

EFG Hermes Holding



4Q / FY 2015 Results Presentation



Group Overview

Group Performance Highlights – 4Q2015

Operating in challenging markets characterized by economic and operational uncertainties, the Group continues to be profitable. The Group posted a net operating profit of EGP215 million, down 18% Y-o-Y on higher operating expenses; and reflecting a Group net operating profit margin of 30%. The Group reported a net profit after tax and minority interest ("NPAT") of EGP80 million, down 38% Y-o-Y.

The Investment Bank managed to post operational growth in 4Q15, reporting a net operating profit of EGP81 million, up 2% Y-o-Y. This filtered into a net profit after tax and minority interest of EGP44 million, down 18% Y-o-Y, on higher tax provisions and mandatory end of severance provisions booked during the quarter.

Of Fee and commission revenue, which represents 72% of the Investment Bank revenue in 4Q15, declined 15% Y-o-Y to EGP229 million, as higher revenue generated from Private Equity and the positive revenue contribution from the newly launched Leasing business failed to mitigate lower revenue generated from Brokerage, Asset Management and Investment Banking as markets weakened.

The Investment Bank operating expenses rose 9% to EGP238 million, on the back of higher employee expenses. An increase that is considered limited given a 5% Y-o-Y headcount expansion, an EGP devaluation which impacted employee expenses (50%) denominated in USD pegged currencies, and the Y-o-Y salary increase required to keep pace with inflation.

Credit Libanais posted a net profit after tax of USD12.9 million, down 33% Y-o-Y; pressured by a number of one-off charges negatively impacting revenues and expenses during the quarter. Loans/deposits stood at 35.3% at the end of the quarter.

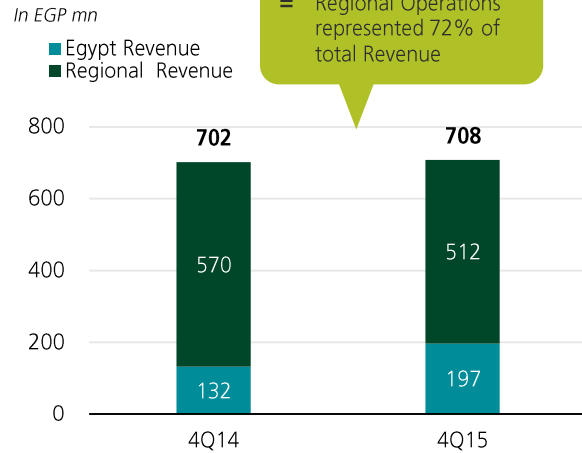


I. Fourth Quarter Results Review – 4Q2015

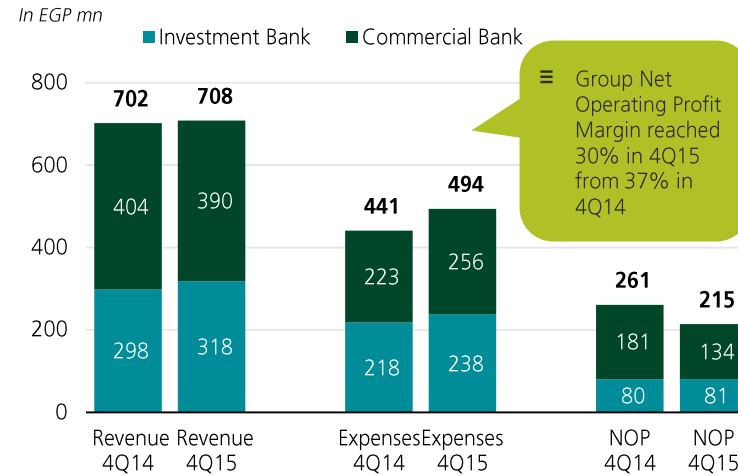
Group Overview

Group Financial Highlights – 4Q2015

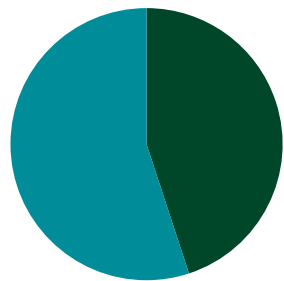
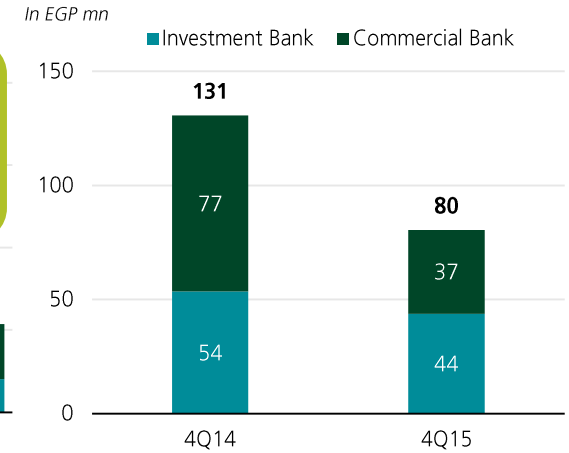
Group Operating Revenue, up 1% Y-o-Y



Group Net Operating Profit of EGP215 mn, down 18% Y-o-Y



Group Net Profit After Tax and Minority Interest, down 38% Y-o-Y



Investment Bank 45%

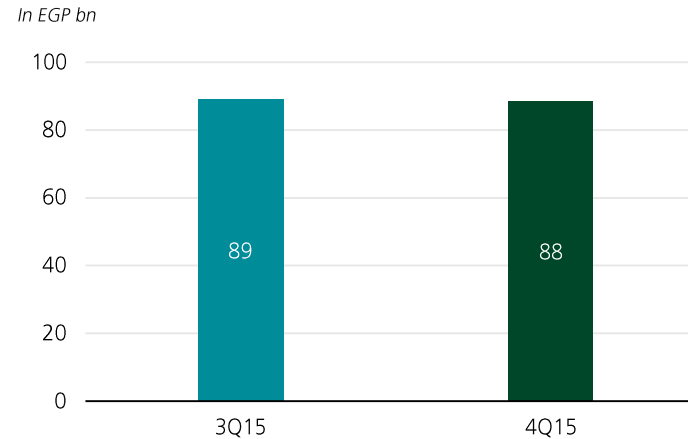
Revenue Contribution to the Group

Commercial Bank 55%

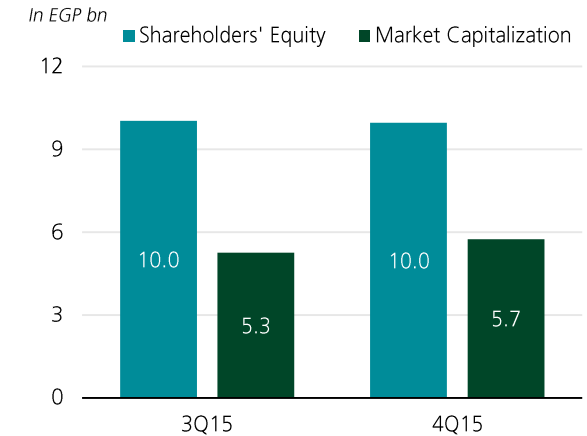
Revenue Contribution to the Group

Investment Bank contribution to Group revenue was 42% in 4Q14, while the Commercial Bank contribution came at 58%

Group Total Assets, down 1% Q-o-Q



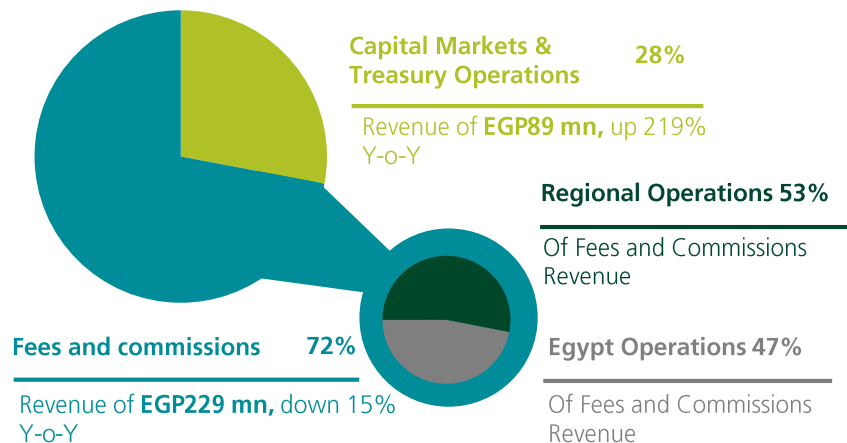
Group Total Equity/Market capitalization



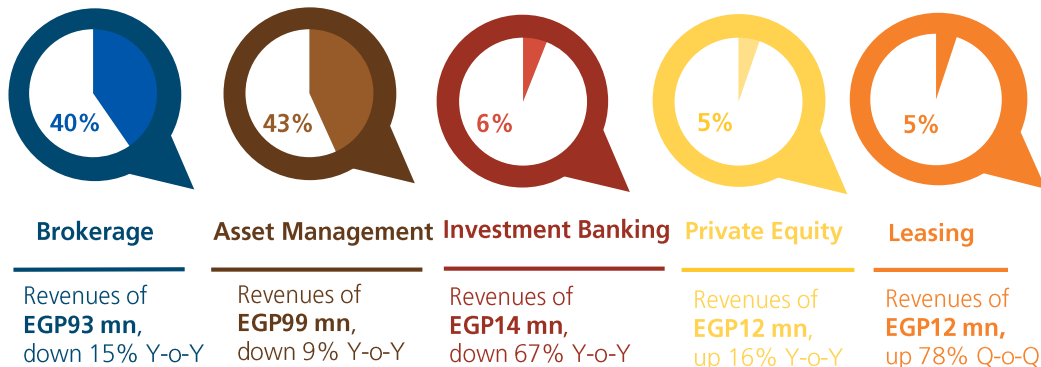
Investment Bank Overview

Investment Bank (IB) Financial Highlights – 4Q2015

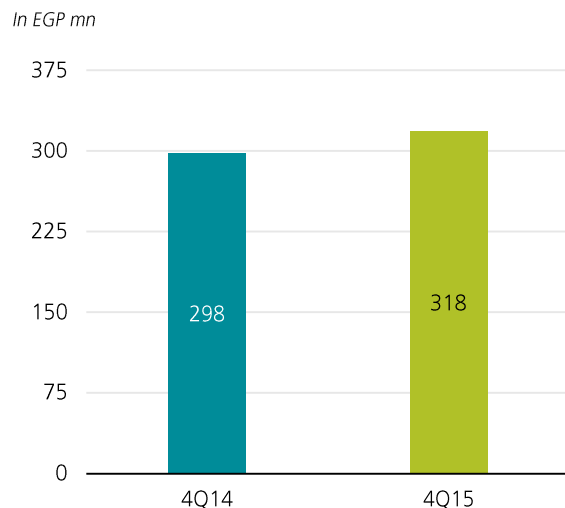
Investment Bank Revenue Breakdown



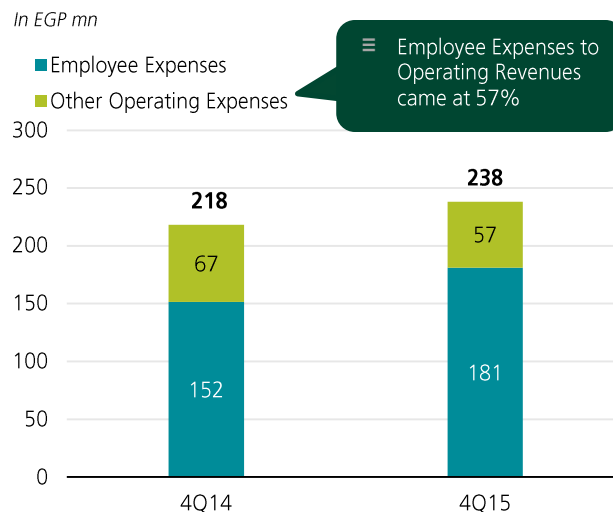
Fees and Commissions Revenue Breakdown



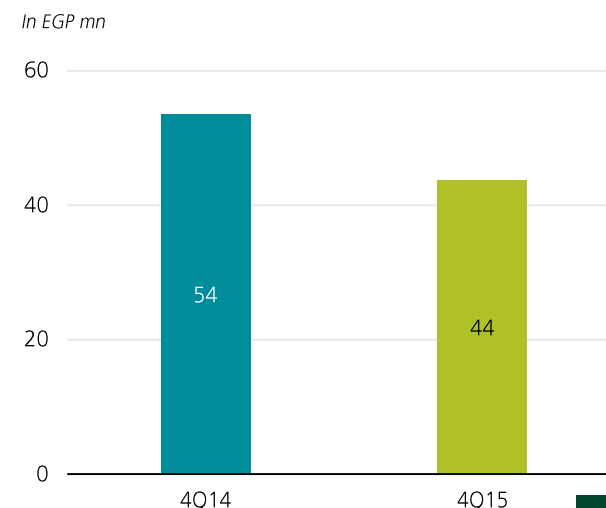
Investment Bank Operating Revenue up 7% Y-o-Y



Investment Bank Operating Expenses, up 9% Y-o-Y

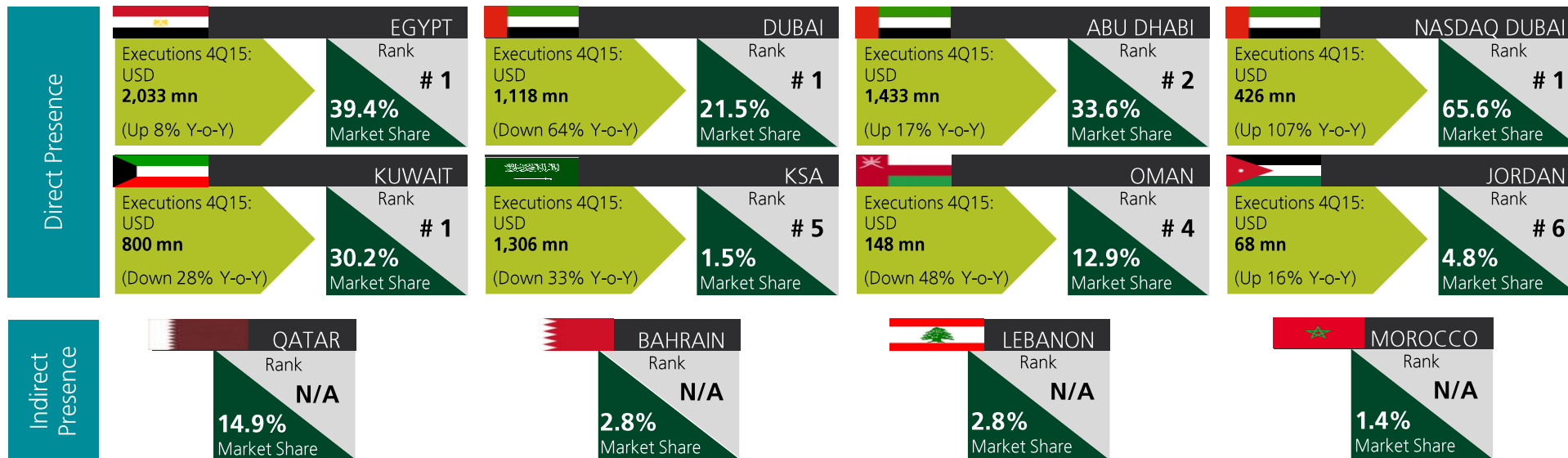


Investment Bank Net Profit After Tax and Minority Interest, down 18% Y-o-Y



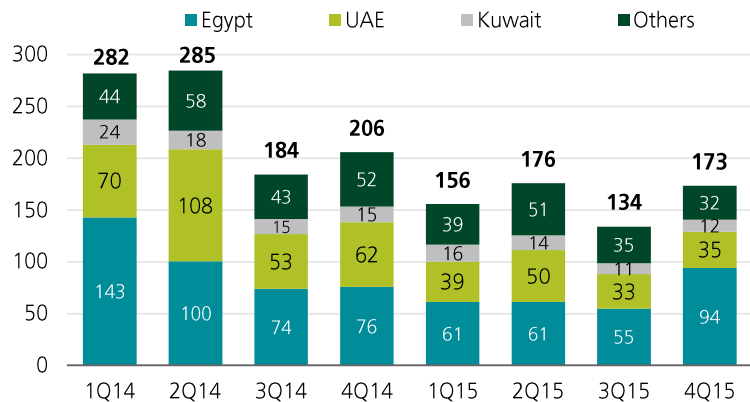
Investment Bank Overview

Brokerage Operational and Financial Overview – 4Q2015

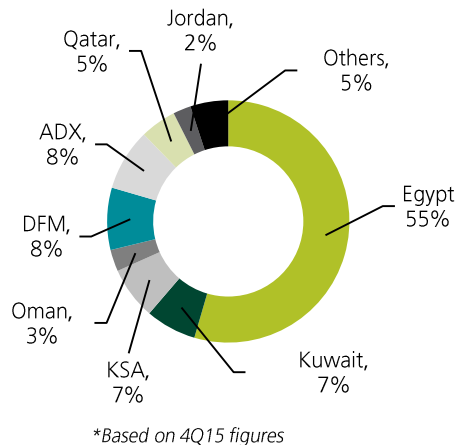


Average Daily Commissions

In USD Thousand

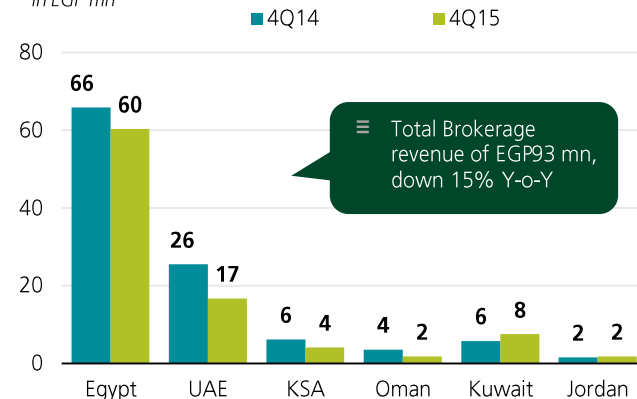


Fees Contribution by Market



Brokerage Revenue by Country (Regional Office)

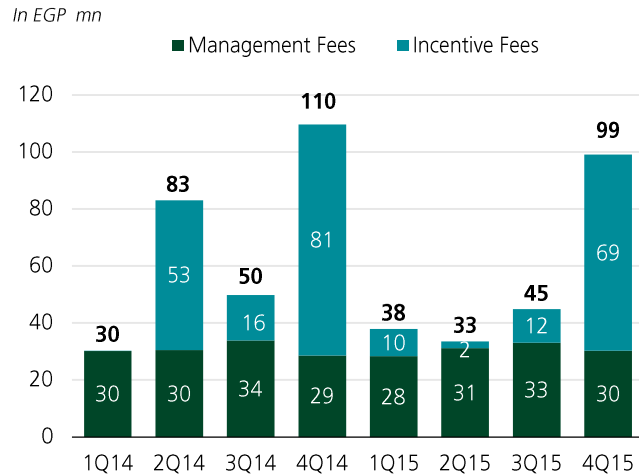
In EGP mn



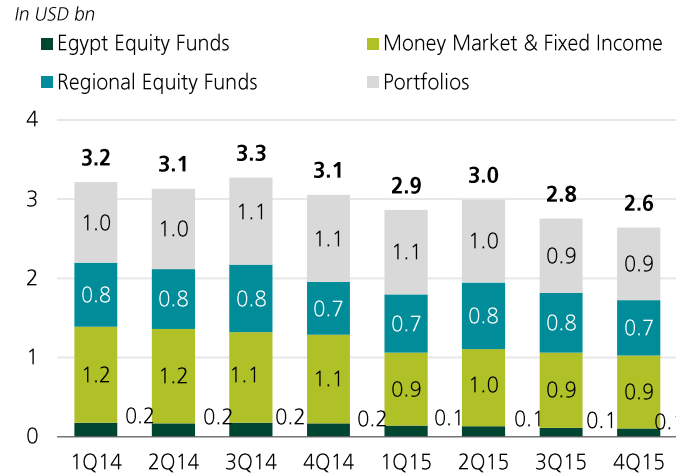
Investment Bank Overview

Asset Management Operational and Financial Overview – 4Q2015

Asset Management Revenue Breakdown



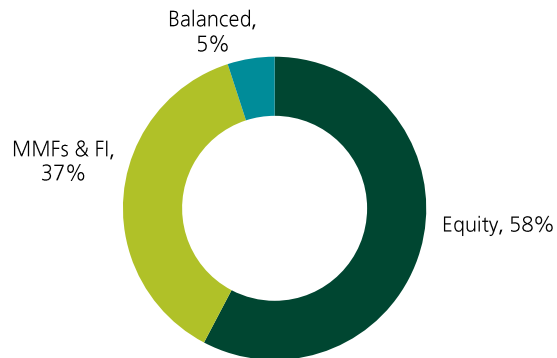
Evolution of Assets Under Management



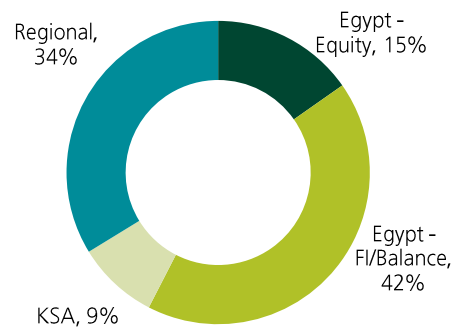
Funds Origination by Clients' Region



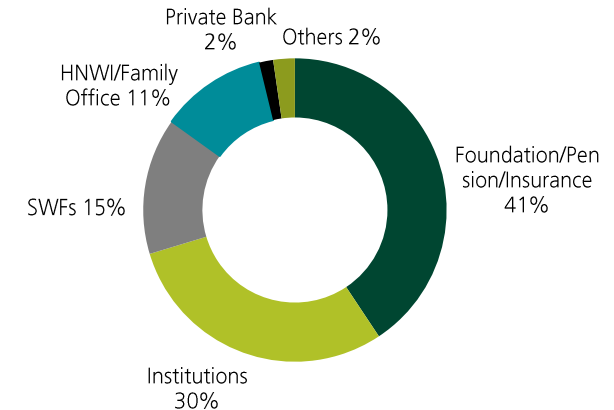
AuMs Breakdown by Asset Class



AuMs Breakdown by Region/Country Specific



AuMs Breakdown by Investor Type



Investment Bank Overview

IB and PE Operational and Financial Overview – 4Q2015

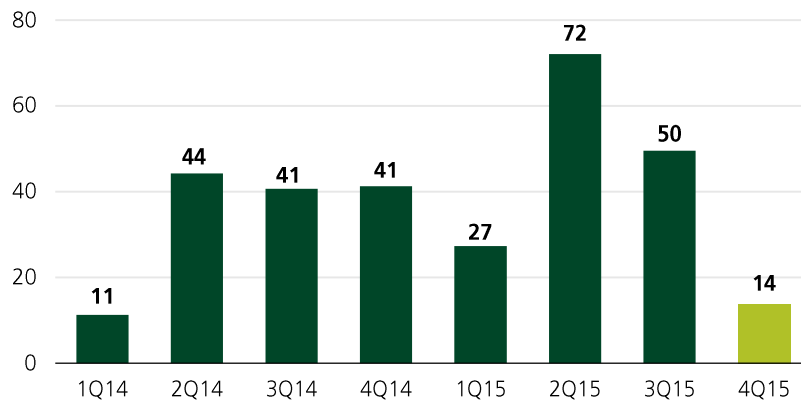
Investment Banking



EFG Hermes was successful in the sale of El Rashidi El Mizan to Olayan Financing Company in a transaction liaising between regional and local players to attract substantial capital into the domestic Egyptian market.

Investment Banking Revenue

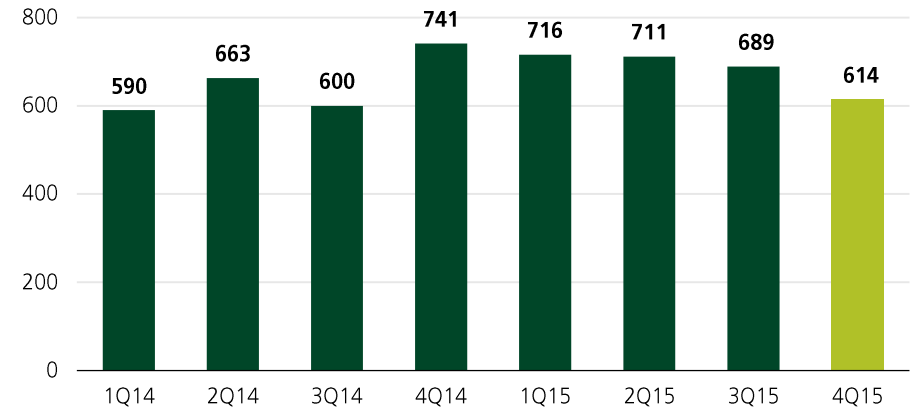
In EGP mn



Private Equity

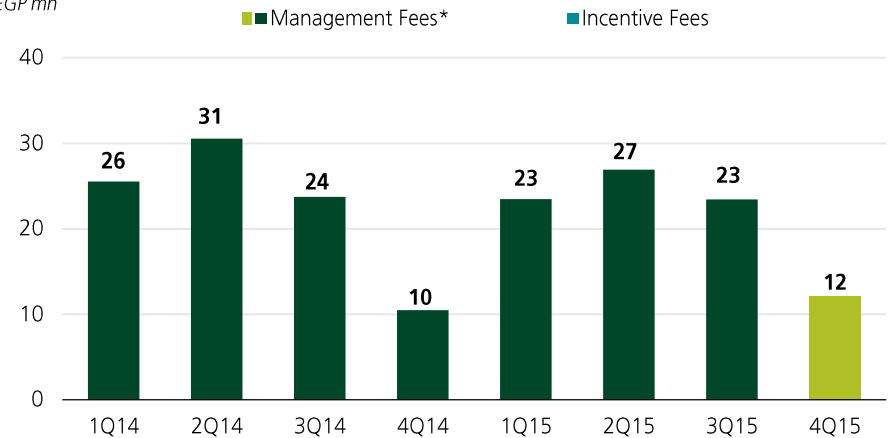
Private Equity AUMs Evolution

In USD mn



Private Equity Revenue

In EGP mn



*Includes FX gains

Investment Bank Overview

Leasing Operational and Financial Overview – 4Q2015 / Research

Leasing

Contracts booked during 4Q15 (by asset size)

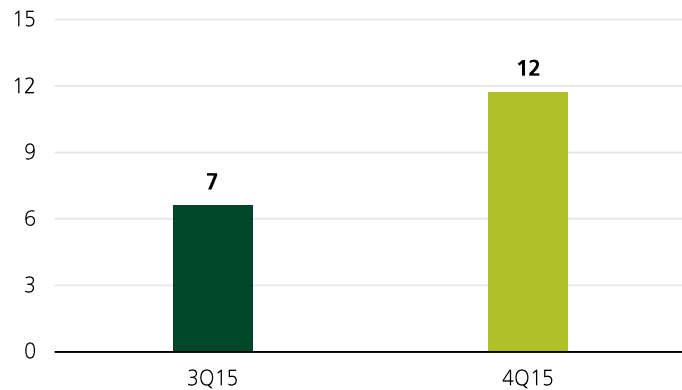
	Company	Lease Value (EGP mn)	Market Share
1	Incolease	1,100	21%
2	Corplease	849	17%
3	Al Tawfik Lease	619	12%
4	Techno Lease	456	9%
5	EFG Hermes Leasing	450	9%
6	Al Ahly	433	8%
7	QNB	348	7%
8	GB Lease	135	3%
9	Orix	133	3%
10	Global Lease	131	3%

EFG Hermes Leasing ranked 5th in terms of deal bookings during 4Q15

Source: Egyptian Financial Supervisory Authority and EFG Hermes calculations

Leasing Revenue

In EGP mn

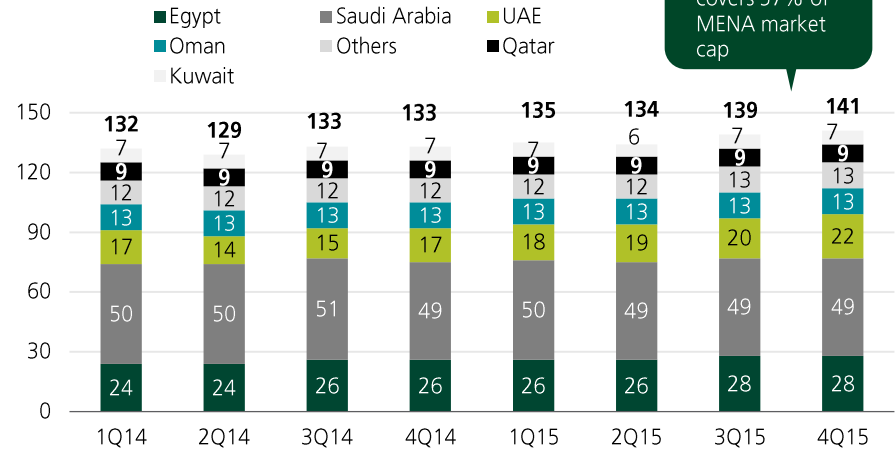


*Leasing business was launched June 2015

Research

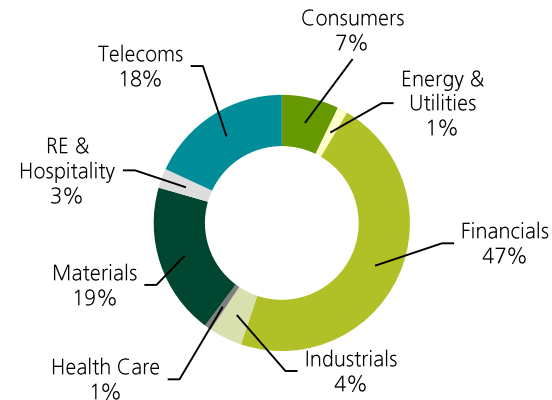
Research Coverage Universe

Number of Companies



EFG Hermes covers 57% of MENA market cap

Research coverage by Sector



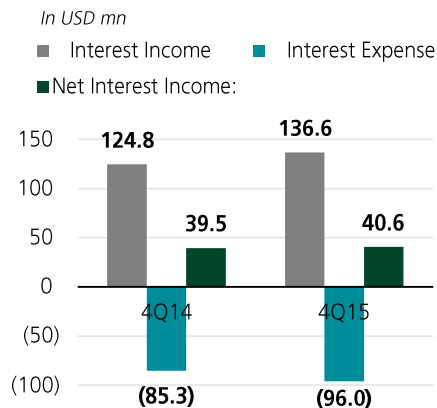
Research ranked as top provider of MENA Equity Strategy 2015

Institutional investor EMEA research team

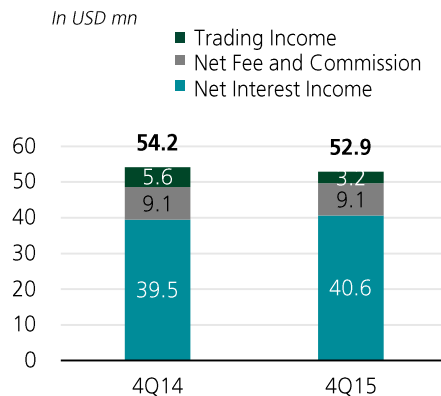
Commercial Bank Overview

Credit Libanais Financial Highlights – 4Q2015

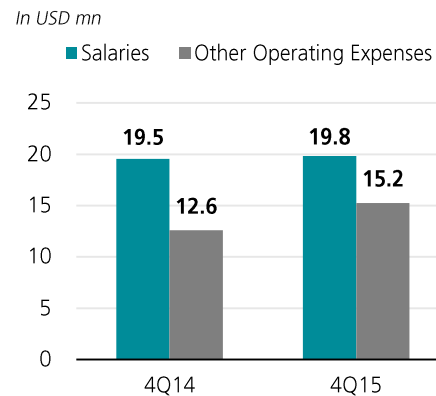
Net Interest Income, up 3% Y-o-Y



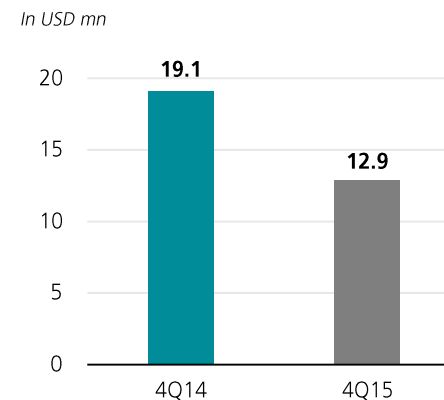
Total Banking Income, down 2% Y-o-Y



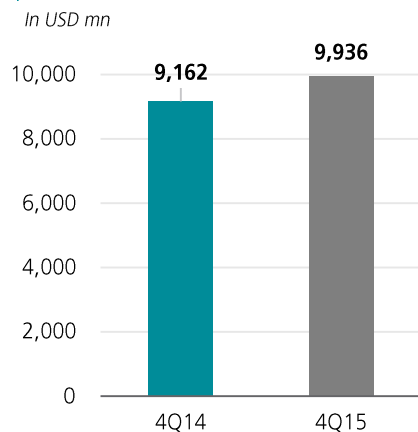
Total Operating Expenses, up 9% Y-o-Y



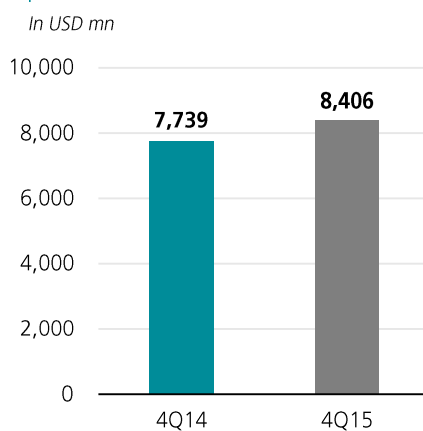
Net Profit After Tax & Minority Interest, down 33% Y-o-Y



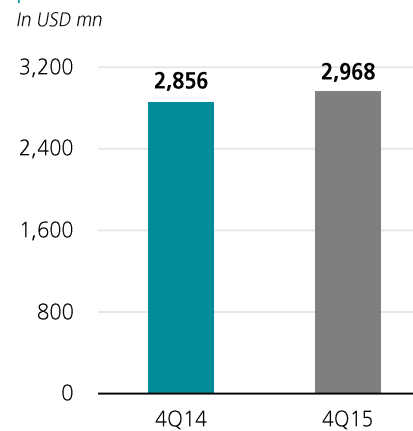
Total Assets, up 8% Y-o-Y



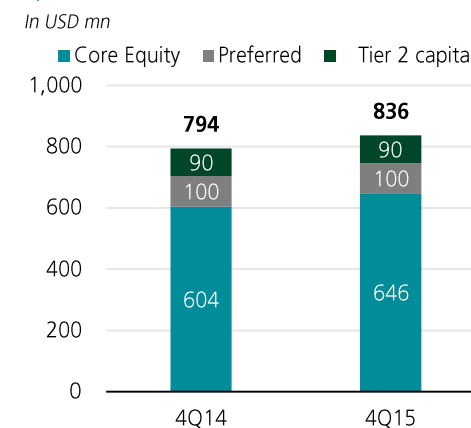
Customer Deposits, up 9% Y-o-Y



Customer loans, up 4% Y-o-Y



Total Shareholder's Equity, up 5% Y-o-Y





I. Full Year Results Review – FY2015

Group Overview

Group Performance Highlights – FY2015

≡ The Group reported a net operating profit and a NPAT of EGP995 million and EGP461 million, respectively. If we normalize earnings by excluding the one-off gain of EGP97 million booked in FY14 and related to SODIC's stake sale, the Group net operating profit and NPAT would be higher 3% Y-o-Y and 5% Y-o-Y, respectively. This comes as a testament to our ongoing commitment to deliver sustainable results despite weaker markets and challenging macro-economic environment.

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

≡ Fees and commissions declined 13% Y-o-Y to EGP828 million in FY15, as weak markets in 2015 overshadowed the operational improvement in some core businesses. The improvement in Investment Banking revenue combined with additional revenue generated from the Leasing business failed to offset the weakness in revenues generated from Brokerage, Asset Management and Private Equity.

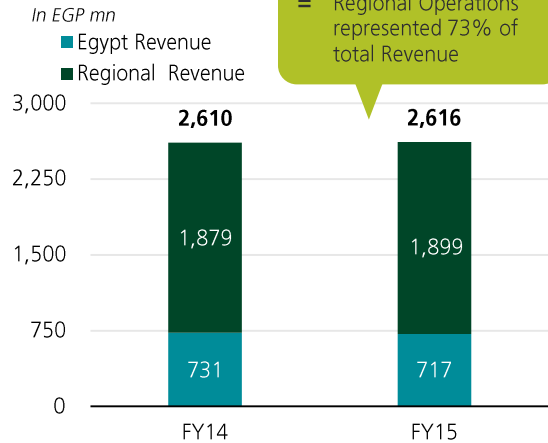
≡ The Investment Bank operating expenses declined 3% Y-o-Y to EGP724 million, as the firm remained committed to its cost optimization strategy that enabled it to sustain a lean cost base despite weak markets in 2015.

≡ Credit Libanais reported a net profit after tax of USD66.6 million in FY15, up 4% Y-o-Y. The improvement in its profitability was supported by net interest income growth and contained expenses.

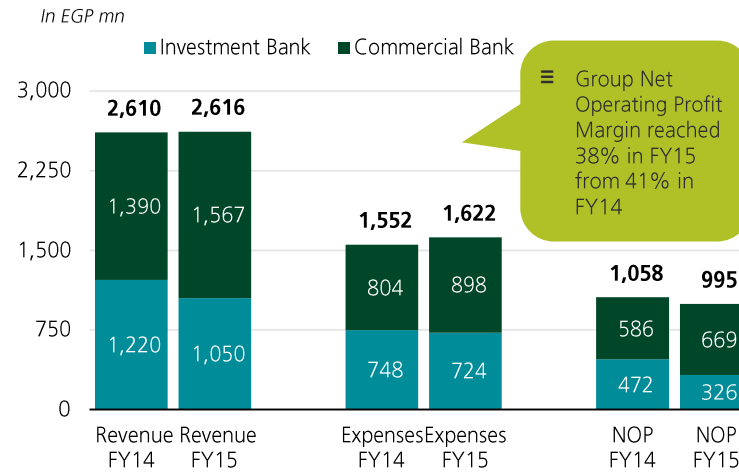
Group Overview

Group Financial Highlights – FY15

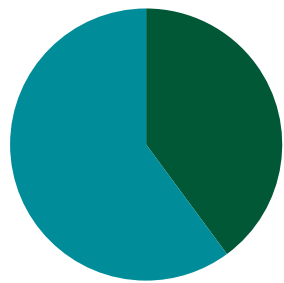
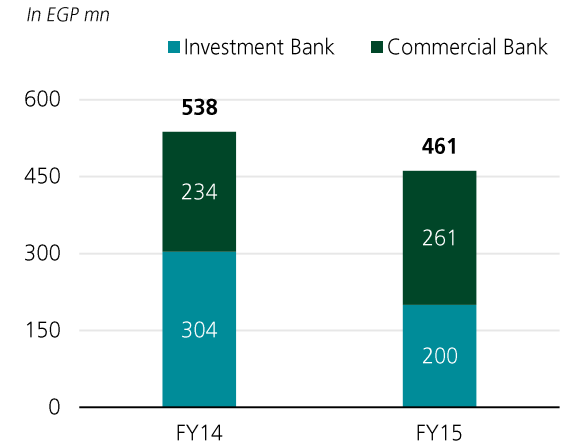
Group Operating Revenue, up 0.2% Y-o-Y



Group Net Operating Profit of EGP995 mn, down 6% Y-o-Y



Group Net Profit After Tax and Minority Interest, down 14% Y-o-Y



Investment Bank 40%

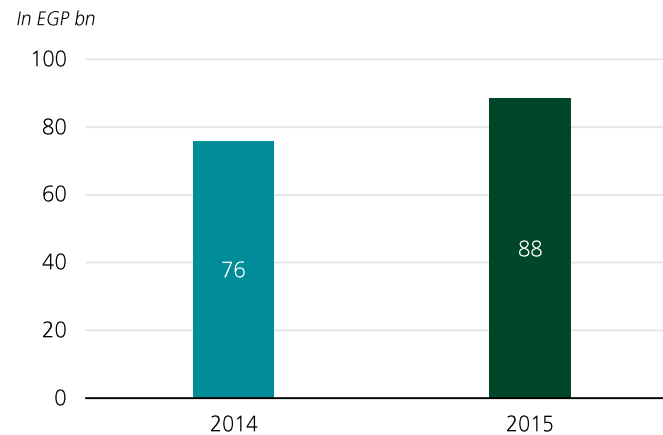
Revenue Contribution to the Group

Investment Bank contribution to Group revenue was 47% in FY14, while the Commercial Bank contribution came at 53%

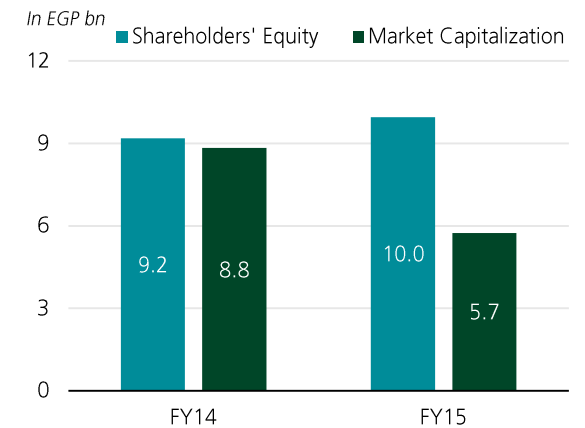
Commercial Bank 60%

Revenue Contribution to the Group

Group Total Assets, up 17% Y-o-Y



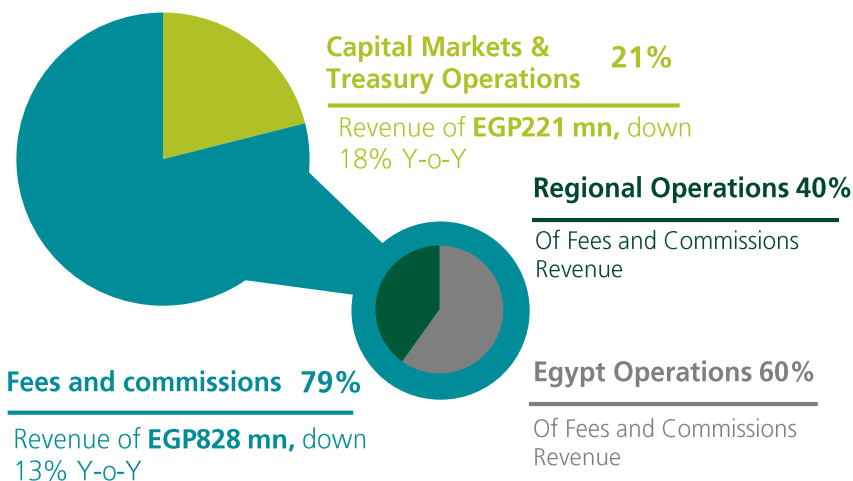
Group Total Equity/Market capitalization



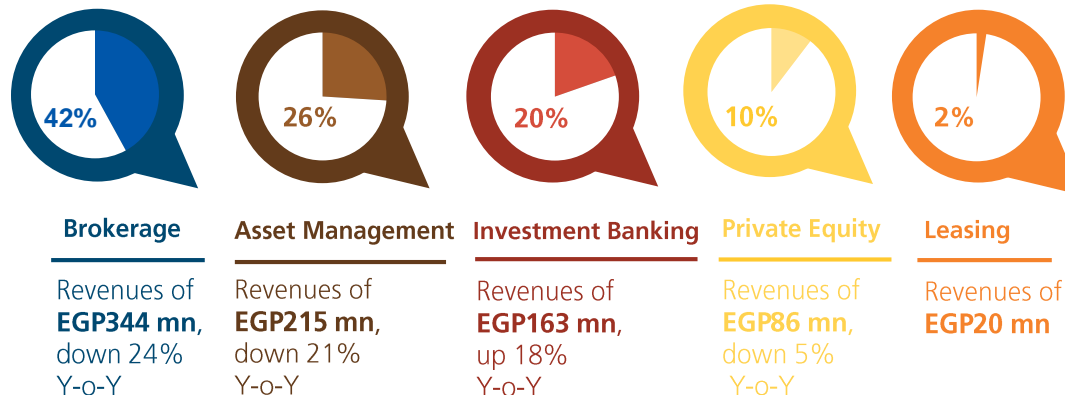
Investment Bank Overview

Investment Bank (IB) Financial Highlights – FY15

Investment Bank Revenue Breakdown

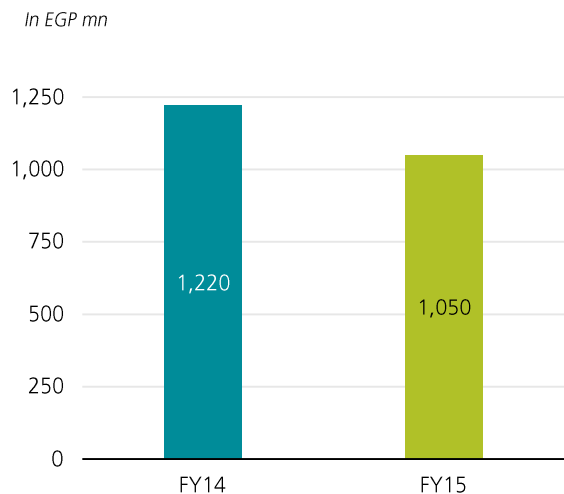


Fees and Commissions Revenue Breakdown



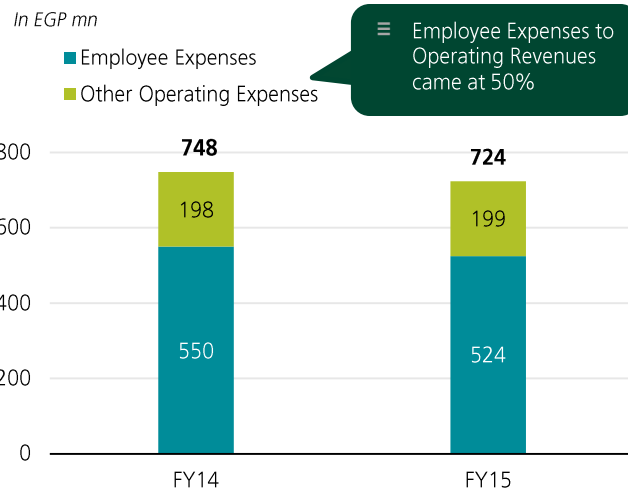
Investment Bank Operating Revenue

down 14% Y-o-Y



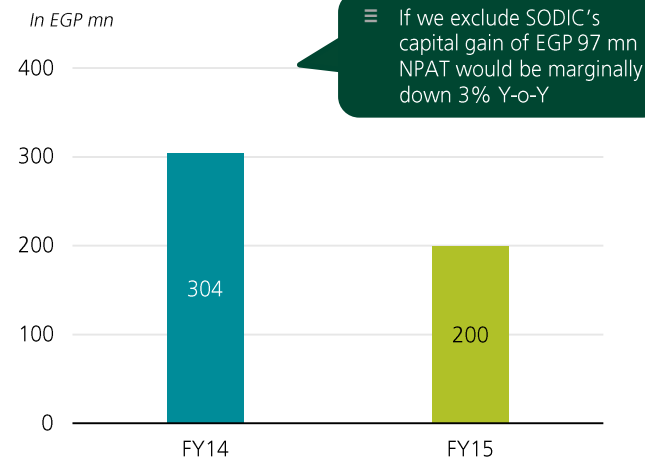
Investment Bank Operating Expenses,

down 3% Y-o-Y



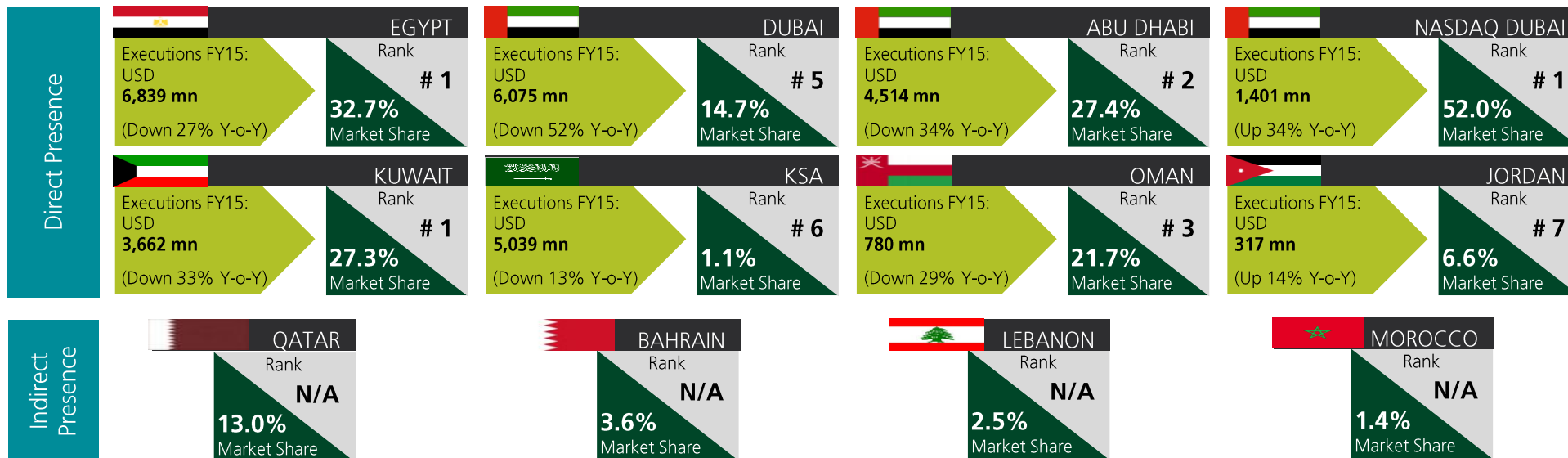
Investment Bank Net Profit After Tax and Minority interest,

down 34% Y-o-Y

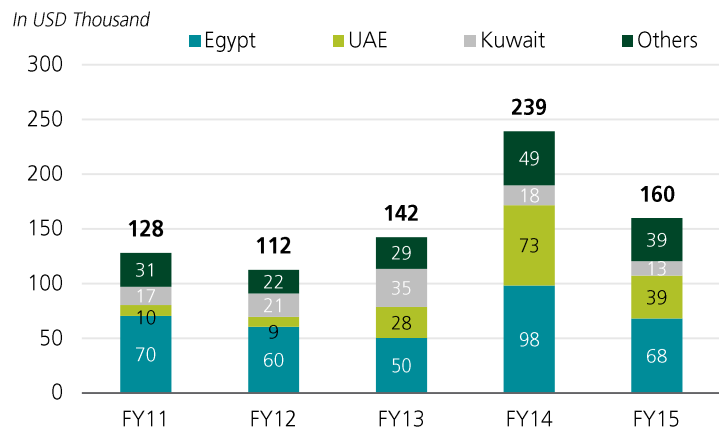


Investment Bank Overview

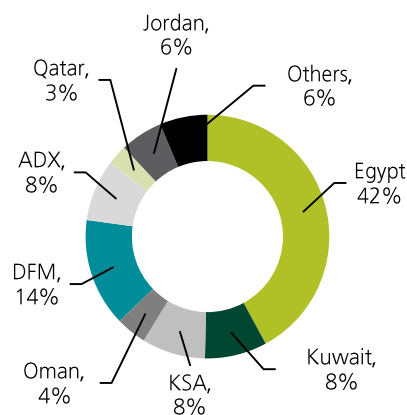
Brokerage Operational and Financial Overview – FY15



Average Daily Commissions

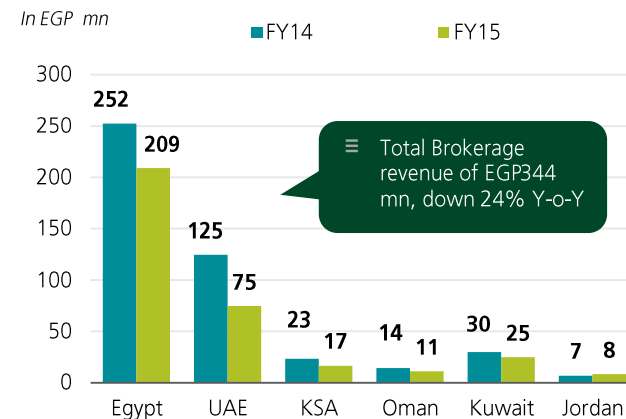


Fees Contribution by Market



*Based on FY15 figures

Brokerage Revenue by Country (Regional Office)



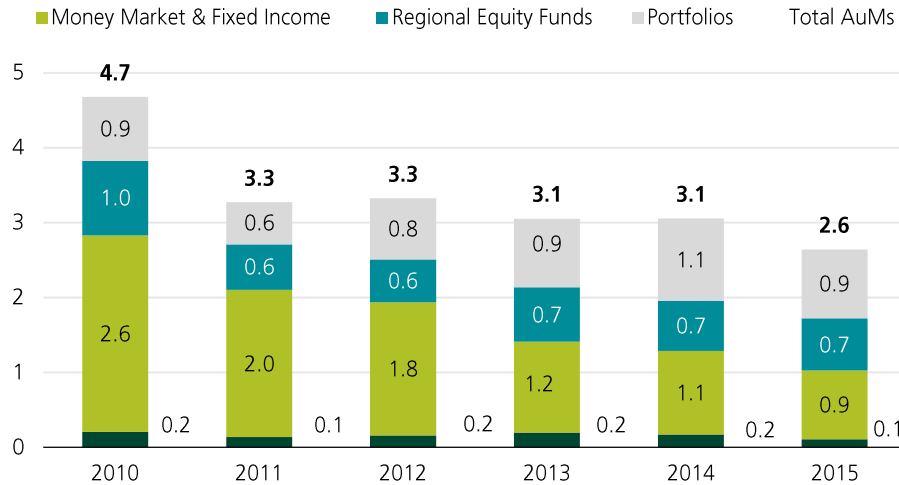
Investment Bank Overview

AM and IB Operational and Financial Overview – FY15

Asset Management

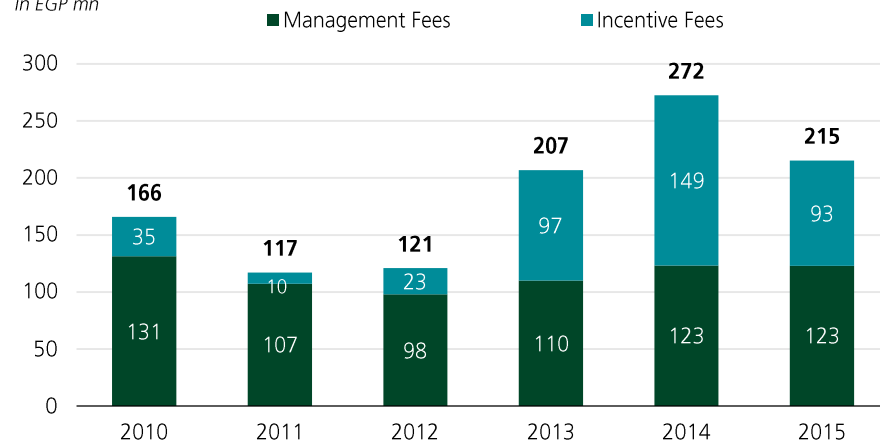
Evolution of Assets Under Management

In USD bn



Asset Management Revenue Breakdown

In EGP mn

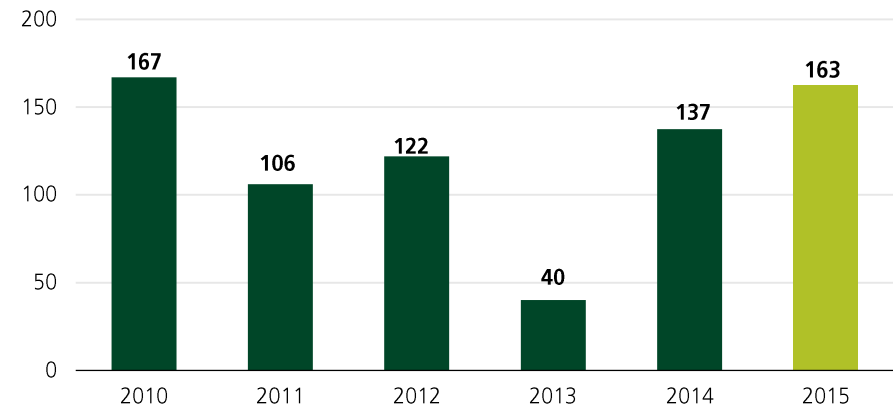


Investment Banking



Investment Banking Revenue

In EGP mn



Investment Bank Overview

Leasing and PE Operational and Financial Overview – FY15

Leasing

Contracts booked during FY15 (by asset size)

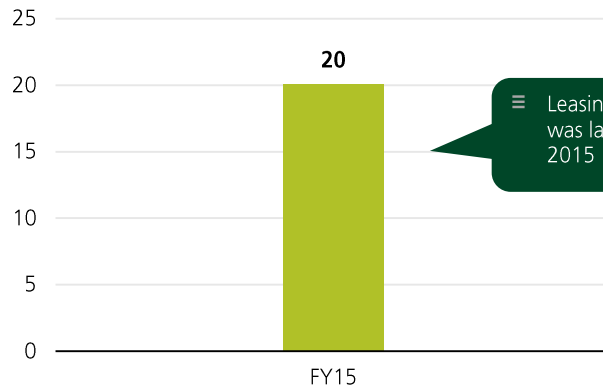
	Company	Lease Value (EGP mn)	Market Share
1	Incolease	2,067	14%
2	Corplease	2,025	14%
3	QNB	1,788	12%
4	Al Twafik Lease	1,694	12%
5	Al Ahly	1,503	10%
6	GB Lease	1,130	8%
7	Techno Lease	979	7%
8	EFG Hermes Leasing	708	5%
9	Arab African	559	4%
10	Orix	493	3%

Source: Egyptian Financial Supervisory Authority and EFG Hermes calculations

EFG Hermes Leasing ranked 8th in terms of deal bookings during FY15

Leasing Revenue

In EGP mn

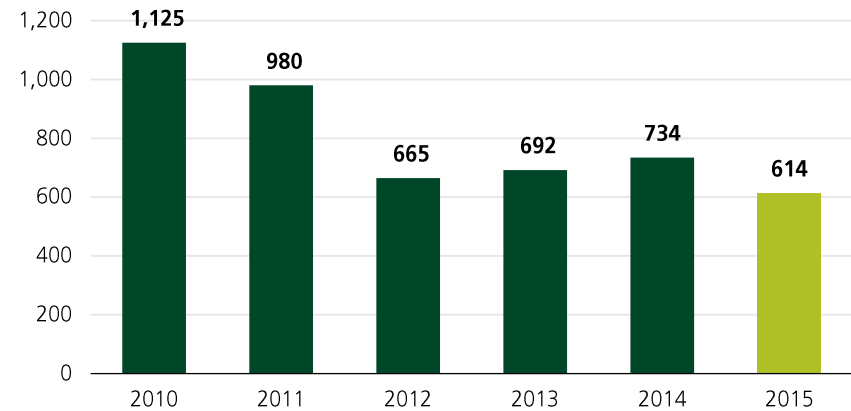


Leasing business was launched June 2015

Private Equity

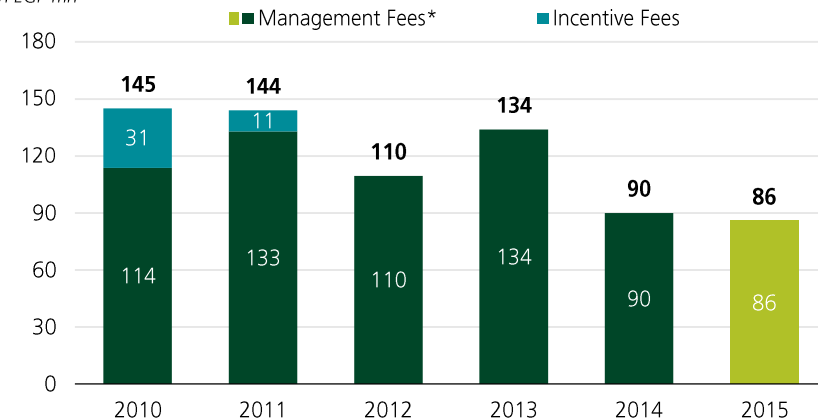
Private Equity AUMs Evolution

In USD mn



Private Equity Revenue

In EGP mn

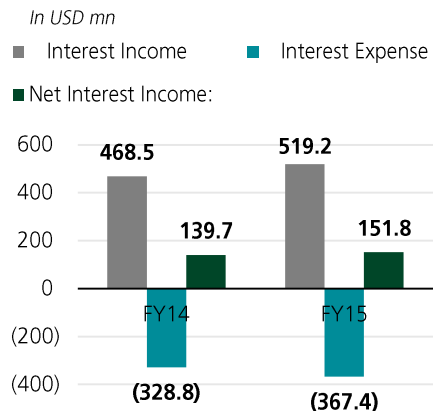


*Includes FX gains

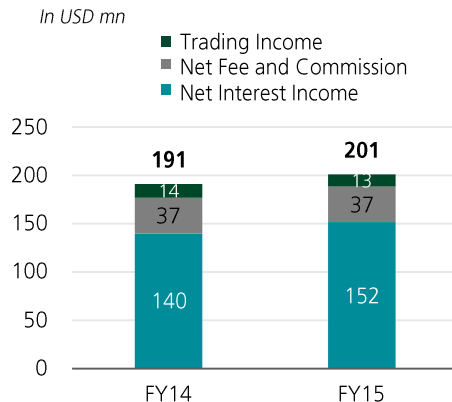
Commercial Bank Overview

Credit Libanais Financial Highlights – FY15

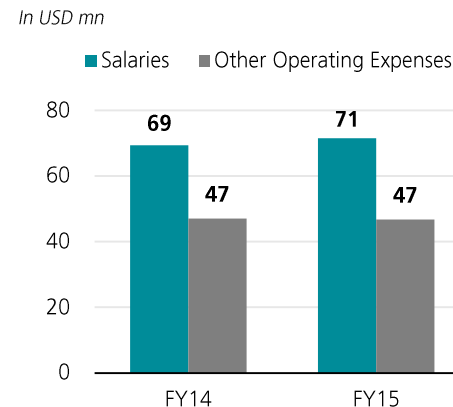
Net Interest Income, up 9% Y-o-Y



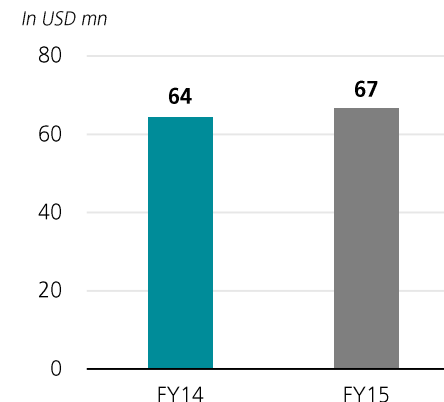
Total Banking Income, up 5% Y-o-Y



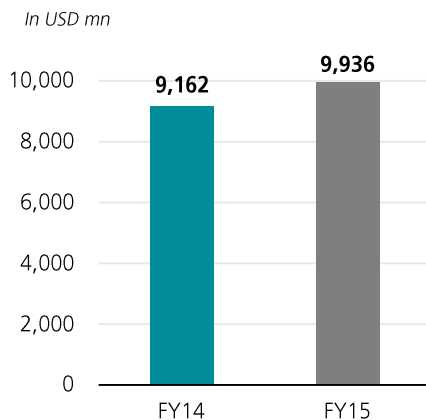
Total Operating Expenses, up 2% Y-o-Y



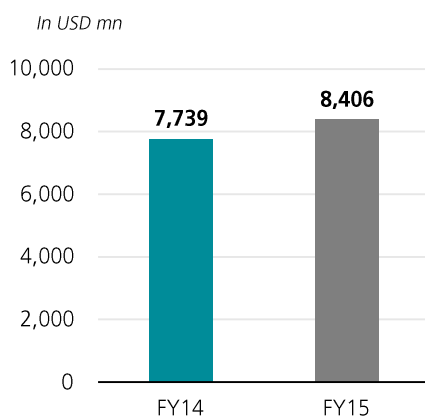
Net Profit After Tax & Minority Interest, up 4% Y-o-Y



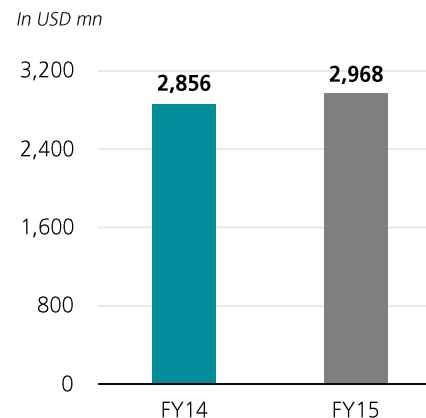
Total Assets, up 8% Y-o-Y



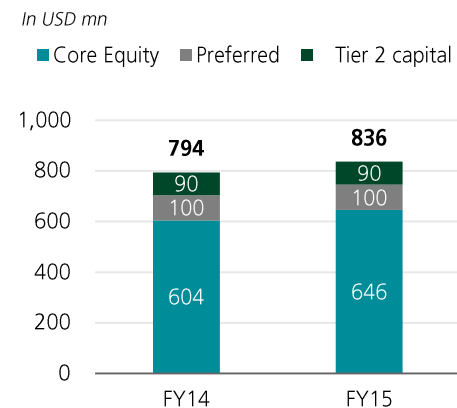
Customer Deposits, up 9% Y-o-Y



Customer loans, up 4% Y-o-Y



Total Shareholder's Equity, up 5% Y-o-Y



Balance Sheet

Investment Bank | Balance Sheet

Investment Bank Balance Sheet as at 31th of December 2015

≡ The balance sheet of EFG Hermes today is well capitalized, and unleveraged with significant scope for value optimization and returning money to shareholders

≡ EFG Hermes enjoys a clean balance sheet since January 2014, thanks to the management strategy which saw impairment charges taken at the end of 2013

Assets - Liabilities	<i>In EGP million</i>
Cash and Cash Equivalents	3,335
Asset Management Seed Capital	821
Private Equity Seed Capital	269
Fixed Assets and Real Estate	430
Other Assets	52
Receivable (Payables)	(1,314)
Goodwill	199
Other Trading and AFS Investment	235
Crédit Libanais	3,296
SODIC	150
Leased Assets (net)	467
Long Term Loans	(329)
Total	7,613



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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, Egypt and has an issued capital of EGP 3,074,472,890