower employee expenses. Employee expenses represented 51% of the total Investment Bank operating revenues in 4Q14.
- ≡ Credit Libanais net profit rose 26% Y-o-Y to reach USD21.1 million in 4Q14, driven by higher operating income and lower operating expenses.

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**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

### FY2014

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- ≡ The Investment Bank supported the Group's profitability in 2014 after being a drag on earnings a year earlier; the Group reported a net profit after tax and minority interest of EGP538 million in FY14 from a net loss of EGP540 million a year earlier.
- ≡ On the operational level, the Group's performance was predominantly supported by the Investment Bank's progress; with the Group reporting a net operating profit of EGP1.1 billion that translates into a net operating profit margin of 41%.
- ≡ The year 2014 was a year of significant progress for the Investment Bank, in which we delivered against all our commitments: focusing on local operations, expanding regional operations and actively managing our costs; all this resulted in a significant development in the Investment Bank's profitability, reporting a net profit after tax and minority interest of EGP304 million from a net loss of EGP806 million a year earlier.
- ≡ The overarching part of delivering strong operational results for the Investment Bank was the growth in revenue generated from fees and commissions in FY14, which rose 44% Y-o-Y to EGP951 million. This was largely attributed to higher revenue generated from regional operations (Brokerage, Asset management and Investment Banking) which represented 51% of fees and commissions in FY14 and reflects our pledge to grow regional operations while maintaining leadership position in our home market.
- ≡ With management on-going focus on controlling expenses, the Investment Bank operating expenses declined 6% Y-o-Y to EGP748 million in FY14, on lower employee expenses and other operating expenses. The ratio of employee expenses/operating revenue stood at 45% in FY14.
- ≡ Credit Libanais reported a net profit of USD64.2 million in FY14, a decline of 6% Y-o-Y. The bank's total assets stood at USD9.2 billion with a loan-to-deposit ratio of 36.9%.

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

<i>in EGP millions</i>	<b>Group Financial Highlights</b>							
	<b>4Q14</b>	<b>3Q14</b>	<b>4Q13</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>	<b>FY14</b>	<b>FY13</b>	<b>Y-o-Y</b>
<b>Group Operating Revenue</b>	<b>702</b>	<b>585</b>	<b>655</b>	20%	7%	<b>2,610</b>	<b>2,195</b>	19%
Investment Bank	298	234	266	27%	12%	1,220	830	47%
Commercial Bank	404	350	390	15%	4%	1,390	1,366	2%
<b>Group Operating Expenses</b>	<b>441</b>	<b>352</b>	<b>483</b>	25%	-9%	<b>1,552</b>	<b>1,563</b>	-1%
Investment Bank	218	149	248	46%	-12%	748	799	-6%
Commercial Bank	223	202	235	10%	-5%	804	764	5%
<b>Group Net Operating Profit</b>	<b>261</b>	<b>233</b>	<b>173</b>	12%	51%	<b>1,058</b>	<b>632</b>	67%
Investment Bank	80	85	18	-6%	346%	472	30	1462%
Commercial Bank	181	148	155	23%	17%	586	602	-3%
<b>Group Net Operating Margin</b>	<b>37%</b>	<b>40%</b>	<b>26%</b>			<b>41%</b>	<b>29%</b>	
Investment Bank	27%	36%	7%			39%	4%	
Commercial Bank	45%	42%	40%			42%	44%	
<b>Group Net Profit After Tax &amp; Minority Interest</b>	<b>131</b>	<b>100</b>	<b>(565)</b>	30%	N/M	<b>538</b>	<b>(540)</b>	N/M
Investment Bank	54	43	(620)	24%	N/M	304	(806)	N/M
Commercial Bank	77	57	55	35%	40%	234	266	-12%

Source: EFG Hermes Management Accounts

The improved profitability generated from the Investment Bank and the Commercial Bank was echoed in the Group's results, reporting a net profit after tax and minority interest "NPAT" of EGP131 million in 4Q14 versus a net loss of EGP565 million in the comparable period of last year. The Investment Bank generated 41% of the Group's net profit, while the Commercial Bank generated the remaining 59%.

On the operational level, the Group reported a net operating profit margin of 37% in 4Q14 up from 26% in 4Q13, supported by higher net operating profit which rose 51% Y-o-Y to EGP261 million on improved revenues and effective cost containment on the Investment and the Commercial Bank fronts. The Group reported operating revenues of EGP702 million, up 7% Y-o-Y; on Group expenses of EGP441 million, lower 9% Y-o-Y in 4Q14.

The Investment Bank performance for the full year 2014 was remarkable; notably lifting the Group's profitability, with the Group's NPAT rising to EGP538 million up from a net loss of EGP540 million in FY13. The Investment Bank net profits represented 56% of the Group's profitability, while the Commercial Bank represented 44% in FY14. If we normalize the Group's earnings in FY14 by excluding the one-off gains/charges related to the Investment Bank, the Group NPAT would be EGP529 million, up 159% Y-o-Y from EGP205 million normalized a year earlier.

The Group net operating profit margins for the year rose to 41% from 29% in FY13. The Group net operating profit rose 67% Y-o-Y to EGP1,058 million in FY14; driven by stronger revenues and better cost management on the Investment Bank side that pushed the Group's operating revenues up 19% Y-o-Y to EGP2,610 million and helped contain the Group's operating expenses at EGP1,552 million, down 1% Y-o-Y in FY14.

## ii. Investment Bank Financial Performance

<i>in EGP millions</i>	<b>Investment Bank Financial Highlights</b>							
	<b>4Q14</b>	<b>3Q14</b>	<b>4Q13</b>	Q-o-Q	Y-o-Y	<b>FY14</b>	<b>FY13</b>	Y-o-Y
Total Operating Revenues	298	234	266	27%	12%	1,220	830	47%
Total Operating Expenses	218	149	248	46%	-12%	748	799	-6%
Net Operating Profit	80	85	18	-6%	346%	472	30	1462%
Net Operating Margin	27%	36%	7%			39%	4%	
Net Profit After Tax & Minority Interest	<b>54</b>	<b>43</b>	<b>(620)</b>	24%	N/M	<b>304</b>	<b>(806)</b>	N/M

Source: EFG Hermes Management Accounts

The Investment Bank reported a net profit after tax and minority interest of EGP54 million versus a net loss of EGP620 million a year earlier. Moreover, adjusting for one-off gains/charges, our normalized NPAT would be EGP83 million in 4Q14 as compared to a loss of EGP5 million in 4Q13.

Net operating profit reached EGP80 million in 4Q14, 346% higher Y-o-Y, as operating revenue rose 12% Y-o-Y to EGP298 million and operating expenses declined 12% Y-o-Y to EGP218 million. This emphasizes the Investment Bank's strong operational performance; with higher revenue generated from the core business coupled with disciplinary cost measures translated into a net operating profit margin of 27% in 4Q14.

In FY14, the improvement in activity in most of the markets where we operate in was largely reflected in the Investment Bank's revenue, rising 47% Y-o-Y to EGP1,220 million. Operating expenses declined 6% Y-o-Y to EGP748 million, driven by the on-going cost discipline. These combined resulted in a net operating profit of EGP472 million, 16x a year earlier; and a net operating profit margin of 39%. Furthermore, adjusting for one-off gains/charges, our normalized net profit after tax and minority interest would be EGP295 million in FY14 as compared to a net loss of EGP61 million in FY13.

<i>in EGP million</i>	<b>Investment Bank Revenues</b>							
	<b>4Q14</b>	<b>3Q14</b>	<b>4Q13</b>	Q-o-Q	Y-o-Y	<b>FY14</b>	<b>FY13</b>	Y-o-Y
<b>Brokerage</b>	<b>109</b>	<b>91</b>	<b>75</b>	19%	44%	<b>451</b>	<b>282</b>	60%
Egypt	66	51	44	29%	49%	252	159	59%
Regional	43	40	31	7%	38%	199	123	62%
<b>Asset Management</b>	<b>109</b>	<b>50</b>	<b>102</b>	120%	7%	<b>272</b>	<b>207</b>	32%
Egypt	17	15	22	19%	-21%	72	52	40%
Regional	92	35	80	161%	15%	200	155	29%
<b>Investment Banking</b>	<b>41</b>	<b>41</b>	<b>13</b>	1%	208%	<b>137</b>	<b>40</b>	243%
Egypt	10	9	10	9%	2%	48	25	92%
Regional	31	31	3	-1%	801%	90	15	488%
<b>Private Equity (Egypt)</b>	<b>10</b>	<b>24</b>	<b>28</b>	-56%	-62%	<b>90</b>	<b>134</b>	-33%
<b>Capital Markets &amp; Treasury Operations</b>	<b>28</b>	<b>29</b>	<b>47</b>	-4%	-41%	<b>269</b>	<b>167</b>	61%
<b>Total Operating Revenues</b>	<b>298</b>	<b>234</b>	<b>266</b>	27%	12%	<b>1,220</b>	<b>830</b>	47%

\*Brokerage revenues highlighted above represent entities and not markets.

Source: EFG Hermes Management Accounts

The Investment Bank operating revenue rose 12% Y-o-Y to EGP298 million in 4Q14, driven by stronger fee and commission revenue. Fees and commissions represented 91% of the Investment Bank operating revenues, while capital markets and treasury operations represented the remaining 9%. In 4Q14, Egypt operations generated 44% of the total revenue, while the regional operations represented 56%.

Fees and commissions rose 24% Y-o-Y to EGP270 million in 4Q14; driven mainly by Brokerage and Investment Banking. Egypt operations generated 38% of fees and commissions revenue, while the Region represented 62%. Brokerage revenue rose 44% Y-o-Y to EGP109 million in 4Q14; primarily on higher commissions generated as markets' volumes increased Y-o-Y, Investment Banking revenue soared 208% Y-o-Y to EGP41 million on higher advisor fees, and Asset Management revenue added 7% Y-o-Y

to EGP109 million on higher performance fees. On the other hand, Private Equity revenue declined 62% to EGP10 million in 4Q14 on lower management fees.

Capital markets and treasury operations revenue declined 41% Y-o-Y to EGP28 million in 4Q14 as the comparable quarter (4Q13) included EGP25 million of unrealized capital gains related to the equity funds which were liquidated later in 1Q14 to finance the buy back.

For FY14, the Investment Bank revenue was underpinned by substantial improvement in the fee and commission revenue. Revenue generated from Egypt versus the Region was 60%/40%; as opposed to 65%/35% a year earlier. Worth noting here, that FY14 included EGP97 million of capital gain realized from the sale of SODIC stake which made revenue skewed towards Egypt operations.

Fee and commission revenue rose 44% Y-o-Y to EGP951 million and represented 78% of the total revenue. Fees and commissions generated from Egypt versus the Region was 49%/51%; as opposed to 56%/44% a year earlier; this came in line with our strategy to diversify our revenue stream and extend our focus on GCC operations.

Brokerage revenue rose 60% Y-o-Y to EGP451 million in FY14, largely attributed to higher commissions as markets' liquidity improved and higher margin income as margin books increased Y-o-Y. Investment Banking revenue more than tripled, rising 243% to EGP137 million in FY14, on higher advisory fees as our IBD completed the execution of 13 transactions between Egypt and the Region. Asset Management revenue grew 32% Y-o-Y to EGP272 million, mainly on higher incentive fees. Conversely, Private Equity revenue declined 33% Y-o-Y to EGP90 million mainly on lower fx-gains, as the EGP saw a sharper devaluation against the USD in FY13; and on lower management fees.

Additionally, capital markets and treasury operations revenue improved, up 61% Y-o-Y to reach EGP269 million in FY14; mainly attributed to the EGP97 million one-off gains related to SODIC stake sale booked in 2Q14.

## iii. Investment Bank Operating Expenses

<i>in EGP millions</i>	<b>Investment Bank Operating Expenses</b>							
	<b>4Q14</b>	<b>3Q14</b>	<b>4Q13</b>	Q-o-Q	Y-o-Y	<b>FY14</b>	<b>FY13</b>	Y-o-Y
Employee Expenses	<b>152</b>	<b>103</b>	<b>192</b>	47%	-21%	<b>550</b>	<b>587</b>	-6%
Employee Expenses/Operating Revenues	51%	44%	72%			45%	71%	
Employee Expenses/Operating Expenses	69%	69%	77%			74%	73%	
Number of Employees	825	819	808	1%	2%	825	808	2%
Other Operating Expenses	<b>67</b>	<b>46</b>	<b>56</b>	45%	19%	<b>198</b>	<b>212</b>	-7%
Other Operating Expenses/Operating Revenues	22%	20%	21%			16%	26%	
Other Operating Expenses/Operating Expenses	31%	31%	23%			26%	27%	
<b>Total Operating Expenses</b>	<b>218</b>	<b>149</b>	<b>248</b>	46%	-12%	<b>748</b>	<b>799</b>	-6%

Source: EFG Hermes Management Accounts

Total operating expenses declined 12% Y-o-Y to EGP218 million in 4Q14; on lower employee expenses which fell 21% Y-o-Y to EGP152 million. The ratio of employee expenses/operating revenue stood at 51% in 4Q14.

Other operating expenses rose 19% Y-o-Y to EGP67 million in 4Q14 largely on higher consultancy, third party and legal fees. If we exclude the one-off expenses related to consultancy, third party and legal fees in both years, other operating expenses would be higher 5% Y-o-Y; reflecting the pick-up in business activity.

In 4Q14, occupancy expenses declined 21% Y-o-Y to EGP9 million and office expenses decreased 45% Y-o-Y to EGP4 million, while general expenses were flat at EGP3 million. On the other hand, travel expenses rose 21% Y-o-Y to EGP6 million, promotional and advertising expenses increased 47% Y-o-Y to EGP7 million, consultancy and service fees rose 80% Y-o-Y to EGP25 million, telephone/fax/mobile expenses rose 52% Y-o-Y to EGP2 million, and data communication expense rose 19% Y-o-Y to EGP9 million.

In line with the cost management strategy, total operating expenses declined 6% Y-o-Y to EGP748 million in FY14, on lower employee expenses and other operating expenses; with the former declining 6% Y-o-Y to EGP550 million and the latter declining 7% Y-o-Y to EGP198 million. At the end of FY14, employee expenses represented 45% of the total operating revenues.

Other operating expenses declined 7% Y-o-Y to EGP198 million in FY14. If we exclude the one-off expenses largely related to consultancy, third party and legal fees in both years, other operating expenses would be lower 4% Y-o-Y.

Worth highlighting that in July 2014 the Board approved a EGP20 million donation to Egypt's Sovereign Fund "Tahya Misr". The donation is taken below the operational line; thus the impact of which is not reflected in operational expenses and directly impacts the Investment bank's bottom line.

II. OPERATIONAL PERFORMANCE

i. Brokerage

The final quarter of the year was a good quarter, despite the anxiety seen in December in some of the MENA markets following the oil price decline. Total executions grew to USD11.2 billion in 4Q14, up 26% Q-o-Q and 59% Y-o-Y. For the year, total executions rose 73% Y-o-Y to USD47.0 billion.

Revenues reflected executions, with total Brokerage revenue rising 19% Q-o-Q and 44% Y-o-Y to EGP109 million in 4Q14, and climbing up 60% Y-o-Y to EGP451 million in FY14. Egypt operations continued to be the largest contributor to Brokerage revenue, representing 61% of total Brokerage revenue in 4Q14 and 56% in FY14.

<i>in EGP millions</i>	Brokerage Revenues							
	4Q14	3Q14	4Q13	Q-o-Q	Y-o-Y	FY14	FY13	Y-o-Y
Egypt	66	51	44	29%	49%	252	159	59%
UAE	26	23	17	13%	48%	125	49	156%
KSA	6	7	3	-10%	101%	23	12	99%
Oman	4	3	2	16%	49%	14	12	20%
Kuwait	6	6	7	-5%	-14%	30	45	-34%
Jordan	2	1	1	21%	18%	7	6	20%
<b>Total Revenues</b>	<b>109</b>	<b>91</b>	<b>75</b>	<b>19%</b>	<b>44%</b>	<b>451</b>	<b>282</b>	<b>60%</b>

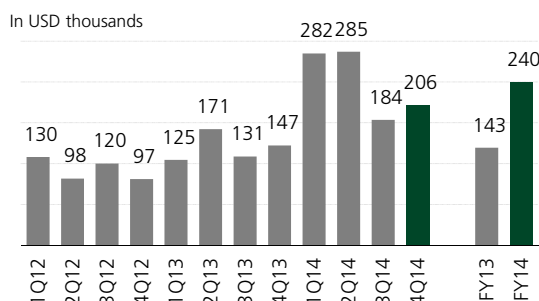
\*Revenues highlighted above represents entities and not markets

Source: EFG Hermes Management Accounts

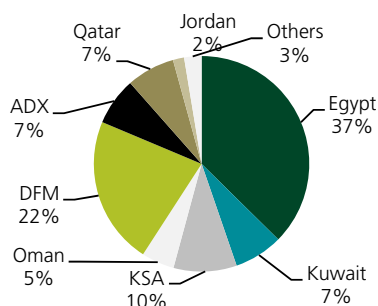
Commissions generated from trading Egyptian equities continued to be the largest contributor to the commission pool, representing 37%; followed by DFM which represented 22% of pure commissions. After the announcement of the Saudi market opening up, KSA contribution to the total commissions improved, reaching 10% in 4Q14.

Average daily commissions grew 12% Q-o-Q and 40% Y-o-Y to USD206 thousand in 4Q14. While average daily commissions reached USD240 thousand in FY14, supported by stronger 1H14 commissions.

Average Daily Commissions



Commissions Breakdown by Market



\*Based on 4Q14 figures

<b>Brokerage Market Share &amp; Executions</b>								
<i>in USD million</i>	<b>4Q14</b>	<b>3Q14</b>	<b>4Q13</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>	<b>FY14</b>	<b>FY13</b>	<b>Y-o-Y</b>
<b>Egypt</b>								
Market share	27.7%	25.6%	24.5%	2.1%	3.2%	27.4%	29.1%	-1.7%
Executions	1,877	1,843	1,273	1.8%	47.4%	9,425	4,710	100.1%
<b>UAE - DFM</b>								
Market share	17.4%	11.1%	12.7%	6.4%	4.7%	12.1%	10.8%	1.3%
Executions	3,131	2,361	1,796	32.6%	74.4%	12,547	4,658	169.3%
<b>UAE - ADX</b>								
Market share	22.8%	19.9%	10.1%	2.9%	12.7%	17.4%	10.9%	6.5%
Executions	1,223	1,035	778	18.2%	57.2%	6,799	2,511	170.8%
<b>KSA</b>								
Market share	1.5%	1.1%	1.0%	0.4%	0.5%	1.0%	0.7%	0.3%
Executions	1,947	1,486	1,015	31.0%	91.8%	5,765	2,935	96.4%
<b>Kuwait</b>								
Market share	22.8%	25.8%	24.3%	-3.0%	-1.5%	25.6%	23.3%	2.3%
Executions	1,118	1,128	1,481	-0.9%	-24.5%	5,466	9,269	-41.0%
<b>Oman</b>								
Market share	19.8%	21.9%	13.3%	-2.1%	6.5%	18.7%	14.0%	4.7%
Executions	285	234	207	21.8%	37.8%	1,096	823	33.2%
<b>Jordan</b>								
Market share	7.5%	9.9%	6.7%	-2.5%	0.8%	8.8%	5.3%	3.5%
Executions	58	54	50	7.7%	16.5%	280	228	22.9%

\*Executions in Qatar, Bahrain, Morocco and Lebanon represent an additional 14% of total Brokerage executions in 4Q14 and 12% in FY14.

Source: EFG Hermes and Regional Exchanges

**Egypt:** Egypt maintained its leadership position with a #1 ranking on the EGX in 4Q14 and FY14; and a market share of 27.7% and 27.4%, respectively (excluding special transactions). EFG Hermes total executions were 44% higher than the following broker in 4Q14.

Foreign participation maintained its average of 17% of market participation; EFG Hermes successfully captured 30% in 4Q14. The market remains dominated by retail investors whom captured over 70%. EFG Hermes maintained its strong footing and successfully captured around 10% of the retail business.

During 4Q14, we continued to witness an unprecedented interest in be-spoke trips to Egypt and the ensuing flow from foreign investors in Egyptian equities. EFG Hermes arranged multiple road shows in Egypt for various western and GCC clients. These visits included exclusive factory visits to EDITA and IDH labs; two of the most highly anticipated IPOs in 2015.

**UAE – Dubai:** EFG Hermes market share and ranking advanced in 4Q14. Market share rose to 17.4% from 11.1% a quarter earlier and the firm's ranking reached 3<sup>rd</sup> place versus 8<sup>th</sup> place a quarter earlier. This supported our market share and ranking to close the year at 12.1% and 6<sup>th</sup> place ranking.

The increase in institutional business and HNW activity lifted our market share in 4Q14; the institutional business market share rose to 13.40% in 4Q14 versus 7.29% in 3Q14 and the HNW inflow advanced to 1.42% from 0.45% in 3Q14, while the retail business market share declined to 2.17% from 3.11% in 3Q14.



**UAE – ADX:** EFG Hermes market share and ranking continued to improve in 4Q14; with the Firm's market share increasing to 22.8% in 4Q14 from 19.9% a quarter earlier and advancing to second place ranking from third place a quarter earlier. For FY14, the Firm's market share came at 17.4% and held a third position.

The improving market share reflects to a large extent the increase in institutional business; the Institutional business market share reached 20.13% in 4Q14 versus 16.80% in 3Q14. Meanwhile, the HNW inflow declined to 0.99% from 1.30% in 3Q14 while the retail business market share declined to 1.56% in 4Q14 compared to 1.79% in 3Q14.

**Saudi Arabia:** EFG Hermes KSA market share rose to 1.5% in 4Q14 from 1.1% a quarter earlier; thus lifting the year market share to 1.0%. 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 3.42% for the 4Q14.

EFG Hermes Saudi is currently preparing its systems and legal documents for the opening up of the Saudi market to foreign investors, together with continuing to target Saudi HNW clients, and GCC HNW and Institutional clients who prefer a one stop shop in the MENA.

**Kuwait:** EFG Hermes market share for 4Q14 stood at 22.8% versus 25.8% in 3Q14 a slight drop mainly due to large transfer of ownership blocks done on listed companies at affiliated brokerage houses; and thus resulting in a 4<sup>th</sup> place ranking for the quarter. For FY14, the Firm's market share stood at 25.6% with a 2<sup>nd</sup> place ranking versus a market share of 23.3% and a 3<sup>rd</sup> place ranking for FY13.

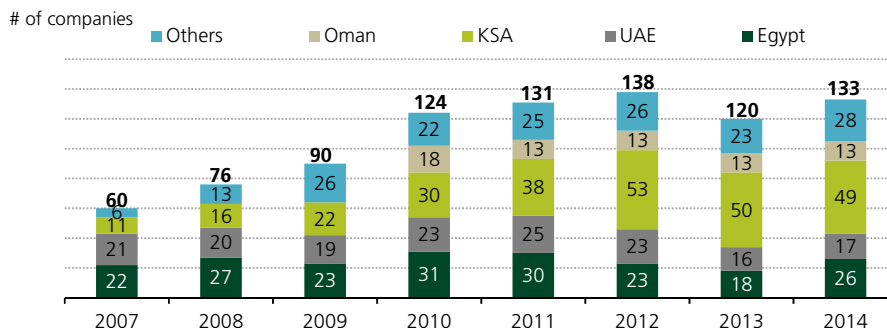
The firm continues to work diligently to make use of its new Iphone & Ipad online trading applications that have started to show effect on client acquisitions. The firm is well positioned to continue growing its market share given the healthy mix of its client base that ranges between local and foreign institutions as well as local retail and HNW clients in addition to its online trading platform.

**Oman:** EFG Hermes Oman market share came at 19.8% in 4Q14 versus 21.9% in 3Q14 mainly as a result of a noticeable decrease in HNW clients, retail and local institutions activity in Oman. In terms of ranking EFG Hermes Oman was ranked 3<sup>rd</sup> in 4Q14. As for FY14, the firm recorded a market share of 18.7% and held a 4<sup>th</sup> place ranking.

**Jordan:** EFG Hermes market share came at 7.5% in 4Q14 with a 6<sup>th</sup> place ranking; meanwhile for FY14, the Firm's market share reached 8.8% with a 3<sup>rd</sup> place ranking.

ii. Research

Research Coverage Universe



Source: EFG Hermes

The Research department coverage reached 133 companies at the end of FY14, distributed across the region (Egypt 26, UAE 17, KSA 49, Kuwait 7, Oman 13, Qatar 9, Lebanon 3, Morocco 3, Jordan 5 and Netherlands 1). Currently, EFG Hermes covers 57% of the regional market capitalization. In addition, the research department covers 11 economies from a macro level and 8 countries in terms of regular strategy notes, and issues regular publications, including daily morning round-ups, after end of session wrap-ups and a regional monthly product. Available to EFG Hermes clients is “Research Online” providing access to EFG Hermes Research’s full three-year product archive.

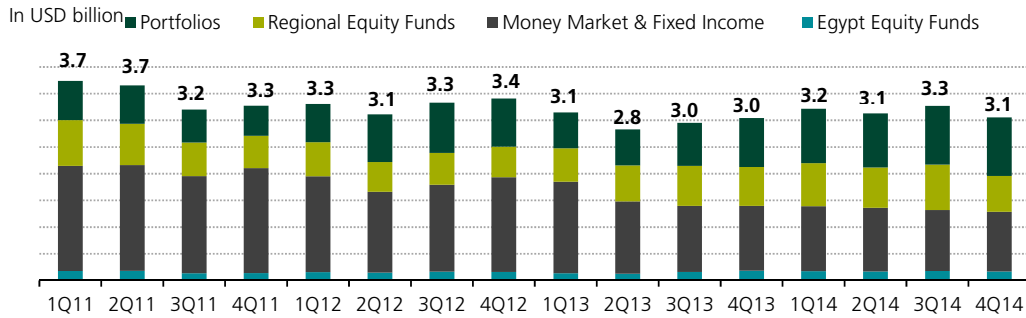
In 2014, the Research revamped publications and introduced new kinds of reports. These include the following:

- ≡ Issued combined sectorial/thematic notes that selectively analyzed a specific sector -including covered stocks- in view of its relevant econ-political context
- ≡ Enhanced the value added of our commentary notes on sectorial quarterly results by comparing analysts’ previews and reviews
- ≡ Launched “MENA Markets Weekly Stats”, which is a user-controlled excel file that allows clients to drill down into MENA markets. This product is updated and published weekly
- ≡ Re-launched the real estate and contractors’ sector coverage for Egypt, UAE and Saudi Arabia after initiating coverage on SODIC, Emirates REIT, Emaar Malls, and Al-Khodari
- ≡ Expanded economic data available on the Research portal

EFG Hermes Research aspires to attain the highest standards of independence, objectivity and ethics in its research. Our foremost priority is to establish and reinforce direct rapport with our clients, ensuring direct communication of our views to them, in tandem with international Research houses. In parallel, the department achieved remarkable progress with regard to providing clients with world-class quality publications. From the point of providing our clients with insightful views and investment ideas to the point of making an investment decision, EFG Hermes Research team members ensure their availability to deliver timely and accurate value-added research. Moreover, this year, EFG Hermes Research played a significant role in providing investment research and marketing roadshows for the Investment Banking’s Initial Public Offerings (IPOs).

iii. Asset Management

Development of Assets under Management



Source: EFG Hermes Asset Management

EFG Hermes assets under management closed the year at USD3.1 billion, down 7% Q-o-Q on sluggish markets performance. Meanwhile, AuMs rose 2% Y-o-Y in FY14 as markets appreciation negated the net outflows seen over the year.

Market retreating towards the end of 4Q14 drew 7% of total AuMs. Funds flow in 4Q14 was relatively muted; outflows from MMFs and regional equity funds totaling to 3% of total AuMs were met by inflows into Egypt, KSA and regional institutional equity portfolios.

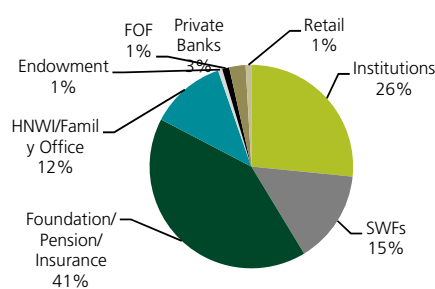
This year's performance added another year of outperformance to our funds; marking a 3-year track record which is much needed to attract institutional clients. In FY14, AuMs grew 2% as markets appreciation added 12% to total AuMs while net outflows took away 10%. Outflows in MMFs represented 5% of total outflows and a large portion of equity outflows (7%) reflect unusual outflows and are non-recurring in nature (i.e. out for a change of direction at the client and not related to EFG Hermes).

Sales through internal resourcing pushed to revive GCC client relationships and forge new ones. Regional inflows for 4Q14 were USD76 million and USD145 million for the full year; with most new wins are for Saudi equity mandates or Saudi clients for MENA equities.

The Asset Management clients' base remained well diversified with special focus on long-term and institutional clients. During 4Q14 major changes included: Institutional clients represented 26.5% from 21.8% a quarter earlier mainly on the account of Foundation/Pension/Insurance clients and Private Banks. Foundation/Pension/Insurance clients represented 41.2% at the end of 4Q14 from 44.1% a quarter earlier and Private Banks represented 2.6% this quarter versus 3.7% a quarter earlier.

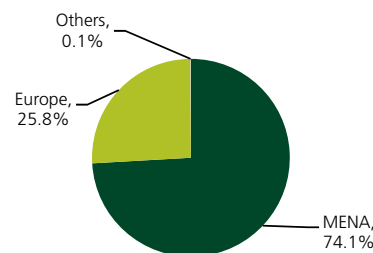
In terms of funds origination in 4Q14, there were very minor changes in the investors' mix: MENA-based clients represented 74.1% in 4Q14 from 71.3% in 3Q14 while Europe-based clients represented 25.8% at the end of 4Q14 from 27.9% a quarter earlier.

Assets under Management by Type of Client



Source: EFG Hermes Asset Management

Assets under Management by Geography



Source: EFG Hermes Asset Management

#### iv. Investment Banking

The Investment Banking division successfully closed 13 major deals in 2014, the most since 2007, highlighting what was a very strong year for the division in Egypt and the UAE. The team maintained its strong momentum during the fourth quarter of 2014 with a number of successful high profile equity and M&A transactions. On the public equity side, the quarter commenced with one of the major highlights of the year with Investment Banking acting as a bookrunner and raising substantial demand from regional and international investors for the heavily over-subscribed Emaar Malls Group IPO with a total offering size of USD1.6 billion. The IPO is the largest the UAE market has seen in years and was one of the most anticipated offerings in the region during 2014. The team continued to capitalize on the healthy market conditions in 4Q14 in the UAE acting as a joint bookrunner on the USD690 million IPO for Meraas Holdings' Dubai Parks and Resorts IPO on the Dubai Financial Market. The IPO was heavily subscribed at its close on November 30th. On the Egyptian public equities front the investment banking team capped off the year acting as sole bookrunner and joint financial advisor to Cairo based real estate developer SODIC on their USD140 million rights issue.

The team was also active on the private front with 4Q witnessing successful executions including the buy-side advisory to UAE based Millennium Offshore Services ("MOS") on their USD300 million merger with the Netherlands based Seafox Group, a transaction that created the world's largest offshore jack-up ASV and support company. December also witnessed the successful execution of the private placement for Tawfeer Food Ventures, where the investment banking team acted as sole financial advisor and placement manager to the Company, raising USD77 million to finance the establishment of a greenfield hard discount retail chain in Egypt.

The year in general was a testament to the team's ability to compete and deliver across the region. In addition to the ongoing extensive coverage of the Egyptian market, Investment Banking's pitching efforts shifted vigorously to key regional markets outside Egypt, namely the UAE and Saudi Arabia. The team's perseverance and determination to generate deal flow from these markets has paid off with a number of new mandates being sourced and executed effectively.

Other landmark deals executed in 2014 included the IPOs for the Arabian Cement Company, Egypt's first since 2011, and the Dubai based Emirates REIT. Investment Banking, which was named "Best Investment Bank Egypt 2014" by Global Brands Association, closed its first transaction in Sub-Saharan Africa in 2014 as it concluded its successful advisory to UAE based Al Futtaim Group on the acquisition via a public tender offer on the Nairobi Stock Exchange. The division also advised a consortium of regional investors on the capital raising of USD151 million and the acquisition of MOS. Other highlights for the year include the advisory to Arafa Holding, as the minority shareholders regarding the recent change in ownership in Italy's Forall Group and the consequent Eur50 million capital injection; the raising of USD70 million in an accelerated book building process for GB Auto; financial advisory on Abu Dhabi based Exeed Industries' USD41 million sale of a minority stake in National Feed and Flour; sell-side advisory on the 100% acquisition of a leading healthcare provider by the Abraaj Group.

We have been able to distinguish ourselves in the market, by being able to bring our client's attentions to potential transactions beyond the MENA region on the M&A side, and more importantly cementing our position as a strong regional equity house offering best in class services. Our ability to secure similar engagements will play an important role in ensuring a sustainable flow of business to our department and a diversification of its revenue streams in 2015.

## v. Private Equity

Assets under management stood at USD0.8 billion at the end of 4Q214, an increase of c.30% compared to the previous quarter, mainly attributed to the private equity team's successful completion of its first international energy transaction in 4Q14.

In 4Q14, our infrastructure team successfully reached financial close for the acquisition of 49% of EDPR's French renewable energy business (330 MW). Approximately half of the USD 208mn buyout will be funded via an acquisition finance facility secured from leading European banks. In addition, EFG Hermes provided seed capital of approximately USD5 million for the equity component of the transaction. The investment vehicle will be managed by EFG Hermes' private equity arm on behalf of investors. The team had their first board meeting with EDPR France and continues to screen similar cash yielding infrastructure opportunities in Europe and the MENA region.

ECP III also completed the sale of its 15.9% stake in Gulf Housing Solutions ("GHS") in 4Q14 to a majority shareholder in an all-cash transaction valued at USD3.0 million.

During 1Q14, ECP III also exited its 19.0% stake in Damas International Limited, MENA's prime jeweler, to Qatar's Mannai Corporation QSC in an all-cash transaction valued at USD150.0 million. ECP III's stake was originally acquired in May 2012 for c.USD 84.6mn. The exit generated c.USD65.4 million cash gain for the Fund (77.3% premium to cost) implying a cash-on-cash multiple of 1.8x and an IRR of c. 37.8%.

The private equity department formulated a new strategy in 2014 which encompasses tailored investment themes targeting different investors' needs including consumer driven sector plays, infrastructure and energy investments, and yielding assets generating stable cash flows in sectors like real estate. Furthermore, the private equity team will continue to seek lucrative exits from its current portfolio companies in ECP III.

**III. COMMERCIAL BANK**

<i>In USD million</i>	<b>Key Financial Highlights and Ratios</b>									
	<b>4Q14</b>	<b>3Q14</b>	2Q14	1Q14	<b>4Q13</b>	Q-o-Q	Y-o-Y	<b>FY14</b>	<b>FY13</b>	Y-o-Y
<b>Balance Sheet:</b>										
Total Assets	9,162	8,972	8,663	8,553	8,360	2%	10%	9,162	8,360	10%
Cash and due from banks	2,760	2,647	2,371	2,300	2,155	4%	28%	2,760	2,155	28%
Loans	2,856	2,775	2,752	2,669	2,599	3%	10%	2,856	2,599	10%
Deposits	7,739	7,637	7,417	7,293	7,158	1%	8%	7,739	7,158	8%
Shareholders' Equity:	794	770	753	777	766	3%	4%	794	766	4%
Tier 1 capital	704	681	665	691	676	3%	4%	704	676	4%
Tier 2 capital	90	89	88	86	90	1%	0%	90	90	0%
<b>P&amp;L:</b>										
Net Interest Income:	39.4	35.0	31.9	33.4	41.0	13%	-4%	139.7	136.8	2%
Interest Income	124.7	119.5	112.7	111.5	117.7	4%	6%	468.5	441.6	6%
Interest Expense	(85.3)	(84.5)	(80.8)	(78.1)	(76.7)	1%	11%	(328.8)	(304.7)	8%
Net Fee and Commission Income	9.1	10.0	9.2	9.3	8.3	-9%	9%	37.5	37.2	1%
Trading Income	5.7	3.4	1.4	3.5	4.6	68%	25%	13.9	18.5	-25%
<b>Total Operating Income</b>	<b>57.2</b>	<b>48.7</b>	43.0	46.2	<b>55.7</b>	17%	3%	<b>195.1</b>	<b>195.8</b>	0%
Provisions	(5.6)	(2.1)	(1.4)	(1.4)	(4.4)	162%	29%	(10.5)	(8.7)	21%
less Recoveries/collections	1.6	1.3	0.7	0.2	1.7	17%	-9%	3.8	4.2	-10%
Net Provisions	(4.1)	(0.8)	(0.7)	(1.2)	(2.7)	394%	52%	(6.7)	(4.4)	52%
<b>Net Operating Income</b>	<b>53.2</b>	<b>47.9</b>	42.3	45.0	<b>53.0</b>	11%	0%	<b>188.4</b>	<b>191.3</b>	-2%
Staff Cost	19.6	17.3	16.5	16.0	19.6	13%	0%	69.3	66.5	4%
General Expenses	8.7	10.8	10.9	9.6	11.3	-19%	-23%	40.0	39.6	1%
Total Operating Expenses	30.1	29.9	29.1	27.3	32.8	1%	-8%	116.4	113.3	3%
<b>Net Income</b>	<b>21.1</b>	<b>15.9</b>	11.6	15.6	<b>16.7</b>	32%	26%	<b>64.2</b>	<b>68.5</b>	-6%
Net Income less preferred shares*	19.3	14.2	9.8	13.9	14.9	36%	29%	57.2	66.4	-14%
<b>Ratios:</b>										
Net Interest Margin	1.7%	1.6%	1.6%	1.7%	1.8%	0.1	(0.1)	1.7%	1.8%	(0.1)
Cost-to-income**	59.3%	62.1%	62.7%	58.9%	57.5%	(2.8)	1.8	59.3%	57.5%	1.8
Loans-to-deposits	36.9%	36.3%	37.1%	36.6%	36.3%	0.6	0.6	36.9%	36.3%	0.6
NPL / Gross Loans	3.6%	3.3%	3.5%	3.3%	3.4%	0.3	0.2	3.6%	3.4%	0.2
Provision Cover	78.5%	81.2%	79.9%	86.1%	84.2%	(2.7)	(5.8)	78.5%	84.2%	(5.8)
ROAE (after- tax)	9.8%	8.8%	8.3%	9.3%	12.1%	1.0	(2.3)	9.8%	12.1%	(2.3)
ROAA (after-tax)	0.7%	0.7%	0.6%	0.7%	0.8%	0.1	(0.1)	0.7%	0.8%	(0.1)
Core Tier 1 Capital Ratio***	14.5%	N/A	14.3%	N/A	14.8%	N/R	(0.6)	14.5%	14.8%	(0.6)
Total Capital Adequacy Ratio***	15.9%	N/A	16.0%	N/A	16.6%	N/R	(0.6)	15.9%	16.6%	(0.6)

\* Preferred shares dividends for FY14 are to be approved in the next AGM

\*\* Including extraordinary items

\*\*\* Calculations for FY14 ratios include net profits which is yet to be approved in the next AGM

Source: Credit Libanais

**i. Results in Context**

Within an environment of continued severe regional turmoil and increasing competition among Lebanese banks for market share and profitability, Credit Libanais Group "CL" continues to demonstrate solid performance.

Banks like CL with mainly domestic presence in Lebanon, currently focus primarily on acquiring deposits to subsequently place in high-yielding deposits with the Central Bank. At the same time they are growing their lending book using subsidized funding from the Central Bank.

As a result, most of their Y-o-Y incremental revenue emanates from NII as the prevailing tight economic conditions in the country restrain their ability to materially grow their fee and commission revenue. Naturally, competition among banks to raise new deposits results in interest expense growing faster than interest income. This is containing NIM at relatively low historical levels.

In this environment CL posted solid results for 4Q14. Net income after tax came at USD21.1 million; this represents a 32% increase Q-o-Q, driven mainly by strong NII growth and to a lesser extent, higher trading income. This was partially offset by an increase in collective provisions, imposed by the regulator.

This, together with successful cost containment, resulted in CL posting a net income after tax of USD64.2 million for FY14, or a 6% Y-o-Y decline from the FY13 results which included approximately USD10 million of non-recurring income items. Adjusting FY13 numbers for these items, the FY14 results (which did not include any non-recurring items) represent a Y-o-Y increase of 14.5%.

ii. Selected Financial & Qualitative Information

≡ **Assets**

Total Assets reached USD9.2 billion at the end of 4Q14, up 2% Q-o-Q and 10% Y-o-Y.

Composition of assets was largely stable Q-o-Q in 4Q14. In FY14, Cash contribution to total assets increased to 30% from 26% at the end of FY13. On the other hand, securities contribution to total assets declined to 36% in FY14 from 40% at the end of FY13. Loans represented 31% of total assets, unchanged Y-o-Y.

Allocation of total assets by business line was virtually unchanged over 4Q14 and FY14, with corporate banking accounting for 17.2%, retail banking for 20.4%, treasury & capital markets for 61.3% and Investment banking for 1.0%.

≡ **Loans**

Total Loans stood at USD2.9 billion at the end of 4Q14, up 3% Q-o-Q and 10% Y-o-Y.

<i>In USD million</i>	Loans by Type						
	4Q14	3Q14	2Q14	1Q14	4Q13	Q-o-Q	Y-o-Y
<b>Loans</b>	<b>2,856</b>	<b>2,775</b>	2,752	2,669	<b>2,599</b>	3.0%	9.9%
Corporate	1,448	1,363	1,368	1,314	1,308	6.3%	10.7%
Retail	1,129	1,130	1,103	1,074	1,011	-0.1%	11.7%
SME	279	272	281	281	280	2.4%	-0.4%

Source: Crédit Libanais

**Loan growth by type:** The Q-o-Q loan book growth was mainly driven by growth in corporate loans, which increased by 6.3% Q-o-Q. SME lending rose 2.4% Q-o-Q, while retail loan book was unchanged over 4Q14.

Y-o-Y, loan book growth was driven by increases in the corporate and retail loans books of 10.7% and 11.7%, respectively. SME loans were unchanged over FY14

**Loan distribution by type:** At the end of FY14, corporate loans represented 51% of total loans, retail loans represented 40% and SME loans represented the remaining 10%; virtually unchanged over FY14.

**Loan distribution by business line:** The change in loans distribution across different economic sectors was limited Q-o-Q and Y-o-Y, with Personal and consumer sector representing 44.8% of total loans. Industrial and agricultural loans represented another 14.3% and 1.9%, respectively, whereas loans to trade and construction sectors 28.6% and 10.1%, respectively.

**Loan quality:** NPL ratio rose to 3.6% in 4Q14 from 3.3% a quarter earlier; while coverage ratio declined to 78.5% from 81.2% over the same period.

**Loans by currency:** The loan book was split 39/61 between local and foreign currency, respectively at the end of FY14.

**Yield on Loans:** Average yield continued to decline in 4Q14, with yield on LBP denominated loans decreasing to 6.83% in 4Q14 from 7.01% and FC dominated loans decreasing to 6.65% from 6.69%; thus resulting in an average blended rate of 6.72% from 6.82% in 3Q14.

### ☰ Deposits

Deposits rose to USD7.7 billion at the end of 4Q14, an increase of 1% Q-o-Q and 8% Y-o-Y.

<i>In USD million</i>	Deposits By Type						
	4Q14	3Q14	2Q14	1Q14	4Q13	Q-o-Q	Y-o-Y
<b>Deposits</b>	<b>7,739</b>	<b>7,638</b>	7,417	7,293	<b>7,158</b>	1.3%	8.1%
Savings	4,280	4,249	4,269	4,248	4,155	0.7%	3.0%
Term	2,630	2,557	2,370	2,283	2,221	2.9%	18.4%
Sight	829	832	778	763	783	-0.3%	5.9%

Source: Crédit Libanais

**Deposits contribution by type:** Term deposits continue to be the main contributor to deposit growth; growing 2.9% Q-o-Q and 18.4% Y-o-Y. Saving deposits grew 0.7% Q-o-Q and 3.0% Y-o-Y, while sight deposits was broadly flat Q-o-Q and up 5.9% Y-o-Y. This resulted in term deposits representing 34% of total deposit base at the end of FY14 compared to 31% at the end of a year earlier. On the other hand, saving deposits contribution to the total deposits declined to 55% from 58% in FY13. Sight deposit represented 11% of total deposits, unchanged Y-o-Y.

**Deposits by business line:** At the end of 4Q14, deposits were split 81/19 between retail and corporate, respectively. It is worth mentioning that the split between retail and corporate was 92/8 at the end of FY13.

**Deposits by currency:** Deposits split at the end of the year was at 46/54 between local and foreign currency, unchanged Y-o-Y.

**Cost of Deposits:** Average cost of deposits for the LBP and FC dominated deposits continue to rise in 4Q14; with the cost of deposits for the LBP deposits rising to 5.71% from 5.67% a quarter earlier and the FC deposits increasing to 3.31% from 3.25%; and resulting in an average blended rate of 4.44% from 4.39% in 3Q14.

### ☰ Loans/Deposits ratio

CL relaxed its deposits collection strategy in 4Q14; whereby growing loans faster than deposits, the loans/deposits ratio increased to 36.9% from 36.3% at the end of 3Q14.

### ☰ Net Interest income

It was another strong quarter for net interest income, rising 13% Q-o-Q to reach USD39.4 million in 4Q14. This came primarily from higher interest income generated from the high yielding long-term placements made later in the year, 2014.

For FY14, NII rose 2% Y-o-Y to USD139.7 million; mainly supported by high yielding long-term placements that positively drove interest income higher in the last couple of quarters of the year.



### ≡ Fee & Commission Income

Fee and commission income declined 9% Q-o-Q to USD9.1 million in 4Q14; reflecting strong competition in some products and slower economic activity in the Lebanese market. Fee and commission income was broadly flat, up 1% Y-o-Y to USD37.5 million in FY14.

### ≡ Trading income

Trading income rose for a second quarter, increasing 68% Q-o-Q to USD5.7 million in 4Q14.

Over FY14, trading income contracted 25% Y-o-Y to USD13.9 million, due to the cancellation of the "Mazad" transactions by the Iraqi government in FY14 compared to FY13; and the higher comparable base of FY13 which included a one-off exceptional income of USD5.6 million generated from a swap operation with the Central Bank. If we exclude revenue generated from Iraq operations and the one-off exceptional income in FY13, trading income would be 80% higher Y-o-Y.

### ≡ Net Provisions

Net provisions rose to USD4.1 million in 4Q14 from USD0.8 million a quarter earlier, as provisions during the quarter included a one-off charge of USD1.8 million resulting from new BDL regulations governing unpaid bills and collective impairments. For the year, net provisions rose 52% Y-o-Y to USD6.7 million.

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

Net operating income rose 11% Q-o-Q to USD53.2 million in 4Q14, with higher net interest income and trading income off-setting the increase in provisioning levels.

In FY14, net operating income slipped 2% Y-o-Y to USD188.4 million on lower trading income and higher provisions.

### ≡ Total Operating Expenses

Total operating expenses were virtually unchanged Q-o-Q (up 1%) at USD30.1 million in 4Q14. In FY14, total operating expenses rose 3% Y-o-Y to USD116.4 million, in line with inflation.

### ≡ Net Income after Tax

Net income after tax rose 32% Q-o-Q to USD21.1 million in 4Q14, driven by higher operating income (NII and trading income) and contained operating expenses.

For FY14, net income after tax declined 6% Y-o-Y to USD64.2 million as pre-provision income was flat Y-o-Y; while net provisions and operating expenses rose, up 52% Y-o-Y and 3% Y-o-Y, respectively.

### ≡ Cost/Income Ratio

Cost-to-income dropped to 59.3% in 4Q14 from 62.1% in 3Q14, as revenues improved and expenses were kept broadly unchanged.

However, cost-to-income came at 59.3% in FY14 from 57.5% a year earlier as revenues were flat Y-o-Y and expenses increased slightly.

### ≡ Net Interest Margin

NIMs improved to 1.7% in 4Q14 from 1.6% a quarter earlier, as a result of the boost in interest income contributed by the new high yielding Central Bank placements.

☰ **Branch Productivity and Efficiency ratios**

	Branch Productivity						
	4Q14	3Q14	2Q14	1Q14	4Q13	Q-o-Q	Y-o-Y
Employees/Branch	23	23	23	23	23	-1.5%	-1.5%
Loans/Branch (USD mn)	40	39	39	38	37	1.7%	7.2%
Deposits/Branch (USD mn)	108	108	105	104	102	-0.5%	5.4%

Source: Crédit Libanais

iii. International Operations

**High level financial highlights:**

**SENEGAL**

Crédit International reported a net profit of USD320 thousand in 4Q14 from a net loss of USD264 thousand in 3Q14. For FY014, Credit International turned positive reporting USD293 thousand as compared to a net loss of USD69 million a year earlier.

Balance sheet highlights:

Total Assets: USD72.0 million

Loans : USD33.6 million

Deposits : USD44.1 million

**IRAQ**

The Iraq operations reported a net loss of USD816 thousands in 4Q14 versus a net loss of USD127 thousands in 3Q14. For FY14, the Iraq operations reported a net loss of USD1.6 million versus a net profit of USD2.4 million in FY13; largely due to the lack of revenue generated from foreign exchange transactions in 2014.

Balance sheet highlights:

Total Assets: USD47.6 million

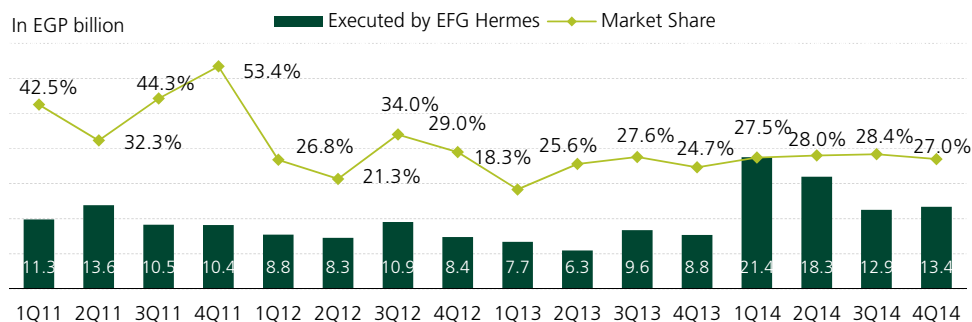
Loans : USD7.3 million

Deposits : USD12.3 million

IV. ANNEX

Markets Performance and EFG Hermes Executions & Market Shares

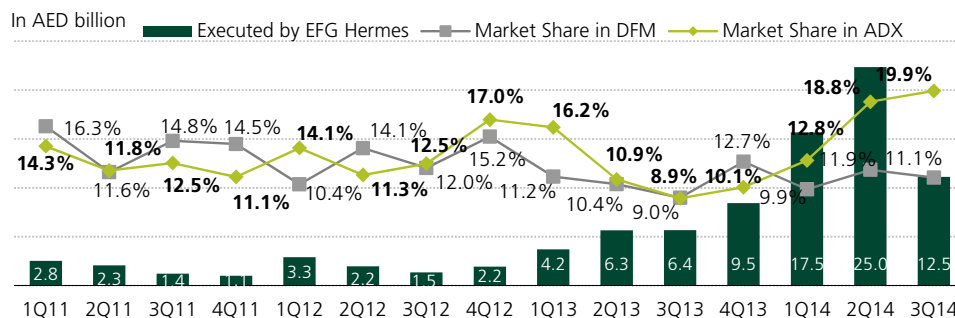
Egypt:



\*Including special transactions

The Egyptian equities market took a breath in 4Q14, with the Hermes Financial Index (HFI) losing 11% Q-o-Q and volumes rising 6% Q-o-Q. However, over the full year 2014, the Index jumped 23% Y-o-Y and the turnover rose 69% Y-o-Y in FY14; marking a strong year on the EGX.

UAE



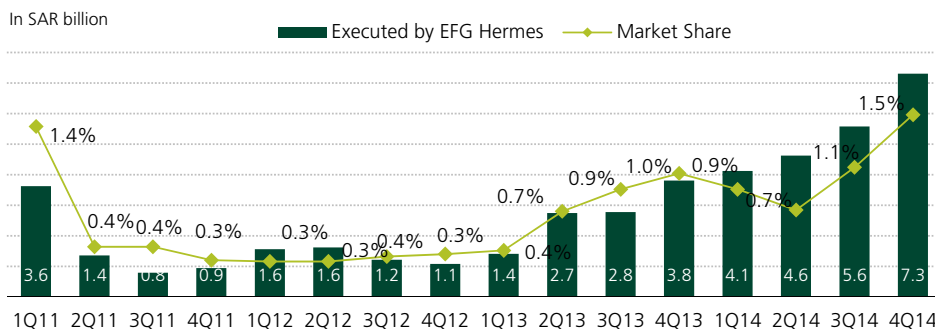
**DFM:**

It was a slow quarter on the Dubai Financial Market, with the General Index (DFMGI) declining 25% Q-o-Q and the turnover contracting 16% Q-o-Q in 4Q14. For FY14, volumes more than doubled increasing 139% Y-o-Y and the Index rose 12% Y-o-Y.

**ADX:**

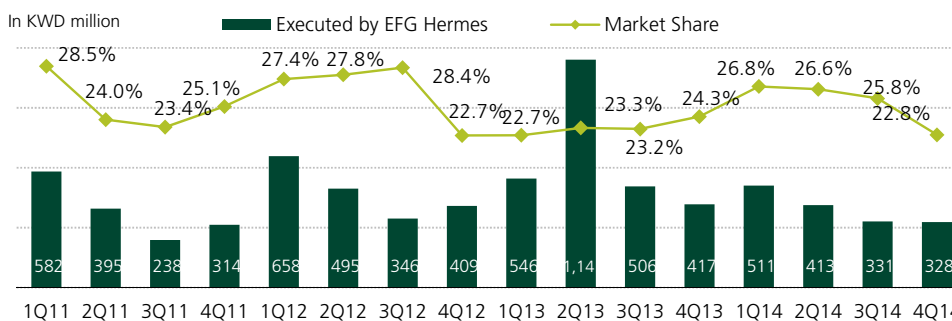
In 4Q14, the Abu Dhabi Index (ADI) declined 11% Q-o-Q, while volumes rose 10% Q-o-Q. This resulted in volumes rising 71% Y-o-Y in FY14 and the Index increasing 6% Y-o-Y.

KSA:



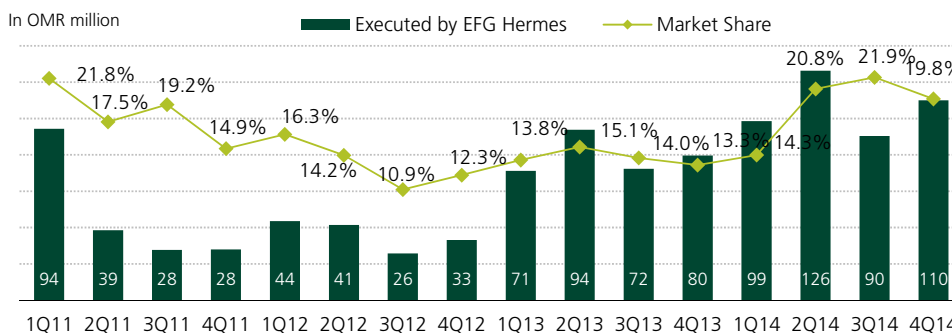
The Saudi Market retreated in 4Q14, with the Tadawul All Share Index (TASI) declining 23% Q-o-Q and volumes falling 8% Q-o-Q. For FY14, liquidity improved, rising 57% Y-o-Y; while performance was muted with the Index virtually flat, down 2% Y-o-Y.

Kuwait:



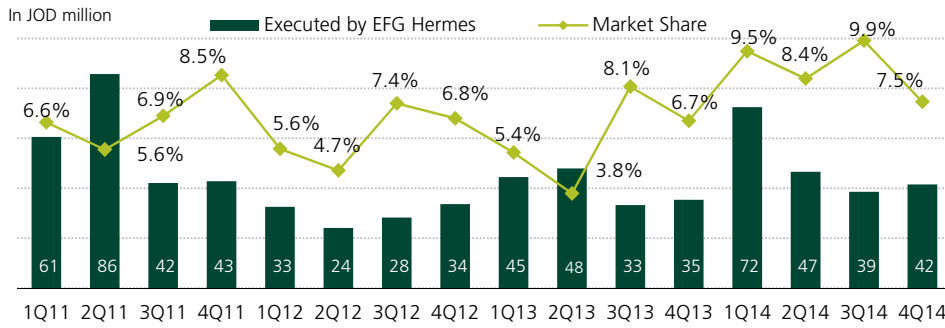
In 4Q14, liquidity improved on the Kuwaiti market, up 13% Q-o-Q, while the KSE Index lost 14% Q-o-Q. Moreover, FY14 was a weak year, with the Index losing 13% Y-o-Y and the turnover contracting 46% Y-o-Y.

Oman:



Performance on the Muscat Securities Market (MSM) was poor, with the Muscat Securities Index (MSM30) falling 15% Q-o-Q; however, liquidity rose, adding 30% Q-o-Q in 4Q14. In FY14, the MSM was broadly muted both in terms performance and liquidity with volumes adding 3% Y-o-Y and the Index losing 7% Y-o-Y.

Jordan:



Volumes on the Amman Stock Exchange soared 43% Q-o-Q while the Index inched up 2% Q-o-Q in 4Q14. In FY14, the Index gained 5% Y-o-Y while the volumes contracted 10%Y-o-Y.

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In this earnings release EFG Hermes may make forward looking statements, including, for example, statements about future fund raising, investment banking revenues, private equity incentive fees 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.

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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 2,867,422,500

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#### 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 .HFISMCAP .HFIDOM

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