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EFG HERMES REPORTS THIRD QUARTER 2013 GROUP NET PROFIT OF EGP116 MILLION; ON TOTAL OPERATING REVENUE OF EGP528 MILLION

Cairo, November 14th, 2013 – EFG Hermes reported today Group net profit after tax and before minority of EGP116 million in 3Q2013 up 38% Y-o-Y from EGP84 million in 3Q2012. The Group operating revenue rose 12% Y-o-Y to EGP528 million in 3Q2013, from EGP471 million a year earlier. Total assets stood at EGP66.4 billion at the end of 3Q2013.

Key Highlights

≡ Group revenue rose 12% Y-o-Y to EGP528 million in 3Q2013 while the Group's operating expenses reached EGP359 million, resulting in a net operating profit margin of 32% and a net profit after tax and before minority of EGP116 million.

≡ The Investment Bank revenue rose 8% Y-o-Y to EGP191 million in 3Q2013, supported by the one-off gain of EGP24 million realized from the sale of the old headquarter.

≡ Fee and commission revenue rose 2% Y-o-Y to EGP139 million in 3Q2013. The improvement in Asset Management and Brokerage revenue offset the decline in revenue generated from Investment Banking and Private Equity.

≡ Adjusting for the one-off gains/expenses and impairment charges incurred in 9M2013 which include one-off expenses related to restructuring and third party & legal expenses of EGP59 million; impairment charges of EGP110 million; and one-off gain of EGP24 million from the sale of the old headquarters, the Investment Bank's net loss after tax and before minority for 9M2013 would be EGP23 million versus a loss of EGP61 million a year earlier.

≡ Applying the same set of adjustments (one-off gains/expenses) for the third quarter figures, the Investment Bank's net loss after tax and before minority interest would have been in the range of EGP20 million pressured by fx losses that resulted from the strengthening of the EGP against the USD for the period versus a loss of EGP11 million during the comparable period of last year.

≡ Credit Libanais net income after tax came at USD17.9 million in 3Q2013, up 14% Y-o-Y and 2% Q-o-Q, resulting in an after-tax RoAE of 12.1 %. The Bank's operating revenue was driven by higher fee and commission revenue and higher net interest income as the Bank remains committed to its strategy of containing deposits growth. Loan/deposits ratio jumped to 36.1% from 34.5% a quarter earlier.



- ≡ Brokerage remained #1 on the Egyptian Stock Exchange and maintained a leading position in a number of other regional markets. In tandem with declining market volumes in 3Q, Brokerage executions declined 24% Q-o-Q to reach USD6.3 billion.
- ≡ Asset Management AuMs stood at USD3.0 billion at the end of 3Q2013, up 4% Q-o-Q. With Egypt and regional equity markets appreciating, market performance added 8% to total AuMs, offsetting the outflows resulting from local MMFs redemptions. The size of MMFs has been impacted by the CBE new regulations imposed in 2Q and has affected all MMFs in general.
- ≡ EFG Hermes Investment Banking booked Dubai First transaction revenue in 3Q2013. It has also worked on the technical listing of the Bank of London and Middle East ("BLME") on the Nasdaq Dubai Exchange in early October, with fees from that transaction expected to hit the 4Q2013 financial statements. Furthermore, the team is currently advising Al Futtaim Group on its first investment in sub-Saharan Africa with an offer worth USD86 million to take full control of Nairobi-listed car retailer CMC Holdings.
- ≡ Private Equity AuMs stood at USD0.65 billion, with no exits taking place during the quarter.



A. GROUP PERFORMANCE

I. Performance Indicators and Financial Highlights

Table 1: Key Operating Indicators

		3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y	9M13	9M12	Y-o-Y
Total Brokerage Executions	USD mn	6,347	8,337	4,004	-24%	59%	20,101	14,552	38%
Investment Banking Fees	EGP mn	12	0	22	N/M	-47%	27	118	-77%
Assets under Management:									
In Private Equity*	USD mn	3,602	3,481	4,100	3%	-12%	3,602	4,100	-12%
In Asset Management	USD mn	650	650	690	0%	-6%	650	690	-6%
Deposits	USD mn	2,952	2,831	3,410	4%	-13%	2,952	3,410	-13%
Loans	USD mn	6,996	7,024	6,694	0%	5%	6,996	6,694	5%
Group Net Profit**	EGP mn	2,526	2,420	2,203	4%	15%	2,526	2,203	15%
		64	(80)	45	N/M	43%	25	106	-77%

*Due to the expiration of ECP III's investment period, the fund is included at NAV

** After tax and minority interest

Source: EFG Hermes and Crédit Libanais data

Table 2: Investment Bank/Commercial Bank Financial Performance – 3Q2013

EGP (mn)	Investment Bank					Commercial Bank				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	191	179	176	6%	8%	337	326	295	3%	14%
Total Operating Expenses	176	187	164	-6%	8%	182	185	163	-1%	12%
Net Operating Profit	14	(7)	12	N/M	18%	155	142	131	9%	18%
Net Operating Margin	8%	N/M	7%			46%	43%	45%		
Net Profit After Tax & Before Minority Interest	(8)	(142)	(11)	N/M	N/M	124	113	95	10%	31%

Source: EFG Hermes management accounts

Table 3: Group Financial Performance – 3Q2013

EGP (mn)	Group EFG Hermes				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	528	506	471	4%	12%
Total Operating Expenses	359	372	327	-3%	10%
Net Operating Profit	169	134	143	26%	18%
Net Operating Margin	32%	27%	30%		
Net Profit After Tax & Before Minority Interest	116	(29)	84	N/M	38%

Source: EFG Hermes management accounts

Table 4: Financial Performance – 9M2013

EGP (mn)	Investment Bank			Commercial Bank			Group EFG Hermes		
	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y
Total Operating Revenue	564	537	5%	964	844	14%	1,528	1,381	11%
Total Operating Expenses	552	500	10%	530	454	17%	1,082	953	13%
Net Operating Profit	12	37	-67%	434	390	11%	446	427	4%
Net Operating Margin	2%	7%		45%	46%		29%	31%	
Net Profit After Tax & Before Minority Interest	(168)	(61)	N/M	354	293	21%	185	232	-20%

Source: EFG Hermes management accounts



II. Group Revenue

Table 5: Group Revenue

EGP (mn)	3Q13		2Q13		3Q12		Q-o-Q	Y-o-Y	9M13		9M12		Y-o-Y
Investment Bank	191	36%	179	35%	176	37%	6%	8%	564	37%	537	39%	5%
Fees & Commissions	139	26%	148	29%	135	29%	-6%	2%	444	29%	447	32%	-1%
Capital Markets & Treasury Operations	52	10%	32	6%	41	9%	64%	28%	120	8%	90	7%	34%
<i>of which:</i>													
Net Interest Income*	2	0%	27	5%	9	2%	-92%	-76%	67	4%	32	2%	108%
Returns on Investments**	50	9%	5	1%	31	7%	919%	59%	53	3%	57	4%	-8%
Commercial Bank	337	64%	326	65%	295	63%	3%	14%	964	63%	844	61%	14%
Total Revenue	528	100%	506	100%	471	100%	4%	12%	1,528	100%	1,381	100%	11%

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

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

Source: EFG Hermes management accounts

Group revenue rose 12% Y-o-Y to EGP528 million in 3Q2013, on higher revenue generated by the Commercial Bank and the Investment Bank. In 3Q2013, the Commercial bank revenue represented 64% of the Group's revenue and the Investment Bank represented the remaining 36%. For 9M2013, the Group revenue rose 11% to EGP1.5 billion, driven largely by an increase in the Commercial Bank revenue, and to a lesser degree an improvement in the Investment Bank revenue.

The Investment Bank revenue rose 8% Y-o-Y to EGP191 million in 3Q2013 on higher capital markets and treasury operations revenue which included a one-off gain of EGP24 million, related to the sale of the old headquarters located in Dokki area. Excluding the one-off gain, the Investment Bank revenue would reach EGP167 million, lower 5% Y-o-Y. Fee and commission revenue rose 2% Y-o-Y in 3Q2013, supported largely by higher Asset Management revenue. Excluding the one-off gains, the Investment Bank revenue would decline 7% Q-o-Q, largely impacted by foreign exchange rate fluctuation. Third quarter saw fx-losses booked on the capital markets and treasury operations and the private equity sides of the business versus strong fx-gains recorded a quarter earlier. For the 9M2013, the Investment Bank revenue rose 5% to EGP564 million, supported mainly by the exceptionally strong fx-gains and one-off gain related to the sale of the old premises in 3Q2013.

The Commercial Bank revenue rose 14% Y-o-Y to EGP337 million in 3Q2013, supported by fx gains from currency (USD/EGP) translation, improved net interest income, and higher net fees and commissions. On a Q-o-Q basis, the Commercial Bank revenue rose 3% largely on higher net interest income. Net interest income improved in 3Q2013 in line with the management strategy to grow loans faster than deposits. For the 9M2013, the Commercial Bank revenue rose 14% to EGP964 million, reflecting higher net fees and commissions and fx gains from currency (USD/EGP) translation.



III. Group Operating Expenses

Table 6: Investment Bank/Commercial Bank Operating Expenses – 3Q2013

EGP (mn)	Investment Bank					Commercial Bank				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	191	179	176	6%	8%	337	326	295	3%	14%
Total Operating Expenses	176	187	164	-6%	8%	182	185	163	-1%	12%
Net Operating Profit	14	(7)	12	N/M	18%	155	142	131	9%	18%
Net Operating Margin	8%	N/M	7%			46%	43%	45%		
Employee Expenses	129	132	110	-2%	18%	111	109	99	2%	12%
Employee Expenses/Operating Revenue	68%	74%	62%			33%	33%	34%		
Employee Expenses/Operating Expenses	73%	71%	67%			61%	59%	61%		
Other Operating Expenses	47	55	54	-14%	-13%	71	76	64	-6%	10%
Other Operating Expenses/Operating Revenue	25%	30%	31%			21%	23%	22%		
Other Operating Expenses/Operating Expenses	27%	29%	33%			39%	41%	39%		

Source: EFG Hermes Management Accounts

Table 7: Group Operating Expenses – 3Q2013

EGP (mn)	Group EFG Hermes				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	528	506	471	4%	12%
Total Operating Expenses	359	372	327	-3%	10%
Net Operating Profit	169	134	143	26%	18%
Net Operating Margin	32%	27%	30%		
Employee Expenses	241	241	209	0%	15%
Employee Expenses/Operating Revenue	46%	48%	44%		
Employee Expenses/Operating Expenses	67%	65%	64%		
Other Operating Expenses	118	130	118	-9%	0%
Other Operating Expenses/Operating Revenue	22%	26%	25%		
Other Operating Expenses/Operating Expenses	33%	35%	36%		

Source: EFG Hermes Management Accounts

Table 8: Group Operating Expenses – 9M2013

EGP (mn)	Investment Bank			Commercial Bank			Group EFG Hermes		
	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y
Total Operating Revenue	564	537	5%	964	844	14%	1,528	1,381	11%
Total Operating Expenses	552	500	10%	530	454	17%	1,082	953	13%
Net Operating Profit	12	37	-67%	434	390	11%	446	427	4%
Net Operating Margin	2%	7%		45%	46%		29%	31%	
Employee Expenses	395	332	19%	324	279	16%	719	611	18%
Employee Expenses/Operating Revenue	70%	62%		34%	33%		47%	44%	
Employee Expenses/Operating Expenses	72%	66%		61%	61%		67%	64%	
Other Operating Expenses	156	168	-7%	206	175	18%	362	343	6%
Other Operating Expenses/Operating Revenue	28%	31%		21%	21%		24%	25%	
Other Operating Expenses/Operating Expenses	28%	34%		39%	39%		33%	36%	

Source: EFG Hermes Management Accounts



Group operating expenses rose 10% Y-o-Y to EGP359 million in 3Q2013, on higher Investment Bank and Commercial Bank operating expenses. Group operating expenses were split 49/51 between the Investment and the Commercial Bank in 3Q2013. On a Q-o-Q basis, Group operating expenses declined 3%, largely due to lower operating expenses on the Investment Bank side. For the 9M2013, Group operating expenses rose 13% Y-o-Y to EGP1.1 billion on higher Investment Bank and Commercial Bank operating expenses.

The Investment Bank operating expenses rose 8% Y-o-Y to EGP176 million in 3Q2013, on one-off expenses of EGP12.5 million related to the restructuring plan that EFG Hermes is undergoing. Adjusting for the one off expenses, the Investment Bank's operating expenses would have amounted to EGP164 million, flat Y-o-Y. On a Q-o-Q, the Investment Bank operating expenses declined 6%, on lower one-off charges Q-o-Q and lower other operating expenses, including travel expenses, consultancy and service fees, general expenses, occupancy expenses and office expenses.

In the 9M2013, the Investment Bank operating expenses rose 10% Y-o-Y to EGP552 million on fx impact of salaries denominated in USD pegged currencies and one-off expenses related to the restructuring plan totalling to EGP59.2 million. Adjusting for the one off expenses, the Investment Bank's operating expenses would have amounted to EGP492 million, down 1% Y-o-Y.

On the consolidation level, the Commercial Bank operating expenses was impacted by the currency movement (USD/EGP). That said, operating expenses rose Y-o-Y, rising 12% and 17% for 3Q2013 and 9M2013 respectively, as the USD appreciated against the EGP. Alternatively, operating expenses declined 1% Q-o-Q as the EGP strengthened over the quarter.



B. THE INVESTMENT BANK

I. Investment Bank Revenue

Table 9: Investment Bank Revenue

EGP (mn)	3Q13		2Q13		3Q12		Q-o-Q	Y-o-Y	9M13		9M12		Y-o-Y
Fees & Commissions	139	73%	148	82%	135	77%	-6%	2%	444	79%	447	83%	-1%
Capital Markets & Treasury Operations	52	27%	32	18%	41	23%	64%	28%	120	21%	90	17%	34%
<i>of which:</i>													
Net Interest Income*	2	1%	27	15%	9	5%	-92%	-76%	67	12%	32	6%	108%
Returns on Investments**	50	26%	5	3%	31	18%	919%	59%	53	9%	57	11%	-8%
Total Revenue	191	100%	179	100%	176	100%	6%	8%	564	100%	537	100%	5%

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

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

Source: EFG Hermes Management Accounts

The Investment Bank revenue rose 8% Y-o-Y to EGP191 million in 3Q2013, on one-off gain of EGP24 million realized from the sale of the old headquarters and to the slight improvement in fee and commission revenue which rose 2% Y-o-Y to EGP139 million.

The improvement in revenues generated from Asset Management and Brokerage divisions supported fees and commissions in 3Q2013 and offset the Y-o-Y decline in Investment Banking and Private Equity revenues. The materialization of Asset Management's incentive fees positively impacted the revenues in 3Q, while higher volumes in the UAE markets, particularly on DFM, boosted brokerage commissions.

Capital markets and treasury operations revenue rose 28% Y-o-Y to EGP52 million in 3Q2013, lifted by one-off gains from the sale of the old headquarters. Excluding the one-off gains, capital markets and treasury operations revenue would decline 31% Y-o-Y on fx-losses, mirroring the EGP appreciation against the USD during the quarter.

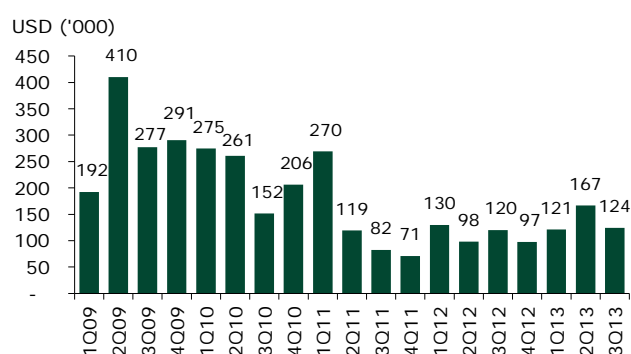
On a Q-o-Q, the Investment Bank revenue rose 6%, however excluding the one-off gain from the sale of the old premises; revenue would decline 7%. Moreover, the change in the foreign exchange rate (USD/EGP) impacted the Private Equity and the capital markets and treasury operations revenues recorded in 2Q and 3Q. Private Equity revenue declined 40% Q-o-Q, while capital markets and treasury operations revenue (excluding the one-off gain) declined 12% as fx-losses reached EGP7.1 million in 3Q2013 versus fx-gains of EGP20 million a quarter earlier. Meanwhile, returns on investments (excluding the one-off gain) rose 423% to EGP26 million, driven by gains recorded on equity investments portfolio, which reached EGP24 million versus losses of EGP3 million a quarter earlier.

For the 9M2013, the Investment Bank revenue rose 5% Y-o-Y to EGP564 million, supported by one-off gains of EGP24 million booked in 3Q and fx-gains as the USD appreciated against the EGP Y-o-Y. Brokerage, Asset Management and Private Equity revenues improved Y-o-Y, however fees and commissions slipped 1% to EGP444 million, reflecting the 'base effect' of the strong Investment Banking revenue booked a year earlier in 9M2012. Revenue generated by capital markets and treasury operations (excluding the one-off gain) rose 7% Y-o-Y to EGP96 million, driven by higher fx-gains.

Fee and Commission Revenue

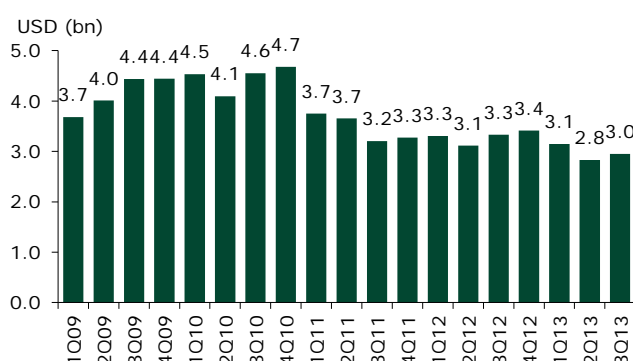


Figure 10: Brokerage Av. Daily Commission



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

Figure 11: Asset Management AuMs



Source: EFG Hermes

For the quarter ended September 2013, fee and commission revenue rose 2% Y-o-Y to EGP139 million, supported by stronger revenue generated from Asset Management division.

Brokerage revenue rose 6% Y-o-Y to EGP66 million in 3Q2013 on higher brokerage commissions, particularly from DFM, and Asset Management revenue rose 60% Y-o-Y to EGP39 million driven by strong performance fees. On the other hand, Investment Banking revenue declined 47% Y-o-Y to EGP12 million on lower advisory fees. Private Equity revenue declined 16% to EGP22 million on fx-losses as the USD depreciated against the EGP during 3Q2013.

On a quarterly basis, fee and commission revenue declined 6% on lower Private Equity revenue, which fell 40% Q-o-Q on currency movements (USD/EGP) during the quarters (2Q and 3Q) thus resulting in fx-losses during 3Q versus strong fx-gains in 2Q; and on lower brokerage commissions. Meanwhile, Investment Banking division booked higher advisory fees after the disappearance of fees in 2Q, and Asset Management recorded higher performance fees.

Table 12: Fee and Commission Revenue – 3Q2013

(EGP mn)	3Q13		2Q13		3Q12		Q-o-Q	Y-o-Y
Brokerage: Egypt	37	27%	36	25%	50	37%	3%	-26%
Brokerage: UAE	13	9%	11	8%	2	1%	10%	530%
Brokerage: KSA	3	2%	3	2%	2	1%	-2%	109%
Brokerage: Oman	3	2%	4	3%	1	1%	-30%	224%
Brokerage: Kuwait	8	6%	20	13%	7	5%	-58%	26%
Brokerage: Jordan	1	1%	2	1%	1	1%	-20%	52%
Total Brokerage	66	47%	76	52%	62	46%	-14%	6%
Asset Management: Egypt	9	7%	10	7%	10	7%	-8%	-9%
Asset Management: Regional	30	22%	24	16%	15	11%	25%	107%
Total Asset Management	39	28%	34	23%	25	18%	15%	60%
Private Equity	22	16%	37	25%	26	20%	-40%	-16%
Investment Banking: Egypt	0	0%	0	0%	22	16%	N/M	N/M
Investment Banking: Regional	11	8%	0	0%	0	0%	N/M	N/M
Total Investment Banking	12	8%	0	0%	22	16%	N/M	-47%
Fees & Commissions	139	100%	148	100%	135	100%	-6%	2%

Source: EFG Hermes Management Accounts



In 9M2013, fee and commission revenue inched down 1% Y-o-Y to EGP444 million, pressured by lower advisory fees Y-o-Y. Investment Banking revenue declined 77% to EGP27 million, as 9M2012 was a strong comparable period. On the other hand, Brokerage, Asset Management and Private Equity divisions reported higher revenues Y-o-Y. Brokerage revenue rose 18% to EGP206 million, on higher Brokerage commissions. Asset Management revenue increased 39% to EGP105 million, driven largely by performance fees. Private Equity revenue rose 36% to EGP106 million on fx gains.

Table 13: Fee and Commission Revenue – 9M2013

(EGP mn)	9M13		9M12		Y-o-Y
Brokerage: Egypt	114	26%	126	28%	-10%
Brokerage: UAE	31	7%	12	3%	157%
Brokerage: KSA	9	2%	6	1%	40%
Brokerage: Oman	10	2%	4	1%	170%
Brokerage: Kuwait	38	9%	24	5%	59%
Brokerage: Jordan	4	1%	3	1%	67%
Total Brokerage	206	46%	175	39%	18%
Asset Management: Egypt	30	7%	28	6%	5%
Asset Management: Regional	75	17%	47	11%	59%
Total Asset Management	105	24%	76	17%	39%
Private Equity	106	24%	78	17%	36%
Investment Banking: Egypt	15	3%	118	26%	-87%
Investment Banking: Regional	12	3%	0	0%	N/M
Total Investment Banking	27	6%	118	26%	-77%
Total Fees & Commissions	444	100%	447	100%	-1%

Source: EFG Hermes Management Accounts



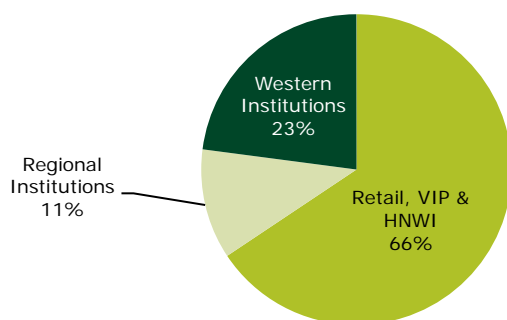
Fee and Commission Revenue – Brokerage

Equity performance in our major markets ended the quarter on a mixed note, with Egypt and Dubai outperforming, Abu Dhabi and KSA closing in the black, and Kuwait performance muted. The S&P Pan Arab Comp ML Index added 6.4% and EFG Hermes MENA Index climbed 6.3% over 3Q2013.

Liquidity improved in Egypt and Dubai, yet retreated in most of other regional markets. Indeed, 3Q2013 is relatively a quiet quarter given the summer season and this year the Holy month of Ramadan falling during the quarter. The average regional volumes fell 13% Q-o-Q (excluding KSA), the EFG Hermes Brokerage executions declined 24% Q-o-Q to reach USD6.3 billion in 3Q2013 compared to USD8.4 billion a quarter earlier.

Revenue generated from regional institutional clients rose to 11% from 9% a quarter earlier, on the account of retail business (which includes online, call center, branches, VIP individuals and HNWI) which declined to 66% from 69% in 2Q2013. Meanwhile, western institutional clients accounted for the remaining 23%.

Figure 14: Brokerage Revenue by Desk

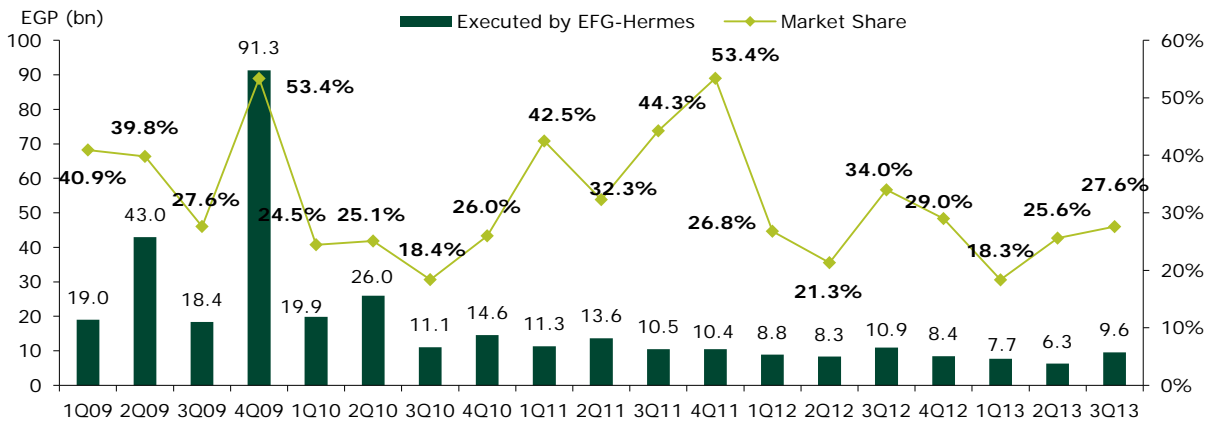


**3Q2013 Revenue Breakdown*
Source: EFG Hermes



Egypt

Figure 15: Egypt Executions and Market Share



* Volumes used in market share calculation includes special transactions

Source: EGX, EFG Hermes

The Egyptian Stock Exchange saw the strongest quarter of the year so far both in terms of volumes and performance. Third quarter saw volumes rising 115% Q-o-Q and the Hermes Financial Index (HFI) gaining 19% Q-o-Q, amid improved macroeconomic indicators and improving sentiment as the process of the political transition remains on track.

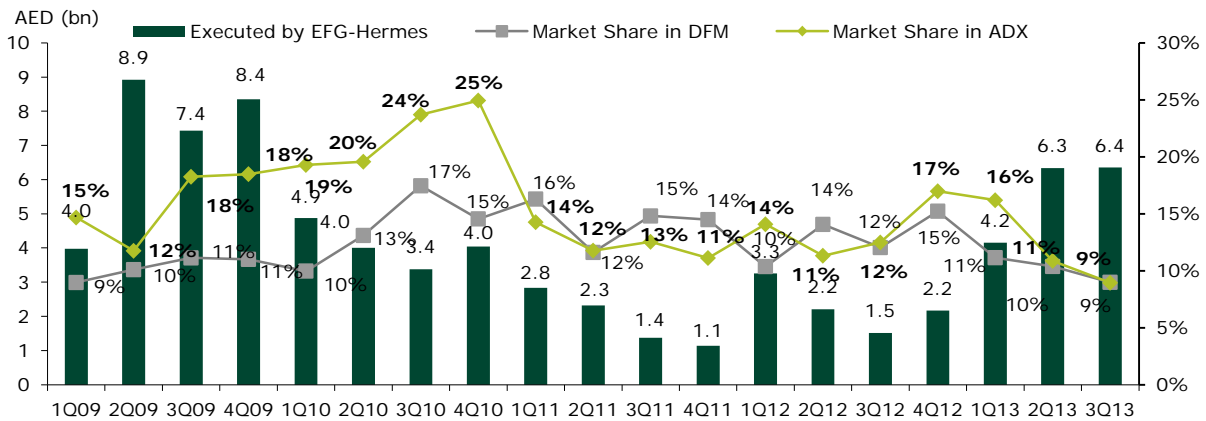
EFG Hermes maintained a strong share of foreign institutional participation in the market during 3Q, despite their relatively low participation, reaching an average of 75% (excluding OCI's special transaction in early August). Consequently, the firm's market share reached 29.1% (excluding special transactions) with a first place ranking on the EGX and 85% higher executions than the following broker.

Revenue generated from Egypt brokerage increased 3% Q-o-Q to EGP37 million in 3Q2013, keeping Egypt's brokerage revenue contribution to the Group's total brokerage revenue stable at 57%.



UAE

Figure 16: UAE Executions and Market Share



Source: DFM, ADX, EFG Hermes

It was another strong quarter for the Dubai Financial Market, with the Dubai Financial Market General Index (DFMGI) gaining 24% Q-o-Q and volumes rising 29% Q-o-Q. Meanwhile, the Abu Dhabi Index (ADI) added 8% Q-o-Q while volumes were muted, down 1% Q-o-Q.

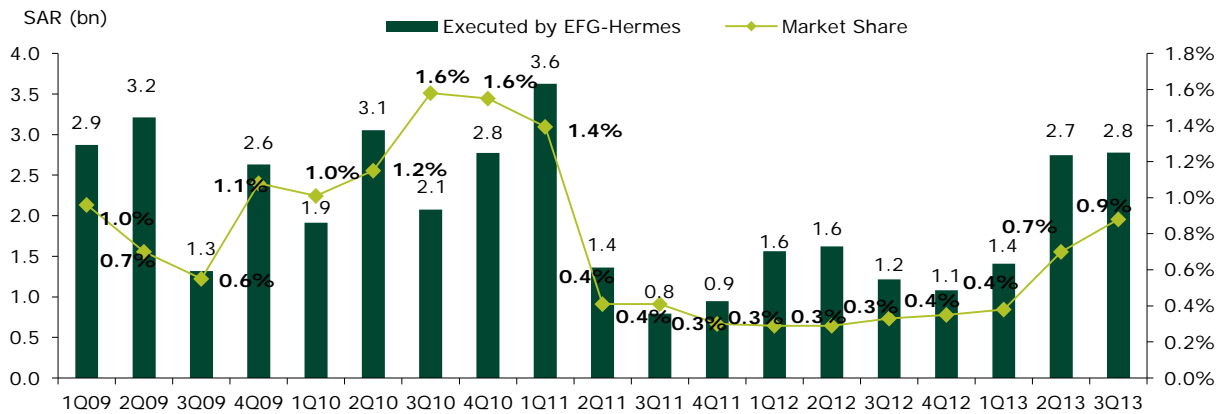
EFG Hermes's institutional and retail business declined on the DFM and the ADX. On the DFM, the institutional business's market share declined to 4.0% in 3Q2013 from 5.0% in 2Q2013 together with the decline in the retail business which reached 3.3% in 3Q2013 from 3.8% in 2Q2013, thus pushing our market share to 9.0% in 3Q2013 from 10.4% in 2Q2013 with a 7th place ranking. On the ADX, institutional business market share dropped to 5.8% in 3Q2013 from 7.9% in 2Q2013 and the retail dropped to 1.9% in 3Q2013 versus 2.3% in 2Q2013, resulting in a market share of 8.9% and a 6th place ranking.

Revenue generated from UAE brokerage operations reached EGP13 million; up 10% Q-o-Q in 3Q2013. This brings UAE's contribution to the Group's total brokerage revenue to 19% from 15% in 2Q2013.



Saudi Arabia

Figure 17: KSA Executions and Market Share



Source: Tadawul, EFG Hermes

The Tadawul All Share Index (TASI) gained 6% over the quarter while volumes declined 20% over the same period.

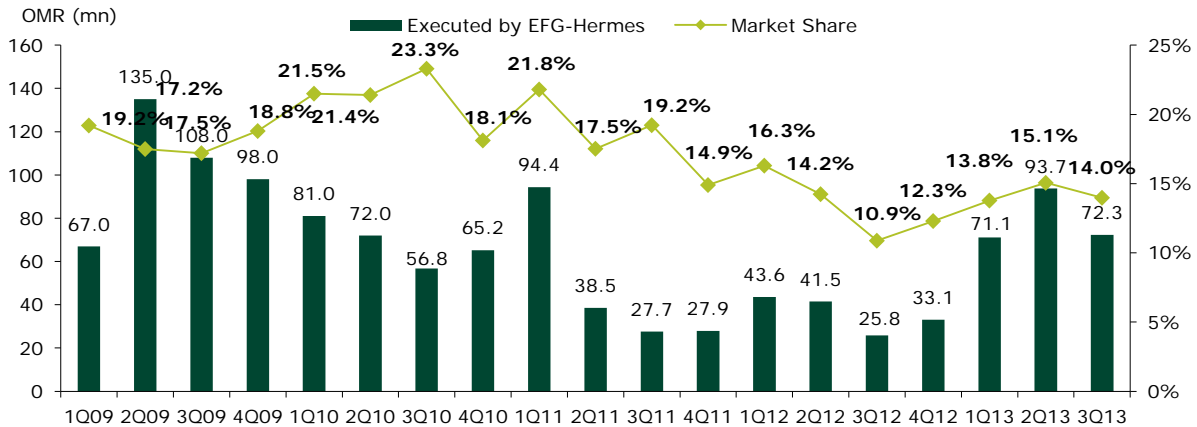
Retail investors continued to dominate the Saudi market while the percentage of foreign institutions participation via participatory notes did not exceed an average of 2.9% of the total market volumes. EFG Hermes market share improved for a second quarter to reach 0.9% in 3Q2013 versus 0.7% a quarter earlier

The decline in the volumes was reflected in the revenue generated from KSA operations, which slipped 2% Q-o-Q to EGP3 million and represented 5% of the Group's total brokerage revenue.



Oman

Figure 18: Oman Executions and Market Share



Source: Muscat Securities Market, EFG Hermes

The Muscat Securities Market (MSM) saw volumes decline 15% over 3Q2013, while the Muscat Securities Index (MSM30) rose 5% Q-o-Q.

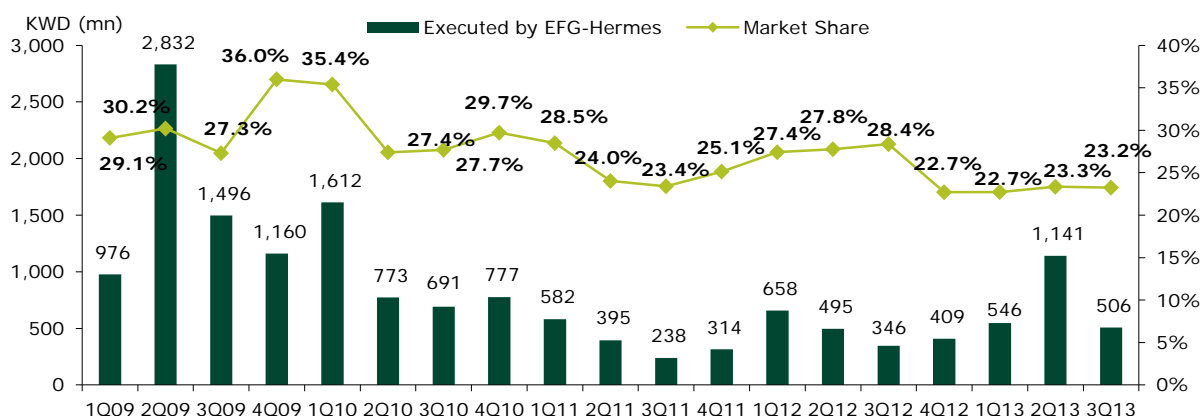
EFG-Hermes market share came at 14% in 3Q2013, mainly as a result of a decrease in GCC clients and foreign institutional investors' activity in the market. Moreover, local investor activity declined due to Sembcorb Salalah IPO. The firm maintained its 7th place ranking.

Revenue generated from Oman brokerage stood at EGP3 million, down 30% Q-o-Q and bringing its contribution to total brokerage revenue to 4% from 5% a quarter earlier.



Kuwait

Figure 19: Kuwait Executions and Market Share



Source: Kuwait Securities Exchange, EFG Hermes

With the holy month of Ramadan and the summer season falling in 3Q2013, volumes on the Kuwait Exchange declined 54% Q-o-Q and the KSE index ending the quarter flat.

Despite a slow and quiet third quarter, the firm's market share and ranking remained stable when compared to 2Q2013 coming at 23.2% and a 2nd place ranking.

The firm has been working diligently to apply the new regulations set out by the newly established CMA and has also worked on rolling out the iPhone & iPad online trading applications that should have a very significant effect on future client acquisitions. It is worth noting that online trading in Kuwait represents over 20% of the firm's revenue hence the new applications should have a strong effect on market share going forward.

Kuwait Brokerage revenue declined 58% Q-o-Q to EGP8 million, bringing down its contribution to the Group's total brokerage revenue to 13%.

Jordan

Amman Stock Exchange took a breather in 3Q2013, with the index falling 7% Q-o-Q and volumes declining 48% Q-o-Q. Worth noting that, the decline in volumes is largely attributed to strong comparable second quarter which included Arab Bank special transaction.

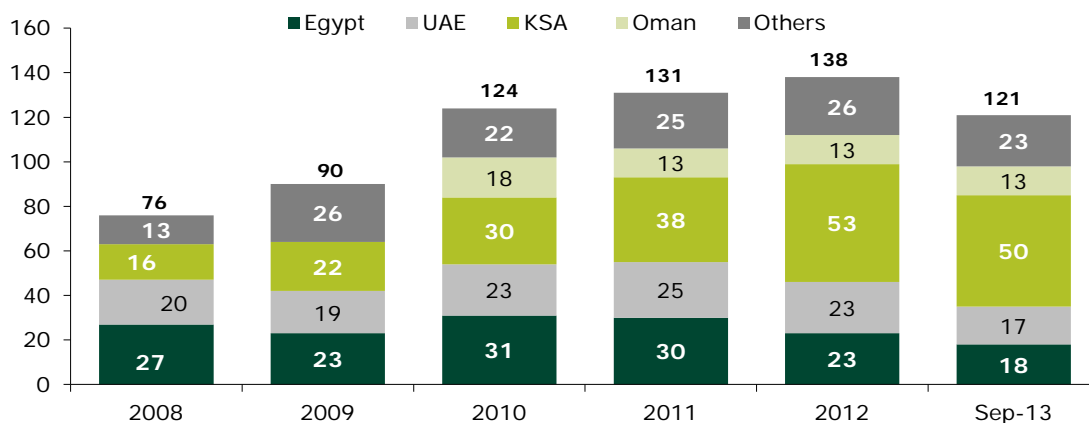
EFG Hermes Jordan market share improved to 8.1% in 3Q2013 from 3.8% a quarter earlier and holds 8th place ranking among licensed broker versus 13th place a quarter earlier.

Revenue booked from Jordan Brokerage declined 20% Q-o-Q to EGP1 million, and represented 2% of total brokerage revenue in 3Q2013.



Research

Figure 20: Research Coverage Universe



Source: EFG Hermes

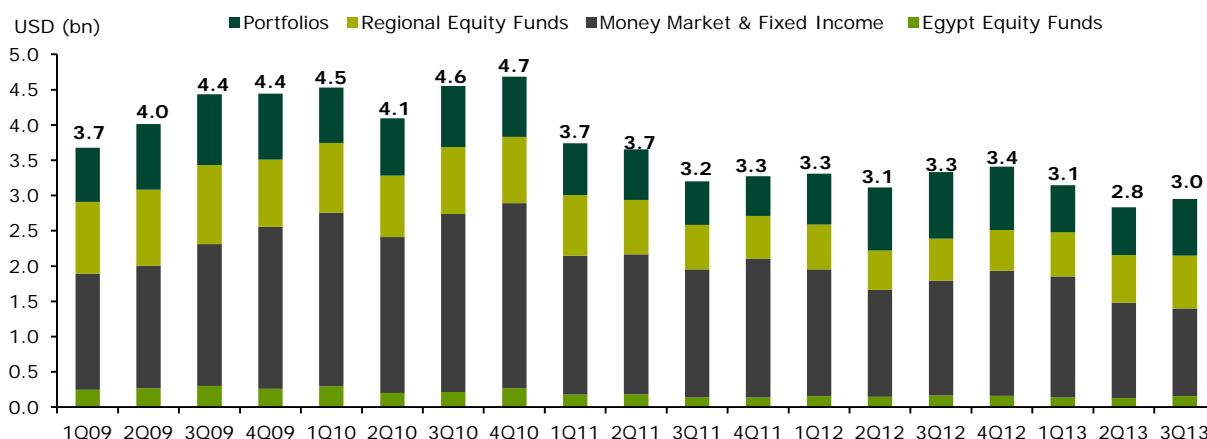
The Research department coverage remained unchanged Q-o-Q, with 121 companies under coverage at the end of 3Q2013, distributed across the region (Egypt 18, UAE 17, KSA 50, Kuwait 7, Oman 13, Qatar 8, Lebanon 3, Morocco 3, Jordan 1 and Netherlands 1). Currently EFG Hermes covers 58% of the regional market capitalization. The decline in our coverage universe came as a result of streamlining our coverage with our costs.

The research department covers 11 economies from a macro level and 8 countries in terms of regular strategy notes in addition to companies and sector 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.



Fee and Commission Revenue – Asset Management

Figure 21: Development of Listed Assets under Management



Source: EFG Hermes

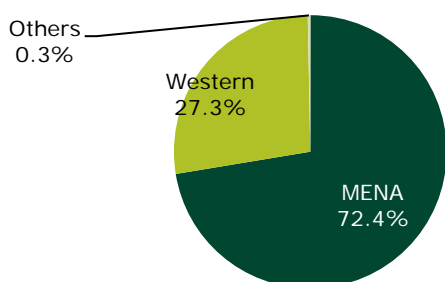
Assets under management reached USD3.0 billion by the end of 3Q2013, an increase of 4% Q-o-Q. With Egypt and regional markets bouncing back in 3Q2013, markets appreciation added 8% to total AuMs over the quarter, while net outflows adversely affected total AuMs by 4%. The recent money market funds' (MMFs) regulations introduced by the Central Bank of Egypt last quarter, capping the size of funds, is still taking its toll on MMFs growth, resulting in redemptions of 5.7% of total AuMs while new subscriptions remain not allowed until the size of the funds fall below the imposed cap.

Over 9M2013, assets under management declined 13%, mainly attributable to net outflows. Outflows represented 19% of AuMs, while markets appreciation added 6% to the AuMs in 9M2013. Money market funds redemptions represented 89% of total outflows, while fixed income portfolios redemptions represented another 5%. The decline in MMFs is attributable to the new CBE regulations mentioned earlier, while the fixed income portfolios redemptions come as a result of the redemption of one portfolio deciding to manage its funds in house in 2Q2013.

Institutional investors increased over the quarter to represent 22% of total AuMs compared to 19% last quarter, demonstrating the team's focus of targeting long term clients. The team is also firm on maintaining a diversified client base, where SWF clients represented 24% in 3Q2013, Foundation/Pension/Insurance 37%, and HNWI/Family office 10%.

In terms of funds' origination, fund sourcing remained largely skewed towards MENA-based clients, which further increased in 3Q2013 to represent 72.4% versus 71.4% last quarter. While European clients declined from 26.4% compared to 27.5% a quarter earlier, and the USA and Asia's share remain unchanged from previous quarters.

Figure 22: Assets under Management by Geography



Source: EFG Hermes Asset Management



Fee and Commission Revenue – Investment Banking

The Investment banking team maintained its momentum for regional and cross border transactions in the third quarter. Successfully advising Dubai Group on the USD164 million sale of 100% of Dubai First, a leading UAE based consumer finance company, to First Gulf Bank was followed by the successful technical listing of the Bank of London and Middle East (“BLME”) on the Nasdaq Dubai Exchange in early October. BLME’s admission to the Nasdaq Dubai Exchange stands as the first technical listing, or admission, of its kind on the exchange and the first stock to be admitted to the market since 2008. Furthermore, the Investment banking team is currently advising Dubai-based conglomerate Al Futtaim Group on its first investment in sub-Saharan Africa with an offer worth USD86 million to take full control of Nairobi-listed car retailer CMC Holdings. The transaction, a land mark cross border M&A transaction by a privately held UAE company, is pending regulatory approvals for the launch of the mandatory tender offer and final execution.

Investment Banking’s pitching efforts have resulted in a healthy pipeline of several mandates secured in Egypt, as well as more than 10 mandates secured between Saudi Arabia and the UAE. The team’s focus on origination in regional markets will hopefully render several executable transactions. In addition to advising the Abraaj Group on the prospective sale of the Spinneys Group across four countries, the investment banking team is currently advising a high profile principal on a significant cross-border European transaction that is currently in advanced stages, as well as leading to live equity placements for reputable Abu Dhabi based entities in the real estate and food and beverages sectors respectively. The latter placements are expected to close in 4Q2013. We have been able to establish strategic working relationships with other financial advisors in Europe and India that are allowing us to distinguish ourselves in the market, by being able to bring to our clients’ attention potential transactions beyond the MENA region, as well as source prospective strategic players to the region.

With regards to Egypt, we are committed to maintaining our leading market position focusing on top tier mandates that we believe have a good chance of closing in the current environment as well as securing longer term mandates that shall be executable once the dust settles.

Fee and Commission Revenue – Private Equity

Assets under management at the end of 3Q2013 stood at USD0.65 billion post the expiration of ECP III’s investment period in 3Q2012.

The team has been engaged in discussing potential portfolio exits as well as studying a number of business development initiatives adding to assets under management.

InfraMed Infrastructure fund remains committed to investing further in Egypt. The team is currently evaluating opportunities in conventional and renewable energy in Egypt, alongside established European partners. In Turkey and Jordan, InfraMed is progressing with its two existing investments, and also looking to add another in the power sector.



Capital Markets and Treasury Operations Revenue

Table 23: Capital Markets and Treasury Operations Revenue

EGP (mn)	3Q13		2Q13		3Q12		Q-o-Q	Y-o-Y	9M13		9M12		Y-o-Y
Fees & Commissions	139	73%	148	82%	135	77%	-6%	2%	444	79%	447	83%	-1%
Capital Markets & Treasury Operations	52	27%	32	18%	41	23%	64%	28%	120	21%	90	17%	34%
<i>of which:</i>													
Net Interest Income*	2	1%	27	15%	9	5%	-92%	-76%	67	12%	32	6%	108%
Returns on Investments**	50	26%	5	3%	31	18%	919%	59%	53	9%	57	11%	-8%
Total Revenue	191	100%	179	100%	176	100%	6%	8%	564	100%	537	100%	5%

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

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

Source: EFG Hermes Management Accounts

Capital markets and treasury operations revenue rose 28% Y-o-Y to EGP52 million in 3Q2013, driven by one-off gain from the sale of the old headquarters.

Net interest income declined 76% Y-o-Y to EGP2 million in 3Q2013 on the back of fx-losses which reached EGP7 million in 3Q2013 versus fx-gain of EGP2 million in 3Q2012, as the EGP appreciated against the USD during the quarter. Excluding the one-off gains on the sale of the old headquarters, return on investments declined 18% Y-o-Y to EGP26 million, driven by lower gains on equity investments.

On a Q-o-Q basis, capital markets and treasury operations revenue declined 12% (excluding the one-off gain) on fx-losses. Net interest income declined 92% Q-o-Q, driven by fx-losses which reached EGP7 million in 3Q2013 versus fx-gains of EGP20 million a quarter earlier. Indeed, the USD appreciated sharply against the EGP in 2Q and lost some ground in 3Q.

Meanwhile, returns on investments rose 423% Q-o-Q to EGP26 million (excluding the one-off gain), driven by gains recorded on the equity investments portfolio which reached EGP24 million versus losses of EGP3 million a quarter earlier.

For the 9M2013, excluding the one-off gains, capital markets & treasury operations revenue rose 7% to EGP96 million on fx-gains. Fx-gains reached EGP45 million in 9M2013 versus EGP9 million in 9M2012. Alternatively, returns of investments (excluding the one-off gain) declined 51% to EGP28 million, pressured by lower gains on equity investments Y-o-Y. Gains on investments came at EGP17 million in 9M2013 versus EGP42 million in 9M2012, as the Egyptian equity market performance weakened Y-o-Y.



II. Investment Bank Operating Expenses

Table 24: Investment Bank Operating Expenses – 3Q2013

EGP (mn)	Fees & Commissions					Capital Markets & Treasury Operations				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	139	148	135	-6%	2%	52	32	41	64%	28%
Total Operating Expenses	157	166	146	-6%	7%	20	21	18	-5%	11%
Net Operating Profit	(18)	(18)	(11)	-2%	-69%	32	11	23	194%	41%
Net Operating Margin	N/M	N/M	N/M			62%	35%	57%		
Employee Expenses	114	116	96	-2%	18%	16	16	13	-3%	19%
Employee Expenses/Operating Revenue	82%	79%	71%			30%	51%	32%		
Employee Expenses/Operating Expenses	73%	70%	66%			80%	78%	74%		
Other Operating Expenses	43	50	50	-14%	-13%	4	4	5	-11%	-12%
Other Operating Expenses/Operating Revenue	31%	34%	37%			8%	14%	11%		
Other Operating Expenses/Operating Expenses	27%	30%	34%			20%	22%	26%		

Source: EFG Hermes Management Accounts

Table 25: Investment Bank Operating Expenses – 3Q2013

EGP (mn)	Total Investment Bank				
	3Q13	2Q13	3Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	191	179	176	6%	8%
Total Operating Expenses	176	187	164	-6%	8%
Net Operating Profit	14	(7)	12	N/M	18%
Net Operating Margin	8%	N/M	7%		
Employee Expenses	129	132	110	-2%	18%
Employee Expenses/Operating Revenue	68%	74%	62%		
Employee Expenses/Operating Expenses	73%	71%	67%		
Number of Employees	808	826	917	-2%	-12%
Other Operating Expenses	47	55	54	-14%	-13%
Other Operating Expenses/Operating Revenue	25%	30%	31%		
Other Operating Expenses/Operating Expenses	27%	29%	33%		

Source: EFG Hermes Management Accounts

Table 26: Investment Bank Operating Expenses – 9M2013

	Fees & Commissions			Capital Markets & Treasury Operations			Total Investment Bank		
	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y	9M13	9M12	Y-o-Y
Total Operating Revenue	444	447	-1%	120	90	34%	564	537	5%
Total Operating Expenses	491	445	10%	61	55	10%	552	500	10%
Net Operating Profit	(47)	2	N/M	59	35	71%	12	37	-67%
Net Operating Margin	N/M	1%		49%	39%		2%	7%	
Employee Expenses	349	293	19%	46	39	17%	395	332	19%
Employee Expenses/Operating Revenue	79%	65%		38%	44%		70%	62%	
Employee Expenses/Operating Expenses	71%	66%		76%	71%		72%	66%	
Number of Employees							808	917	-12%
Other Operating Expenses	141	152	-7%	15	16	-6%	156	168	-7%
Other Operating Expenses/Operating Revenue	32%	34%		12%	18%		28%	31%	
Other Operating Expenses/Operating Expenses	29%	34%		24%	29%		28%	34%	

Source: EFG Hermes Management Accounts



The Investment Bank operating expenses rose 8% Y-o-Y to EGP176 million in 3Q2013, triggered by higher employee expenses which rose 18% Y-o-Y to EGP129 million in 3Q2013. Employee expenses included one-off expenses related to the restructuring that EFG Hermes is currently undergoing to bring its cost base to lower levels by the beginning of 2014.

Other operating expenses declined 13% Y-o-Y to EGP47 million in 3Q2013, as the management remains committed to maintain a low cost operating environment. Moreover, the firm's other operating expenses also included EGP1.8 million of one-off charges related to the payment of third party and legal fees.

Excluding the two one-off expenses (restructuring and third party & legal fees), the total operating expenses would have been flat Y-o-Y at EGP164 million.

Of other operating expenses, consultancy and service fees declined 53% to EGP9.2 million, travel expenses fell 8% Y-o-Y to EGP3.5 million, general expenses contracted 23% to EGP2.8 million, and occupancy declined 1% to EGP11.6 million. On the other hand, data communication expense was up 45% Y-o-Y to EGP7.9 million, telephone/fax/mobile expense rose 13% Y-o-Y to EGP2.3 million and promotional and advertising expenses added 43% Y-o-Y to EGP3.7 million and office expenses rose 10% Y-o-Y to EGP5.3 million.

On a Q-o-Q, the Investment Bank operating expenses declined 6%, on lower one-off charges Q-o-Q and lower other operating expenses. Excluding one-off expenses in both quarters, the operating expenses would have declined 2% over 2Q2013.

In the 9M2013, operating expenses rose 10% Y-o-Y to EGP552 million on higher employee expenses. The increase in the operating expenses mirrors largely the one-off expenses related to the restructuring plan initiated in 1Q2013, and the fx impact of salaries dominated in USD pegged currencies. If we exclude the one-off expenses of EGP59.2 million in 9M2013, operating expenses would be in the range of EGP492 million, down 1% Y-o-Y.



C. THE COMMERCIAL BANK

Table 27: Commercial Bank Key Financial Highlights and Ratios

USD (mn)	3Q13	2Q13	1Q13	4Q12	3Q12	Q-o-Q	Y-o-Y	9M13	9M12	Y-o-Y
Balance Sheet:										
Total Assets	8,136	8,025	8,002	7,948	7,735	1%	5%	8,136	7,735	5%
Cash and due from banks	2,022	2,026	2,089	2,088	1,931	0%	5%	2,022	1,931	5%
Loans	2,526	2,420	2,386	2,234	2,203	4%	15%	2,526	2,203	15%
Deposits	6,996	7,024	7,046	6,961	6,694	0%	5%	6,996	6,694	5%
Shareholders' Equity:	746	626	633	619	607	19%	23%	746	607	23%
Tier 1 capital	657	538	546	529	518	22%	27%	657	518	27%
Tier 2 capital	89	88	86	90	89	1%	0%	89	89	0%
P&L:										
Net Interest Income:	33.0	31.7	29.7	30.8	31.5	4%	5%	94.4	94.7	0%
Interest Income	108.9	110.7	102.9	115.8	102.4	-2%	6%	322.5	302.0	7%
Interest Expense	(75.9)	(79.0)	(73.2)	(85.0)	(71.0)	-4%	7%	(228.1)	(207.3)	10%
Net Fees and Commissions	10.0	11.6	8.7	10.4	8.8	-14%	14%	30.3	25.9	17%
Trading Income	4.0	3.6	6.3	7.4	6.5	10%	-39%	13.9	14.4	-3%
Total Operating Income	48.2	47.1	44.8	48.9	47.1	2%	2%	140.1	136.9	2%
Net Provisions	(0.1)	(1.0)	(0.7)	(2.3)	(0.5)	-88%	-76%	(1.8)	(0.1)	1680%
Net Operating Income	48.1	46.2	44.0	46.6	46.6	4%	3%	138.3	136.8	1%
Staff Cost	16.0	15.6	15.3	16.5	16.3	2%	-2%	46.9	46.0	2%
General Expenses	10.2	9.4	8.7	14.2	10.5	8%	-3%	28.3	28.2	0%
Total Operating Expenses	27.9	26.8	25.8	32.8	28.7	4%	-3%	80.5	79.5	1%
Net Income	17.9	17.7	16.2	9.8	15.7	2%	14%	51.8	51.2	1%
Net Income (excluding preferred shares)*	17.6	17.7	16.2	9.8	15.7	-1%	12%	51.5	51.2	1%
Ratios:										
Net Interest Margin	1.6%	1.6%	1.6%	1.7%	1.8%	-	(0.1)	1.6%	1.8%	(0.1)
Cost-to-income**	57.1%	56.7%	57.3%	60.1%	57.7%	0.3	(0.6)	57.1%	57.7%	(0.6)
Loans-to-deposits	36.1%	34.5%	33.9%	32.1%	32.9%	1.7	3.2	36.1%	32.9%	3.2
NPL / Gross Loans	3.4%	3.6%	3.8%	4.0%	3.6%	(0.2)	(0.2)	3.4%	3.6%	(0.2)
Provision Cover	85.7%	85.3%	92.4%	90.8%	95.0%	0.5	(9.2)	85.7%	95.0%	(9.2)
ROAE (after- tax)	12.1%	13.1%	12.2%	12.9%	12.1%	(1.0)	(2.4)	13.4%	14.5%	(2.4)
ROAA (after-tax)	0.9%	0.9%	0.8%	0.8%	0.9%	-	(0.1)	0.9%	0.9%	(0.1)
Core Tier 1 Capital Ratio***	N/A	10.9%	N/A	11.6%	11.1%	N/A	N/A	N/A	11.1%	N/A
Capital Adequacy Ratio***	N/A	12.8%	N/A	13.7%	13.3%	N/A	N/A	N/A	13.3%	N/A

* Pro-forma net income subject to Credit Libanais's Board approving dividend payout at year end

** Including extraordinary items

*** Equity includes 1H2013 net profits

Source: Crédit Libanais

I. Overview

Credit Libanais delivered solid results despite the ongoing political tension in the region. The Bank reported a net income after tax of USD17.9 million in 3Q2013, an increase of 2% Q-o-Q and 14% Y-o-Y, and resulting in ROAE of 12.1%.



For the 9M2013, net income after tax rose 1% to USD51.8 million, a result of higher interest expense and higher provisions taken earlier in the year.

Total operating income rose 2% Q-o-Q, largely on higher NII, which grew by 4% Q-o-Q due to continued containment of deposit growth.

Deposits were flat Q-o-Q while loans grew 4% Q-o-Q, resulting in a record loans/deposits ratio of 36.1%.

For the 9M2013, operating income rose 2% supported by fee and commission revenue as trade finance income and insurance premiums improved Y-o-Y.

Strong foreign exchange income generated from Iraq boosted trading income. However this was offset by mark-to-market losses in the trading portfolio.

Net operating income for the quarter rose 4% Q-o-Q and 3% Y-o-Y as net provisions in 3Q2013 were minimal at USD0.1 million, mirroring the continued high asset quality. For the 9M2013, net operating income increased 1% Y-o-Y supported by growth in fees and commissions.

Operating expenses rose 4% Q-o-Q and declined 3% Y-o-Y in 3Q2013, staying flat Y-o-Y resulting in a cost-to-income of 57.1%. In September, Lebanon's Banks Association took the decision to increase some of the Bank benefits to employees, the impact of which will be reflected starting 4Q2013.

At the end of September 2013, the Bank completed the issuance of USD100 million of non-cumulative perpetual preferred shares (callable at par after 5 years), and offering a dividend of 7%. This will maintain high levels of capital adequacy going forward.

International Operations:

Senegal results for the quarter and YTD continued to be negative due to loan quality issues, but are expected to recover in the coming quarters, as portfolio quality recovers.

Iraq continues to contribute positively to the Bank's bottom line, reporting a net profit of USD1.1 million in 3Q2013, with customer FX commissions being the main revenue contributor.

II. Selected Financials & qualitative information

Assets:

Total assets stood at USD8.1 billion at the end of 3Q2013, up 1% Q-o-Q and 5% Y-o-Y, mainly driven by loan growth.

Total assets composition was more skewed towards loans by the end of 3Q2013, as loans increased from 30.2% of total assets in the previous quarter to 31.0% in 3Q2013. Securities decreased from 41.8% to 41.1% of total assets and cash decreased to 24.8% down from 25.2% a quarter earlier.

Total assets allocation by business line changed over the quarter, with a leap in corporate banking which accounted for 19.0% in 3Q2013 up from 15.7% last quarter on the account of all other business lines. Retail and investment banking declined to 18.3% and 1.1% respectively, compared to 20.0% and 1.2% last quarter, while capital markets and treasury declined from 63.0% to 61.5% in 3Q2013.



Loans:

Total Loans continued increasing to reach USD2.5 billion at the end of 3Q2013, an increase of 4% Q-o-Q and 15% Y-o-Y.

Table 28: Loans by Type

USD (mn)	3Q13	2Q13	1Q13	4Q12	3Q12	Q-o-Q	Y-o-Y
Loans:	2,526	2,420	2,386	2,234	2,203	4.4%	14.7%
Corporate	1,268	1,172	1,158	993	966	8.2%	31.3%
Retail	976	970	964	930	900	0.7%	8.5%
SME	281	278	264	312	336	1.0%	-16.5%

Loan growth by type: In line with the bank's strategy, corporate loans saw an increase of 8.2% Q-o-Q and 31.3% Y-o-Y, being the main contributor to the total loan-book growth seen in 3Q2013. On the other hand, retail loans growth was relatively flat over the quarter, increasing only 0.7% Q-o-Q, and 8.5% Y-o-Y. SME loans grew 1.0% Q-o-Q and retreated to 16.5% Y-o-Y.

Loan distribution by type: Corporate loans contribution to the total loan book increased to 50.2% in 3Q2013 while retail loans declined to represent 38.7% and SME represented the remaining 11.1%.

Loan distribution by sector: Personal & consumer loans and loans to the trading sector represented 44.1% and 27.7% of the total loan book, respectively. Loans to the industrial sector accounted for 15.8% while loans to the construction sector accounted for 9.5%.

Loan quality: NPL ratio declined to 3.4% in 3Q2013 versus 3.6% a quarter earlier, while provision cover saw a slight increase to reach 85.7% up from 85.3% in 2Q2013.

Loans by currency: The loan book was split in 3Q2013 at 36/64 between local and foreign currency, with a marginal increase over the quarter in foreign currency lending once again after seeing a minor increase in LBP loans last quarter.

Deposits:

The Bank continued to curb its deposits growth in line with its strategy, seeing no growth over the quarter and a minor increase of 4.5% Y-o-Y.

Table 29: Deposits by Type

USD (mn)	3Q13	2Q13	1Q13	4Q12	3Q12	Q-o-Q	Y-o-Y
Deposits:	6,996	7,024	7,046	6,961	6,694	-0.4%	4.5%
Savings	4,174	4,216	4,168	4,084	4,035	-1.0%	3.4%
Term	2,036	2,026	2,119	2,141	1,927	0.5%	5.7%
Sight	786	782	759	736	732	0.5%	7.4%

Deposits contribution by type: Term and sight deposits increased 0.5% over the quarter, with the former growing 5.7% Y-o-Y and the latter 7.4%. On the other hand, savings deposits declined 1.0% Q-o-Q and increased 3.4% Y-o-Y. This brought savings contribution to total deposits to 59.7% in 3Q2013 versus 60.0% a quarter earlier, term deposits to 29.1% from 28.8%, and sight deposits 11.2% compared to 11.1% in 2Q2013.

Deposits by sector: By the end of 3Q2013, deposits were split 94/6% between retail and corporate, respectively.



Deposits by currency: The split between foreign and local currency deposits remained unchanged from the previous quarter – stable at 54/46% respectively.

Loans/Deposits ratio: The loans/deposits ratio reached a record high of 36.1% in 3Q2013 from 34.5% in 2Q2013, reflecting the bank's strategy to mute deposits growth while successfully continuing growing its loan book.

Net Interest income:

Net Interest Income increased 4% Q-o-Q and 5% Y-o-Y to reach USD33.0 million in 3Q2013, which is attributed to lower interest expense, down 4% Q-o-Q, resulting from zero deposits growth over the quarter.

For 9M2013, net interest income reached USD94.4 million, virtually flat Y-o-Y.

Fee & Commission Income:

Fees and commissions came at USD10.0 million in 3Q2013, down 14% Q-o-Q however increasing Y-o-Y by 14%. The Q-o-Q decrease in fees and commissions is a result of the base effect of a strong number in 2Q2013.

In 9M2013, fees and commissions reached USD30.3 million, an increase of 17% Y-o-Y which is mainly attributable to the high insurance premiums and trade finance recorded year to date.

Trading income:

Trading Income came at USD4.0 million in 3Q2013, an increase of 10% Q-o-Q and a decline of 39% Y-o-Y. The Y-o-Y decline reflects mark-to-market losses on marketable securities in the trading portfolio.

In 9M2013, trading income saw a decline of 3% Y-o-Y as 9M2013 witnessed mark-to-market losses in the trading book.

Net Provisions:

In 2Q2013 net provisions was USD0.1 million versus USD1.0 million a quarter earlier. In 9M2013, net provisions amounted to USD1.8 million compared to provisions of USD0.1 in 9M2012 which saw an increase in collections.

CL ended the quarter with an NPL ratio of 3.4% and a coverage ratio of 85.7%.

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

Net operating income came at USD48.1 million for 3Q2013, higher 4% Q-o-Q and 3% Y-o-Y. In 9M2013, NOI was relatively flat with a mere 1% Y-o-Y increase reaching USD138.3 million.

Total Operating Expenses:

Total operating expenses came at USD27.9 million in 3Q2013, up 4% Q-o-Q and down 3% Y-o-Y. For 9M2013, TOEs reached USD80.5 million, up 1% Y-o-Y.

Net Income:

NI increased 2% Q-o-Q and 14% Y-o-Y, reaching USD17.9million in 3Q2013. With the Q-o-Q increase mainly attributed to higher trading income and lower provisions, while the Y-o-Y increase reflects higher F&C Y-o-Y.

For 9M2013, net income came at USD51.8 million, up 1%Y-o-Y.



Cost/Income Ratio:

Cost-to-income saw an increase to 57.1% at the end of 3Q2013, up from 56.7% at the end of 2Q2013 as staff cost and general expenses increased over the quarter.

Net Interest Margin:

NIM was stable at 1.6% in 9M2013, mainly as a result of interest expense containment.

Branch Productivity and Efficiency ratios:

Table 30: Branch Productivity

	3Q13	2Q13	1Q13	4Q12	3Q12	Q-o-Q	Y-o-Y
Employees/Branch	23.0	23.1	22.9	23.0	22.8	-0.4%	0.7%
Loans/Branch (USD mn)	36.1	34.6	34.1	31.9	31.5	4.4%	14.6%
Deposits/Branch (USD mn)	99.9	100.3	100.7	99.4	95.6	-0.4%	4.5%

In line with the Bank's strategy to grow its loan book and contain deposits growth, loans per branch ratio has been growing steadily throughout the quarters reaching USD36.1 million in 3Q2013, up 4.4% Q-o-Q and 14.6% Y-o-Y; while keeping the number of employees per branch stable at 23, demonstrating higher branch productivity. Meanwhile, deposits per branch growth remained muted over the quarters.

III. International Operations

SENEGAL

Credit International reported a net loss of USD165,468 in 3Q2013.

Balance sheet highlights:

Total Assets : USD56.3 million

Loans : USD32.3 million

Deposits : USD31.4 million

IRAQ

The Iraq operations reported a net profit of USD1.1 million in 3Q2013 versus a net profit of USD1.8 million in 2Q2013.

Balance sheet highlights:

Total Assets: USD76.2 million

Loans : USD5.0 million

Deposits : USD31.6 million



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

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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 2,391,473,750

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