EFG –Hermes Holding Company
(Egyptian Joint Stock Company)

Separate financial statements
for the period ended March 31, 2016
&
Review Report

KPMG

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Review Report

To the Board of Directors of the EFG – Hermes Holding Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of EFG – Hermes Holding Company (Egyptian Joint Stock Company) as of 31 March, 2016 and the related separate statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. The company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 31 March, 2016 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Hassan Bas

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo, May 11, 2016

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of financial position
as at March 31, 2016

	Note no.	31/3/2016	31/12/2015
(in EGP)			
Non - current assets			
Loans to subsidiaries	(10,23)	204 432 500	50 000 000
Available -for- sale investments	(11)	1 297 551 977	1 160 876 588
Investments in subsidiaries	(12)	4 411 459 150	4 067 889 182
Investment property	(13)	251 199 420	253 639 818
Fixed assets (net)	(14)	149 782 796	151 803 645
Total non - current assets		6 314 425 843	5 684 209 233
Current assets			
Cash and cash equivalents	(3,20)	368 912 855	499 063 379
Investments at fair value through profit and loss	(4)	104 650 613	151 766 818
Due from subsidiaries & associates	(5)	1 203 555 409	1 027 440 272
Other debit balances	(6)	24 076 378	26 201 226
Current portion of loans to subsidiaries	(10,23)	50 000 000	150 000 000
Total current assets		1 751 195 255	1 854 471 695
Total assets		8 065 621 098	7 538 680 928
Shareholders' equity			
Issued & paid - in capital	(16)	3 074 472 890	3 074 472 890
Legal reserve		1 523 711 250	1 523 711 250
Other reserves		2 303 303 746	2 189 688 278
Retained earnings (losses)		40 707 319	(31 340 150)
Total shareholders' equity		6 942 195 205	6 756 532 268
Non - current liabilities			
Long term Loans	(15)	133 333 333	-
Deferred tax liabilities	(21)	121 530 948	99 652 395
Total non - current liabilities		254 864 281	99 652 395
Current liabilities			
Banks overdraft	(20)	-	179 991 432
Due to subsidiaries & associates	(7)	772 261 650	387 126 091
Tax authority		6 928 987	516 691
Creditors and other credit balances	(8,23)	66 311 137	108 591 765
Expected claims provision	(9)	6 393 171	6 270 286
Current portion of long term loans	(15)	16 666 667	-
Total current liabilities		868 561 612	682 496 265
Total liabilities		1 123 425 893	782 148 660
Total shareholders' equity and liabilities		8 065 621 098	7 538 680 928

The accompanying notes and accounting policies from page (6) to page (32) are an integral part of these financial statements and are to be read therewith.

"Review report attached"

Mona Zulficar
Chairperson

Karim Awad
Executive Managing Director

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate income statement
for the period ended March 31, 2016

(in EGP)	Note no.	For the period ended 31/3/2016	For the period ended 31/3/2015
Dividend income	(18)	2 734 916	2 861 274
Custody activity income		838 991	618 580
		3 573 907	3 479 854
Finance cost		(7 257 947)	(4 561 077)
General administrative expenses	(19)	(38 263 706)	(102 961 935)
Expected claims provision	(9)	(306 250)	-
Fixed assets depreciation	(14)	(2 344 201)	(3 338 102)
Investment property depreciation	(13)	(2 440 398)	-
Net activity's (loss)		(47 038 595)	(107 381 260)
Interest income	(23)	8 429 253	6 311 877
Net changes in the fair value of investments at fair value through profit and loss		840 864	629 700
Gains on sale of investments		336 884	6 238 592
Foreign currency differences		100 610 652	44 573 079
Other income	(23)	9 002 229	9 084 677
Profit (loss) before tax		72 181 287	(40 543 335)
Deferred tax	(21)	(133 818)	167 938
Profit (loss) for the period		72 047 469	(40 375 397)

The accompanying notes and accounting policies from page (6) to page (32) 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 comprehensive income

for the period ended March 31, 2016

(in EGP)	**For the period ended 31/3/2016**	**For the period ended 31/3/2015**
Profit (loss) for the period	72 047 469	(40 375 397)
Other comprehensive income:		
Available -for- sale - net change in fair value	135 360 203	69 828 822
Related tax	(21 744 735)	(18 732 587)
Other comprehensive income, net of tax	113 615 468	51 096 235
Total comprehensive income	185 662 937	10 720 838

The accompanying notes and accounting policies from page (6) to page (32) 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 period ended March 31, 2016

	Issued & paid- in capital	Legal reserve	Other reserves					Retained earnings (losses)	Total
			General reserve	Share premium	Fair value- available-for-sale investments	Revaluation surplus of fixed assets transfered to investment property	Hedging reserve		
(in EGP)									
Balance as at 31 December, 2014	2 867 422 500	990 432 067	158 271	2 837 343 593	333 315 029	15 449 979	(26 442 387)	443 372 737	7 461 051 789
Other comprehensive income items	-	-	-	-	51 096 235	-	-	-	51 096 235
Loss for the period ended March 31, 2015	-	-	-	-	-	-	-	(40 375 397)	(40 375 397)
Balance as at March 31, 2015	2 867 422 500	990 432 067	158 271	2 837 343 593	384 411 264	15 449 979	(26 442 387)	402 997 340	7 471 772 627
Balance as at 31 December, 2015	3 074 472 890	1 523 711 250	158 271	1 922 267 818	278 254 597	15 449 979	(26 442 387)	(31 340 150)	6 756 532 268
Other comprehensive income items	-	-	-	-	113 615 468	-	-	-	113 615 468
Profit for the period ended March 31, 2016	-	-	-	-	-	-	-	72 047 469	72 047 469
Balance as at March 31, 2016	3 074 472 890	1 523 711 250	158 271	1 922 267 818	391 870 065	15 449 979	(26 442 387)	40 707 319	6 942 195 205

The accompanying notes and accounting policies from page (6) to page (32) 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 period ended March 31, 2016

(in EGP)	Note no.	For the period ended 31/3/2016	For the period ended 31/3/2015
Cash flows from operating activities			
Profit (loss) before tax		72 181 287	(40 543 335)
Adjustments for :			
Fixed assets depreciation		2 344 201	3 338 102
Investment property depreciation		2 440 398	-
Provisions formed		306 250	-
Provisions used		(183 365)	(500 000)
Losses on sale of investments in subsidiaries		1 577 332	-
Net changes in the fair value of investments at fair value through profit and loss		(840 864)	(629 700)
Foreign currency differences		(100 610 652)	(44 573 079)
		(22 785 413)	(82 908 012)
Changes in :			
Investments at fair value through profit and loss		47 979 173	339 128 148
Due from subsidiaries		(121 630 296)	(322 064 463)
Other debit balances		3 253 212	16 131 992
Due to subsidiaries		375 495 241	134 235 892
Tax authority		6 412 296	12 495 893
Creditors and other credit balances		(11 358 705)	(2 354 410)
Net cash provided from operating activities		277 365 508	94 665 040
Cash flows from investing activities			
Payments to purchase fixed assets		(323 352)	(236 183)
Payments for loans to subsidiaries		(53 897 550)	(120 000 000)
Payments to purchase available -for- sale investments		(1 315 186)	-
Payments to purchase investments in subsidiaries		(345 147 300)	-
Net cash used in investing activities		(400 683 388)	(120 236 183)
Cash flows from financing activities			
Dividends payout		(31 343 362)	(7 864 576)
Proceeds from long term loans		150 000 000	-
Net cash provided from (used in) financing activities		118 656 638	(7 864 576)
Net change in cash and cash equivalents during the period		(4 661 242)	(33 435 719)
Cash and cash equivalents at the beginning of the period	(20)	373 574 097	109 174 896
Cash and cash equivalents at the end of the period	(20)	368 912 855	75 739 177

The accompanying notes and accounting policies from page (6) to page (32) are an integral part of these financial statements and are to be read therewith.

1- Description of business

1-1 Legal status

EFG-Hermes Holding S.A.E "the company" is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The Company's registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo Alexandria Desert Road, 6 October, Egypt.

1-2 Purpose of the company

The Company is a universal bank with a lead position in the Arab world in investment banking, securities brokerage, asset management, private equity and research. The purpose of the Company also includes the participation in the establishment of companies which issue securities or in increasing their share capitals, custody activities and margin trading.

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.
- The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 10 May, 2016.

2-2 Functional and presentation currency

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

2-3 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- Estimates and assumptions about them are re-viewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

2-3-1 Fair value measurement

- The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.
- The value of financial assets are determined by the values of the current purchase prices for those assets, while the value of financial liabilities is determined by the current prices that can be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method as a way to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the financial statements that are similar in nature and conditions.

2-4 Consolidated financial statements

The Company has subsidiaries and according to the Egyptian Accounting Standard No. 42 "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.

(In the notes all amounts are shown in EGP unless otherwise stated)

3- Cash and cash equivalents

	31/3/2016	31/12/2015
Cash on hand	425 208	560 329
Banks - current accounts	339 382 147	478 785 010
Banks - time deposits	29 105 500	19 718 040
Balance	368 912 855	499 063 379

4- Investments at fair value through profit and loss

	31/3/2016	31/12/2015
Mutual fund certificates	104 362 262	151 450 268
Equity securities	288 351	316 550
Balance	104 650 613	151 766 818

5- Due from subsidiaries & associates

	31/3/2016	31/12/2015
EFG- Hermes Management	892 775	862 425
Financial Brokerage Group Co.	64 742 758	22 625 779
EFG- Hermes Advisory Inc.	514 054 105	399 760 658
Flemming CIIC Holding *	25 370 583	25 028 023
EFG- Hermes Jordan	22 486 161	108 864
EFG- Hermes IB Limited	456 468	347 341
EFG- Hermes Oman LLC	27 229 554	295 992
EFG- Hermes IFA Financial Brokerage	1 367 567	1 657 190
EFG-Hermes Promoting & Underwriting	224 466 806	213 016 534
EFG- Hermes KSA	82 051 044	160 643 587
Egyptian Fund Management Group	38 067 022	23 138 345
Bayonne Enterprises Ltd.	8 678 625	23 013 881
EFG-Hermes Global CB Holding Limited	204 457 518	179 730 478
EFG- Hermes Brokerage- UAE LLC	8 966 462	99 042
EFG-Hermes Holding-Lebanon	1 144 599	1 006 460
EFG-Direct Investment Fund	539 036	473 981
EFG-Hermes Leasing	3 404 016	659 715
Tanmeyah Micro Enterprise Services S.A.E	208 333	--
	1 228 583 432	1 052 468 295
Accumulated impairment loss on due from subsidiaries and associates *	(25 028 023)	(25 028 023)
Balance	1 203 555 409	1 027 440 272

(In the notes all amounts are shown in EGP unless otherwise stated)

6- Other debit balances

	31/3/2016	31/12/2015
Accrued revenues	1 166 696	7 240 414
Taxes withheld by others	3 290 682	2 920 281
Deposits with others	1 051 027	1 157 152
Prepaid expenses	5 175 559	2 889 941
Employees advance	507 831	581 312
Down payments to suppliers	814 590	235 948
Payments for investments *	2 500 000	2 500 000
Sundry debtors	9 569 993	8 676 178
Balance	24 076 378	26 201 226

* Payments for investments are represented in the following:

Company	31/3/2016	31/12/2015
Arab Visual Company	2 500 000	2 500 000
Balance	2 500 000	2 500 000

7- Due to subsidiaries & associates

	31/3/2016	31/12/2015
Arab Visual Company	5 000 000	5 000 000
Hermes Corporate Finance	9 568 771	9 708 685
EFG – Hermes Fixed Income	6 822 566	7 181 080
EFG- Hermes Mutual Funds	9 915 691	9 940 691
EFG-Hermes Regional Investments Ltd.	146 138 869	130 317 319
EFG – Hermes Syria LLC	8 588 948	8 615 946
Egyptian Portfolio Management Group	33 468 199	33 847 835
EFG- Hermes – Lebanon – S.A.L.	49 139 257	43 208 734
Hermes Fund Management	30 088 078	31 236 401
EFG-Hermes UAE Ltd. Co.	1 844 764	214 749
EFG- Hermes Qatar	--	147 576
Hermes Securities Brokerage	243 849 781	10 483 834
EFG- Hermes Financial Management (Egypt) Ltd.	201 927 807	99 027 704
EFG- Hermes Private Equity	25 908 919	(1 804 463)
Balance	772 261 650	387 126 091

8- Creditors and other credit balances

	31/3/2016	31/12/2015
Social Insurance Authority	295 236	274 132
Accrued expenses	31 696 360	46 616 838
Clients coupons - custody activity	8 226 369	11 181 288
Unearned revenues (Note no. 23)	11 415 690	5 587 415
Dividends payable prior years	12 879 359	44 222 721
Sundry credit balances	1 798 123	709 371
Balance	66 311 137	108 591 765

(In the notes all amounts are shown in EGP unless otherwise stated)

9- Expected claims provision

	31/3/2016	31/12/2015
Balance at the beginning of the period / year	6 270 286	6 770 286
Amounts formed during the period / year	306 250	--
Amounts used during the period / year	(183 365)	(500 000)
Balance	6 393 171	6 270 286

10- Loans to subsidiaries

Company's name	Currency	Loan value	Loan date	Maturity date	31/3/2016
Hermes Securities Brokerage	EGP	70 million	12/5/2014	12/5/2018	70 000 000
Hermes Securities Brokerage	EGP	50 million	15/5/2014	15/5/2018	50 000 000
Hermes Securities Brokerage	EGP	30 million	19/6/2014	19/6/2018	30 000 000
Hermes Securities Brokerage	EGP	50 million	29/6/2015	29/6/2017	50 000 000
Tanmeyah Micro Enterprise Services S.A.E	EGP	50 million	22/3/2016	22/4/2016	50 000 000
EFG- Hermes Jordan	US$	500 thousand	1/3/2016	28/2/2018	4 432 500
Total					254 432 500
Current portion of loans to subsidiaries					(50 000 000)
Balance					204 432 500

11- Available –for– sale investments

	31/3/2016	31/12/2015
Equity securities	284 683 984	234 174 419
Mutual fund certificates	1 012 867 993	926 702 169
Balance	1 297 551 977	1 160 876 588

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

	31/3/2016	31/12/2015
Quoted investments	251 253 457	206 687 091
Non- quoted investments	1 046 298 520	954 189 497
	1 297 551 977	1 160 876 588

(In the notes all amounts are shown in EGP unless otherwise stated)

12- Investments in subsidiaries

Company's name	Nationality	Share percentage	The currency of payment	Balance as at 31/3/2016	Balance as at 31/12/2015
		%			
Financial Brokerage Group Co.	Egyptian	99.87	EGP	41 838 060	41 838 060
Egyptian Fund Management Group	Egyptian	88.51	EGP	4 427 233	4 427 233
Egyptian Portfolio Management Group	Egyptian	66.33	EGP	1 990 000	1 990 000
Hermes Securities Brokerage	Egyptian	97.58	EGP	219 763 969	219 763 969
Hermes Fund Management	Egyptian	89.95	EGP	6 439 709	6 439 709
Hermes Corporate Finance Co.	Egyptian	99.37	EGP	5 476 029	5 476 029
EFG- Hermes Advisory Inc.	BVI	100	US$	6	6
EFG- Hermes Promoting & Underwriting	Egyptian	99.88	EGP	7 990 000	7 990 000
EFG- Hermes Fixed Income	Egyptian	99	EGP	9 900 000	9 900 000
EFG- Hermes Management	Egyptian	96.3	EGP	1 249 490	1 249 490
Flemming CIIC Holding (net)	Egyptian	100	EGP	--	--
EFG- Hermes Private Equity **	BVI	1.59	US$	39 975	39 975
EFG- Hermes – UAE Limited Company	Emirates	100	US$	23 000 000	23 000 000
EFG- Hermes Holding Lebanon – S.A.L.	Lebanon	99	US$	153 713	153 713
EFG- Hermes – KSA (net)	Saudi	73.1	US$	118 707 354	118 707 354
EFG- Hermes – Lebanon – S.A.L.	Lebanon	99	US$	27 564 787	27 564 787
EFG- Hermes Regional Investments Ltd. (net) **	Cayman Islands	100	US$	318 141 304	318 141 304
EFG- Hermes Qatar L.L.C (net)	Qatar	100	US$	--	1 577 332
EFG-Hermes Jordan	Jordanian	100	US$	33 610 631	33 610 631
EFG – Hermes Investment Funds Co.	Egyptian	99.998	EGP	6 399 800	6 399 800
EFG-Hermes Global CB Holding Limited *	Cayman Island	100	US$	3 137 096 006	3 137 096 006
EFG – Hermes Syria LLC ***	Syria	49	US$	12 703 775	12 703 775
Sindyan Syria LLC (net)***	Syria	97	US$	--	--
EFG – Hermes Mutual Funds Co.	Egyptian	99.999	EGP	9 999 990	9 999 990
Beaufort Investments Company	Luxembourg	100	EURO	4 930 012	4 930 012
EFG-Hermes Leasing	Egyptian	99	EGP	74 250 000	74 250 000
EFG-Direct Investment Fund	Egyptian	64	EGP	640 000	640 000
EFG-Hermes IB Limited.	Cayman Island	100	US$	7	7
Tanmeyah Micro Enterprise Services S.A.E ****	Egyptian	76.6994	EGP	345 147 300	--
Balance				4 411 459 150	4 067 889 182
				==========	===========

* During 2010, EFG-Hermes Holding Company purchased 63.739% a controlling stake in Credit Libanais SAL (the Bank) through its wholly owned subsidiary EFG – Hermes CL Holding SAL for an amount of USD 577.8 million which was acquired during 2010 , the Company's Board of Directors approved to Proceed with all necessary steps required to sell approximately 40% of shares of Credit Libanais S.A.L. Bank (indirect subsidiary) at US$ 33 per share (prior to payment of associated fees) to a consortium of Lebanese and Arab Investors. This sale process is subject to some conditions precedent, including the approval of the Central Bank of Lebanon; with targeted execution no later than 30 June 2016. Enter into an Irrevocable Underwriting Agreement with Credit Libanais Investment Bank S.A.L. ("CLIB"), a wholly owned subsidiary of Credit Libanais, which will guarantee the sale of the remaining stake of the bank at the same price, on or before 31 May 2017. During subsequent events EFG Hermes S.A.E. Board of Directors approved the waiver of the Irrevocable Underwriting Agreement with Credit Libanais Investment Bank S.A.L. "CLIB" in relation to the sale of 5,506,134 shares (Phase II) as a condition precedent to the execution of the sale of 9,408,749 shares of its interest in Credit Libanais (Phase I) in an effort to facilitate the completion of the sale. Subsequently, the Board has mandated CLIB to sell the shares of Phase II on a best effort basis .

** 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.

*** The Company owns 20.37 % of EFG - Hermes Syria LLC with indirect ownership through one of its subsidiaries - Sindyan Syria LLC (97%).

**** On 23 February 2016, the company signed purchase agreements to acquire 76.7 % of Tanmeyah Micro Enterprise Services S.A.E. stocks through acquiring 70 % the stack owned by Financial Unlimited Company – a subsidiary of Qalaa Holding Company – and acquiring 6.7% of the shares held by Tanmeyah's management, in a transaction with an amount of EGP 345 million, The procedures of transferring of the title had been completed. On 18 April 2016, The company announced that it has completed the purchase of 17.30% of Tanmeyah Micro Enterprise Services S.A.E. which owned by Egyptian Gulf Bank S.A.E in a bargain of an amount of EGP 77.9 million. And the procedures of transferring of title are currently taken place.

- Investments in subsidiaries are represented in non - quoted investments.

(In the notes all amounts are shown in EGP unless otherwise stated)

13- Investment property

Particular	Buildings
Balance as at 1/1/2016	253 639 818
Total cost as at 31/3/2016	253 639 818
Depreciation for the period	2 440 398
Accumulated depreciation as at 31/3/2016	2 440 398
Net carrying amount as at 31/3/2016	251 199 420

Investment property amounted EGP 251 199 420 as at 31 March 2016, represents the following:-

- EGP 156 063 420 represents the fair value of the area owned by EFG – Hermes Holding Company in Nile City Building.
- EGP 95 136 000 represents the fair value of the area owned by EFG – Hermes Holding Company in the headquarter of the Company in Smart Village Building.

14- Fixed assets

For the period ended 31 March 2016

Particular	Land	Buildings	Office, furniture & equipment	Computer equipment	Vehicles & transportation means	Fixtures	Total
Balance as at 1/1/2016	10 000 000	154 159 871	19 260 475	45 857 919	7 738 411	4 202 747	241 219 423
Additions during the period	--	--	3 210	320 142	--	--	323 352
Total cost as at 31/3/2016	10 000 000	154 159 871	19 263 685	46 178 061	7 738 411	4 202 747	241 542 775
Accumulated depreciation as at 1/1/2016	--	25 328 706	18 650 808	37 079 703	4 388 643	3 967 918	89 415 778
Depreciation during the period	--	1 156 199	137 683	740 474	202 895	106 950	2 344 201
Accumulated depreciation as at 31/3/2016	--	26 484 905	18 788 491	37 820 177	4 591 538	4 074 868	91 759 979
Net book value as at 31/3/2016	10 000 000	127 674 966	475 194	8 357 884	3 146 873	127 879	149 782 796
Net book value as at 31/12/2015	10 000 000	128 831 165	609 667	8 778 216	3 349 768	234 829	151 803 645

(In the notes all amounts are shown in EGP unless otherwise stated)

For the period ended 31 March 2015

Particular	Land	Buildings	Office, furniture & equipment	Computer equipment	Vehicles & transportation means	Fixtures	Total
Balance as at 1/1/2015	10 000 000	154 159 871	19 068 775	40 079 733	5 138 511	4 298 476	232 745 366
Additions during the period	--	--	9 047	227 136	--	--	236 183
Total cost as at 31/3/2015	10 000 000	154 159 871	19 077 822	40 306 869	5 138 511	4 298 476	232 981 549
Accumulated depreciation as at 1/1/2015	--	20 703 910	16 522 624	32 607 723	5 113 193	3 491 911	78 439 361
Depreciation during the period	--	1 156 198	901 181	1 136 838	18 991	124 894	3 338 102
Accumulated depreciation as at 31/3/2015	--	21 860 108	17 423 805	33 744 561	5 132 184	3 616 805	81 777 463
Net book value as at 31/3/2015	10 000 000	132 299 763	1 654 017	6 562 308	6 327	681 671	151 204 086

15- Long term loans

Company's name	Currency	Loan value	Loan date	Maturity date	31/3/2016
Audi Bank	EGP	150 million	29/2/2016	28/2/2021	150 000 000
Total					150 000 000
Current portion of loans to subsidiaries					(16 666 667)
Balance					133 333 333

16- Share capital

- The Company's authorized capital amounts EGP 3 200 million and issued and paid in capital amounts EGP 2,867,422,500 distributed on 573,484,500 shares of par value EGP 5 per share.
- The Company's Extraordinary General Assembly approved in its session held on May 31, 2015 to increase the Company's authorized capital from EGP 3 200 million to EGP 6 billion and to increase issued and paid-in capital from EGP 2,867,422,500 to EGP 3,259,255,500 with an increase amounting to EGP 391,833,000 by issuing 78,366,600 shares of par value EGP 5 through the issuance of free shares at a ratio of 1.46 free share for every ten outstanding shares and approximating the fractions in favor of the small shareholders. This increase is financed from the 2014 profits which were approved in the Ordinary

(In the notes all amounts are shown in EGP unless otherwise stated)

General Assembly in its session held on May 17, 2015 after the exclusion of 36,956,522 shares. The required procedures have been taken for this increase and the registration in the Commercial Register took place on July 5, 2015.

- On September 30, 2015, The Company's Board of Directors approved to decrease the Company's issued capital from EGP 3,259,255,500 to EGP 3,074,472,890 with a decrease amounting to EGP 184,782,610 by cancelling 36,956,522 treasury shares with par value EGP 5 each and The Company's Extraordinary General Assembly approved it in it's session held on November 16, 2015, and the Egyptian Financial Supervisory Authority approved the cancellation on December 15, 2015, The required procedures have been taken for this decrease and the registration in the Commercial Register took place on December 20, 2015.

17- Contingent liabilities & commitments

- The Company guarantees its subsidiaries – Financial Brokerage Group, Hermes Securities Brokerage, EFG Hermes Jordan and EFG Hermes Oman LLC. – against the credit facilities granted from banks and EFG- Hermes Brokerage – UAE against the Letters of Guarantee granted from banks amounting to AED 118 670 000 (equivalent to EGP 285 790 588).

18- Dividend income

	For the period ended 31/3/2016	**For the period ended 31/3/2015**
Income from available - for- sale investments	2 734 916	2 861 274
Total	2 734 916	2 861 274

19- General administrative expenses

	For the period ended 31/3/2016	**For the period ended 31/3/2015**
Wages , salaries and similar items	19 789 215	64 071 460
Consultancy	6 398 118	14 347 560
Travel , accommodation and transportation	1 016 809	1 608 155
Leased line and communication	1 930 764	1 315 230
Rent and utilities expenses	1 884 331	1 850 018
Other expenses	7 244 469	19 769 512
Total	38 263 706	102 961 935

(In the notes all amounts are shown in EGP unless otherwise stated)

20- Cash and cash equivalents

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

	For the period ended 31/3/2016	For the year ended 31/12/2015
Cash and cash equivalents as presented in the statement of financial position	368 912 855	499 063 379
Banks overdraft	--	(179 991 432)
Effect of exchange rate changes	--	54 502 150
Cash and cash equivalents (adjusted)	368 912 855	373 574 097

21- Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(A) Deferred tax	31/3/2016 Liabilities	31/12/2015 Liabilities
Fixed assets' (depreciation)	(8 442 370)	(8 308 552)
Net deferred tax liabilities	(8 442 370)	(8 308 552)

(B) Deferred tax recognized directly in equity	31/3/2016	31/12/2015
Changes in fair value of cash flow hedges *	6 612 597	6 612 597
Fair value of available-for-sale financial assets **	(119 701 175)	(97 956 440)
	(113 088 578)	(91 343 843)
Balance	(121 530 948)	(99 652 395)

* Directly deducted from cash flow hedges item presented in the statement of changes in equity.

** Directly deducted from changes in the fair value of available -for-sale investments item presented in the statement of changes in equity.

22- Tax status

- As to Income Tax, the years till 31/12/2010 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee and as to years 2011 / 2012 have been inspected and the Company was notified by form no. (19) which was objected thereon on the due date and the settlement procedures are currently taking place and as to year 2013 the competent Tax Inspectorate inspected the parent Company's books and the Company was notified by form no. (19). which was objected thereon on the due date and the settlement procedures are currently taking place and as to year 2014/2015, it has not been inspected yet.
- As to Salaries Tax, the parent Company's books had been examined till 2008 and all the disputed points have been settled with the Internal Committee and the due amount has been paid and as to years 2009/2012 Company's books had been examined and the settlement procedures are currently taking place, and as to years 2013 / 2015, the parent Company's books have not been inspected yet.
- As to Stamp Tax, the parent Company's books had been examined from 1998 till 31/7/2006 and paid the due tax according to the resolution of appeal committee which was objected thereon in the court, and the period from 1/8/2006 till 31/12/2013 has been inspected and the Company was notified by form no. (19). which was objected thereon on the due date and the settlement procedures are currently taking place and as to year 2014/2015, it has not been inspected yet.

23- Related party transactions

The related parties transactions are represented in the following:

- Other income item presented in the income statement includes an amount of EGP 3 482 124 which represents the value of rental spaces for some affiliated companies in addition to EGP 2 372 149 which represents the value of redemption of some expenses of the new headquarter that were allocated to the subsidiaries.
- Interest income item presented in the income statement includes an amount of EGP 7 683 333 and EGP 208 333 which represent the interest on subordinated loan that granted from the Company to Hermes Securities Brokerage (a subsidiary – 97.58%) and Tanmeyah Micro Enterprise Services S.A.E (a subsidiary – 76.699%) respectively (Note no. 10).
- Loans to subsidiaries item as at March 31, 2016 is presented in the statement of financial position represents in the loan granted to Hermes Securities Brokerage (a subsidiary – 97.58%) with an amount of EGP 200 million & Tanmeyah Micro Enterprise Services S.A.E (a subsidiary – 76.699%) with an amount of EGP 50 million (Note no. 10).
- Creditors and other credit balances item includes an amount of EGP 11 415 690 represents the unearned revenues from the affiliated companies for rental of Group's headquarter owned by the Company (Note no. 8).

(In the notes all amounts are shown in EGP unless otherwise stated)

24- 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 financial liabilities include loans and creditors. 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.

24/1 Market risk

A. 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 financial position date the Company has assets and liabilities in foreign currencies equivalent to EGP 2 471 779 063 and EGP 541 028 883 respectively. The Company's net exposures in foreign currencies as at the financial position date are as follows:

	Surplus
USD	1 765 219 821
Euro	160 761 073
AED	2 964 344
GBP	1 055 420
CHF	749 522

The Company has used the prevailing exchange rates to revaluate assets and liabilities at financial position date as disclosed in note 26-1, "foreign currencies transactions".

B. Interest rate risk

The cash flows of the Company affected by the changes in market rates of interest. To mitigate interest rate risk the Company maintains banks deposits for short-term periods renewed monthly, and are negotiated in the re-pricing date comparing to interest rates announced by the central bank or LIBOR.

C. Price risk

The Company is exposed to market price risk for equity instruments, 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.

24/2 Credit risk

Financial institutions that the Group deals with are only those enjoying high credit quality. The Group has policies that limit the amount of credit exposure to any one financial institution.

24/3 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

24/4 Capital risk

The goal of the Company's management of capital management is to maintain the Company's ability to continue to achieve returns for shareholders and benefits for other parties that use financial statements. The management company also aims to provide and maintain the best capital structure which would lead to lower capital costs.

24/5 Financial instruments' fair value

The financial instruments' fair value does not substantially deviated from its book value at the financial position 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. (12) 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.

(In the notes all amounts are shown in EGP unless otherwise stated)

24/6 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.

25- Comparative figures

Certain reclassification and adjustments have been made to some comparative figures in order to conform with the current period presentation. These adjustments are attributable to the following:

	(As reported) For the year ended 31/12/2015	Adjustments	(Amended) For the year ended 31/12/2015
Due from subsidiaries and associates	1 029 244 735	(1 804 463)	1 027 440 272
Due to subsidiaries and associates	388 930 554	(1 804 463)	387 126 091

26- Significant accounting policies

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 period presentation. (note 25).

26-1 Translation of the foreign currencies transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

26-2 Property, plant and equipment

26-2-1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

26-2-2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

26-2-3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

26-2-4 Reclassification to investment property

When the use of a property changes from owner-occupied to investment property.

26-2-5 Projects under construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects 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.

26-3 Investment property

Investment property is measured at cost on initial recognition.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight line basis over is useful life. The estimated useful life of investment property is 33 years.

26-4 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

26-5 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

26-5-1 Non-derivative financial assets and financial liabilities – Recognition and Derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

26-5-2 Non-derivative financial assets – Measurement

26-5-2-1 Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

26-5-2-2 Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

26-5-2-3 Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

26-5-2-4 Available-for-sale financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

26-5-3 Non-derivative financial liabilities – Measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

26-5-4 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

26-5-4-1 Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

26-6 Impairment

26-6-1 Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.

- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.
- For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been an estimates used to determine the recoverable amount.

26-6-2 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 income statement.

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.

26-7 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition and the balances included cash on hand, current accounts, time deposits with banks and checks under collection.

26-8 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.

26-9 Provisions

Provisions are recognized when the Group has a legal or constructive current 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 financial position date and amended (when necessary) to represent the best current estimate.

26-10 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

26-11 Share capital

26-11-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24.

26-11-2 Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

26-12 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 income statement 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 income statement.

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 income statement in the same period that the hedged item affects income statement.

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 income statement.

26-13 Revenue

26-13-1 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.

26-13-2 Dividend income

Dividend income is recognized when declared.

26-13-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

26-13-4 Interest income

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

26-14 Expenses

26-14-1 Borrowing costs

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

26-14-2 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.

26-14-3 Taxation

Income tax on the income statement 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 financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the financial position 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 financial position 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.

26-15 Earnings 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 period, and is presented in the consolidated financial statements.

26-16 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.

27- Initial application of new Egyptian Accounting Standards "EAS"

New versions and amendments on the Egyptian Accounting Standards has been activated as at 1/1/2016:

During 2015, A modified version of the Egyptian Accounting Standards "EAS" was issued, these standards involves some of the new accounting standards and adjustments to be applied for the financial periods that starts after the first of January, 2016 knowing that the early application of these standards is not allowed

The most important amendments on the Egyptian Accounting Standards that may have a significant on the financial statements of the company as at 31/3/2016:

New or amended standards	Summary of the most significant amendments	Impact on the financial statements
EAS (1) Presentation of Financial Statements	*Statement Of Financial Position* • The standard does not require to present the working capital presentation. The reference financial statements that was included in 2006 standards was excluded; which presented the working capital presentation. • A column shall be added to the statement of financial position including balances of the beginning of the first presented comparative period in case of retrospective implementation or change in an accounting policy or reclassification carried out by the entity.	• Re-presenting all the presented financial statements, disclosures and their accompanying notes including the comparative figures to be in conformity with the required amendments to the standard.
	Income Statement / Statement of Comprehensive Income The entity shall disclose all recognized income and expense captions during the financial period in two separate statements; one of them presents the profit or loss components (*Income Statement*) and the other one starts with the profit or loss and presents the other comprehensive income items *(Statement of Comprehensive Income)*.	• Adding a new statement, '*Statement of Comprehensive Income*', for the current and comparative period.

New or amended standards	Summary of the most significant amendments	Impact on the financial statements
EAS (10) Property, Plant and Equipment *(PPE)*	• The financial shall disclose amount movement of the PPE and its depreciations in the notes accompanying the financial statements at the beginning and the end of the current period and the comparable period.	Re-presenting the comparative figures related to the PPE in the notes accompanying the financial statements to be in conformity with the required amendments on the standard.
	• The option of using the revaluation model in the subsequent measurement of PPE has been canceled	The amendment on the standard has no impact on the figures presented in the financial statements.
EAS (34) Investment Property	• The option of using the fair value model in the measurement after recognition of the Property Investment has been canceled.	• The fair value of the investment at the beginning of the implementation of this standard considered as deemed cost of that investment for the purposes of the subsequent accounting treatment according to EAS (10) "PPE". • Revaluation surplus of fixed assets transferred to investment property is recognized in retained earning (loss) on the retirement or disposal of the investment property