

## Summary of Resolutions for the Board of Directors Meeting Held on 10/08/2016

**Cairo, August 11<sup>th</sup>, 2016:** EFG Hermes S.A.E. Board of Directors convened yesterday on Wednesday 10<sup>th</sup> August, 2016 at 5:00 p.m. and ratified second quarter financial results.

The Board has also decided to reconvene at a later date to finalize plans for capital returns, resulting from the sold stake of Credit Libanais and call for an OGM to approve the proposed distribution.

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## **EFG HERMES REPORTS SECOND QUARTER 2016 GROUP EARNINGS FROM CONTINUING OPERATIONS OF EGP48 MILLION; ON OPERATING REVENUE OF EGP288 MILLION**

**Cairo, August 11<sup>th</sup>, 2016** – EFG Hermes reported today net profit after tax and minority interest from continuing operations of EGP48 million in 2Q16, broadly unchanged Y-o-Y. Operating revenue rose 10% Y-o-Y to EGP288 million in 2Q16.

### **Key Highlights**

#### **2Q2016**

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- ≡ EFG Hermes reported resilient set of results despite a relatively slow quarter, posting a net profit after tax and minority interest from continuing operations of EGP48 million, down 3% Y-o-Y in 2Q16;
- ≡ Our strategy to divest the majority of our stake in the commercial bank has been completed with the deconsolidation of Credit Libanais during the quarter and the refocus of the operations on the investment bank business;
- ≡ Our vision for building Egypt's premier non-bank finance institution is starting to take shape with both our Leasing business and Tanmeyah starting to have a recognizable contribution to our revenues during the quarter, a trend that we hope will increase during the coming quarter;
- ≡ EFG Hermes revenue increased 10% Y-o-Y to EGP288 million in 2Q16, on the back of higher fees and commissions, which rose 14% Y-o-Y to EGP271 million in 2Q16; predominantly on the back of higher revenue generated from the Leasing business and the additional revenue booked from the recently acquired micro-finance player "Tanmeyah";
- ≡ Total operating expenses rose 20% Y-o-Y to EGP212 million in 2Q16, largely to reflect the operational expenses related to the new businesses, the Leasing business and Tanmeyah. However, given the Firm's flexible cost structure, management successfully kept employee expenses/operating revenue, at 49% in 2Q16;
- ≡ Cash net operating profit (after excluding the Leasing business leased assets depreciation expense) increased by 11% Y-o-Y to EGP93 million in 2Q16;
- ≡ During the quarter, a gain of EGP525 million, which is necessary for returning capital to shareholders, was realized in relation to the sale of 44.3% of Credit Libanais's shares. This gain was recorded on EFG Hermes Holding standalone financial statements; yet it was not included in the consolidated figures examined below. However, a one-off Egypt related tax expense of EGP118 million associated with this gain, was recorded on the discontinued operations line in the consolidated statements.

***For full report and financial statements, please click on the links on top of the page.***

#### **For further information:**

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