

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)

Separate financial statements
for the year ended December 31, 2011
&
Auditor's Report

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Hazem Hassan

Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

AUDITOR'S REPORT

To the shareholders of EFG - Hermes Holding Company

Report on the Financial Statements

We have audited the accompanying separate financial statements of EFG - Hermes Holding Company (Egyptian Joint Stock Company) which comprise the separate balance sheet as at 31 December 2011, and the separate income statement, separate statement of changes in equity and separate statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Hazem Hassan

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of EFG - Hermes Holding Company as of December 31, 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company and the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

Hassan Bas
KPMG Hazem Hassan

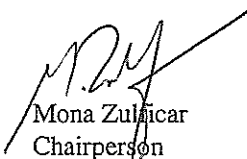
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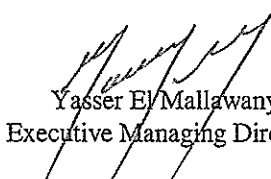
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Public Accountants and Consultants
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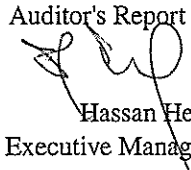
EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate balance sheet
as at December 31, 2011

	Note no.	31/12/2011 LE	31/12/2010 LE
Current assets			
Cash and cash equivalents	(4)	81 166 254	165 527 286
Investments at fair value through profit and loss	(5)	229 185 126	696 456 739
Due from subsidiaries	(6)	1 816 366 404	1 311 719 567
Other debit balances	(8)	66 582 188	87 953 095
Total current assets		<u>2 193 299 972</u>	<u>2 261 656 687</u>
Current liabilities			
Due to subsidiaries	(9)	340 950 816	301 318 055
Tax authority		24 654 552	235 905 648
Creditors and other credit balances	(10,21)	119 939 896	43 229 660
Dividends payable		1 333 365	15 738 394
Expected claims provision	(11)	9 853 751	9 853 751
Current portion of long term loans	(16)	15 584 600	38 588 000
Total current liabilities		<u>512 316 980</u>	<u>644 633 508</u>
Working capital		<u>1 680 982 992</u>	<u>1 617 023 179</u>
Non - current assets			
Loans to subsidiaries	(7,21)	50 000 000	100 000 000
Available -for- sale investments	(12)	135 016 369	252 033 867
Investments in subsidiaries	(13)	4 474 468 668	4 472 503 531
Investments property	(14)	132 062 511	132 062 511
Projects under construction		-	1 856 584
Fixed assets (net)	(15)	294 148 763	305 365 339
Deferred tax assets	(23)	4 816 375	4 360 686
Total non - current assets		<u>5 090 512 686</u>	<u>5 268 182 518</u>
Total investment		<u>6 771 495 678</u>	<u>6 885 205 697</u>
Financed through :			
Shareholders' equity			
Issued & paid - in capital	(17)	2 391 473 750	1 913 570 000
Legal reserve		956 785 000	956 785 000
Other reserves		3 137 986 931	3 284 977 958
Retained earnings		202 716 889	463 008 043
		<u>6 688 962 570</u>	<u>6 618 341 001</u>
Treasury shares	(17-1)	(6 918 613)	-
		<u>6 682 043 957</u>	<u>6 618 341 001</u>
Net profit for the year		89 451 721	1 026 014 092
Interim dividends		-	(774 517 396)
Total shareholders' equity including net profit for the year		<u>6 771 495 678</u>	<u>6 869 837 697</u>
Non - current liabilities			
Long term loans	(16)	-	15 368 000
Total shareholders' equity and non - current liabilities		<u>6 771 495 678</u>	<u>6 885 205 697</u>

The accompanying notes from page (6) to page (24) are an integral part of these financial statements and are to be read therewith.


Mona Zulficar
Chairperson


Yasser El Mallawany
Executive Managing Director

Auditor's Report "attached"

Hassan Heikal
Executive Managing Director

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)

Separate income statement
for the year ended December 31, 2011

	Note no.	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Dividends income	(19)	278 782 640	11 146 823
Custody activity income		9 866 636	5 935 174
		288 649 276	17 081 997
Finance cost		(3 915 965)	(5 844 207)
General and administrative expenses	(21,24)	(223 788 828)	(280 677 434)
Fixed assets depreciation	(15)	(19 428 234)	(12 106 207)
Expected claims provision	(11)	-	(9 400 000)
Impairment loss on assets	(13)	(8 366 470)	-
Net activity's gain (losses)		33 149 779	(290 945 851)
Interest income	(21)	18 268 048	151 984 002
Changes in the fair value of investments at fair value through profit and loss		(7 885 377)	(251 818)
Changes in the fair value of investments property	(3-5-4,14)	-	(46 104 606)
Gains on sale of investments	(13)	23 185 207	1 267 109 302
(Loss) gains on sale of fixed assets		(14 242)	350 400
Foreign currencies differences		14 997 145	160 218 133
Other income	(21)	29 787 673	25 909 791
Net profit before tax		111 488 233	1 268 269 353
Current income tax	(22)	(22 492 201)	(240 393 678)
Deferred tax	(23)	455 689	(1 861 583)
Net profit for the year		89 451 721	1 026 014 092
Earnings per share	(25)	0.19	2.06

The accompanying notes from page (6) to page (24) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)

Separate statement of changes in equity
for the year ended December 31, 2011

Note no.	Issued & paid-in capital	Legal reserve	Special reserve		General reserve	Hedging reserve	Retained earnings	Treasury shares	Net profit for the year	Interim dividends	Total
			Share premium	Fair value reserve							
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2009	1 913 570 000	956 785 000	3 294 067 512	(87 157)	158 271	(3 546 267)	356 343 573	-	517 719 221	-	7 035 010 153
2009 dividends payout	-	-	-	-	-	-	106 664 470	-	(517 719 221)	-	(411 054 751)
Effective portion of changes in fair value of cash flow hedges (net of tax) (3-12)	-	-	-	-	-	(22 896 120)	-	-	-	-	(22 896 120)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	17 281 719
Net profit for the year	-	-	-	-	-	-	-	-	1 026 014 092	-	1 026 014 092
Interim dividend	-	-	-	-	-	-	-	-	(774 517 396)	(774 517 396)	(774 517 396)
Balance as at December 31, 2010	1 913 570 000	956 785 000	3 294 067 512	17 194 562	158 271	(26 442 387)	463 008 043	-	1 026 014 092	(774 517 396)	6 869 837 697
2010 dividends payout	-	-	-	-	-	-	217 612 596	-	(1 026 014 092)	774 517 396	(33 884 100)
Increase the issued capital (17)	477 903 750	-	-	-	-	-	(477 903 750)	-	-	-	-
Net change in the fair value of available-for-sale investments	-	-	-	(146 991 027)	-	-	-	-	-	-	(146 991 027)
Purchasing of treasury shares	-	-	-	-	-	-	-	(6 918 613)	-	-	(6 918 613)
Net profit for the year	-	-	-	-	-	-	-	-	89 451 721	-	89 451 721
Balance as at December 31, 2011	2 391 473 750	956 785 000	3 294 067 512	(129 796 465)	158 271	(26 442 387)	202 716 889	(6 918 613)	89 451 721	-	6 771 495 678

The accompanying notes from page (5) to page (24) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of cash flows
for the year ended December 31, 2011

	Note no.	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Cash flows from operating activities			
Net profit before tax		111 488 233	1 268 269 353
Adjustments to reconcile net profit before tax to net cash provided by operating activities :			
Fixed assets depreciation		19 428 234	12 106 207
Expected claims provision		-	9 400 000
Impairment loss on assets		8 366 470	-
Losses (gains) on sale of fixed assets		14 242	(350 400)
Losses (gains) on sale of available -for- sale investments		230	(963 754)
Gains on sale of investments in associates		-	(1 201 889 366)
Changes in the fair value of investments at fair value through profit and loss		7 885 377	251 818
Changes in the fair value of investments property		-	46 104 606
Foreign currencies differences		(14 997 145)	(160 218 133)
Operating profit (loss) before changes in working capital		<u>132 185 641</u>	<u>(27 289 669)</u>
Decrease (increase) in investments at fair value through profit and loss		459 386 236	(68 871 026)
Increase in due from subsidiaries		(504 646 837)	(353 087 808)
Increase in other debit balances		(3 449 553)	(22 551 858)
Increase in due to subsidiaries		39 632 761	1 295 954 877
Decrease in tax authority		(84 735)	(263 108 705)
Increase in creditors and other credit balances		76 710 236	252 264 417
Income tax paid		(208 838 101)	(9 341 495)
Net cash (used in) provided from operating activities		<u>(9 104 352)</u>	<u>803 968 733</u>
Cash flows from investing activities			
Payments to purchase fixed assets		(6 626 711)	(7 083 672)
Proceeds from sale of fixed assets		257 395	350 400
Payments to projects under construction		-	(57 878 272)
Proceeds from loans to subsidiaries		50 000 000	75 000 000
Payments to purchase available -for- sale investments		(29 981 731)	(213 234 044)
Proceeds from sale / redemption of available -for- sale investments		7 971	1 933 326
Payments to purchase investments in subsidiaries & associates		(10 472 595)	(3 186 984 802)
Proceeds from sale of investments in subsidiaries & associates		140 988	3 798 696 028
Net cash provided from investing activities		<u>3 325 317</u>	<u>410 798 964</u>
Cash flows from financing activities			
Dividends paid		(48 289 129)	(1 169 833 753)
Payments to purchase treasury shares		(6 918 613)	-
Change in reserves		-	(28 620 150)
Payments to long term loans		(38 371 400)	(37 378 000)
Net cash used in financing activities		<u>(93 579 142)</u>	<u>(1 235 831 903)</u>
Net change in cash and cash equivalents during the year		(99 358 177)	(21 064 206)
Cash and cash equivalents at the beginning of the year	(26)	<u>180 524 431</u>	<u>186 591 492</u>
Cash and cash equivalents at the end of the year	(26)	<u>81 166 254</u>	<u>165 527 286</u>

Non cash transactions

For the purpose of preparing the cash flows statement:

- An amount of LE 1 856 584 has been transferred from projects under construction to fixed assets represents the value of construction on the company's headquarter in Smart Village. This amount was excluded from both items.

The accompanying notes from page (6) to page (24) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company
(Egyptian joint Stock Company)

Profit appropriation statement (proposed)
for the year ended December 31, 2011

	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Net profit for the year	89 451 721	1 026 014 092
Retained earnings 1/1	202 716 889	463 008 043
	292 168 610	1 489 022 135
Distributed as follows:		
Legal reserve	4 472 586	-
Shareholders' dividends-cash	-	765 428 000
Shareholders' dividends-stock dividend	-	477 903 750
Employees' portion	-	37 748 996
Board of directors' remuneration	-	5 224 500
Retained earnings 31/12	287 696 024	202 716 889
	292 168 610	1 489 022 135

The accompanying notes from page (6) to page (24) are an integral part of these financial statements and are to be read therewith.

EFG- Hermes Holding Company
(Egyptian Joint Stock Company)
Notes to the Separate financial statements
for the year ended December 31 ,2011

1- Description of business

1-1 Legal status

- EFG - Hermes Holding Company -Egyptian Joint Stock Company- was founded in pursuance of decree No. 106 of 1984.
- The company's extraordinary general meeting held on July 22, 1997 resolved to adjust the company's status and convert it in pursuance to the provisions of law No. 95/1992 and its executive regulation.
- EFG – Hermes is the leading investment bank in the Arab world and market leader in securities brokerage, investment banking, asset management, private equity and research.
- EFG-Hermes Group has been converted from an investment bank to a universal bank as a result of the acquisition of Credit Libanais SAL (the Bank) group.

1-2 Purpose of the company

- The company's purpose is participation in the companies establishment which issue securities or in increasing their share capitals.
- The company's extraordinary meeting held on March 14, 2004 decided to add the Custody Activity to the purpose of the company.
- The company obtained the approval of Capital Market Authority on February 5, 2007 to execute the Marginal Trading Activity.

1-3 Acquisition of the Credit Libanais SAL (the Bank)

- On August 17, 2010 EFG-Hermes Holding Company agreed with the major shareholder of Credit Libanais SAL (the Bank) to purchase 14 228 000 shares a controlling stack in Credit Libanais SAL (the Bank) through its fully owned subsidiary EFG – Hermes CL Holding SAL for an amount of USD 542 million and a Call Option for an additional 25 % of the Bank's shares. The call option will be exercisable over the next two years, at the terms including pricing same as those applicable to the initial acquisition. The company obtained the approval of the Central Bank Of Lebanon for the acquisition transaction and the transfer of title had been completed on November 8, 2010.
- On December 30, 2010 the company obtained the approval of the Central Bank of Lebanon on the purchase of another 686 918 shares of Credit Libanais S.A.L (the Bank) Shares through its fully owned subsidiary EFG – Hermes CL Holding SAL.

2- Basis of preparation

2-1 Statement of compliance

These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian laws and regulations.

2-2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following assets and liabilities which are measured at fair value

- Derivative financial instruments.
- Financial instruments at fair value through profit and loss.
- Available-for-sale financial assets.

2-3 Functional and presentation currency

These financial statements are presented in Egyptian pounds (LE), which is the Company's functional currency and all the financial data presented are in Egyptian pounds (LE).

2-4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note (11) – Expected claims provision.
- Note (13) – Investments in subsidiaries.
- Note (23) – Recognition of deferred tax assets and liabilities.

2-5 Consolidated financial statements

The company has subsidiaries and according to the Egyptian Accounting Standard No. 17 "Consolidated Financial Statements" and the article No. 188 of the executive regulation of law No. 159-1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

3- Significant accounting policies applied

The accounting policies set out below have been applied consistently with those applied in the previous period presented in these financial statements certain reclassifications have been made to some comparative figures in order to conform with current year presentation. (note 28).

3-1 Translation of the foreign currencies transactions

The company maintains its accounts in Egyptian Pound. Transactions denominated in foreign currencies are recorded at the prevailing exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the prevailing exchange rates at that date. The foreign currencies exchange differences arising on the settlement of transactions and the translation at the balance sheet date are recognized in the income statement.

3-2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (Note3-6). Depreciation is charged to the income statement over the estimated useful-life of each asset using the straight-line method. The following are the estimated useful lives, for each class of assets, for depreciation calculation purposes:

	Estimated useful life
- Buildings	33.3 Years
- Furniture, office and electrical appliances	4 Years
- Computer equipment	4 Years
- Vehicles & Transportation means	5 Years
- Fixtures	2 Years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3-3 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

3-4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses (note 3-6). Amortization is recognized in the income statement on a straight – line basis over the estimated useful lives of intangible assets.

3-5 Investments

3-5-1 Investments at fair value through profit and loss

An instrument is classified as at fair value through income statement if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in income statement when incurred. Financial instruments at fair value through income statement are measured at fair value, and changes therein are recognized in income statement.

3-5-2 Available-for-sale financial assets

Available-for-sale financial assets are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available for sale, identifies based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value can not be measured reliably, are stated at cost less impairment loss.

3-5-3 Investments in subsidiaries & associates

Investments in subsidiaries and associates are valued at cost, the book value is amended by any impairment concerning the value of these investments (note 3-6). The impairment value is to be charged to the income statement for every investment individually.

3-5-4 Investments property

Investments property is recorded at fair value, any gain or loss arising from a change in the fair value of investment property shall be recognized in profit or loss for the period in which it arises.

3-6 Impairment

3-6-1 Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

3-6-2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-7 Cash and cash equivalents

For the purpose of preparing the cash flow statement, cash and cash equivalent includes the balances, which maturity not exceeding three months from the date of acquisition and the balances included cash on hand, cheques under collection, due from banks and financial institutions and time deposits .

3-8 Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3-9 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the balance sheet date and amended (when necessary) to represent the best current estimate.

3-10 Legal reserve

The company's Statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the company's issued capital and when the reserve falls below this limit, it shall be necessary to resume the deduction.

3-11 Issued capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity.

Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

3-12 Derivative financial instruments

The company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in profit or loss.

3-13 Revenue recognition

3-13-1 Gains (losses) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3-13-2 Dividend income

Dividend income is recognized when declared.

3-13-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

3-13-4 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

3-14 Expenses

3-14-1 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred on an effective interest basis.

3-14-2 Employees' pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

3-14-3 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-15 Earning per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3-16 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

4- Cash and cash equivalents

	31/12/2011	31/12/2010
	LE	LE
Cash on hand	262 737	343 172
Banks -current accounts	60 690 192	164 558 723
Cheques under collection	213 325	625 391
Banks -time deposits	20 000 000	--
	<hr/>	<hr/>
Balance	81 166 254	165 527 286
	<hr/> <hr/>	<hr/> <hr/>

5- Investments at fair value through profit and loss

	31/12/2011	31/12/2010
	LE	LE
Mutual fund certificates	225 803 073	687 168 112
Stocks	3 382 053	9 288 627
	<hr/>	<hr/>
Balance	229 185 126	696 456 739
	<hr/> <hr/>	<hr/> <hr/>

6- Due from subsidiaries

	31/12/2011	31/12/2010
	LE	LE
Hermes Securities Brokerage	2 089 474	121 106 268
EFG – Hermes Private Equity	438 421	332 022
EFG – Hermes Fixed Income	3 050 720	3 099 640
EFG – Hermes Advisory Inc.	1 400 681 786	1 055 610 588
Flemming CIIC Holding	20 256 459	19 759 300
October Property Development Ltd. Co.	86 077 602	107 119 375
EFG- Hermes Lebanon	334 075	9 448 386
EFG- Hermes Qatar	182 937	370 525
EFG-Hermes Private Equity	60 585 970	2 184 901
EFG-Hermes Global CB Holding Limited	215 185 139	67 975 392
EFG-Hermes Jordan	39 338	19 710 817
Talas & Co. LLP	7 330 084	7 057 157
EFG- Hermes Financial Management Ltd	9 258 806	(102 054 804)
Fixed Income Investment Limited	9 262 499	--
EFG- Hermes Oman LLC	1 139 762	--
EFG- Hermes IFA Financial Brokerage	411 620	--
EFG – Hermes Orient Advisory Inc.	36 250	--
EFG – Hermes Mena Securities Ltd.	5 462	--
	<hr/>	<hr/>
Balance	1 816 366 404	1 311 719 567
	<hr/> <hr/>	<hr/> <hr/>

7- Loans to subsidiaries

- On February 7, 2008 the company has lent a subordinated loan to Financial Brokerage Group Co. (a subsidiary – 99.76%) an amount of LE 300 million due on February 7, 2010. The purpose of the loan is to support the subsidiary's financial accredit required to its activity according to the rules of the Capital Market Authority in this regard.

Financial Brokerage Group Co. has settled an amount of LE 225 million and on February 4, 2010 the subordinated loan agreement has been renewed for two years that will due on February 7, 2012 and on March 1, 2010 the company has settled an amount of LE 25 million accordingly, the balance of the loan as at December 31, 2011 amounted to LE 50 million.

- On October 8, 2009 the company has lent a subordinated loan to Hermes Securities Brokerage (a subsidiary - 97.58%) with an amount of LE 100 million due on October 7, 2011. The purpose of the loan is to support the subsidiary's financial accredit required to its activity according to the rules of the Capital Market Authority in this regard.

Hermes Securities Brokerage Co. has settled an amount of LE 50 million on February 14, 2010 and on September 25, 2011 the remain balance has been fully paid.

8- Other debit balances

	31/12/2011	31/12/2010
	LE	LE
Accrued revenues	4 708 339	995 145
Taxes withheld by others	574 233	24 826 866
Deposits with others	1 075 089	1 175 089
Prepaid expenses	5 924 832	5 896 923
Employees advances	9 255 238	10 038 803
Downpayments to suppliers	89 280	89 280
Payments for purchase of investments *	18 150 180	18 150 180
Unrealized loss C - SWAP	--	46 126
Sundry debtors	26 804 997	26 734 683
	<hr/>	<hr/>
Balance	66 582 188	87 953 095
	<hr/> <hr/>	<hr/> <hr/>

* Payments for investments are represented in the following:

	31/12/2011	31/12/2010
	LE	LE
EFG- Hermes Mutual Funds	9 999 990	9 999 990
Financial Group for Real Estate	250 000	250 000
EFG-Hermes Securitization Company.	4 999 990	4 999 990
Arab Visual Company	2 500 000	2 500 000
Egyptian Company for Funds Investments	400 200	400 200
	<u>18 150 180</u>	<u>18 150 180</u>

9- Due to subsidiaries

	31/12/2011	31/12/2010
	LE	LE
Financial Brokerage Group Co.	16 426 206	(24 142 261)
EFG-Hermes UAE Ltd. Co.	1 784 331	(1 144 428)
Arab Visual Company	5 000 000	5 000 000
Hermes Corporate Finance	12 022 552	13 929 832
Hermes Fund Management	7 617 251	13 005 967
Egyptian Portfolio Management Group	37 891 678	29 350 588
EFG-Hermes Holding-Lebanon	1 270 467	1 414 601
Financial Group for Real Estate	235 000	235 000
EFG- Hermes KSA	5 673 482	(3 255 856)
EFG-Hermes Promoting & Underwriting	10 152 271	333 524
EFG- Hermes Mutual Funds	10 000 000	10 000 000
EFG-Hermes Securitization Company.	5 000 000	5 000 000
EFG-Hermes Regional Investments Ltd.	27 243 210	80 490 477
Bayonne Enterprises Ltd.	123 190 287	135 415 993
Egyptian Fund Management Group.	58 838 714	27 448 622
EFG – Hermes Syria LLC	17 836 588	3 967 928
Sindyay Syria LLC	203 100	195 537
EFG- Hermes Brokerage- UAE Ltd	565 679	4 072 531
	<u>340 950 816</u>	<u>301 318 055</u>

10- Creditors and other credit balances

	31/12/2011	31/12/2010
	LE	LE
Accrued interest & commission	82 256	238 887
Social Insurance Authority	204 555	198 655
Accrued expenses	104 459 226	17 099 497
Clients coupons - custody activity	8 217 583	8 716 618
Unearned Revenue (Note no. 21)	2 487 200	2 487 200
Sundry credit balances	4 489 076	14 488 803
	<u>119 939 896</u>	<u>43 229 660</u>

11- Expected claims provision

	31/12/2011	31/12/2010
	LE	LE
Balance as at the beginning of the year	9 853 751	453 751
Amounts formed during the year	--	9 400 000
	<u>9 853 751</u>	<u>9 853 751</u>
	<u><u>9 853 751</u></u>	<u><u>9 853 751</u></u>

12- Available -for- sale investments

	31/12/2011	31/12/2010
	LE	LE
El Araby Investment Company	2 500 000	2 500 000
Axes Holding Co.	301 475	290 250
Egyptian Company for Marketing	500 000	500 000
International Project Management Company	3 014 750	2 902 500
Misr Clearance Company	2 064 068	2 064 068
Horus Private Equity Fund II	6 174 401	9 612 835
Commercial International Bank – CIB	--	14 220
Azadea Misr IIC	11 275	10 855
AAW Company for Infra Structure	20 000	20 000
Six of October Development and Investment (SODIC)	32 208 547	174 047 371
Inframed Infrastructure Fund	25 513 853	2 021 768
Mass for Investment Co.	57 880 000	58 050 000
Misr Al Mostakbal for Mutual Funds	4 820 000	--
AZCA Logistics LLC.	4 000	--
Fashion Logistics LLC.	4 000	--
	<u>135 016 369</u>	<u>252 033 867</u>
	<u><u>135 016 369</u></u>	<u><u>252 033 867</u></u>

Available -for- sale investments are represented in the following:

	31/12/2011	31/12/2010
	LE	LE
Quoted investments	32 208 547	174 061 591
Non- quoted investments	102 807 822	77 972 276
	<u>135 016 369</u>	<u>252 033 867</u>
	<u><u>135 016 369</u></u>	<u><u>252 033 867</u></u>

13- Investments in subsidiaries

Company's name	Share percentage %	Balance as at 31/12/2011 LE	Balance as at 31/12/2010 LE
Financial Brokerage Group Co.	99.76	17 708 350	17 708 350
Egyptian Fund Management Group	88.51	3 099 633	3 099 633
Egyptian Portfolio Management Group	66.33	995 000	995 000
Hermes Securities Brokerage	97.58	24 606 769	24 606 769
Hermes Fund Management	89.95	6 439 709	6 439 709
Hermes Corporate Finance Co.	99.37	5 476 029	5 476 029
EFG- Hermes Advisory Inc.	100	5 400 000	5 400 000
EFG- Hermes Financial Management Ltd.	100	10 000	10 000
EFG- Hermes Promoting & Underwriting	99.88	7 990 000	7 990 000
EFG- Hermes Fixed Income	99	9 900 000	9 900 000
EFG- Hermes Private Equity	96.30	1 249 490	1 249 490
Flemming CIIC Holding	100	100 000 000	100 000 000
EFG- Hermes Private Equity *	1.59	39 975	39 975
EFG- Hermes – UAE Limited Company	100	23 000 000	23 000 000
EFG- Hermes Holding Lebanon – S.A.L.	99	153 713	153 713
EFG- Hermes – KSA	73.1	328 975 903	328 975 903
EFG- Hermes – Lebanon – S.A.L.	99	35 931 257	27 705 775
EFG- Hermes Regional Investments Ltd. *	100	706 236 283	706 236 283
EFG- Hermes Qatar L.L.C	100	24 916 590	24 916 590
EFG-Hermes Jordan	100	33 610 631	31 504 506
EFG – Hermes Investment Funds Co	99.998	9 999 800	9 999 800
EFG-Hermes Global CB Holding Limited**	100	3 137 096 006	3 137 096 006
		<u>4 482 835 138</u>	<u>4 472 503 531</u>
Accumulate impairment loss on investments in subsidiaries		(8 366 470)	--
Balance		<u><u>4 474 468 668</u></u>	<u><u>4 472 503 531</u></u>

* The Company owns 100% of EFG- Hermes Regional Investments Ltd Co, which owns 63.41% in EFG- Hermes Private Equity Co. hence the company has the control, therefore EFG- Hermes Private Equity is a subsidiary.

** EFG-Hermes Global CB Holding Limited is the parent company for Credit Libanais SAL (the Bank) (63.739%).

- Investments in subsidiaries non - quoted investments.

- On January 21,2010 the company and its subsidiaries have sold it's entire investments in Bank Audi – Lebanon Bank (an associate – 29.16%) which represented in 10 037 182 shares with share price of US \$ 91 each, the company's selling gain amounted to LE 1 201 889 366 and recorded on the income statement for the comparable year ended 31 December 2010.

14- Investment property

Investment property presented in the balance sheet as at December 31, 2011 amounted to LE 132 062 511 represents the value of the area owned by the Holding Company in Nile City Building.

15- Fixed assets (net)

	Land	Buildings	Office, Furniture & Equipment	Computer Equipment	Vehicles & transportation Mean	Fixtures	Total
	LE	LE	LE	LE	LE	LE	LE
Balance as at 1/1/2011	16 000 000	256 559 285	20 257 809	39 281 652	6 590 711	3 831 660	342 521 117
Additions during the year	--	--	2 285 498	3 996 580	--	2 201 217	8 483 295
Disposals during the year	--	--	(346 485)	--	--	(5 515)	(352 000)
Total cost as at 31/12/2011	16 000 000	256 559 285	22 196 822	43 278 232	6 590 711	6 027 362	350 652 412
Accumulated depreciation as at 1/1/2011	--	4 755 847	5 302 979	19 322 523	5 330 332	2 444 097	37 155 778
Depreciation during the year	--	7 696 778	3 739 334	6 569 475	476 960	945 687	19 428 234
Disposals' accumulated depreciation	--	--	(80 084)	--	--	(279)	(80 363)
Accumulated depreciation as at 31/12/2011	--	12 452 625	8 962 229	25 891 998	5 807 292	3 389 505	56 503 649
Net cost as at 31/12/2011	16 000 000	244 106 660	13 234 593	17 386 234	783 419	2 637 857	294 148 763
Net cost as at 31/12/2010	16 000 000	251 803 438	14 954 830	19 959 129	1 260 379	1 387 563	305 365 339

16- Long term loans

A- On December 28, 2005, a loan agreement has been signed with International Finance Corporation "IFC" whereby the company is entitled to obtain long term loan with an amount of US\$ 20 million with an applied annual floating interest rate in order to Finance Regional expansion of the company. The loan will be repaid on 10 equal semi-annual installments with an amount of US\$ 2 million for each installment and the first installment was due on May 15,2007 and the last installment will due on November 15, 2011 and the interest is due on May 15, and November 15 and the first interest was due on November 15,2006. The loan agreement provides for that the company's subsidiaries will guarantee the loan repayment through an irrevocable unconditional guarantee and the company got the full amount of the loan amounted to US\$ 20 million on September 3, 2006, the loan has been fully paid.

B- On December 29,2005 a loan agreement has been signed with the Foundation of (DEG)- DEUTSCHE INVESTITIONS- UND ENTWICKLUNGSGESELLSCHAFT MBH whereby the company is entitled to obtain a long term loan with an amount of Euro 10 million with a variable annual interest rate in order to finance the regional expansion of the company. The loan will be repaid on 10 equal semi-annual installments with an amount of one million Euro per installment. The first installment was due on May 15, 2008 and the last installment will due on November 15, 2012 and the interest is due on May 15, November 15 each year. The first interest was due on November 15, 2006.

The loan agreement provides for that the company's subsidiaries will guarantee the loan repayment through an irrevocable unconditional guarantee. The company has obtained the full amount of the loan amounted Euro 10 million on September 17, 2006. The loan balance as of December 31, 2011 amounted Euro 2 million (the equivalent amount of LE 15 584 600) the amount that will due within one year.

17- Capital

- The company's authorized capital amounts LE 3 200 million and issued and paid in capital amounts LE 1 913 570 000 distributed on 382 714 000 shares of par value LE 5 per share.
- The company's Extraordinary General Assembly approved in its session held on June 13, 2011 to increase the company's share capital from LE 1 913 570 000 to LE 2 391 473 750 with an increase amount of LE 477 903 750 through distributing of 95 580 750 stock dividend at one share to every outstanding four shares at the declaration date , this increase are financed from retained earnings according to the decision of the company's Ordinary General Assembly in its session held on the same date and the required procedures had been taken and this increase have been registered in the Commercial Register on September 6, 2011.

17-1 Treasury shares

The company's board of directors approved in its session held on April 27,2011 to purchase a number of 5 million shares of the company's shares and the company has purchased a number of 391 000 shares from Egyptian Stock Exchange Market at cost of LE 6 918 613.

18- Contingent liabilities & commitments

- The company guarantees its subsidiaries – Financial Brokerage Group and Hermes Securities Brokerage against the credit facilities granted from banks and EFG- Hermes Brokerage – UAE against the credit facilities granted from banks amounting to AED 178 670 000 (equivalent to LE 293 358 273).

19- Dividends income

	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Income from investments in subsidiaries	271 688 230	906 300
Income from available - for- sale investments	6 460 956	995 145
Income from investments at fair value through profit and loss	633 454	9 245 378
Total	<u>278 782 640</u>	<u>11 146 823</u>

20- Tax status

- As to Income Tax, the years from the first financial year till 31/12/2004 the competent tax inspectorate inspected company's books and all the disputed points have been settled with the Internal Committee and as to years 2005/2008, the competent tax inspectorate inspected company's books and the company was notified by form no. (19) , which was objected thereon on the due date and the disputed items have been transferred to the Internal Committee and as to years 2009 / 2010, company's books have not been inspected yet and the company has provided its tax returns for these years and paid the due tax according to the Tax Law no. 91/2005.
- As to Salaries Tax, company's books had been examined till the year 2004 and all the disputed points have been settled with the Internal Committee and the due amount has been paid and the years 2005/2008 have been inspected and the company was notified by tax forms which was objected thereon on the due date and the disputed items have been transferred to the Internal Committee and as to years 2009 / 2010, the company's books have not been inspected yet.
- As to Stamp Tax, company's books had been examined from year 1998 till 31/7/2006 and the disputed points had been transferred to Appeal Committee, and the period from 1/8/2006 till 31/12/2010 have not been inspected yet.
- The Supreme Council of the Armed Forces issued the Decree Law No. 51 of 2011 amending some provisions of the Income Tax Law promulgated by Law No. 91 of 2005 where the amendment of Article (49 / first paragraph) as follows:
The tax base nearest ten pounds less is subject to tax in accordance with the following two tranches:
 - First tranche: up to ten million pounds at 20%.
 - Second tranche: more than ten million pounds at 25%.
instead of 20% of the entire tax base.

21- Related party transactions

- General administrative expenses item includes an amount of LE 250 000 represents management fees provided by EFG- Hermes Private Equity (A subsidiary company) to the Company during the financial year according to agreement signed in this regard.
- Interest income item presented in the income statement includes an amount of LE 7 659 000 represent the interests value on subordinated loan which granted from the company to Financial Brokerage Group Co. (a subsidiary – 99.76%) and includes interest with an amount of LE 5 038 767 represent the interests value on subordinated loan which granted from the company to Hermes Securities Brokerage (A subsidiary company - 97.58%) (note no. 7).
- Other income item presented in the income statement includes an amount of LE 14 923 200 which represents the value of rental spaces for some affiliated companies in addition to LE 12 544 230 which represents the value of redemption of some expenses of the new headquarter that were allocated to the subsidiaries.
- Loans to subsidiaries item as at December 31, 2011 is presented in the statement of financial position represents in the loan granted to Financial Brokerage Group (one of subsidiaries – 99.76%) with an amount of LE 50 million (note no. 7).
- Creditors and other credit balances item includes an amount of LE 2 487 200 represents the unearned revenues from the affiliated companies for rental of group's headquarter owned by the company.

22- Reconciliation of effective tax rate

	31/12/2011	31/12/2010
	LE	LE
Profit before tax	111 488 233	1 268 269 353
Add /(deduct):		
Non deductible expenses	69 562	25 990 375
Non taxable income included in income statements	--	(29 542 060)
Fixed assets depreciation	(5 015 823)	(8 975 875)
Capital loss (gains)	14 242	(350 400)
Tax exemptions	(22 953 880)	(55 677 740)
Impairment loss on assets	8 366 470	--
Net tax base	<u>91 968 804</u>	<u>1 199 713 653</u>
Tax-first tranche 20%	2 000 000	239 942 7311
Tax-second tranche 25%	20 492 201	--
Prior year adjustments	--	450 947
Tax due	<u>22 492 201</u>	<u>240 393 678</u>
Effective tax rate	<u>20.2%</u>	<u>18.92%</u>

23- Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(A) Deferred tax	31/12/2011		31/12/2010	
	Assets LE	Liabilities LE	Assets LE	Liabilities LE
Fixed assets depreciation	--	(4 280 259)	--	(3 062 654)
Expected claims provision	90 750	--	90 750	--
Impairment loss on assets	2 393 287	--	719 993	--
Total deferred tax assets (liabilities)	<u>2 484 037</u>	<u>(4 280 259)</u>	<u>810 743</u>	<u>(3 062 654)</u>
Net deferred tax liabilities		<u><u>(1 796 222)</u></u>		<u><u>(2 251 911)</u></u>

(B) Deferred tax recognized directly in equity

	31/12/2011 LE	31/12/2010 LE
Changes in fair value of cash flow hedges	<u><u>6 612 597</u></u>	<u><u>6 612 597</u></u>

24- General administrative expenses

	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Wages , salaries and similar items	158 306 161	191 326 455
Consultancy	8 881 670	12 193 250
Travel , accommodation and transportation	7 679 477	8 523 700
Other expenses	48 921 520	68 634 029
Total	<u><u>223 788 828</u></u>	<u><u>280 677 434</u></u>

25- Earnings per share

	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Net profit for the year	89 451 721	1 026 014 092
Employees' portion	--	(37 748 996)
Board of directors' bonus	--	(5 224 500)
Net	<u>89 451 721</u>	<u>983 040 596</u>
Weighted average number of shares	<u>478 099 250</u>	<u>478 294 750</u>
Earnings per share	<u><u>0.19</u></u>	<u><u>2.06</u></u>

26- Cash and cash equivalents

For the purpose of preparing the cash flows statement, cash and cash equivalents are represented in the following :

	For the year ended 31/12/2011 LE	For the year ended 31/12/2010 LE
Cash and cash equivalents as presented in the balance sheet	81 166 254	165 527 286
Effect of exchange rate changes	--	14 997 145
Cash and cash equivalents (adjusted)	81 166 254	180 524 431

27- Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while liabilities include loans and creditors. Note (No. 2) of notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

27/1 Market risk:

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

27/2 Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As at the balance sheet date the company has assets and liabilities in foreign currencies equivalent to LE 323 729 059 and LE 106 731 861 respectively. The company's net exposures in foreign currencies are as follows:

Surplus/(Deficit)

LE

USD	220 872 816
Euro	(4 160 208)
GBP	236 420
AED	41 551
CHF	6 619

As disclosed in note 3-1, "foreign currencies transactions" the company has used the prevailing exchange rates to revalue monetary assets and liabilities at the balance sheet date.

27/3 Financial instruments' fair value

The financial instruments' fair value do not substantially deviated from their book value at the balance sheet date. According to the valuation basis applied, in accounting policies to the assets and liabilities, which included in the notes to the financial statements, note no. (14) of the notes to financial statements disclose the fair values of investments, except for trading and available-for-sale investments which are reported at cost.

27/4 Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value according to the valuation basis applied, in accounting policies to derivative financial instrument, (note no. 3-12).

28- Comparative figures

Certain reclassification has been made to the comparative figures in order to conform to current year presentation.