

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

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

Key Highlights

4Q2014

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

Key Highlights Con't

FY2014

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

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

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