This document relating to EFG-Hermes Holding S.A.E. (the "**Company**") comprises a prospectus (the "**Prospectus**") for the purposes of Article 5 of EU Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document has been approved as a Prospectus by the Financial Conduct Authority (the "**FCA**") under section 87A of the Financial Services and Markets Act 2000 (the "**FSMA**").

Prospective GDS holders should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA or paragraph 3.4 of the Prospectus Rules made under section 73A of the FSMA, the publication of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

EFG-Hermes Holding S.A.E.

(incorporated as a joint stock company in the Arab Republic of Egypt under № 12665)

LISTING AND ADMISSION TO THE OFFICIAL LIST AND TO TRADING ON THE LONDON STOCK EXCHANGE OF UP TO 100,000,000 ADDITIONAL GLOBAL DEPOSITARY SHARES

There are currently admitted to listing on the official list (the "**Official List**") of the UK Financial Conduct Authority (the "**FCA**") and to trading on the London Stock Exchange plc's (the "**London Stock Exchange**") regulated market for listed securities (the "**Regulated Market**"), which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive) 43,367,005 Global Depositary Shares (the "**Existing GDSs**" and, together with the Additional GDSs (as defined below), the "**GDSs**") representing interests in ordinary shares of the Company ("**Shares**" and, together with the GDSs, the "**Securities**"). This Prospectus relates only to an application (the "**Application**") to list on the Official List and to admit to trading on the regulated market of the London Stock Exchange up to 100,000,000 additional GDSs (the "**Additional GDSs**"). The Existing GDSs are, and the Additional GDSs shall be, evidenced by global depositary receipts ("**GDRs**").

Application will be made (1) to the FCA, in its capacity as competent authority under FSMA, for up to 100,000,000 Additional GDSs, either currently issued or to be issued from time-to-time against the deposit of Shares (to the extent permitted by law) with a custodian acting on behalf of The Bank of New York Mellon, as depositary (the "**Depositary**"), to be admitted to the Official List, bringing the total number of GDSs listed by the Company to up to 143,367,005 GDSs; and (2) to the London Stock Exchange for the Additional GDSs on the Regulated Market. The Existing GDSs are currently, and the Additional GDSs upon approval by the UK Listing Authority (the "**UKLA**") and the London Stock Exchange will be, admitted to trading on the Regulated Market on the International Order Book under the symbol "EFGD". Admission of the Additional GDSs to the Official List and unconditional trading on the London Stock Exchange ("**Admission**") is expected to take place on or about 26 June 2014.

This Prospectus relates only to the Application and does not constitute an offer of, or the solicitation of an offer to subscribe for or levy, any GDSs or other Securities to any person in any jurisdiction. The Company is not offering any GDSs or other Securities in connection with Admission.

Additional GDSs will be issued pursuant to the Regulation S Deposit Agreement among the Company, the Depositary and the registered holders and beneficial owners of GDRs issued thereunder dated as of 3 August 1998, in respect of the Regulation S GDSs (as defined below) (the "**Regulation S Deposit Agreement**") and the Rule 144A Deposit Agreement among the Company, the Depositary and all registered holders and beneficial owners of GDRs issued thereunder dated as of 3 August 1998, in respect of the Rule 144A GDSs (as defined below) (the "**Rule 144A Deposit Agreement**" and, together with the Regulation S Deposit Agreement, the "**Deposit Agreements**"). The Regulation S Deposit Agreement provides for the issuance of GDSs outside the United States to certain persons in offshore transaction in reliance on Regulation S (the "**Regulation S GDSs**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and the Rule 144A Deposit Agreement provides for the issuance of GDSs in the United States to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the Securities Act (the "**Rule 144A GDSs**"). Neither the GDSs nor the Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

The GDSs involve certain risks. See "*Risk Factors*" for a discussion of certain factors that should be considered in connection with the GDSs.

GDSs may be delivered through Euroclear Bank SA/NV, as operator of the Euroclear System, ("**Euroclear**"), Clearstream Banking, *société anonyme* ("**Clearstream**"), and The Depository Trust Company ("**DTC**").

The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) № 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"), as having been issued by Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). Each of Fitch, Moody's and S&P is established in the European Union and is registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The date of this Prospectus is 23 June 2014.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
Element	**Requirements**	
A.1	**Warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the GDSs should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the GDSs.
A.2	**Consent for intermediaries**	*Not Applicable—No consent for intermediaries is granted.*

Section B – Issuer		
Element	**Requirements**	
B.31/B.1	**Legal and commercial name**	EFG-Hermes Holding S.A.E.
B.31/B.2	**Domicile, legal form, legislation and country of incorporation**	The Company is a joint stock company incorporated under the laws of the Arab Republic of Egypt ("**Egypt**"). The Company's registered office is located at Smart Village Building № B129, Phase 3, KM 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt.
B.31/B.3	**Current operations, principal activities and markets**	EFG-Hermes is a leading financial services firm in the MENA region, with direct operations in eight markets, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The Group's offers investment banking, securities brokerage, research, asset management and private equity services, as well as commercial banking services through its 64% controlling interest in Credit Libanais. The Company's Shares are listed on the Egyptian Exchange, and the GDSs are listed on the London Stock Exchange. For the year ended 31 December 2013, the Group's net loss was EGP 335 million, as compared to net profit of EGP 121 million for the year ended 31

		December 2012 and EGP 247 million for the year ended 31 December 2011. As at 31 December 2013, the Group's total assets were EGP 67,372 million, as compared to EGP 59,432 million for the year ended 31 December 2012 and EGP 52,491 million for the year ended 31 December 2011.
B.31/B.4a	**Recent trends affecting the issuer and its industry**	The most significant trends affecting the Company and its industry include: ***The Current Economic and Political Environment*** A substantial proportion of the Company's operations are conducted in, and a large proportion of its assets and customers are located in, Egypt and Lebanon. Consequently, the Company's results of operations and financial condition are materially and significantly affected by the policies of the governments and political and economic developments in, or affecting, Egypt and Lebanon. In particular, the general level of economic growth and inflation rates are critical factors affecting the Company's performance. ***Fluctuations in Interest Rates*** Changes in interest rates affect the Company's net interest and dividend income, net interest margin and overall results of operation. Interest rates are sensitive to many factors beyond the Company's control, including the policies of central banks, such as the CBE, adverse domestic and international economic conditions and political factors. ***Fluctuations in Exchange Rates*** Fluctuations in exchange rates impact the Company's financial condition and results of operations. The Company maintains open currency positions, which give rise to exchange rate risk. The Company's exposure to exchange rate risk may increase. A significant portion of the Company's exposure to exchange rate risk also depends on numerous factors beyond its control, such as overall market trading activity, fluctuations in interest-rate levels and exchange rates, government actions and general market volatility. ***Competition*** The Group encounters competition in all aspects of its business and competes directly with other domestic and foreign investment banking firms, asset managers and securities brokers, some of which have greater capital, financial and other resources than the Group. As a result of the development of the securities industry in Egypt and the other markets in which the Group operates, there has been increasing competition from both domestic and international firms in these markets.
B.31/B.4b	**Known trends affecting the issuer and its industry**	Known trends affecting the Company and its industry include: ***The Current Economic and Political Environment*** A substantial proportion of the Company's operations are conducted in, and a large proportion of its assets and customers are located in, Egypt and Lebanon. Consequently, the Company's results of operations and financial condition are materially and significantly affected by the policies of the governments and political and economic developments in, or affecting, Egypt and Lebanon. In particular, the general level of economic growth and inflation rates are critical factors affecting the Company's performance. ***Fluctuations in Interest Rates*** Changes in interest rates affect the Company's net interest and dividend income, net interest margin and overall results of operation. Interest rates are

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B.31/B.5	**Group structure**	The Company conducts a substantial proportion of its business through its network of subsidiaries. The following table sets forth the subsidiaries of the Company, both directly and indirectly owned, and the Company's ownership interest as at 31 December 2013:

Name	**Direct Ownership Interest**	**Indirect Ownership Interest**
	(%)	
Financial Brokerage Group	99.88	0.04
Egyptian Fund Management Group	88.51	11.49
Egyptian Portfolio Management Group	66.33	33.67
Hermes Securities Brokerage	97.58	2.42
Hermes Fund Management	89.95	10.05
Hermes Corporate Finance	99.37	0.53
EFG-Hermes Advisory Inc.	100.00	—
EFG-Hermes Financial Management (Egypt) Limited.	—	100.00
EFG-Hermes Promoting and Underwriting	99.88	—
Bayonne Enterprises Ltd.	100.00	—
EFG-Hermes Fixed Income	99.00	1.00
EFG-Hermes Management	96.30	3.70
EFG-Hermes Private Equity Ltd	1.59	63.41
EFG Hermes Brokerage U.A.E. LLC	—	100.00
Flemming CIIC Holdings	100.00	—
Flemming Mansour Securities	—	99.33
Flemming CIIC Securities	—	96.00
Flemming CIIC Corporate Finance	—	74.92
EFG-Hermes UAE Limited	100.00	—
EFG-Hermes Holding – Lebanon	99.00	—
EFG-Hermes KSA	73.10	26.90
October Property Development Limited	100.00	—
EFG-Hermes Lebanon	99.00	0.97
MENA Opportunities Management Limited	—	95.00
EFG-Hermes MENA (Cayman) Holdings Limited	—	100.00
MENA (BVI) Holding Limited	—	95.00
EFG-Hermes Mena Securities Limited	—	100.00
Middle East North Africa Financial Investments W.L.L.	—	100.00
EFG-Hermes Qatar LLC	100.00	—
EFG-Hermes Oman LLC.	—	51.00
EFG-Hermes Regional Investment Ltd	100.00	—
Offset Holding KSC	—	50.00

EFG-Hermes IFA Financial Brokerage Company	—	45.00
IDEAVELOPERS	—	52.00
EFG Hermes CB Holding Limited	—	100.00
EFG Hermes Global CB Holding Limited	100.00	—
EFG Hermes Syria LLC	49.00	20.37
Sindyan Syria LLC	97.00	—
Talas & Co. LLP	—	97.00
EFG Hermes Jordan	100.00	—
MENA Long Term Value Feeder Holdings Ltd	—	100.00
MENA Long-Term Value Master Holdings Ltd.	—	90.00
MENA Long-Term Value Management Ltd.	—	90.00
EFG Hermes CL Holding SAL	—	100.00
Credit Libanais SAL “the Bank”	—	63.739
Credit Libanais Investment Bank SAL	—	63.65
Lebanese Islamic Bank SAL	—	63.64
Credit International SA	—	59.16
Cedar’s Real Estate SAL	—	63.69
Soft Management SAL	—	29.96
Hermes Tourism & Travel SAL	—	63.73
Crédit Libanais d’Assurances et de Réassurances SAL	—	42.69
Business Development Center SARL	—	62.86
Capital Real Estate SAL	—	62.46
Credilease SAL	—	63.27
Collect SAL	—	28.64
EFG Hermes Investment Funds Co.	99.998	—
MENA FI Cayman Ltd(1)	—	100.00
EFG Hermes MENA FI Management Limited(1)	—	100.00
Fixed Income Investment Limited	—	100.00
MEDA Access Cayman Holdings Limited	—	100.00
EFG-Hermes Securitization Company	100.00	—
Financial Group for Real Estate Co	99.992	—
EFG-Hermes Mutual Funds Co	100.00	—
EFG-Hermes Orient Advisory	—	70.00(2)

Notes:

(1) In liquidation as at 31 December 2013.

(2) Struck off on 28 March 2013.

B.31/B.6 | **Notifiable interests, different voting rights and controlling interests**

As at 31 March 2014, the Company had more than 14,000 shareholders, with only two (not including the Depositary) owning a 5.0% or more shareholding.

The following table lists the Company’s shareholders of record, as indicated on its share register, as at 28 February 2014, that held 5.0% or more of its outstanding Shares.

Name	**Number of Shares**
Depositary	77,247,896
Dubai Financial Group	63,352,123
Abdel Moneim Al Rashed	44,275,524

To the Company’s knowledge, no other person or entity controls more than 5.0% of the Company’s Shares.

All holders of the Company’s Shares have the same voting rights. The Company is not aware of any arrangements that may result in a change of control.

There are no shareholder agreements between the Company and any of its principal shareholders.

		In June 2014, a voluntary tender offer by a consortium led by Egyptian businessman Naguib Sawiris was launched to acquire up to 20% of the Shares of the Company. The tender offer has been reviewed by the EFSA which issued a statement confirming it has no objection to publishing the tender offer. On 18 June 2014, the Company announced that the Board of Directors had appointed an Independent Financial Advisor to opine on the fair value of the Company's stock and the fairness of the tender offer in order to help shareholders evaluate its attractiveness. As at the date of this Prospectus, the tender offer had not been completed.
B.31/B.7	**Selected historical key financial information**	**Selected Income Statement and Balance Sheet Data** The following tables set forth selected information from the Financial Statements.

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP)	
INCOME STATEMENT			
Fee and commission income	1,039,359,903	909,845,451	882,552,883
Fee and commission expense	(170,121,800)	(143,357,872)	(134,972,640)
Net fee and commission income	**869,238,103**	**766,487,579**	**747,580,243**
Interest and dividends income	3,186,491,823	2,623,341,207	2,518,446,046
Interest expense	(2,147,298,277)	(1,799,113,046)	(1,636,387,800)
Net interest and dividends income	**1,039,193,546**	**824,228,161**	**882,058,246**
Securities gains	31,524,974	45,862,078	67,941,982
Share of profit of associate	8,031,600	5,757,458	5,342,040
Changes in the investments at fair value through profit and loss	51,614,241	45,058,651	(1,941,841)
Gains from selling assets classified as held for sale	24,599,488	—	—
Foreign currencies differences	165,533,482	81,842,924	20,304,188
Other income	196,495,774	79,114,647	87,742,550
	477,799,559	**257,635,758**	**179,388,919**
Operating income	**2,386,231,208**	**1,848,351,498**	**1,809,027,408**
General administrative expenses	(1,657,483,079)	(1,509,806,807)	(1,373,938,106)
Net losses on loans and advances	(59,869,000)	(34,160,378)	(20,374,200)
Provisions	(58,200,800)	(57,166,655)	(85,976,164)
Impairment loss on assets	(768,069,614)	(52,752,289)	(1,883,142)
Changes in the fair value of investment property	(83,759,019)	(2,951,987)	—
Other Operating expenses	**(2,627,381,512)**	**(1,656,838,116)**	**(1,482,171,612)**
Profit (Loss) before income tax	**(241,150,304)**	**191,513,382**	**326,855,796**
Income tax expense	(93,832,079)	(71,042,361)	(79,957,082)
Profit/(Loss) for the year	**(334,982,383)**	**120,471,021**	**246,898,714**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of assets	158,058,214	53,744,272	50,863,379
Related tax	(25,330,344)	(7,413,381)	(8,695,847)
	132,727,870	**46,330,891**	**42,167,532**
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences	597,228,645	266,119,845	94,067,152
Available-for-sale financial assets - net change in fair value	353,326,699	344,743,521	(698,447,855)
Cumulative adjustments	(10,688,673)	10,453,055	(3,773,509)
Related tax	(105,018,380)	(20,810,862)	(13,997,367)
	834,848,291	**600,505,559**	**(622,151,579)**

Other comprehensive income, net of tax	**967,576,161**	**646,836,450**	**(579,984,047)**
Total comprehensive income	**632,593,778**	**767,307,471**	**(333,085,333)**
Profit attributable to			
Owners of the Company	(540,322,092)	(15,908,759)	71,778,586
Non-controlling interests	205,339,709	136,379,780	175,120,128
	(334,982,383)	**120,471,021**	**246,898,714**
Total comprehensive income attributable to			
Owners of the Company	180,459,660	526,032,930	(555,291,032)
Non-controlling interests	452,134,118	241,274,541	222,205,699
	632,593,778	**767,307,471**	**(333,085,333)**
Basic earnings per share	(0.94)	(0.03)	0.13

	As at 31 December		
	2013	**2012**	**2011**
		(EGP)	
BALANCE SHEET			
Assets			
Cash and cash equivalents	16,451,210,148	13,414,952,983	12,242,864,080
Other investments	25,050,048,201	22,638,262,453	20,667,946,925
Equity-accounted investees	81,571,800	72,500,400	67,344,000
Loans and advances	18,006,296,182	14,241,487,765	12,016,896,726
Trade and other receivables	2,053,298,724	817,123,383	1,925,133,273
Current tax assets	9,577,354	8,161,658	53,846,601
Assets held for sale	—	3,346,987,421	—
Property, plant and equipment	1,307,073,381	1,153,170,000	1,105,532,741
Intangible assets and goodwill	4,092,415,380	3,607,068,559	4,091,559,340
Investment property	**320,250,709**	**132,062,511**	**320,045,183**
Total assets	**67,371,741,879**	**59,431,777,133**	**52,491,168,869**
Liabilities			
Due to banks and financial institutions	914,515,747	555,920,400	609,256,600
Customers' deposits	49,484,814,388	43,961,779,238	37,957,455,300
Trade and other payables	3,466,175,306	1,144,646,995	1,843,566,580
Liabilities held for sale	—	953,163,490	—
Loans and borrowings	554,120,600	506,028,600	486,932,000
Deferred income/revenue	15,136,531	6,316,801	14,438,691
Current tax liabilities	108,977,161	68,280,980	87,810,614
Deferred tax liabilities	706,760,395	582,936,839	563,117,188
Provisions	**319,636,881**	**338,830,990**	**348,251,688**
Total liabilities	**55,570,137,009**	**48,117,904,333**	**41,910,828,661**
Equity			
Share capital	2,867,422,500	2,391,473,750	2,391,473,750
Share premium	3,289,103,899	3,294,067,512	3,294,067,512
Reserves	2,272,193,621	1,555,050,403	925,901,417
Retained earnings	395,724,420	1,424,013,293	1,535,669,251
	8,824,444,440	**8,664,604,958**	**8,147,111,930**
Treasury shares	—	(6,918,613)	(6,918,613)
Equity attributable to owners of the Company	**8,824,444,440**	**8,657,686,345**	**8,140,193,317**
Non-controlling interests	**2,977,160,430**	**2,656,186,455**	**2,440,146,891**
Total equity	**11,801,604,870**	**11,313,872,800**	**10,580,340,208**
Total equity and liabilities	**67,371,741,879**	**59,431,777,133**	**52,491,168,869**

		Certain significant changes to the Group's financial condition and operating results occurred during 2011, 2012 and 2013. These changes are set out below: ***As at and for the year ended 31 December 2013, as compared to as at and for the year ended 31 December 2012*** • The Company's operating income for the year ended 31 December 2013 increased by EGP 538 million, or 29.1%, to EGP 2,386 million from EGP 1,848 million for the year ended 31 December 2012. • The Company's total other operating expenses for the year ended 31 December 2013 increased by EGP 970 million, or 58.5%, to EGP 2,627 million from EGP 1,657 million for the year ended 31 December 2012. • The Company's total loss for the year ended 31 December 2013 was EGP 335 million, as compared to a net profit of EGP 121 million for the year ended 31 December 2012, representing an EGP 456 million decrease in profits. • The Company's total assets as at 31 December 2013 increased by EGP 7,940 million, or 13.4%, to EGP 67,372 million from EGP 59,432 million as at 31 December 2012. • The Company's total liabilities as at 31 December 2013 increased by EGP 7,452 million, or 15.5%, to EGP 55,570 million from EGP 48,118 million as at 31 December 2012. ***As at and for the year ended 31 December 2012, as compared to as at and for the year ended 31 December 2011*** • The Company's operating income for the year ended 31 December 2012 increased by EGP 39 million, or 2.2%, to EGP 1,848 million from EGP 1,809 million for the year ended 31 December 2012. • The Company's total other operating expenses for the year ended 31 December 2012 increased by EGP 175 million, or 11.8%, to EGP 1,657 million from EGP 1,482 million for the year ended 31 December 2011. • The Company's total profit for the year ended 31 December 2012 decreased by EGP 126 million, or 51%, to EGP 120 million from EGP 247 million for the year ended 31 December 2011. • The Company's total assets as at 31 December 2012 increased by EGP 6,941 million, or 13.2%, to EGP 59,432 million from EGP 52,491 million as at 31 December 2011. • The Company's total liabilities as at 31 December 2012 increased by EGP 6,207 million, or 14.8%, to EGP 48,118 million from EGP 41,911 million as at 31 December 2011. Since 31 December 2013 (being the end of the period covered by the selected historical key financial information set out in the tables above), there has been no significant change in the financial condition or operating results of the Group.
B.31/B.9	**Profit forecasts**	*Not Applicable—No profit forecasts are included in this Prospectus.*

B.31/B.10	**Qualifications in the audit report**	*Not Applicable—There are no qualifications in the audit report.*
B.31/D.4	**Key information on the key risks that are specific to the issuer**	The key risks relating to the Company are as follows: • The impact of, or failure of the Company to respond to, macroeconomic conditions, including those resulting from the political instability in Egypt following the revolution in 2011 could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any failure of the Company to successfully implement its cost-cutting and related non-core asset disposal programmes or any failure of such programmes to return the Company to profitability in 2014 with an improved balance sheet could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • The Group's exposure to volatile and illiquid securities and the effect of deteriorating market conditions on the fair value of such instruments could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any continued allegations of wrongdoing with respect to links to the former government or the emergence of any further allegations or identification of links with the former government could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any failure of the Group to attract new employees, retain and motivate existing employees and continue to compensate its employees competitively could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • The impact of any significant reduction in performance fees due to the Group as a result of losses experienced by the Group's funds could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Exposure to additional risks in periods characterised by volatile markets (such as, in the period since the Revolution), including incurring losses from the inability of customers to meet commitments (e.g., customer defaults) and employee misconduct and errors, subject the Group's net income and revenues to material fluctuations. • Any reduced fee and commission income due to reduced or failed capital markets offerings or merger and acquisition or a reduction in value of assets managed and administered could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any failure of the Group to compete with increased competition from both domestic and international firms as a result of the development of the securities industry in Egypt and the other markets in which the Group operates could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations.

B.32	**Issuer of the depository receipts, including its registered office, legislation under which it operates and legal form**	The Bank of New York Mellon is acting as depositary (the "**Depositary**"). The Depositary is an entity established in the State of New York and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286.

Section C – Securities		
Information about the Underlying Shares		
Element	**Requirements**	
C.13/C.1	**Description of the type and the class of the securities being offered**	The Shares are listed on the Egyptian Exchange.
C.13/C.2	**Currency of securities**	The Shares are issued in Egyptian Pounds.
C.13/C.3	**The number of shares issued (including par value).**	As at 31 December 2013, the Company's authorised capital was EGP 3,200 million and the Company's issued share capital was EGP 2,867,422,500 comprised of 573,484,500 shares of EGP 5 each, all of which are fully paid and rank *pari passu* in all respects.
C.13/C.4	**Rights attached to the securities**	The Company's shareholders have the right to: • attend and vote at meetings (whether an Ordinary or Extraordinary General Assembly, in person or by proxy; • transfer its Shares in the Company; • declare a divided (acting through a General Meeting) and to receive dividends so declared; and • appoint, replace or dismiss any member of the Board of Directors through a General Assembly.
C.13/C.5	**Restrictions on the free transferability of the securities**	Pursuant to the Company's Articles of Association, there shall be no restriction on the transfer of Shares of the Company.
C.13/C.6	**Admission of securities to trading on a regulated market**	*Not Applicable—The Shares are not admitted to trading on a regulated market.*

C.13/C.7	**Dividend policy**	Net profit after taxation is available for distribution in accordance with the requirements of Egyptian law and the Company's Articles of Association. The Company has no written dividend policy.
Information about the Global Depositary Shares		
C.14/C.1	**Description of the type and the class of the securities offered**	The GDSs are issued pursuant to the Deposit Agreements. Each GDS represents an interest in two Shares on deposit with the custodian. Application will be made for the Additional GDSs to be admitted to the Official List and the LSE to admit the Additional GDSs to trading on the Regulated Market through its IOB. The ISIN for the Rule 144A GDSs is US2684253030 and the CUSIP number for the Rule 144A GDSs is 268425303. The ISIN for the Regulation S GDSs is US2684254020 and the CUSIP number for the Regulation S GDSs is 268425402. The LSE trading symbol is EFGD. The Existing GDSs are, and the Additional GDSs shall be, evidenced by GDRs.
C.14/C.2	**Currency of the securities**	The currency of the GDSs is U.S. Dollars.
C.14/C.4	**Rights attached to the securities**	Holders will have voting rights with respect to the Shares deposited, subject to the provisions of the Deposit Agreements. Subject to the provisions of the Deposit Agreements, the Depositary shall notify the Holder of and pay to the Holder all cash dividends or other distributions on or in respect of the Shares deposited (including any liquidation surplus or other amounts received in the liquidation of the Company) or otherwise in connection with the deposited property in the proportion to which it is so entitled. All amounts shall be converted and paid in U.S. Dollars. Holders of GDSs have the rights set out in the Deposit Agreements, which may be summarised as follows: • Holders may withdraw the underlying Shares; • The right to receive payment in U.S. Dollars from the Depositary of an amount equal to cash dividends or other cash distributions received by the Depositary from the Company in respect of the underlying Shares; • The right to receive from the Depositary additional GDSs representing additional shares reiceived by the Depositary from the Company by way of dividend, free distribution or bonus issue (or if the issue of additional GDSs is deemed by the Depositary not to be reasonably practicable, the net proceeds of the sale of such Shares in U.S. Dollars); • The right to receive from the Depositary any dividend or distribution in the form of securities or other property (other than Shares or cash) received by the Depositary from the Company (or if such distribution is deemed by the Depositary not to be reasonably practicable, the net proceeds of the sale of such securities or other

		property in U.S. Dollars); and • The right to request the Depositary to exercise subscription or similar rights made available by the Company to holders of Shares (or if such process is deemed by the Depositary not to be lawful and reasonably practicable, the right ro receive the net proceeds of the sale of the relevant rights), subject to applicable law and the detailed terms set out in the Deposit Agreements.
C.14/C.5	**Restrictions on the free transferability of the securities**	The GDSs will be subject to certain transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee.
C.14	**Rights attaching to the underlying shares, in particular voting rights, the right to share in profits and any liquidations surplus.**	Under the Deposit Agreements, two GDSs carry the right to instruct the Depositary to vote one Share, subject to the provisions of applicable law. The Depositary has agreed to pay Holders of GDSs cash dividends or other distributions it receives from the Company, subject to the restrictions and requirements imposed by applicable law and after deducting its fees and expenses. Subject to applicable law, Holders will receive these distributions in proportion to the number of Shares their GDSs represent. There is no bank or other guarantee attached to the GDSs and intended to underwrite the Company's obligations. *See C.14/C.4 above.*

Section D - Risks		
Element	**Requirements**	
D.4/D.2	**Information on the key risks that are specific to the issuer of the underlying shares**	The key risks relating to the Company are as follows: • The impact of, or failure of the Company to respond to, macroeconomic conditions, including those resulting from the political instability in Egypt following the revolution in 2011 could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any failure of the Company to successfully implement its cost-cutting and related non-core asset disposal programmes or any failure of such programmes to return the Company to profitability in 2014 with an improved balance sheet could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • The Group's exposure to volatile and illiquid securities and the effect of deteriorating market conditions on the fair value of such instruments could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any continued allegations of wrongdoing with respect to links to the former government or the emergence of any further allegations or identification of links with the former government could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations.

		• Any failure of the Group to attract new employees, retain and motivate existing employees and continue to compensate its employees competitively could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • The impact of any significant reduction in performance fees due to the Group as a result of losses experienced by the Group's funds could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Exposure to additional risks in periods characterised by volatile markets (such as, in the period since the Revolution), including incurring losses from the inability of customers to meet commitments (e.g., customer defaults) and employee misconduct and errors, subject the Group's net income and revenues to material fluctuations. • Any reduced fee and commission income due to reduced or failed capital markets offerings or merger and acquisition or a reduction in value of assets managed and administered could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations. • Any failure of the Group to compete with increased competition from both domestic and international firms as a result of the development of the securities industry in Egypt and the other markets in which the Group operates could have a material adverse effect on the Group's business prospects, financial condition, cash flows or results of operations.
D.5/D.3	**Information on the key risks that are specific to the securities**	The key risks relating to the GDSs are as follows: • The market price of the GDSs may be influenced by price and volume fluctuations that are not closely related to the operating performance of particular companies based on external factors, as well as by economic and market conditions in Egypt and, to a varying degree, economic and market conditions in other African countries and the emerging markets generally. • There can be no assurance as to the liquidity of any market that may develop for the GDSs, the ability of holders of the GDSs to sell their GDSs or the price at which such holders would be able to sell their GDSs. • Sales, or the real or perceived possibility of sales, of a significant number of Shares or GDSs in the public market could adversely affect prevailing market prices for the Shares or GDSs. • It may not be possible for investors to effect service of process within the United States, the United Kingdom or other jurisdictions outside Egypt upon the Company or any directors and senior management. • The interest of the GDS holders as beneficiaries in trust assets (the Shares held by the Depositary) is indirect, as they do not have any direct recourse to the Shares of the Company nor do they have any direct right of action against the Company.

		• Holders of GDSs will have no direct voting rights with respect to the Shares represented by the GDSs. • A 30% withholding tax may be imposed on all or some of the payments on the GDSs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. • Should the Company's shareholders decide against declaring dividends in the future, the price of the GDSs may be adversely affected. In addition, the value of dividends received by holders of the GDSs will be subject to fluctuations in the exchange rate between the Egyptian Pound and the U.S. Dollar, which could have an adverse effect on the price of the GDSs. Furthermore, the ability to convert Egyptian Pounds into U.S. Dollars (including dividend payments) is subject to the availability of U.S. Dollars in Egyptian currency markets.

Section E - Offer		
Element	**Requirements**	
E.1	**Net proceeds and expenses**	There will be no proceeds as there is no issue or offer of GDSs or other securities. Total expenses are estimated to be below £120,000.
E.2a	**Reasons for the offer, use of proceeds and estimated net amount of the proceeds**	*Not Applicable—there is no offering of GDSs.*
E.3	**Terms and conditions of the offer**	*Not Applicable—there is no offering of GDSs.*
E.4	**Interests material to the issue/offer**	*Not Applicable—there is no offering of GDSs.*
E.5	**Offerors and lock-up agreements**	*Not Applicable—there is no offering of GDSs.*
E.6	**Dilution resulting from the offer**	*Not Applicable—there is no offering of GDSs.*
E.7	**Expenses charged to the investor**	*Not Applicable—there is no offering of GDSs.*

RISK FACTORS

An investment in the GDSs involves a high degree of risk. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, as well as the detailed information set out elsewhere in this Prospectus, and reach their own views before making an investment decision.

The risks and uncertainties described below represent the risks the Company believes to be material but these risks and uncertainties are not the only risks and uncertainties the Group faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes are immaterial could also impair the Group's business operations. If any of the following risks actually materialises, the Group's business, results of operations, financial condition or prospectus could be materially adversely affected. If that were to happen, the trading prices of the GDSs could decline and investors may lose all or part of their investment. Factors, which are material for the purpose of assessing the market risks associated with the GDSs, are also described below.

Prospective investors should note that the risks relating to the Group, its industry and the GDSs summarised in the section of this document entitled "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the GDSs. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summaries in the section of this document entitled "Summary" but also, among other things, the risks and uncertainties described below.

Key Political and Economic Risks to the Group

Political and security concerns

Egypt's financial environment, and, accordingly, the environment in which the Group operates, is related to the overall political, social and economic situation in Egypt, which, is in turn tied to the general domestic situation in Egypt, including the levels of protests and unrest and their attendant effects on the internal stability of Egypt, and events in neighbouring countries. Since the revolution in January 2011 (the "**Revolution**"), the Egyptian Government (the "**Government**") has continued, and is likely to continue, to face challenges related to the internal stability of Egypt that often accompany such a political transition. These challenges, together with other incidents of social and political unrest and violence in Egypt and across the region, have had a significant adverse effect on the Egyptian economy.

As a result, the Group has experienced a reduction in demand for its investment banking and other services in Egypt as capital markets activity, in particular, equity capital markets transactions, have decreased. In the year ended 31 December 2013, the Company reported losses of EGP 335.0 million, due, in part, to adverse market conditions in Egypt as a result of political and economic instability. There can be no assurance that further incidents of political or social instability, terrorism, protests or violence will not directly or indirectly affect Egypt and its economy, which, in turn, could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Economic concerns

The Revolution and accompanying unrest in Egypt have had material negative macro-economic consequences for the Egyptian economy, which has negatively affected the Group's business. The Egyptian economy, at the domestic level, faces significant decreases in the growth rate of the Egyptian economy and in foreign direct investment. Real GDP has declined from 4.7% in 2008/09 and 5.1% in 2009/10 to 1.8% in 2010/11, 2.2% in 2011/12 and 2.1% in 2012/13. Total net foreign direct investment has decreased by 63.0% during the period 2008/09 to 2012/13 and 24.5% during the period 2011/12 to 2012/13.

Egypt's budget deficit has similarly increased from 6.9% of GDP in 2008/09 to 9.8% of GDP in 2010/11 and 13.7% of GDP in 2012/13. Net international reserves of the Central Bank of Egypt (the "**CBE**") decreased by U.S.$16.4 billion, or 52.3% since 30 June 2009 to U.S.$14.9 billion as at 30 June 2013 from U.S.$31.3 billion as at 30 June 2009), although reserves have subsequently recovered to U.S.$17.0 billion, as at 31 December 2013.

There can be no assurance that Egypt will be able to adequately address these and other economic issues. Any failure to do so will negatively affect investor confidence in Egypt and the willingness of investors to invest money, and engage in transactions in, Egypt, which will, in turn, negatively affect demand for the Group's services and have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Risks Relating to the Group

Recent Results of Operations

The Company reported losses of EGP 335 million for the year ended 31 December 2013, due to adverse market conditions in Egypt and the effects of one-off charges recognised in 2013 in respect of the Company's cost-cutting programme. While the Company's management believes that the cost-cutting and related non-core asset disposal programmes will return the Company to profitability in 2014 with an improved balance sheet, there can be no assurance that these programmes will be successful or that, even if such programmes are successful, other events (including those described below) will not occur as a result of which the Company's results of operation and financial condition will deteriorate further.

Write-Downs of Investments and Other Losses

The Group is exposed to volatile and illiquid securities, and as market conditions continue to evolve the fair value of such instruments could deteriorate. In addition, in the Group's principal investment activities, its concentrated holdings, illiquidity and market volatility may make it difficult to value certain of its investment securities. Subsequent valuations, in light of factors then prevailing, may result in significant changes in the values of these securities in future periods.

In year ended 31 December 2013, the Group recorded impairment losses of EGP 768 million, which included the recognition of charges amounting to EGP 512 million in respect of good will, EGP 129 million in respect of available-for-sale instruments and EGP 102 million in respect of other loans. EGP 19 million in respect of accounts receivables and debit accounts and EGP 6 million in respect of fixed assets.

The accumulated goodwill and intangible assets resulted primarily from the acquisition of a number of businesses in recent years, including, notably, the Fleming CIIC Group, brokerage businesses in Oman and Kuwait and the acquisition of Credit Libanais.

The decision to record impairment losses of goodwill and available for-sale assets was primarily due to a significant and prolonged decrease in the value of such assets, in turn, primarily due to adverse economic conditions in the region.

In addition, at the time of any sales and settlements of these securities, the price ultimately realised by the Group will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could result in the Group writing-down the value of its investment and securities portfolio, which could have a material adverse effect on the Group's results of operations in future periods.

Links to Former Government

Following the overthrow of President Hosni Mubarak and the dissolution of the then-Government, a number of charges were brought against former President Hosni Mubarak and a number of members of the former government and his family. In 2012, the Company confirmed that two sons of former President Mubarak had investments with the Group: (i) Gamal Mubarak acquired a 17.5% indirect ownership stake in EFG-Hermes Private Equity Ltd, a subsidiary of the Company, in 1997 and (ii) Alaa Mubarak and his wife, Heidy Rassekh, held securities accounts with the Group used to trade shares on the Egyptian Exchange, which were opened in 2006. The assets in these accounts were frozen by order of the Egyptian General Attorney in 2011 and there has been no trading on these accounts since that time.

Allegations of wrongdoing have been made in the Egyptian and international press with respect to these investments, which the Company has denied. Nevertheless, these investments remain controversial. If such controversy continues or further links to the former government are alleged or identified, the Group's reputation may be harmed, it may become the subject of government investigations and it may suffer losses as a result, all of which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Employees

The Group's success depends, in large part, on its ability to attract new employees, retain and motivate existing employees and continue to compensate its employees competitively. Competition for the best employees in most activities in which the Group engages can be intense, and there can be no assurance that it will be successful in its efforts to recruit and retain key personnel.

Cost-Cutting Programme

As part of its cost-cutting strategy, the Company has conducted successive rounds of employee head-count reductions and promoted more junior members of staff, who have been given enhanced responsibilities. There can be no assurance that the results of the head-count reductions or the promotion of junior employees will not result in a loss of important client relationships, experience and knowledge or that the Company will be able to operate as efficiently following the head-count reductions and promotions as it did prior to such events.

Client Relationships

The Group's future growth and success also depends in part upon the knowledge and continuing service of certain of the Company's Directors and key senior management, who possess experience, relationships and knowledge that are important to the operation of the Group's business, as well as its profitability and future growth. For example, in October 2013, Mr. Hassan Heikal, the then Co-Chief Executive Officer of the Company who had historically played an important role in generating business for the Group, stepped down after almost 30 years' service. Any failure to continue existing or generate new client relationships could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Legal Proceedings

There are criminal proceedings pending in the Criminal Court of Giza against Mr. Heikal and Mr. Yasser El Mallawany, the current co-Chief Executive Officer of the Company. Although both Mr. Heikal and Mr. El Mallawany are vigorously contesting the charges, if the charges result in increased publicity or result in convictions, it may negatively affect the Group and its reputation.

Adverse Publicity

The Group is subject to reputational, legal and regulatory risk in the ordinary course of business. Harm to the Group's reputation can come from numerous sources, including adverse publicity arising from events in the financial markets, the Group's failure or perceived failure to comply with legal and regulatory requirements and the actions and purported actions of the Group's employees (including as described above). In addition, any failure by the Group to deliver appropriate standards of service and quality or to appropriately describe the Group's products and services could result in customer dissatisfaction, lost revenue, higher operating costs, heightened regulatory scrutiny and litigation. Actions by the financial services industry generally or by other members of or individuals in the financial services industry can also negatively affect the Group's reputation. Should any of these or other events or factors that can undermine the Group's reputation occur, there is no assurance that the additional costs and expenses that the Group may need to incur to address the issues giving rise to the reputational harm would not adversely affect the Group's earnings and results of operations.

Asset Management Revenues

Revenues from the Group's asset management business are primarily derived from asset management fees, which are comprised of base management and performance fees. Management fees are typically based on assets under management, and performance fees are earned on a quarterly or annual basis only if the return on the managed accounts exceeds a certain threshold return for each investor. If a fund experiences losses, the Group will not earn performance fees.

Investment performance is one of the most important factors in retaining existing investors and competing for new asset management business. The Group's investment performance may be poor as a result of, among other factors, the current or future difficult market or economic conditions in Egypt and elsewhere, including changes in interest rates or inflation, terrorism or political uncertainty, the Group's investment style and the nature of the investments made. Poor investment performance will likely result in a decline in the Group's revenues and income by causing: (i) the net asset value of the assets under management by the Group to decrease, which would result in lower management fees; (ii) lower investment returns, resulting in a reduction of performance fee income; and (iii) investor redemptions, which would also reduce the assets under the Group's management.

If the Group's investment performance is perceived to be poor either relative to other investment opportunities or in absolute terms, the revenues and profitability derived from the Group's asset management business will likely be reduced and the Group's ability to grow existing funds and raise new funds in the future will likely be impaired.

Volatile Nature of the Securities Business

The Group's business is subject to additional risks in periods characterised by volatile markets (such as in the period since the Revolution), including incurring losses from the inability of customers to meet commitments (*e.g.*, customer defaults) and employee misconduct and errors. Consequently, the Group's net income and revenues have been, and may continue to be, subject to material fluctuations, reflecting the impact of such volatility and similar factors beyond the Group's control.

The Group's securities business is directly affected by fluctuations in the volume and price levels of securities transactions. Reduced volumes and prices generally result in lower brokerage commissions and investment banking revenues. In periods of low volume, profitability is adversely affected because certain of the Group's operating expenses (such as, salaries and benefits, communications and occupancy expenses) generally remain fixed.

Lower price levels of securities may also result in a reduced volume of transactions and in losses from declines in the market value of securities held by the Group for investment purposes. Sudden sharp declines in market values of securities and the failure of issuers and counterparties to perform their obligations can result in illiquid markets and the risk of such events occurring is increased in periods of political and economic instability, such as the period since the Revolution. In such markets, the Group may not be able to sell securities at a market or any price. All of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Fee and Commission Based Income

The Group's revenue from the majority of its operations (apart from its commercial banking activities) is derived from fees and commissions. Fees and commissions for many of the Group's services are based on the success of a capital markets offering or merger and acquisition, the volume of transactions processed, the market value of assets managed and administered, securities lending volume and spreads, and fees for other services rendered.

Severe market fluctuations, weak economic conditions, a decline in stock prices, trading volumes or liquidity have in the past caused, and could continue to cause, the Group's financial results to fluctuate from period to period as a result of the following, among other things:

- the number and size of transactions for which the Group provides underwriting and merger and acquisition advisory services may decline;
- the value of the securities the Group holds in inventory as assets, which are often purchased in connection with market-making and underwriting activities, may decline; and
- the volume of trades the Group would execute for its clients may decrease.

A number of such factors have occurred in Egypt since the Revolution in 2011, which has led to decreased capital markets activity and, accordingly a reduction in the number and size of transactions, as well as the volume of trades executed by the Group. The continued or increased occurrence of any of the above factors could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Corporate Finance Engagements

The Group is generally engaged by its corporate finance clients on a short-term, engagement-by-engagement basis in connection with specific corporate finance, merger and acquisition transactions (often as an advisor in company sale transactions) and other strategic advisory services, rather than on a recurring basis under long-term contracts. As these transactions are typically one-off in nature and the Group's engagements with these clients may not recur, the Group must seek new engagements when current engagements are successfully completed or are terminated. A failure to generate a substantial number of new engagements that generate fees from new or existing clients could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group's ability to generate new engagements is negatively impacted in times of weaker market conditions, such as the period in Egypt since the Revolution, as capital markets activity has declined and the competition for corporate finance engagements have greatly increased. While the Group was able to generate advisory mandates in 2013 across new sectors and industries and to capitalise on its activities outside of Egypt, there can be no assurance that it will be able to continue to do so, or that demand for investment banking services in Egypt will return to pre-Revolution levels in the near term.

Large and More Frequent Capital Contributions

There is a trend toward larger and more frequent commitments of capital by financial services firms in many of their activities. For example, in order to win business, investment banks are increasingly committing to purchase large blocks of stock from publicly traded issuers or significant stockholders, instead of the more traditional marketed underwriting process in which marketing is typically completed before an investment bank commits to purchase securities for resale. While companies within the Group do not at present participate in this trend, they may do so in the future and, if so, as a result, may be subject to increased risk. Conversely, if the Group does not have sufficient regulatory capital to so participate, its business may suffer. Furthermore, the Group may suffer losses as a result of the positions taken in these transactions even when economic and market conditions are generally favourable for others in the industry.

Although companies in the Group do not currently conduct trading activities that would require it to take long or short positions, it may do so in the future. The Group may incur significant losses from such sales and trading activities due to market fluctuations and volatility in its results of operations. To the extent that the Group holds long positions in the future in any such markets, a downturn in the value of the assets held or in those markets could result in losses. Conversely, to the extent that the Group holds short positions in the future any such markets, an upturn in those markets could expose the Group to potentially large losses as it attempts to cover its short positions by acquiring assets in a rising market.

Competition

The Group encounters competition in all aspects of its business and competes directly with other domestic and foreign investment banking firms, asset managers and securities brokers, some of which have greater capital, financial and other resources than the Group. As a result of the development of the securities industry in Egypt and the other markets in which the Group operates, there has been increasing competition from both domestic and international firms in these markets.

Asset Management

The size and number of asset management funds competing with the Group's asset management business has continued to increase in recent years. If this trend continues, it is possible that it will become increasingly difficult for the Group's funds to raise capital. Many alternative investment strategies seek to exploit these inefficiencies and, in certain industries, this drives prices for investments higher, in either case increasing the difficulty of achieving targeted returns. The Group competes in the asset management business with a large number of investment management firms, private equity fund sponsors, hedge fund sponsors and other financial institutions. These and other factors could reduce the Group's earnings and revenues and adversely affect the Group's business. In addition, if the Group is forced to compete with other alternative asset managers on the basis of price, it may not be able to maintain its current base management and performance fee structures.

Commercial Banking

Credit Libanais S.A.L. ("**Credit Libanais**"), the Company's Lebanese commercial banking subsidiary in which it holds a controlling interest, is subject to intense competition. This competition includes large international financial institutions with access to larger and cheaper sources of funding, as well as domestic financial institutions. Competition to attract depositors and quality borrowers and to provide fee-based services to customers is significant and continuously increasing. Due to the intensity of such competition and the increasing number of institutions offering financial and banking services in Lebanon, in common with other Lebanese banks, the average cost of deposits and lending margins have decreased. Depending on the continuing extent and intensity of the competition, interest expenses may increase and revenues may decrease.

Increased Regional Competition

Competition in all aspects of the Group's business will likely continue to increase, as the securities markets in the MENA region continue to develop. The principal competitive factors influencing the Group's business are its professional staff, the Group's reputation in the marketplace, its existing client relationships and its mix of market capabilities. The Group's ability to compete effectively in securities brokerage and investment banking activities will also be influenced by the adequacy of its capital levels. Furthermore, pricing pressures, as a result of the willingness of competitors to offer comparable or improved products or services at a lower price, may result in a reduction in the price the Group can charge for our products and services, which could negatively affect the Group's ability to maintain or increase its profitability.

Historical Returns Not Indicative of Future Results

The historical returns of the Group's funds are not indicative of the future results that should be expected from such funds or from any future funds that may be raised by the Group. The Group's rates of returns reflect unrealised gains, as of the applicable measurement date, which may never be realised due to changes in market and other conditions not within the Group's control, which may adversely affect the ultimate value realised from the investments in a fund. Investment opportunities and general market conditions that may have benefitted the Group's funds may also not be repeated, and there can be no assurance that the Group exists or future funds will be able to avail themselves of profitable investment opportunities.

Risk of Capital Losses

The Group uses a portion of its own capital in a variety of principal investment activities, each of which involves risks of illiquidity, loss of principal and revaluation of assets. At 31 December 2013, the Group's gross principal investments included EGP 1,787 million of available-for-sale investments and EGP 82 million of investments in associates. The companies in which the Group invests may rely on new or developing technologies or novel business models, or concentrate on markets which are or may be disproportionately impacted by pressures in the financial services or countries experiencing political or economic difficulties, or other sectors, have not yet developed and which may never develop sufficiently to support successful operations, or their existing business operations may deteriorate or may not expand or perform as projected. As a result, the Group has suffered losses in the past year, ended 31 December 2013, of EGP 129 million of available-for-sale investments and may suffer losses from its principal investment activities in the future.

The Group does and may continue to purchase equity securities and, to a lesser extent, debt securities, in venture capital, seed and other high risk financings of early-stage, pre-public or "mezzanine stage", distressed situations and turnaround companies, as well as funds or other collective investment vehicles. The Group is exposed to the risk of the loss of capital it has invested in those activities. The Group may also use its capital, including on a leveraged basis, in principal investments in both private company and public company securities that may be illiquid and volatile. There can be no assurance that general market conditions will not cause the market value of our investments to decline. In addition, some of these investments are, or may in the future be, in industries or sectors that are unstable, in distress or undergoing some uncertainty. Such investments may be subject to rapid changes in value caused by sudden company-specific or industry-wide developments. Contributing capital to these investments exposes the Group to risk and the Group may lose some or the entire principal amount of such investments.

Third-Party Defaults

The Group is exposed to the risk that third parties that owe the Group money, securities or other assets will not perform their obligations. In 2013, total client defaults amounted to EGP 7 million. These parties may default on their obligations to the Group as a result of bankruptcy, lack of liquidity, operational failure or other reasons. Declines in the market value of securities can result in the failure of buyers and sellers of securities to fulfil their settlement obligations and in the failure of the Group's clients to fulfil their credit obligations. During difficult market conditions, such as those currently experienced in Egypt and the surrounding region, counterparties of the Group in securities transactions may be less likely to complete transactions. In addition, particularly during difficult market conditions, the Group may face additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

Regulation

In Egypt, the Group is subject to regulation by the Government authorities, including, in particular, the General Authority for Investment (the "**GAFI**") and the Egyptian Financial Supervisory Authority (the "**EFSA**"). The GAFI has general administrative authority over the Company, including inspection and supervision, in order to ensure compliance with Egyptian Companies Law and its executive regulations. As a joint stock company whose activities are governed by the Capital Market Law, the Company is subject to the supervision of the EFSA. The Company is required to produce financial statements quarterly in accordance with Egyptian Accounting Standards and to abide by the disclosure requirements of the EFSA. Since the Company engages in transactions subject to review by regulatory authorities, which may exercise considerable discretion and the regulatory framework is continually developing, transactions undertaken by the Company and the fees received in respect of such transactions are subject to review, reduction and reversal by the regulatory authorities. The Group is also subject to similar regulatory and licensing requirements in the other markets in which the Group operates.

Any failure to comply with applicable laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and reputational damage, which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations. Although the Group has policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur. If violations do occur, they could damage the Group's reputation, increase its legal and compliance costs, and ultimately adversely impact the Group's results of operations. Laws, regulations or policies currently affecting the Group may change at any time. Regulatory authorities may also change their interpretation of these statutes and regulations. Accordingly, the Group's business may also be adversely affected by future changes in laws, regulations, policies or interpretations or regulatory approaches to compliance and enforcement.

Exchange Rate Risks

The Company maintains its accounts and reports its results in Egyptian Pounds. The Group is exposed to the effects of fluctuations in foreign currency exchange rates on its financial positions and cash flows. In particular, the Egyptian Pound has historically been volatile against key foreign currencies, such as the U.S. Dollar. The Group's income from foreign currency differences has been particularly affected by the weakening of the Egyptian Pound, which weakened by 9.8% in 2013 from EGP 6.319 per U.S.$1.00, as at 31 December 2012, to EGP 6.939 per U.S.$1.00, as at 31 December 2013. Any future changes in currency exchange rates and the volatility of the Egyptian Pound may adversely affect the Group's foreign currency positions, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Tax Accounting

The Company benefits from the ability to book certain revenues paid by overseas clients participating in offshore transactions to subsidiaries incorporated in offshore jurisdictions, resulting in considerable tax savings. The Company believes that this practice is consistent with Egyptian tax law. There can be no assurance that such favourable tax treatment will continue, and a change in Egyptian tax policy could adversely affect the Group's after tax profits.

In addition, changes to tax legislation in Egypt, in particular, imposing capital gains taxes on shares and dividends are under discussion. There can be no assurance if, and when, these or further changes to tax legislation (if any) may be introduced and the effects such legislation may have on the Company or holders of the GDSs.

Internal Controls

The Group's internal controls, disclosure controls and procedures and corporate governance policies and procedures are regularly reviewed and updated. Any system of controls, however, is based in part on certain assumptions and can provide only reasonable, rather than absolute, assurances that the objectives of the system are met. Any failure or circumvention of the Group's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Commercial Banking Risks

Credit Libanais is exposed to a variety of financial, market and operational risks, including credit risk, market risk, currency risk, interest rate risk, prepayment risk, equity price risk, liquidity risk and operational risk in the course of its banking activities. Whilst management believes that its risk management policies and procedures are appropriate and sufficient to control and mitigate such risks, any failure to adequately control these risks could be greater than anticipated and could result in a material adverse effect on Credit Libanais' business, prospects, financial condition, cash flows or results of operations, and, in turn, the Group's financial condition, cash flows or results of operations.

Operational Risk

The Group is exposed to operational risk, including: losses resulting from errors related to transaction processing; breaches of the Group's internal control system and compliance requirements; fraud by employees or persons outside the Group; business interruption due to system failures; unsuccessful or difficult implementation of computer systems upgrades; natural disasters or other events; or other risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also include breaches of the Group's technology and information systems resulting from unauthorised access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of non-compliance with applicable laws, regulatory requirements or contracts that could have an adverse effect on the Group's reputation and could result in the imposition of fines or civil money penalties or the payment of damages.

While the Group believes that its risk management processes are adequate, the Group's business and the markets in which it operates are continuously evolving. Accordingly, the Group may fail to understand fully the implications of changes in its businesses or the financial markets or fail to adequately or timely enhance the Group's risk framework to address such changes. If the Group's risk framework is ineffective, either because it fails to reflect changes in the financial markets, regulatory requirements, the Group's businesses, the Group's counterparties, clients or service providers or for other reasons, the Group could incur losses, suffer reputational damage or be in breach of applicable regulatory or contractual mandates or expectations.

Information Technology and Information Systems

The Group relies on communications and information systems to conduct its businesses and its businesses that rely heavily on technology, including the Group's securities brokerage, are particularly vulnerable to security breaches and technology disruptions. The security of the Group's computer systems, software and networks, and those functions that the Group may outsource, may be subjected to cyber threats that could result in failures or disruptions in the Group's business. Breaches of security may occur through intentional or unintentional acts by those having authorised or unauthorised access to our systems or our clients' or counterparties' confidential information, including employees and customers, as well as hackers.

A breach of security that results in the loss of confidential client information may require the Group to reconstruct lost data or reimburse clients for data and credit monitoring efforts, may result in loss of customer business, or damage to the Group's computers or systems and those of the Group's customers and counterparties, would be costly and time-consuming, and may negatively impact the Group's results of operations and reputation. Additionally, security breaches or disruptions of the Group's information systems, or those of our service providers, could impact the Group's ability to provide services to the its clients, which could expose the Group to liability for damages which may not be covered by insurance, result in the loss of customer business, damage the Group's reputation, subject the Group to regulatory scrutiny or expose the Group to civil litigation, any of which could have a material adverse effect on the Group's financial condition and results of operations.

In addition, the failure to upgrade or maintain the Group's computer systems, software and networks, as necessary, could also make the Group susceptible to breaches and unauthorised access and misuse. There can be no assurance that any such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed. The Group may be required to expend significant additional resources to modify, investigate or remediate vulnerabilities or other exposures arising from information systems security risks.

Acts of Terrorism, Natural Disasters, Pandemics and Global Conflicts

Acts of terrorism, natural disasters, pandemics, global conflicts or other similar catastrophic events could have a negative impact on the Group's business and operations. In particular, Egypt has experienced occasional terrorist attacks in recent years. For example, there was a violent incident in Luxor in 1997, attacks in Sharm el-Sheikh and Cairo in 2005, and an attack in the Sinai resort city of Dahab in April 2006 in which 23 people were killed. More recently, there were violent incidents outside a Coptic church in Alexandria in 2011, which killed at least 21 people, at an Egyptian military base in Sinai in August 2012, resulting in the death of 16 Egyptian soldiers, and at Mansoura in December 2013, which killed 12 people. There can be no assurance that extremists or terrorist groups will not escalate or continue occasional violent activities in Egypt.

While the Group has developed business continuity and disaster recovery plans, such events could still damage its facilities, disrupt or delay the normal operations of its business (including communications and technology), result in harm or cause travel limitations on its employees, and have a similar impact on its clients, suppliers and counterparties. These events could also negatively impact the Group to the extent that those acts or conflicts result in reduced capital markets activity, lower asset price levels or disruptions in general economic activity in the markets in which the Group operates.

Risks Relating to Emerging Markets

Emerging markets

Investors in emerging markets, such as Egypt, should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. These risks have been exacerbated by the Revolution and subsequent events in Egypt. Investors should also note that emerging economies, such as Egypt's and the other countries in which the Group operates, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and companies, including the Group, in countries in the emerging markets, including Egypt, may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

Lebanese Risk

Credit Libanais, as well as certain other Group companies, operate in Lebanon and, accordingly, the Group's financial condition, results of operations and business prospects are impacted by the overall political, social and economic situation in Lebanon, which, in turn, is tied to the geo-political situation in the region.

Parliamentary elections were scheduled to take place in Lebanon in June 2013 but were postponed until November 2014 by Parliamentary vote and, in anticipation of upcoming elections, political tensions have increased in the Lebanese Republic. In addition, President Sleiman's term expired on 25 May 2014 and no new President has since been elected. Any failure to elect a successor to President Sleiman in a timely fashion may negatively affect the Lebanese Republic, which could, in turn, have a material adverse effect on Credit Libanais and, accordingly, the Group's business, prospects, financial condition, cash flows or results of operations.

In addition, in common with other Lebanese banks, a significant portion of Credit Libanais' liquidity in both Lebanese Pounds and foreign currency is invested in Lebanese Government obligations or maintained as reserves with *Banque du Liban*, the central bank of the Lebanese Republic (the "**BDL**"). There can be no assurance that Credit Libanais will be able to liquidate all or a portion of its portfolio of the Lebanese Government treasury bills, bonds or placements if it became necessary or advisable to do so. As a result, any default by the Lebanese Government or the BDL on any of its obligations or any significant reduction in value or liquidity of Government securities Credit Libanais holds or in the regulatory or accounting treatment thereof would have a material adverse effect on Credit Libanais and, accordingly, the Group's business, prospects, financial condition, cash flows or results of operations.

Political Risk

Certain of the countries in which the Group has existing operations, or is considering commencing operations, have in the past experienced periods of political instability and, in some cases, civil unrest and clashes or are located in regions characterised by instability. Such political and social unrest that may characterise the regions where the Group has or may commence operations has, at times, adversely affected the financial services and banking sectors in these jurisdictions and there can be no assurance that social and civil disturbances will not occur in the future. As has been the case in Egypt, such conditions are not likely to be resolved quickly and, accordingly, could lead to further political and economic instability, as well as loss of confidence in business investment in the regions where the Group currently operates or may operate in the future.

Many emerging markets countries, including those in which the Group operates, are also undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government backlash against foreign investment, and possibly even a turn away from a market-oriented economy. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the Group's business in such countries and, in turn, the value of the Shares and the GDSs.

Economic Risk

The Group's businesses have been in the past, and may in the future, be materially affected by conditions in the financial market and general economic conditions, such as the level and volatility of interest rates, investor sentiment, the availability and the cost of credit, volatile energy prices, consumer confidence, unemployment, and geopolitical issues. In addition, the economies of emerging markets countries, such as Egypt, are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are normal. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries, including Egypt, are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect the Group's operations in such country. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well developed or well regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the Group's business in a particular market.

Other Risks Relating to Egypt

Uncertainties Regarding Formation and Policies of the New Government

Presidential elections were held in May 2014 and Abdel Fattah Al-Sisi was sworn in as President of the Republic on 8 June 2014. According to figures announced by the President of the Supreme Committee for the Presidential elections, President Al-Sisi won 96.9% of the presidential vote with an estimated turnout of approximately 47%. On 9 June 2014, the Prime Minister, Ibrahim Mahlab, tendered his cabinet's resignation to the newly inaugurated President Al-Sisi. President Al-Sisi reappointed Mr. Mahlab as Prime Minister on 9 June 2014 and asked him to form a new interim government. There can be no assurance when this interim government will be formed. Parliamentary elections are expected to follow the Presidential elections, although the date of the elections has not yet been set. Accordingly, it is also unclear when a new government will be formed, what its economic, political and social policies will be and what the reaction of the various parties to the composition or the policies of the new government will be or what the impact of such policies and reactions on the financial situation in Egypt and on the Group and its businesses. For example, an increased fiscal deficit or an inability to finance the fiscal deficit, each could negatively affect investor confidence in Egypt and thus demand for the Group's services. Such factors could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Inflation

Whilst inflation, as measured by the CPI, has decreased from 18.3% in December 2008 to 4.7% in December 2012, inflation has been increasing in recent months, reaching 10.1% in September 2013. The Egyptian economy is subject to further risk of high or increasing inflation due to the devaluation of the Egyptian Pound since the Revolution and an expected recovery in GDP growth rates as the economic reforms begin to be implemented. In past years, most recently in 2013, price increases have led to riots. Although price stability is at the centre of the CBE's monetary policy, there can be no guarantee that the CBE will be able to achieve or maintain price stability and thus control inflation. A failure to control inflation could have a material adverse effect on the investment climate in Egypt and, accordingly, on the Group's business, prospects, financial condition, cash flows or results of operations.

Global Financial Crisis

The global financial crisis, which commenced in 2007, has significantly affected global markets and volatility and declines in security prices, severely diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, default, failure, collapse or sale of various financial institutions and an unprecedented level of intervention from the United States federal government and other governments continues. In particular, global financial markets have experienced increased volatility since the second half of 2011, during which the sovereign ratings of, among others, the United States, France, Austria, Greece, Ireland, Portugal, Spain and Italy, as well as Egypt and many Gulf countries have been downgraded, and continued concerns over the stability of the European monetary system and the stability of certain European economies, notably Greece, Ireland, Portugal, Spain, Italy and Cyprus remain. No assurance can be given that a further economic downturn or financial crisis will not occur, or that measures to support the financial system, if taken to overcome a crisis, will be sufficient to restore stability in the global financial sector and markets in the short-term or beyond.

In particular, Egypt's economy may be vulnerable to external shocks, including the continuing impact of the global financial crisis and those that could be caused by future significant economic difficulties of its major regional trading partners or by more general "contagion" effects. Each of these factors, or a combination of them, could have a material adverse effect on Egypt's economic growth and could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations as its ability to grow its operations is impeded, or it experiences losses and reduced profitability as a result of a further deterioration in market conditions.

Egypt's ratings

The rating of Egypt's long-term foreign currency debt has been repeatedly downgraded in recent years due to, amongst other things, the political and economic challenges faced by Egypt following, and as a result of, the political protests and uprisings occurring. Egypt's long-term foreign currency debt is currently assigned a rating of "B-" with a stable outlook by S&P, a rating of "B-" with a stable outlook by Fitch and a rating of "Caa1" with a negative outlook by Moody's. These ratings are sub-investment grade and the rating downgrades have negatively affected, and may continue to negatively affect, investor confidence in Egypt, which, in turn, affects demand for the Group's services. There can be no assurance that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. Any changes in the credit ratings of Egypt could adversely affect the trading price of the GDSs. A change in the credit rating of one or more other Egyptian corporate borrowers could also adversely affect the trading price of the GDSs. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Risks Relating to the GDSs

Market price

The market has from time to time experienced significant price and volume fluctuations that are not closely related to the operating performance of particular companies. Factors including developments in the financial sector, increased competition, fluctuations in the Group's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters and war may have an adverse effect on the market price of the GDSs.

The market price of the GDSs is also influenced by economic and market conditions in Egypt and, to a varying degree, economic and market conditions in other African countries and the emerging markets generally. Financial turmoil in other emerging markets in the past has adversely affected market prices in the world's securities markets for companies that operate in those developing economies. Financial turmoil in both Egypt and other emerging markets could materially adversely affect the market price of the GDSs.

Trading market risk

There can be no assurance as to the liquidity of any market that may develop for the GDSs, the ability of holders of the GDSs to sell their GDSs or the price at which such holders would be able to sell their GDSs. Although the GDSs will be listed, there can be no assurance that, where such listing is obtained, an active trading market will develop or be sustained. In addition, the liquidity of any market for the GDSs will depend on the number of holders of the GDSs, the interest of securities dealers in making a market in the GDSs and other factors.

Sales

Sales, or the real or perceived possibility of sales, of a significant number of Shares or GDSs in the public market could adversely affect prevailing market prices for the Shares or GDSs. The Company cannot predict the effect, if any, that market sales of the Shares and GDSs, or the availability of the Shares or GDSs for future sale, will have on the market price of its GDSs, but these factors could adversely affect the price of the Shares and the GDSs.

Enforcement of foreign judgments against the Company

The Company is incorporated under the laws of Egypt and substantially all of the assets of the Company are located outside of the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States, the United Kingdom or other jurisdictions outside Egypt upon the Company or any directors and senior management or to enforce against any of them judgments of courts in the United States, the United Kingdom or other jurisdictions outside Egypt, including judgments predicated upon civil liabilities under the securities laws of the United States or the United Kingdom.

No legal interest in the underlying shares

GDS holders acquire the beneficial, and not the legal, interest in the underlying Shares, which the Depositary holds on trust for them, under the Deposit Agreements. The intended effect of the trust is to ring-fence the shares in the hands of the Depositary by conferring a property interest on GDS holders as beneficiaries.

The interest of the GDS holders as beneficiaries in trust assets (the Shares held by the Depositary) is indirect, in the sense that in the normal course, they do not have any direct recourse to the Shares of the Company nor do they have any direct right of action against the Company. The Company has however entered into a deed poll in favour of GDS holders.

Limitations on voting

Holders of GDSs will have no direct voting rights with respect to the Shares represented by the GDSs. They will have a right to instruct the Depositary on how to exercise those rights, in accordance with the Deposit Agreements. However, there are practical limitations upon their ability to exercise voting rights due to additional procedural steps involved in the Company's communication with holders. GDS holders will not receive notices of meetings directly from the Company, but from the Depositary, which has undertaken to mail to GDS holders notices of meetings, copies of voting materials and a statement as to the manner in which instructions may be given by holders. As a result, the process of exercising voting rights may take longer for holders of GDSs than for holders of the Shares and there is a possibility that a holder will not receive voting materials or otherwise learn of a meeting of shareholders in time to enable the holder to return voting instructions to the Depositary in a timely manner. See "*Description of the Global Depositary Receipts*".

Payment of Dividends

The payment of dividends, if any, by the Company to its shareholders and holders of the GDSs will depend on (in addition to applicable regulatory requirements), among other things, the Company's future profits, financial position and capital requirements, the sufficiency of the Company's distributable reserves, credit terms, general economic conditions and other factors that the directors or shareholders deem to be important from time-to-time. Should the Company's shareholders decide against declaring dividends in the future, the price of the GDSs may be adversely affected.

Any dividends that may be paid by the Company in the future in respect of the Shares held by the Depositary or its nominee on behalf of GDS holders will be declared and paid in Egyptian Pounds and will be converted into U.S. Dollars by the Depositary and distributed to holders of the GDSs, net of all fees, taxes, duties, charges, cost and expenses, which may become or have become payable under the Deposit Agreements or under applicable law in respect of such GDRs.

Accordingly, the value of dividends received by holders of the GDSs will be subject to fluctuations in the exchange rate between the Egyptian Pound and the U.S. Dollar, which could have an adverse effect on the price of the GDSs.

Furthermore, even though current Egyptian legislation permits distributions in Egyptian Pounds to be converted into U.S. Dollars by the Depositary without restriction, the ability to convert Egyptian Pounds into U.S. Dollars is subject to the availability of U.S. Dollars in Egyptian currency markets. Although there is an existing, albeit limited, market within Egypt for the conversion of Egyptian Pounds into U.S. Dollars, continued or further development of this market is uncertain. Furthermore, the CBE could in the future impose certain restrictions and requirements with respect to foreign currency operations carried out in Egypt.

Foreign Account Tax Compliance Act

A 30% withholding tax may be imposed on all or some of the payments on the GDSs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current guidance, the amount to be withheld is not defined, and it is not yet clear whether or to what extent payments on the GDSs may be subject to this withholding tax.

This withholding tax, if it applies, could apply to any payment made with respect to the GDSs. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, GDSs held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding.

If FATCA withholding is required, the Company will not be required to pay any additional amounts with respect to any amounts withheld. Certain beneficial owners of GDSs that are not foreign financial institutions generally will be entitled to refunds of any amounts withheld under FATCA, but this may entail significant administrative burden. U.S. and non-U.S. holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the GDSs.

In addition, certain U.S.-source payments received by the Company may be subject to 30% withholding if the Company does not comply with reporting obligations imposed by FATCA. To avoid the imposition of such withholding, the Company intends to comply with FATCA to the extent permitted by Egyptian law.

IMPORTANT INFORMATION

This Prospectus contains information provided by the Company in connection with the Application. The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company, having taken all reasonable care that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person may reproduce or distribute this Prospectus, in whole or in part, or disclose any of its contents or use any information herein for any purpose other than the Application.

The distribution of this Prospectus and the transfer of GDSs in certain jurisdictions may be restricted by law. **The Company requires persons into delivery and whose possession this Prospectus comes to inform themselves about and to observe any such restrictions**. **This Prospectus does not constitute an offer of, or an invitation to purchase, GDSs in any jurisdiction**. **No one has taken any action that would permit a public offering to occur in any jurisdiction**.

The GDSs have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States at any time, other than in accordance with Regulation S, Rule 144A or another available exemption under the Securities Act. Neither the U.S. Securities and Exchange Commission, nor any state securities commission nor any other regulatory authority, has approved or disapproved the Securities or passed upon or endorsed the merits of the Company's GDS Programme (the "**Programme**") or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Holding GDSs involves a number of risks. Participation in the Programme is suitable only for, and should be made only by, sophisticated investors who can bear the risks of limited liquidity and who understand and can bear the financial and other risks of participating in the Programme for an indefinite period of time. The contents of this document are not to be construed as legal, business or tax advice. Each prospective GDS holder should consult his, her or its own solicitor, independent financial advisor or tax advisor for legal, financial or tax advice. Holders of GDSs must make their own on-going examination of the Company and the terms of the GDSs, including the risks involved. See "*Risk Factors*".

Forward-Looking Statements

Certain statements in this Prospectus may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These statements appear in a number of places in this Prospectus and include statements regarding the Company's intent, belief or current expectations or those of the Company's Management (as defined below) with respect to, among other things:

- changes in economic, political, social or legal conditions in Egypt and the other markets in which the Company and its customers operate;
- the Company's results of operations, financial condition, future economic performance and any plans regarding its business;
- the Company's competitive position and the effect of such competition on its results of operations;
- trends affecting the Company's financial condition or results of operations;
- the Company's plans, including those related to new products or services and anticipated customer demand for such products or services and potential acquisitions;
- the Company's growth and investment programmes, the relevant anticipated capital expenditure and the success of its investments programmes;
- the Company's intentions to contain costs, increase operating efficiency and promote best practices;
- assumptions made by the Company's Management;
- the impact of the on-going global financial crisis;

- the potential impact of regulatory actions on the Company's business, prospects, financial condition, cash flows and results of operations; and

- the timing, impact and other uncertainties of future actions.

These forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "is expected to", "will", "will continue", "should", "approximately", "would be", "seeks", or "anticipates" or similar expressions or comparable terminology, or the negatives thereof. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results, performance or achievements of the Company may differ materially from those expressed or implied in the forward-looking statements as a result of various factors. The information contained in this Prospectus, including, without limitation, the information under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Selected Statistical and other Data*", "*Business Description*" and "*The Arab Republic of Egypt*", identifies important factors that could cause such differences. In addition, many other factors could affect the Company's actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements.

The Company is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus, As a result of these risks, uncertainties and assumptions, prospective holders of GDSs should not place undue reliance on these forward-looking statements.

Presentation of Financial and Certain Other Information

Financial Statements

The audited consolidated financial statements of the Company as at and for the years ended 31 December 2011, 2012 and 2013 (the "**Financial Statements**") are included elsewhere in this Prospectus.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Company also prepares statutory annual audited consolidated financial statements under Egyptian Accounting Standards.

Rankings

A number of institutions publish ranking, league table and other similar statistical information regarding the Group, its business and its competitors, some of which are included in this Prospectus. Different methodologies in compiling such figures can yield different results.

Currencies

Unless otherwise specified or the context so requires, references to:

- "**British Pounds Sterling**", "**GBP**" and "**£**" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

- "**Egyptian Pounds**" and "**EGP**" are to the lawful currency of Arab Republic of Egypt

- "**Lebanese Pounds**" and "**LBP**" are to the lawful currency of the Lebanese Republic

- "**U.S. Dollars**" and "**U.S.$**" are to the lawful currency of the United States of America

"**Euros**" and "**€**" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union (the "**EU**"), as amended

Where amounts have been translated into U.S. Dollars, they have been so translated for convenience only at the rates indicated. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into U.S. Dollars at that or any other rate. See "*Risk Factors—Risks Relating to the Group—Exchange Rate Risks*".

Historical Exchange Rate Information

The table below shows, for the periods indicated, the high, low, average and period-end exchange rates between the Egyptian Pound and the U.S. Dollar expressed as the number of Egyptian Pounds per U.S.$1.00 and as published by the CBE.

	High	Low	Average	Period End
		(*EGP per U.S.$1.00*)		
Year ended 31 December				
2013	7.018	6.389	6.864	6.939
2012	6.375	6.029	6.070	6.319
2011	6.035	5.796	5.948	6.032

Source: CBE

The BDL has maintained an exchange rate policy since October 1992 of anchoring the Lebanese Pound nominal exchange rate to the U.S. Dollar. Since 2000, the Lebanese Pound/U.S. Dollar exchange rate has remained unchanged at LBP 1,507.5 per U.S.$1.00.

These rates may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this Prospectus. The average is computed using the exchange rates set on each business day during the period.

Rounding

Certain amounts, which appear in this Prospectus, have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as the totals in certain tables may not be an arithmetic aggregation of the figures, which precede them. Rounding conventions have been observed.

Certain Definitions

Information in this Prospectus relates to the Company and its consolidated subsidiaries and, unless the context requires otherwise, the terms the "**Company**" and "**Group**" refers to EFG-Hermes Holding S.A.E., together with its consolidated subsidiaries. References to "**Management**" are to the Company's senior management team. References to the "**Government**" are to the government of the Arab Republic of Egypt ("**Egypt**"). References to "**Shares**" are to ordinary shares of EFG Hermes with a par value of EGP 5 per share.

Websites

The contents of the Company or any member of the Group's websites (including any materials that are hyper-linked thereon) do not form part of this Prospectus.

Information from Public Sources

Certain statistical and market information that is presented in this Prospectus has, unless otherwise stated herein, been extracted from documents and other publications released by the CBE, the Ministry of Finance and the Central Agency for Public Mobilisation and Statistics ("**CAPMAS**"). Annual information presented in this Prospectus published by Government authorities is, unless otherwise noted, based on the Republic's fiscal year. The Republic's fiscal year commences on 1 July of each year and ends on 30 June of the following year. Accordingly, the year commencing 1 July 2013 and ending 30 June 2014 is referred to as "2013/14". All information from public sources is subject to revision and update. All figures from public sources for the year 2012/13 and subsequent periods should be considered preliminary.

The Company has accurately reproduced such information and, so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Where third-party information has been used in this Prospectus, the source of such information has been identified.

Enforcement of Foreign Judgments

The Company is incorporated under the laws of Egypt. The majority of the members of the board of directors or other principal officers of the Company are resident outside of the United States and the United Kingdom, and substantially all of the assets of the Company are located outside of the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States or the United Kingdom or other jurisdictions outside Egypt upon the Company or any directors and executive officers or to enforce against any of them judgments of courts in the United States or the United Kingdom or other jurisdictions outside Egypt, including judgments predicated upon civil liabilities under the securities laws of the United States or the United Kingdom.

Enforcement of foreign court judgments in Egypt is subject to the following conditions:

- the foreign courts rendering the relevant judgment must offer reciprocal treatment to judgments obtained in the courts of the Egypt; if such reciprocal treatment is not offered by the foreign court where the judgment is obtained, the Egypt's courts will re-examine the merits of the case;
- the courts of Egypt are not exclusively competent to hear the dispute which was the subject of the foreign judgment, and the foreign court is shown to have been competent to hear the dispute in accordance with its own respective laws;
- the parties to the dispute were duly notified and properly represented in the proceedings;
- the judgment is final and conclusive in accordance with the laws of its place of issuance; and
- the judgment does not conflict with a prior Egyptian judgment on the same subject matter and is not contrary to public policy in Egypt.

Egyptian counsel to the Company has advised that they are not aware of any Egyptian court decision that was enforced by the courts of the United Kingdom, which would satisfy the first criterion above. Egyptian courts are competent to hear disputes brought against Egyptians whether or not resident in Egypt, which may result in the rejection of the request of *exequatur* of a non-Egyptian judgment rendered against the Company. Further, since a review of whether the judgment conflicts with Egyptian public policy is a matter for Egyptian courts to decide, foreign court judgments would not be enforceable without being re-examined on the merits. The only exception is where an international treaty providing for the recognition and enforcement of judgments in civil cases exists between Egypt and the country where the judgment is rendered. No such treaty exists between Egypt and the United States or the United Kingdom for the reciprocal enforcement of foreign court judgments.

Available Information

For so long as any Rule 144A GDSs or the Shares represented thereby are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, The Company will, during any period in which it is neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Rule 144A GDSs or to any prospective purchaser of such restricted Rule 144A GDSs designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

DIVIDEND POLICY

Dividend Policy

The GDSs will be entitled to any dividends the Company may declare or pay. The owner of each GDS will be entitled to receive from the Depositary an amount equal to the net dividends received by the Depositary in respect of two Shares, subject to the fees and expenses of the Depositary and any applicable withholding tax. Dividends on the Shares will be paid in Egyptian Pounds but holders of GDSs will receive any payments of dividends in U.S. Dollars (if necessary, converted by the Depositary as soon as practicable at the then-applicable EGP/U.S.$ exchange rate). See "*Description of the Global Depositary Receipts*".

Dividends are determined and paid in accordance with Egyptian legislation and the provisions of the Company's articles of association. See "*Description of the Share Capital of the Company and Certain Requirements of Egyptian Legislation—Dividends and Liquidation*".

The Company has no written dividend policy.

Dividends Paid

The following table sets forth the cash dividends paid by the Company on the Shares for the periods indicated.

Year ended 31 December	**Total Dividends Paid**	**Dividends paid per Share**
	(*EGP*)	
2013	0	0
2012	0	0
2011	0	0
2010(1)	765,428,000	2
2009	382,714,000	1

Note:
(1) Special dividend paid in respect of the first quarter of 2010 following the sale of the Company's interest in Bank Audi s.a.l.-Audi Saradar Group.

In January 2014, the Company's Board of Directors approved the purchase of the Company's common shares for consideration of up to EGP 1 billion in the first nine months of 2014. In February 2014, the Company completed the first phase of the share purchase, purchasing 36,956,522 shares at EGP 11.50 per common share for a total consideration of EGP 425 million. Subject to market and other conditions, the second phase of the share purchase is expected to be completed by the end of the third quarter of 2014.

CAPITALISATION AND LONG-TERM INDEBTEDNESS

The following table sets forth the Company's capitalisation and long-term indebtedness as at 31 December 2013.

	As at 31 December 2013
	(*EGP millions*)
Long-term debt	
Bonds	520
Total long-term debt	**520**
Shareholders' equity	
Share capital	2,867
Legal reserve	990
Share premium	3,289
Other reserves	1,282
Retained earnings	396
Total equity	**8,824**
Total capitalisation	**9,344**

In January 2014, the Company's Board of Directors approved the purchase of the Company's common shares for consideration of up to EGP 1 billion in the first nine months of 2014. In February 2014, the Company completed the first phase of the share purchase, purchasing 36,956,522 shares at EGP 11.50 per common share for a total consideration of EGP 425 million. Subject to market and other conditions, the second phase of the share purchase is expected to be completed by the end of the third quarter of 2014.

Save as described above, there has been no further material change in the capitalisation and indebtedness of the Company since 31 December 2013.

SELECTED FINANCIAL INFORMATION

The selected financial information for the Company, including the financial ratios and statistical data, set forth below as at, and for the years ended 31 December 2013, 2012 and 2011 is derived from, should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements, which are included in this Prospectus and the information set forth under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Statistical and Other Data" elsewhere in this Prospectus.

Selected Income Statement and Balance Sheet Data

The following tables set forth selected information from the Financial Statements.

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP)	
INCOME STATEMENT			
Fee and commission income	1,039,359,903	909,845,451	882,552,883
Fee and commission expense	(170,121,800)	(143,357,872)	(134,972,640)
Net fee and commission income	**869,238,103**	**766,487,579**	**747,580,243**
Interest and dividends income	3,186,491,823	2,623,341,207	2,518,446,046
Interest expense	(2,147,298,277)	(1,799,113,046)	(1,636,387,800)
Net interest and dividends income	**1,039,193,546**	**824,228,161**	**882,058,246**
Securities gains	31,524,974	45,862,078	67,941,982
Share of profit of associate	8,031,600	5,757,458	5,342,040
Changes in the investments at fair value through profit and loss	51,614,241	45,058,651	(1,941,841)
Gains from selling assets classified as held for sale	24,599,488	—	—
Foreign currencies differences	165,533,482	81,842,924	20,304,188
Other income	196,495,774	79,114,647	87,742,550
	477,799,559	**257,635,758**	**179,388,919**
Operating income	**2,386,231,208**	**1,848,351,498**	**1,809,027,408**
General administrative expenses	(1,657,483,079)	(1,509,806,807)	(1,373,938,106)
Net losses on loans and advances	(59,869,000)	(34,160,378)	(20,374,200)
Provisions	(58,200,800)	(57,166,655)	(85,976,164)
Impairment loss on assets	(768,069,614)	(52,752,289)	(1,883,142)
Changes in the fair value of investment property	(83,759,019)	(2,951,987)	—
Other Operating expenses	**(2,627,381,512)**	**(1,656,838,116)**	**(1,482,171,612)**
Profit (Loss) before income tax	**(241,150,304)**	**191,513,382**	**326,855,796**
Income tax expense	(93,832,079)	(71,042,361)	(79,957,082)
Profit/(Loss) for the year	**(334,982,383)**	**120,471,021**	**246,898,714**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of assets	158,058,214	53,744,272	50,863,379
Related tax	(25,330,344)	(7,413,381)	(8,695,847)
	132,727,870	**46,330,891**	**42,167,532**
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences	597,228,645	266,119,845	94,067,152
Available-for-sale financial assets - net change in fair value	353,326,699	344,743,521	(698,447,855)
Cumulative adjustments	(10,688,673)	10,453,055	(3,773,509)
Related tax	(105,018,380)	(20,810,862)	(13,997,367)
	834,848,291	**600,505,559**	**(622,151,579)**
Other comprehensive income, net of tax	**967,576,161**	**646,836,450**	**(579,984,047)**
Total comprehensive income	**632,593,778**	**767,307,471**	**(333,085,333)**

	For the year ended 31 December		
	2013	2012	2011
		(EGP)	
Profit attributable to			
Owners of the Company	(540,322,092)	(15,908,759)	71,778,586
Non-controlling interests	205,339,709	136,379,780	175,120,128
	(334,982,383)	**120,471,021**	**246,898,714**
Total comprehensive income attributable to			
Owners of the Company	180,459,660	526,032,930	(555,291,032)
Non-controlling interests	452,134,118	241,274,541	222,205,699
	632,593,778	**767,307,471**	**(333,085,333)**
Basic earnings per share	(0.94)	(0.03)	0.13

	As at 31 December		
	2013	2012	2011
		(EGP)	
BALANCE SHEET			
Assets			
Cash and cash equivalents	16,451,210,148	13,414,952,983	12,242,864,080
Other investments	25,050,048,201	22,638,262,453	20,667,946,925
Equity-accounted investees	81,571,800	72,500,400	67,344,000
Loans and advances	18,006,296,182	14,241,487,765	12,016,896,726
Trade and other receivables	2,053,298,724	817,123,383	1,925,133,273
Current tax assets	9,577,354	8,161,658	53,846,601
Assets held for sale	—	3,346,987,421	—
Property, plant and equipment	1,307,073,381	1,153,170,000	1,105,532,741
Intangible assets and goodwill	4,092,415,380	3,607,068,559	4,091,559,340
Investment property	**320,250,709**	**132,062,511**	**320,045,183**
Total assets	**67,371,741,879**	**59,431,777,133**	**52,491,168,869**
Liabilities			
Due to banks and financial institutions	914,515,747	555,920,400	609,256,600
Customers' deposits	49,484,814,388	43,961,779,238	37,957,455,300
Trade and other payables	3,466,175,306	1,144,646,995	1,843,566,580
Liabilities held for sale	—	953,163,490	—
Loans and borrowings	554,120,600	506,028,600	486,932,000
Deferred income/revenue	15,136,531	6,316,801	14,438,691
Current tax liabilities	108,977,161	68,280,980	87,810,614
Deferred tax liabilities	706,760,395	582,936,839	563,117,188
Provisions	319,636,881	338,830,990	348,251,688
Total liabilities	**55,570,137,009**	**48,117,904,333**	**41,910,828,661**
Equity			
Share capital	2,867,422,500	2,391,473,750	2,391,473,750
Share premium	3,289,103,899	3,294,067,512	3,294,067,512
Reserves	2,272,193,621	1,555,050,403	925,901,417
Retained earnings	395,724,420	1,424,013,293	1,535,669,251
	8,824,444,440	**8,664,604,958**	**8,147,111,930**
Treasury shares	—	(6,918,613)	(6,918,613)
Equity attributable to owners of the Company	**8,824,444,440**	**8,657,686,345**	**8,140,193,317**
Non-controlling interests	**2,977,160,430**	**2,656,186,455**	**2,440,146,891**
Total equity	**11,801,604,870**	**11,313,872,800**	**10,580,340,208**
Total equity and liabilities	**67,371,741,879**	**59,431,777,133**	**52,491,168,869**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis has been prepared by the Company's management based upon the Financial Statements, which are included in this Prospectus. The selected financial and operating data set forth below, which, subject to rounding, has been extracted without material adjustment from the Financial Statements, together with the related discussion and analysis, should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements, as well as the information set forth under the captions "Selected Financial Information" and "Selected Statistical and Other Data" included in this Prospectus. Unless otherwise indicated, all figures are expressed in or derived from amounts in Egyptian Pounds.

Introduction

EFG-Hermes is a leading financial services firm in the MENA region, with direct operations in eight markets, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The Group offers investment banking, securities brokerage, research, asset management and private equity services, as well as commercial banking services through its 64% controlling interest in Credit Libanais.

The Group's investment banking division offers equity capital markets, debt capital markets and mergers and acquisitions advisory, placement and underwriting services. Between 1997 and December 2013, it successfully completed transactions with a total execution value of U.S.$71 billion, of which U.S.$52 billion were mergers and acquisition transactions, U.S.$14 billion were capital raising transactions and U.S.$4 billion were debt arrangements and underwritings.

The Group's asset management business is believed to be the largest asset manager in the MENA region, with over U.S.$3.0 billion in assets under management as at 31 December 2013. The asset management business serves, *inter alia*, institutional, sovereign wealth fund, foundation, pension, family office and insurance clients. The Group operates 25 funds, which cover various countries, strategies and sectors, including Islamic funds, money market funds, equity funds, multi-asset funds and capital guaranteed funds. The Company's asset management subsidiaries also offer discretionary portfolio management services to high net worth individuals and institutional investors.

The Group is one of the MENA region's leading private equity houses, with over ten years of experience in the industry. As at 31 December 2013, the Group had approximately U.S.$652 million in 36 separate investments. The Group's private equity investments have focused primarily on the construction and real estate, oil and gas, food and agriculture and retail sectors. The Group is also a founding partner of partner of, InfraMed, a €385 million infrastructure fund focusing on the southern and eastern Mediterranean region, and serves as both a member of the regional investment committee for InfraMed and as the investment manager for the Egyptian investment portion (InfraEgypt).

The Group's securities brokerage business is the leading brokerage business in Egypt and has leading positions in other regional markets, including Jordan, Kuwait, Oman, Saudi Arabia and the United Arab Emirates. It also operates in Bahrain, Jordan, Iraq and Lebanon and has over 90,000 individual, family office and institutional clients in the MENA region, Africa, Asia, Europe and the United States. The securities brokerage business offers its clients an advanced trading platform, with access to a suite of customer services, including via retail branches, a call centre, online trading and account access and ATMs.

The Group's research business focuses on equity coverage, economics and strategy and covered 138 companies in ten countries as at 31 December 2013, representing approximately 62% of the region's market capitalisation. The Group's research analysts have frequently been ranked at or near the top of industry polls and league tables. In March 2012, the Group launched a new website providing clients with access to all of its research products and a three-year research archive.

Credit Libanais conducts the Group's commercial banking activities and is one of Lebanon's leading financial institutions. As at 31 December 2013, Credit Libanais had 66 branches in Lebanon, four overseas branches in Bahrain, Cyprus and Iraq (Baghdad and Erbil), a representative office in Canada and a banking licence in Senegal. The principal activities of Credit Libanais include retail banking services (including consumer lending, provision of plastic cards, lending to small and medium-sized enterprises and sole proprietorships, bank assurance and acceptance of deposits); corporate banking services (including various forms of credit facilities, loans and overdrafts for medium-size and large corporations and trade finance services, including letters of credit and letters of guarantee); treasury and global markets services (including trading and sales of various types of financial instruments and products); and private banking and wealth management services (including portfolio management, securities trading, mutual funds, alternative investments and structured products).

The Company's Shares are listed on the Egyptian Exchange, and the GDSs are listed on the London Stock Exchange.

For the year ended 31 December 2013, the Group's net loss was EGP 335 million, as compared to net profit of EGP 121 million for the year ended 31 December 2012 and EGP 247 million for the year ended 31 December 2011. As at 31 December 2013, the Group's total assets were EGP 67,372 million, as compared to EGP 59,432 million for the year ended 31 December 2012 and EGP 52,491 million for the year ended 31 December 2011.

Critical Accounting Policies

The Company's accounting policies are integral to understanding the results of operations and financial condition presented in the Financial Statements and notes thereto. The Company's significant accounting policies are described in Note 2 to the Financial Statements appearing elsewhere in this Prospectus. In addition, the preparation of the Financial Statements requires the Company to make estimates and judgments. See Note 3 to the Financial Statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

Key Factors Affecting the Company's Results of Operations

The Company's financial condition and results of operations are affected by numerous factors. The Company's Management believes that the following set out below are of particular importance.

The Current Economic and Political Environment

A substantial proportion of the Company's operations are conducted in, and a large proportion of its assets and customers are located in, Egypt and Lebanon. Consequently, the Company's results of operations and financial condition are materially and significantly affected by the policies of the governments and political and economic developments in, or affecting, Egypt and Lebanon. In particular, the general level of economic growth and inflation rates are critical factors affecting the Company's performance. See "*The Arab Republic of Egypt*".

Fluctuations in Interest Rates

Changes in interest rates affect the Company's net interest and dividend income, net interest margin and overall results of operation. Interest rates are sensitive to many factors beyond the Company's control, including the policies of central banks, such as the CBE, adverse domestic and international economic conditions and political factors.

The Company is exposed to risks resulting from mismatches between the interest rates on its interest-bearing liabilities and interest-earning assets. To the extent that the Company's assets may re-price more frequently than its liabilities, if interest rates fall, the Company's interest expense will increase more rapidly than its interest income, which could negatively affect interest margins. The Company has developed a number of interest rate management policies, which are strengthened by a system of limits and reporting requirements to control and monitor interest rate risk.

Although nearly all of the Company's assets are match-funded within the risk appetite limits set by the Company's Board of Directors, an increase in interest rates may generally raise the Company's funding costs and may also increase interest income in the future, but overall demand for new loans may be reduced and the risk of customer defaults may increase.

Fluctuations in Exchange Rates

Fluctuations in exchange rates impact the Company's financial condition and results of operations. The Company maintains open currency positions, which give rise to exchange rate risk. The Company's exposure to exchange rate risk may increase. A significant portion of the Company's exposure to exchange rate risk also depends on numerous factors beyond its control, such as overall market trading activity, fluctuations in interest-rate levels and exchange rates, government actions and general market volatility.

Taxation

Income tax expense represents the sum of the current and deferred tax expense. The current tax expense is the expected tax payable on the taxable income for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s current tax expense is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the book value 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 realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Descriptions of Principal Income Statement Items

Descriptions of the principal income statement items are set forth below.

Fee and commission income

The Company’s fee and commission income from banking services is comprised principally of fees for investment banking services, and fees for commercial banking services, including the issuance of letters of credit, letters of guarantee and documents for collection, loan service charges and custody fees and fee income from retail activities, such as fees for cheque collections.

Interest and dividends income

The Company generates interest and similar income primarily through its commercial banking activities from loans and advances to customers, loans and advances to banks, from balances with banks and other financial institutions, including, *inter alia*, the BDL, and from investment securities, including, *inter alia*, treasury bills and bonds issued by the Lebanese Government. Dividends income is comprised principally of dividends collected by the Group from its investments at fair value through profit and loss, investments in associates and available-for-sale investments.

Other income

The Company’s other income includes income related to reversed provisions. .

General administrative expenses

The Company’s general administrative expenses are comprised principally of costs relating staff wages and salaries costs, consultancy fees, travel, accommodation and transportation, leased line and communications, rent and utility expenses and other expenses.

Impairment loss on assets

The Company’s impairment loss on assets includes losses recognised in respect of impairment of the Company’s good will, losses related to impairment of the Company’s available-for-sale investments and losses related to impairment charges in respect of loans.

Results of Operations for the years ended 31 December 2013 and 2012

Fee and Commission Income

The following table sets forth the Company's fee and commission income for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Fee and commission income	1,039	910	14.2
Fee and commission expense	(170)	(143)	18.9
Net fee and commission income	**869**	**767**	**13.3**

The Company's net fee and commission income for the year ended 31 December 2013 increased by EGP 102, or 13.3%, to EGP 869 million from EGP 767 million for the year ended 31 December 2012. This increase was primarily due to the EGP 89 million, or 73.0% increase in fee and commission income attributable to the asset management segment (due, in part, to the strong performance of the Company's equity funds focused on Egypt and the region), the EGP 63 million, or 17.3%, increase in fee and commission income attributable to the commercial banking segment and the EGP 56 million, or 28.1%, increase in fee and commission income attributable to the brokerage segment. This increase was partially offset by the EGP 82 million, or 69.5%, decrease in fee and commission income attributable to the investment banking segment (due primarily to weak capital markets activity, largely as a result of the political and economic situation in Egypt), as well as the EGP 27 million, or 18.9%, increase in fee and commission expense attributable to the commercial banking segment.

Interest and Dividend Income

The following table sets forth the Company's interest and dividend income for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Interest and dividend income	3,186	2,623	21.5
Interest expense	(2,147)	(1,799)	19.3
Net interest and dividend income	**1,039**	**824**	**26.1**

The Company's net interest and dividend income for the year ended 31 December 2013 increased by EGP 215 million, or 26.1%, to EGP 1,039 million from EGP 824 million for the year ended 31 December 2012. This increase was primarily due to the EGP 566 million, or 21.9%, increase in interest and dividend income attributable to the commercial banking segment. This increase was partially offset by the EGP 345 million, or 19.3%, increase in interest expense attributable to the commercial banking segment.

Securities Gains

The following table sets forth the Company's securities gains for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Securities gains	32	46	(30.4)

The Company's income from securities gains for the year ended 31 December 2013 decreased by EGP 14 million, or 30.4%, to EGP 32 million from EGP 46 million for the year ended 31 December 2012, primarily as a result of maturing securities, which paid higher coupons than the securities that replaced the maturing securities in the Company's portfolio.

Share of Profit of Associates

The following table sets forth the Company's share of the profit of its associates for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Share of profit of associates	8	6	33.3

The Company's share of the profit of its associates for the year ended 31 December 2013 increased by EGP 2 million, or 33.3%, to EGP 8 million from EGP 6 million for the year ended 31 December 2012. This increase was primarily due to improved profitability at all of the Company's associates.

Changes in Investments at Fair Value Through Profit or Loss

The following table sets forth the changes in the Company's investments at fair value through profit or loss for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Changes in investments at fair value through profit or loss	52	45	15.6

The changes in the Company's investments at fair value through profit or loss for the year ended 31 December 2013 increased by EGP 7 million, or 15.6%, to EGP 52 million from EGP 45 million for the year ended 31 December 2012. This increase was primarily due to an increase in market prices related to trading investments.

Gains From Selling Assets Classified as Held for Sale

The following table sets forth the gains from selling the Company's assets classified as held for sale for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Gains from selling assets classified as held for sale	25	0	—

Gains from selling the Company's assets classified as held for sale for the year ended 31 December 2013 increased by EGP 25 million. This increase was primarily due to the sale of the Company's previous headquarters (owned by the Financial Brokerage Group Company (a 99.9% subsidiary of the Company)) in El Dokki, Giza, Egypt, which resulted in a capital gain of EGP 24.6 million.

Foreign Currency Differences

The following table sets forth the Company's income from foreign currency differences for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		*(%)*
Foreign currency differences	166	82	102.4

The Company's income from foreign currency differences for the year ended 31 December 2013 increased by EGP 84 million, or 102.4%, to EGP 166 million from EGP 82 million for the year ended 31 December 2012. This increase was primarily due to the effects of the weakening of the Egyptian Pound by 9.8% over the period, from EGP 6.319 per U.S.$1.00 on 31 December 2012 to EGP 6.939 per U.S.$1.00 on 31 December 2013. See "*Presentation of Financial and Certain Other Information—Currencies—Historical Exchange Rate Information*".

Other Income

The following table sets forth the Company's other income for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		(%)
Other income	196	79	148.1

The Company's other income for the year ended 31 December 2013 increased by EGP 117 million, or 148.1%, to EGP 196 million from EGP 79 million for the year ended 31 December 2012. This increase was primarily due to the reversal of expected claims provisions of EGP 122 million and severance pay provisions of EGP 3 million in 2013.

Operating Income

The following table sets forth the Company's total operating income for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		(%)
Operating income	2,386	1,848	29.1

As a result of the foregoing, the Company's operating income for the year ended 31 December 2013 increased by EGP 538 million, or 29.1%, to EGP 2,386 million from EGP 1,848 million for the year ended 31 December 2012.

Other Operating Expenses

The following table sets forth the Company's other operating expenses for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2013	2012	Change
	(EGP millions)		(%)
General administrative expenses	1,657	1,510	9.7
Net losses on loans and advances	60	34	76.5
Provisions	58	57	1.8
Impairment loss on assets	768	53	1,349.1
Changes in the fair value of investment property	84	3	2,700.0
Total other operating expenses	**2,627**	**1,657**	**58.5**

General administrative expenses for the year ended 31 December 2013 increased by EGP 147 million, or 9.7%, to EGP 1,657 million from EGP 1,510 million for the year ended 31 December 2012, primarily as a result of an EGP 127 million, or 14%, increase in wages, salaries and similar expenses.

Net losses on loans and advances for the year ended 31 December 2013 increased by EGP 26 million, or 76.5%, to EGP 60 million from EGP 34 million for the year ended 31 December 2012.

Provisions for the year ended 31 December 2013 increased by EGP 1 million, or 1.8%, to EGP 58 million from EGP 57 million for the year ended 31 December 2012, primarily as a result of an EGP 9 million increase in provisions for severance pay, as well as an EGP 8 million decrease in provisions for expected claims.

Impairment losses on assets for the year ended 31 December 2013 increased by EGP 715 million, or 1,349.1%, to EGP 768 million from EGP 53 million for the year ended 31 December 2012, primarily as a result of a number of one-off charges recognised by the Company in 2013 as part of its strategy to reduce and optimise the Company's costs and dispose of non-core assets. See "*Business Description—Cost Cutting and Asset Disposal Programme*". As a result, the Company recorded impairment losses of EGP 768 million, which included the recognition of charges amounting to EGP 512 million in respect of goodwill, EGP 129 million in respect of available-for-sale instruments and EGP 102 million in respect of other loans. EGP 19 million in respect of accounts receivables and debit accounts and EGP 6 million in respect of fixed assets.

As a result of the foregoing, total other operating expenses for the year ended 31 December 2013 increased by EGP 970 million, or 58.5%, to EGP 2,627 million from EGP 1,657 million for the year ended 31 December 2012.

Income tax expense

The Company's income tax expense for the year ended 31 December 2013 increased by EGP 23 million, or 32.4%, to EGP 94 million from EGP 71 million for the year ended 31 December 2012.

Profit (Loss) for the Year

The following table sets forth the Company's net (loss) profit for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December		
	2013	**2012**	**Change**
	(EGP millions)		*(%)*
Profit (loss) before income tax	(241)	192	—
Income tax expense	(94)	(71)	32.4
Profit (loss) for the year	**(335)**	**121**	**—**

As a result of the foregoing, the Company's total loss for the year ended 31 December 2013 was EGP 335 million, as compared to a net profit of EGP 121 million for the year ended 31 December 2012.

Results of Operations for the years ended 31 December 2012 and 2011

Fee and Commission Income

The following table sets forth the Company's fee and commission income for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December		
	2012	**2011**	**Change**
	(EGP millions)		*(%)*
Fee and commission income	910	883	3.1
Fee and commission expense	(143)	(135)	5.9
Net fee and commission income	**767**	**748**	**2.5**

The Company's net fee and commission income for the year ended 31 December 2012 increased by EGP 19 million, or 2.5%, to EGP 767 million from EGP 748 million for the year ended 31 December 2011. This increase was primarily attributable to the EGP 21 million, or 21.6%, increase in fee and commission income attributable to the investment banking segment and the EGP 34 million, or 10.3%, increase in fee and commission income attributable to the commercial banking segment. This increase was partially offset by the EGP 28 million, or 22.6%, decrease in fee and commission income attributable to the private equity segment (due largely to lower management fees and the reduction of incentive fees), as well as the EGP 8 million, or 5.9%, increase in fee and commission expense attributable to the commercial banking segment.

Interest and Dividend Income

The following table sets forth the Company's interest and dividend income for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December		
	2012	2011	Change
	(EGP millions)		*(%)*
Interest and dividend income	2,623	2,518	4.2
Interest expense	(1,799)	(1,636)	10.0
Net interest and dividend income	**824**	**882**	**(6.6)**

The Company's net interest and dividend income for the year ended 31 December 2012 decreased by EGP 58 million, or 6.6%, to EGP 824 million from EGP 882 million for the year ended 31 December 2011. This decrease was primarily due to the EGP 124 million, or 7.5%, increase in interest expenses attributable to the commercial banking segment, as well as the EGP 19 million, or 51.4%, decrease in interest and dividend income attributable to the holding segment, the EGP 13 million, or 86.7%, decrease in interest and dividend income attributable to the private equity segment and the EGP 13 million decrease in interest and dividend income attributable to the investment banking segment. This decrease was partially offset by the EGP 155 million, or 6.4%, increase in interest and dividend income attributable to the commercial banking segment.

Securities Gains

The following table sets forth the Company's securities gains for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December		
	2012	2011	Change
	(EGP millions)		*(%)*
Securities gains	46	68	(32.4)

The Company's income from securities gains for the year ended 31 December 2012 decreased by EGP 22 million, or 32.4%, to EGP 46 million from EGP 68 million for the year ended 31 December 2011.

Share of Profit of Associates

The following table sets forth the Company's share of the profit of its associates for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December		
	2012	2011	Change
	(EGP millions)		*(%)*
Share of profit of associates	6	5	20.0

The Company's share of the profit of its associates for the year ended 31 December 2012 increased by EGP 1 million, or 20.0%, to EGP 6 million from EGP 5 million for the year ended 31 December 2011.

Changes in Investments at Fair Value Through Profit or Loss

The following table sets forth the changes in the Company's investments at fair value through profit or loss for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
Changes in investments at fair value through profit or loss	45	(2)	—

The changes in the Company's investments at fair value through profit or loss for the year ended 31 December 2012 increased by EGP 47 million to EGP 45 million from a loss of EGP 2 million for the year ended 31 December 2011. This increase was primarily due to increase at market price related to trading investments.

Foreign Currency Differences

The following table sets forth the Company's income from foreign currency differences for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
Foreign currency differences	82	20	310.0

The Company's income from foreign currency differences for the year ended 31 December 2012 increased by EGP 62 million, or 310.0%, to EGP 82 million from EGP 20 million for the year ended 31 December 2011. This increase was primarily due to the effects of the weakening of the Egyptian Pound by 4.8% over the period, from EGP 6.032 per U.S.$1.00 as at 31 December 2011 to EGP 6.319 per U.S.$1.00 as at 31 December 2012. See "*Presentation of Financial and Certain Other Information—Currencies—Historical Exchange Rate Information*".

Other Income

The following table sets forth the Company's other income for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
Other income	79	88	(10.2)

The Company's other income for the year ended 31 December 2012 decreased by EGP 9 million, or 10.2%, to EGP 79 million from EGP 88 million for the year ended 31 December 2011.

Operating Income

The following table sets forth the Company's total operating income for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
Total operating income	1,848	1,809	2.2

As a result of the foregoing, the Company's operating income for the year ended 31 December 2012 increased by EGP 39 million, or 2.2%, to EGP 1,848 million from EGP 1,809 million for the year ended 31 December 2011.

Other Operating Expenses

The following table sets forth the Company's other operating expenses for the years ended 31 December 2012 and 2011, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
General administrative expenses	1,510	1,374	9.9
Net losses on loans and advances	34	20	70.0
Provisions	57	86	(33.7)
Impairment loss on assets	53	2	2,550.0
Changes in the fair value of investment property	3	—	—
Total other operating expenses	**1,657**	**1,482**	**11.8**

General administrative expenses for the year ended 31 December 2012 increased by EGP 136 million, or 9.9%, to EGP 1,510 million from EGP 1,374 million for the year ended 31 December 2011, primarily as a result of an EGP 88 million, or 10.7%, increase in wages, salaries and similar expenses and an EGP 50 million, or 208.3%, increase in consultancy fees paid.

Net losses on loans and advances for the year ended 31 December 2012 increased by EGP 14 million, or 70.0%, to EGP 34 million from EGP 20 million for the year ended 31 December 2011, primarily as a result of allowances for impairment on loans and advances to customers relating to the commercial banking segment.

Expenses relating to other provisions for the year ended 31 December 2012 decreased by EGP 29 million, or 33.7%, to EGP 57 million from EGP 86 million for the year ended 31 December 2011, primarily as a result of a decrease in provisions made during 2012 for expected claims.

Expenses relating to changes in the fair value of investment property were EGP 3 million for the year ended 31 December 2012, as compared to zero for the year ended 31 December 2011. The expense in 2012 was related to a decrease in the investment property owned by entities that was classified as held for sale investments as at 31 December 2012.

As a result of the foregoing, total other operating expenses for the year ended 31 December 2012 increased by EGP 175 million, or 11.8%, to EGP 1,657 million from EGP 1,482 million for the year ended 31 December 2011.

Income tax expense

The Company's income tax expense for the year ended 31 December 2012 decreased by EGP 9 million, or 11.3%, to EGP 71 million from EGP 80 million for the year ended 31 December 2011.

Profit (Loss) for the Year

The following table sets forth the Company's net (loss) profit for the years ended 31 December 2013 and 2012, respectively:

	For the year ended 31 December 2012	2011	Change
	(EGP millions)		*(%)*
Profit (loss) before income tax	192	327	(41.3)
Income tax expense	(71)	(80)	(11.3)
Profit (loss) for the year	**121**	**247**	**(51)**

As a result of the foregoing, the Company's total profit for the year ended 31 December 2012 decreased by EGP 126 million, or 51%, to EGP 121 million from EGP 247 million for the year ended 31 December 2011.

Financial Position and Liquidity

Total Assets

The Company's total assets as at 31 December 2013 increased by EGP 7,940 million, or 13.4%, to EGP 67,372 million from EGP 59,432 million as at 31 December 2012. This growth was primarily due to increases in cash and cash equivalents, loans and advances, other investments and trade or other receivables. In 2013, cash and cash equivalents increased by EGP 3,036 million, or 22.6% and loans and advances increased by EGP 3,765, or 26.4%. Other investments increased by EGP 2,412 million, or 10.7%. Trade and other receivables increased by EGP 1,236 million, or 151.3% and intangible assets and goodwill increased by EGP 485 million, or 13.4%. These increases were partially offset by a zero balance in assets held for sale at 31 December 2013, as compared to EGP 3,347 million as at 31 December 2012 following the termination of the joint venture agreement with Qinvest in May 2013.

The Company's total assets as at 31 December 2012 increased by EGP 6,941 million, or 13.2%, to EGP 59,432 million from EGP 52,491 million as at 31 December 2011. This growth was primarily due to increases in cash and cash equivalents, loans and advances and other investments. In 2012, cash and cash equivalents increased by EGP 1,172 million, or 9.6%, loans and advances increased by EGP 2,224 million, or 18.5% and other investments increased by EGP 1,970 million, or 9.5%.

Total Liabilities

The Company's total liabilities as at 31 December 2013 increased by EGP 7,452 million, or 15.5%, to EGP 55,570 million from EGP 48,118 million as at 31 December 2012. This growth was primarily due to growth in customers' deposits, which increased by EGP 5,523 million, or 12.6%. Trade and other payables also increased by EGP 2,321 million, or 202.7% in 2013.

The Company's total liabilities as at 31 December 2012 increased by EGP 6,207 million, or 14.8%, to EGP 48,118 million from EGP 41,911 million as at 31 December 2011. This growth was primarily due to growth in customers' deposits, which increased by EGP 6,005 million, or 15.8%. Liabilities classified as held for sale also increased by EGP 953 million in 2012. These increases were partially offset by decreases in trade and other payables, which decreased by EGP 699 million, or 37.9%, in 2012, and amounts due to banks and financial institutions, which decreased by EGP 53 million, or 8.7%, in 2012.

Segment Reporting

The Company reports results for its holding, brokerage, asset management, investment banking, private equity and commercial banking operating segments, based on the Company's management and reporting structure. Inter-segment pricing is determined on an arm's-length basis. See Note 29 to the Financial Statements.

The following tables set forth certain income statement items, as well as the total assets and total liabilities for each of the Company's segments as at and for the years indicated:

	As at and for the year ended 31 December 2013						
	Holding	**Brokerage**	**Asset Management**	**Investment Banking**	**Private Equity**	**Commercial Bank**	**Total**
				(EGP millions)			
Fee and commission income	7	255	211	36	101	428	1,039
Fee and commission expense	—	—	—	—	—	(170)	(170)
Net fee and commission income	**7**	**255**	**211**	**36**	**101**	**258**	**869**
Interest and dividend income	16	16	—	1	2	3,152	3,186
Interest expense	—	(17)	—	—	—	(2,131)	(2,147)
Net interest and dividend income	**16**	**(1)**	—	**1**	**2**	**1,021**	**1,039**
Securities gains	11	22	—	—	—	(2)	32
Share of profit of associate	—	—	—	—	—	8	8
Changes in the investments at fair value through profit or loss	61	2	—	—	—	(12)	52
Gains from selling assets classified as held for sale	—	25	—	—	—	—	25
Foreign currencies differences	44	4	5	1	31	80	166
Other income	11	11	—	—	122	52	196
	128	**64**	**5**	**1**	**153**	**127**	**478**
Operating income	**151**	**318**	**216**	**38**	**256**	**1,406**	**2,386**
Other operating expenses	**(1,140)**	**(253)**	**(87)**	**(53)**	**(236)**	**(858)**	**(2,627)**
Profit (loss) before income tax	**(989)**	**65**	**129**	**(15)**	**20**	**548**	**(241)**
Income tax expense	(5)	(12)	(2)	1	—	(76)	(94)
Profit (loss) for the year	**(993)**	**54**	**127**	**(14)**	**20**	**471**	**(335)**
Total assets	**3,054**	**2,593**	**206**	**23**	**204**	**61,292**	**67,372**
Total liabilities	**352**	**1,360**	**35**	**17**	**162**	**53,644**	**55,570**

	As at and for the year ended 31 December 2012						
	Holding	**Brokerage**	**Asset Management**	**Investment Banking**	**Private Equity**	**Commercial Bank**	**Total**
				(EGP millions)			
Fee and commission income	10	199	122	118	96	365	910
Fee and commission expense	—	—	—	—	—	(143)	(143)
Net fee and commission income	**10**	**199**	**122**	**118**	**96**	**222**	**766**
Interest and dividend income	18	17	—	—	2	2,586	2,623
Interest expense	—	(13)	—	—	—	(1,786)	(1,799)
Net interest and dividend income	**18**	**4**	—	—	**2**	**800**	**824**
Securities gains	(1)	24	—	—	—	22	46
Share of profit of associate	—	—	—	—	—	6	6
Changes in the investments at fair value through profit or loss	38	(1)	—	—	—	8	45
Foreign currencies differences	25	2	2	1	12	40	82
Other income	32	12	—	3	—	32	79
	94	**37**	**2**	**4**	**12**	**109**	**258**
Operating income	**122**	**240**	**124**	**122**	**110**	**1,130**	**1,848**
Other operating expenses	**(431)**	**(238)**	**(77)**	**(66)**	**(114)**	**(731)**	**(1,657)**
Profit (loss) before income tax	**(309)**	**2**	**47**	**56**	**(4)**	**400**	**192**
Income tax expense	14	(6)	(2)	(17)	—	(61)	(71)
Profit (loss) for the year	**(294)**	**(3)**	**45**	**39**	**(4)**	**339**	**120**
Total assets	**2,818**	**2,521**	**147**	**31**	**401**	**53,514**	**59,432**
Total liabilities	**170**	**829**	**65**	**49**	**209**	**46,796**	**48,118**

	As at and for the year ended 31 December 2011						
	Holding	**Brokerage**	**Asset Management**	**Investment Banking**	**Private Equity**	**Commercial Bank**	**Total**
				(EGP millions)			
Fee and commission income	10	194	127	97	124	331	883
Fee and commission	—	—	—	—	—	(135)	(135)
Net fee and commission income	**10**	**194**	**127**	**97**	**124**	**196**	**748**
Interest and dividend income	37	22	—	13	15	2,431	2,518
Interest expense	34	(9)	—	—	—	(1,662)	(1,636)
Net interest and dividend income	**71**	**13**	—	**13**	**15**	**770**	**882**
Securities gains	30	14	—	(1)	—	25	68
Share of profit of associate	—	—	—	—	—	5	5
Changes in the investments at fair value through profit or loss	(12)	(2)	—	—	—	13	(2)
Foreign currencies differences	14	(1)	2	—	6	—	20
Other income	10	13	—	—	—	65	88
	41	23	2	(1)	6	108	179
Operating income	**122**	**230**	**130**	**109**	**145**	**1,074**	**1,809**
Other operating expenses	**(360)**	**(296)**	**(92)**	**(46)**	**(67)**	**(621)**	**(1,482)**
Profit (loss) before income tax	**(238)**	**(66)**	**37**	**63**	**78**	**453**	**327**
Income tax expense	(3)	(1)	(1)	(2)	(6)	(68)	(80)
Profit (loss) for the year	**(240)**	**(67)**	**36**	**61**	**71**	**385**	**247**
Total assets	**2,511**	**2,405**	**192**	**129**	**419**	**46,835**	**52,491**
Total liabilities	**264**	**609**	**63**	**36**	**196**	**40,744**	**41,911**

Off-Balance Sheet Arrangements

In the normal course of business and in order to meet the needs of its customers and to hedge the Group's own positions (and generally not for speculative purposes), the Company enters into certain off-balance sheet transactions. These transactions expose the Company to credit risk that is not reflected on the Company's balance sheet. The Company applies to these transactions the same credit policies in making commitments and assuming conditional obligations as it does for on-balance sheet transactions, including the requirement to obtain collateral when it is considered necessary.

The most significant category of such transactions includes commitments to customers, letters of guarantee and assets under management. For detailed information on the Company's off-balance sheet commitments and contingencies, see Note 22 to the Financial Statements.

The following table sets forth information about the Company's off-balance sheet items as at the dates indicated:

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
Financing commitments given to financial institutions	738	779	680
Commitments to customers	2,537	1,434	1,831
Guarantees given to customers	1,003	810	526
Restricted and non-restricted fiduciary accounts	52	52	49
Commitments of signature received from financial intermediaries	136	73	85
Securities commitments	512	485	383
Other commitments received	33,751	29,514	23,093
Assets under management	28,885	27,793	27,454
Total	**67,614**	**60,940**	**54,101**

Cash Flows

The following table sets forth certain information regarding the principal items of the statement of cash flows for the periods indicated:

	For the year ended 31 December			% change between the years ended 31 December	
	2013	**2012**	**2011**	**2012 and 2013**	**2011 and 2012**
		(EGP millions)		*(%)*	
Net cash (used in) provided from operating activities	(92)	2,122	650	—	226.5
Net cash provided from (used in) investing activities	237	(1,129)	(53)	—	(2030.2)
Net cash provided from (used in) financing activities	569	(73)	(453)	—	83.9

Net Cash (Used in) Provided from Operating Activities

For the year ended 31 December 2013, net cash used in operating activities was EGP 92 million, as compared to net cash provided from operating activities of EGP 2,122 million for the year ended 31 December 2012. The net cash used in operating activities in 2013 was primarily due to increased cash used in the payments of loans and advances.

For the year ended 31 December 2012, net cash provided from operating activities was EGP 2,122 million, as compared to EGP 650 million for the year ended 31 December 2011. This increase was primarily attributable to an increase in customer deposits and accounts payable, as well as a decrease in tax paid by the Company.

Net Cash Provided from (Used in) Investing Activities

For the year ended 31 December 2013, net cash generated from investing activities was EGP 237 million, as compared to cash used in investing activities of EGP 1,129 million for the year ended 31 December 2012. The net cash generated from investing activities in 2013 was primarily due to an increase in the selling of investments.

For the year ended 31 December 2012, net cash flows used in investing activities was EGP 1,129 million, as compared to EGP 53 million for the year ended 31 December 2011. This increase was primarily attributable to an increase in cash used to purchase new investments.

Net Cash Provided from (Used in) Financing Activities

For the year ended 31 December 2013, net cash generated from financing activities was EGP 569 million, as compared to cash used in financing activities of EGP 73 million for the year ended 31 December 2012. The net cash generated from financing activities in 2013 was primarily due to the issuance of preferred shares by Credit Libanais.

For the year ended 31 December 2012, net cash flows used in financing activities was EGP 73 million, as compared to EGP 453 million for the year ended 31 December 2011. This decrease was primarily attributable to the repayment of preferred shares in 2011.

BUSINESS DESCRIPTION

Introduction

EFG-Hermes is a leading financial services firm in the MENA region, with direct operations in eight markets, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The Group offers investment banking, securities brokerage, research, asset management and private equity services, as well as commercial banking services through its 64% controlling interest in Credit Libanais.

The Group's investment banking division offers equity capital markets, debt capital markets and mergers and acquisitions advisory, placement and underwriting services. Between 1997 and December 2013, it successfully completed transactions with a total execution value of U.S.$72 billion, of which U.S.$53 billion were mergers and acquisition transactions, U.S.$15 billion were capital raising transactions and U.S.$4 billion were debt arrangements and underwritings.

The Group's asset management business is believed to be the largest asset manager in the MENA region, with over U.S.$3 billion in assets under management as at 31 December 2013. The asset management business serves, *inter alia*, institutional, sovereign wealth fund, foundation, pension, family office and insurance clients. The Group operates 25 funds, which cover various countries, strategies and sectors, including Islamic funds, money market funds, equity funds, multi-asset funds and capital guaranteed funds. The Company's asset management subsidiaries also offer discretionary portfolio management services to high net worth individuals and institutional investors.

The Group is one of the MENA region's leading private equity houses, with over ten years of experience in the industry. As at 31 December 2013, the Group had approximately U.S.$652 million in 36 separate investments. The Group's private equity investments have focused primarily on the construction and real estate, oil and gas, food and agriculture and retail sectors. The Group is also a founding partner of partner of, InfraMed, a €385 million infrastructure fund focusing on the southern and eastern Mediterranean region, and serves as both a member of the regional investment committee for InfraMed and as the investment manager for the Egyptian investment portion (InfraEgypt).

The Group's securities brokerage business is the leading brokerage business in Egypt and has leading positions in other regional markets, including Jordan, Kuwait, Oman, Saudi Arabia and the United Arab Emirates. It also operates in Bahrain, Jordan, Iraq and Lebanon and has over 90,000 individual, family office and institutional clients in the MENA region, Africa, Asia, Europe and the United States. The securities brokerage business offers its clients an advanced trading platform, with access to a suite of customer services, including via retail branches, a call centre, online trading and account access and ATMs.

The Group's research business focuses on equity coverage, economics and strategy and covered 138 companies in ten countries as at 31 December 2013, representing approximately 62% of the region's market capitalisation. The Group's research analysts have frequently been ranked at or near the top of industry polls and league tables. In March 2012, the Group launched a new website providing clients with access to all of its research products and a three-year research archive.

Credit Libanais conducts the Group's commercial banking activities and is one of Lebanon's leading financial institutions. As at 31 December 2013, Credit Libanais had 66 branches in Lebanon, four overseas branches in Bahrain, Cyprus and Iraq (Baghdad and Erbil), a representative office in Canada and a banking licence in Senegal. The principal activities of Credit Libanais include retail banking services (including consumer lending, provision of plastic cards, lending to small and medium-sized enterprises and sole proprietorships, bancassurance and acceptance of deposits); corporate banking services (including various forms of credit facilities, loans and overdrafts for medium-size and large corporations and trade finance services, including letters of credit and letters of guarantee); treasury and global markets services (including trading and sales of various types of financial instruments and products); and private banking and wealth management services (including portfolio management, securities trading, mutual funds, alternative investments and structured products).

The Company's Shares are listed on the Egyptian Exchange, and the GDSs are listed on the London Stock Exchange.

For the year ended 31 December 2013, the Group's net loss was EGP 335 million, as compared to net profit of EGP 121 million for the year ended 31 December 2012 and EGP 247 million for the year ended 31 December 2011. As at 31 December 2013, the Group's total assets were EGP 67,372 million, as compared to EGP 59,432 million for the year ended 31 December 2012 and EGP 52,491 million for the year ended 31 December 2011.

History

The Company was incorporated in Egypt, with registered number 12665, on 16 June 1998. The Company was incorporated as a Public Joint Stock Company pursuant to decree № 106 of 1984 and operates under the Egyptian Capital Market Company Law № 159 of 1981 and Capital Market Law № 95 of 1992. The Company's registered office and principal administrative establishment is Building № B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt, and the telephone number of its registered office is + 20 2 3535 6499.

The Company was formed as a result of the combination of the businesses of the Egyptian Financial Group Company for Investment Services and Financial Consultations and its subsidiaries (collectively, "**EFG**"), EFG Hermes Advisory Inc. and a group of substantially commonly-owned companies consisting of Hermes Securities Brokerage, Hermes Fund Management, Hermes Corporate Finance and Hermes Financial Management (Egypt) Limited (collectively, "**Hermes**").

The predecessor company of EFG was founded in August 1980 by Dr. Mohammed Taymour, together with two partners who sold their interest in 1990. EFG originally offered financial advice and arranged transactions for corporate and high net worth individuals. In the late 1980s, EFG also advised the Egyptian government on its privatisation programme and began conducting research relating to the Egyptian economy for private corporations, the World Bank and the United States Agency for International Development. In 1994, EFG launched its asset management and brokerage businesses.

Hermes was established in 1994 by Aly El Tahry and Aladdin Saba, who had established and managed Kidder, Peabody & Co.'s Cairo regional representative office. Although Hermes was initially a securities brokerage house, consistent with its founders' strategy, it formed new entities to provide corporate finance and asset management services as the scope of its business expanded and the Egyptian capital markets developed.

The following are the key milestones in the history of the Group since the combination of EFG and Hermes:

- **1998 —** the Company successfully completed its offering of 50 million GDSs, listed on the London Stock Exchange.
- **1999 —** Citigroup acquired 20% of the Company. Citigroup disposed of its interest in the Company in a number of transactions completed between 2006 and 2010.
- **2002** — the Company acquired a professional licence for its activities in the UAE.
- **2004 —** the Company introduced its first management incentive scheme.
- **2006 —** the Company acquired a 20% stake in Bank Audi, a leading regional retail bank, as part of the Group's universal banking strategy. The Company also acquired a full licence for investment banking operations in Saudi Arabia.
- **2008 —** the Company entered into the Oman and Kuwaiti markets, through the completion of acquisitions.
- **2010** — the Company disposed of its investment in Bank Audi for total consideration of U.S.$913 million, which resulted in a capital gain for the Company of EGP 739 million. In November, the Company acquired its 64% controlling interest in Credit Libanais for U.S.$578 million. See "*—Description of Principal Business Activities—Commercial Banking*". The Company also began offering services in Jordan and Syria.
- **2012 —** the Company entered into an agreement to create a joint venture with QInvest, which would be owned 60% by QInvest and 40% by the Company. The joint venture would have resulted in a capital injection of U.S.$250 million, as a capital increase, to EFG-Hermes Qatar, in consideration for the transfer of brokerage, research, asset management, investment banking and infrastructure fund businesses to the joint venture company.
- **2013 —** in May, the Company and QInvest announced that the long-stop date for the satisfaction of the conditions precedent to the transaction had expired prior to receipt of the necessary regulatory approvals from the Egyptian Financial Supervisory Authority. Accordingly, the joint venture agreement was automatically terminated.

Strengths

The Group believes that it has the following competitive advantages:

- ***Diversified Model***. The Group has a leading brokerage platform, which holds market-leading positions across the majority of the markets in the MENA region, and a leading investment banking business, which has executed transactions with an aggregate value in excess of U.S.$70 billion. The Group's asset management business is a market leader in the region and had U.S.$3.0 billion of assets under management, as at 31 December 2013. The Group's private equity business had investments of U.S.$652 million, as at 31 December 2013. In addition, the Company holds a controlling interest in Credit Libanais, a leading Lebanese bank in Lebanon.

- ***Extensive Reach***. The Group is licensed to provide services, is regulated and has a physical presence in Egypt, Jordan, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates and has an indirect presence in Bahrain, Iraq and Morocco. The Group conducts the majority of its regional operations through its hubs in Cairo and Dubai and benefits from the increasing and evolving financial services activities being conducted in the region.

- ***Strong Revenue Generation Capability***. The Group is poised to take advantage of the recovering economic prospects of Egypt and the MENA region, following the Revolution and the Arab Spring, having demonstrated its resilience throughout turbulent market conditions.

- ***Solid Financial Position and Liquidity***. The Group maintains a solid capital position with a strong equity base of U.S.$1.3 billion as at 31 December 2013.

- ***High Corporate Governance Standards***. The Company has implemented a detailed corporate governance framework in order to promote high levels of transparency and accountability. The Board of Directors is chaired by a non-executive director and includes seven other international non-executive directors.

- ***Well Diversified Shareholder Base***. The Company has a well diversified shareholder base, which encompasses a number of large institutions and regional high net worth individuals, as well as sovereign wealth funds, including the Dubai Financial Group. The Shares are listed on the Egyptian Exchange, and the GDSs are listed on the London Stock Exchange.

Strategy

The Group has developed a multi-faceted strategy, which focuses on (i) revenue generation, (ii) cost optimisation; (iii) the disposal of non-core assets and (iv) the enhancement of the Group's return on equity ("**ROE**"). The key components of this strategy are as follows:

- ***Revenue Generation***. In recent years, the Group's revenue generating capabilities have been adversely affected by the Revolution and the subsequent unstable political environment in Egypt and across a number of the markets in which the Group operates. For the year ended 31 December 2013, the Group's had a net loss of EGP 335 million, as compared to a net profit of EGP 121 million for the year ended 31 December 2012. The Group intends to grow its revenue generating capabilities in regional markets, focusing on the UAE as a key market for all its business lines, Saudi Arabia for investment banking and asset management and Kuwait for brokerage services. Egypt will continue to be a key market for the Group, and the Group aims to maintain its market share in Egypt while channelling additional resources to the Gulf countries in which it operates.

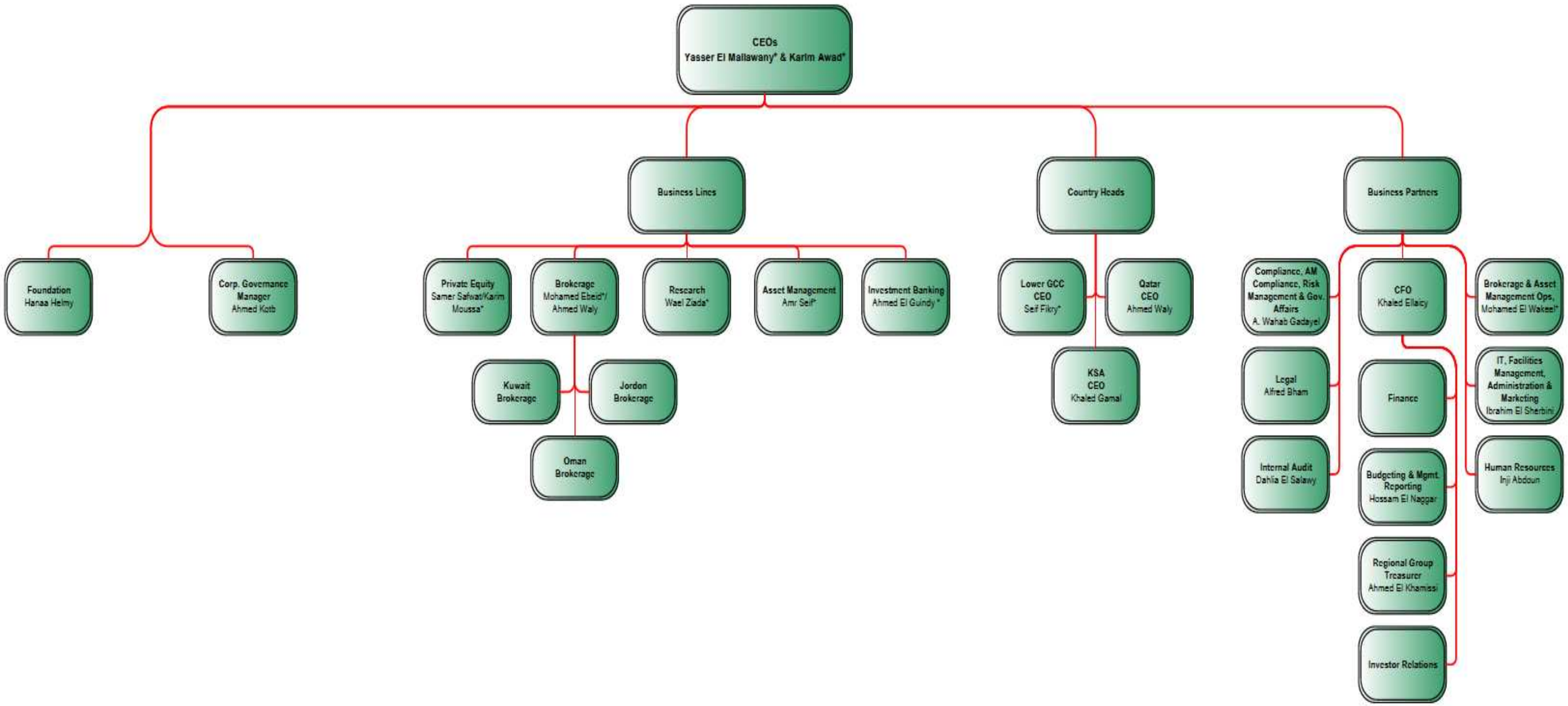
- ***Cost Optimisation***. The Group intends to continue with the implementation of its cost optimisation plan approved in 2013, to reduce the Group's operational expenses to approximately EGP 500 million by the end of 2014, which should permit the Group to make a profit even under unfavourable market conditions. The cost optimisation plan is an ongoing and changing process, which is designed to meet and adapt to the constantly changing economic and political environment.

- ***Disposal of Non-Core Assets***. The Group has identified a number of non-core assets, which it aims to dispose of when market conditions permit. The disposal of such non-core assets will permit the Group to focus on its key business areas. The Group expects to return most of the proceeds of such disposals to shareholders through share purchases and dividends, while maintaining a well-capitalised balance sheet to allow it to pursue future growth initiatives.

- ***Enhancement of ROE***. The Group is continuing to examine ways to enhance its low ROE and is conducting a full review of current capital allocation and associated returns. In January 2014, the Board of Directors of the Company approved a EGP 1 billion share buyback programme. The first stage of this programme, which amounts to EGP 425 million and aims to improve the Group's ROE, was completed on 6 February 2014 and the second phase is expected to be completed by the end of the third quarter of 2014.

Organisational Structure

The chart below sets forth the organisational structure and management reporting lines of the Group:



Subsidiaries

The Company conducts a substantial proportion of its business through its network of subsidiaries. The following table sets forth the subsidiaries of the Company, both directly and indirectly owned, their principal activity and the Company's ownership interest as at 31 December 2013:

Name	Principal Activity	Direct Ownership Interest	Indirect Ownership Interest
		(%)	
Financial Brokerage Group	Securities brokerage activities and maintaining and managing the clients' securities records.	99.88	0.04
Egyptian Fund Management Group	Managing investment funds.	88.51	11.49
Egyptian Portfolio Management Group	Managing the composition of clients' securities portfolios.	66.33	33.67
Hermes Securities Brokerage	Securities brokerage activities and extending margins to clients.	97.58	2.42
Hermes Fund Management	Managing investment funds and company management.	89.95	10.05
Hermes Corporate Finance	Promoting and underwriting securities subscriptions.	99.37	0.53
EFG-Hermes Advisory Inc.	No specified principal activities (may not engage in any activity prohibited under the laws of the British Virgin Islands).	100.00	—
EFG-Hermes Financial Management (Egypt) Limited.	Managing mutual funds and portfolios.	—	100.00
EFG-Hermes Promoting and Underwriting	Underwriting of pre-IPO stocks.	99.88	—
Bayonne Enterprises Ltd.	No specified principal activities (may not engage in any activity prohibited under the laws of the British Virgin Islands).	100.00	—
EFG-Hermes Fixed Income	Handling, mediation of, and brokering sales of, bonds and purchasing securities (on behalf of the Company or for its customers) and financial instruments, treasury bills and other similar securities.	99.00	1.00
EFG-Hermes Management	Providing consultancy services for financial, technical, economic, administrative and regulatory, marketing, engineering, investing and asset evaluations studies, projects and companies and administrative tasks; trading, marketing, promoting and distributing all requirements for production, machinery and equipment, intermediate goods, consumer goods and capital assets; and purchasing and selling real estate and land.	96.30	3.70
EFG-Hermes Private Equity Ltd	Managing funds and investment portfolios.	1.59	63.41
EFG Hermes Brokerage U.A.E. LLC	Acting as an intermediary in dealings in stocks and shares, which are listed on the Dubai financial market (DFM), the Abu Dhabi Securities Exchange (ADX) and NASDAQ Dubai Limited.	—	100.00
Flemming CIIC Holdings	Establishing shareholding companies.	100.00	—

Name	Principal Activity	Direct Ownership Interest	Indirect Ownership Interest
		(%)	
Flemming Mansour Securities	Securities brokerage activities and securities record-keeping.	—	99.33
Flemming CIIC Securities	Securities brokerage activities.	—	96.00
Flemming CIIC Corporate Finance	Promoting stocks subscriptions.	—	74.92
EFG-Hermes UAE Limited	Asset management, investment banking and financial advisory activities and acting as a trading and clearing member in NASDAQ Dubai Limited.	100.00	—
EFG-Hermes Holding – Lebanon	Owning shares in companies or partnerships; participating in the founding and management of certain companies; participating in corporate lending; and holding rights in patents and discoveries, privileges and trademarks.	99.00	—
EFG-Hermes KSA	Dealing as principal or agent and conducting underwriting activities; establishing and managing investment funds and portfolios; arranging; advisory activities and custody activities in respect of investment funds, portfolio management and international equity brokerage activities.	73.10	26.90
October Property Development Limited	No specified principal activities (may not engage in any activity prohibited under the laws of the British Virgin Islands).	100.00	—
EFG-Hermes Lebanon	Lending activities (either from its own funds or through the issuance of debt securities), credit operations and financial intermediation activities.	99.00	0.97
MENA Opportunities Management Limited	Acting as investment manager of the Master Fund and Middle East North Africa Opportunities Fund Limited.	—	95.00
EFG-Hermes MENA (Cayman) Holdings Limited	No specified principal activities, however, it may not engage in any act or activity prohibited by the companies' law or any other law of the Cayman Islands.	—	100.00
MENA (BVI) Holding Limited	Investment activities in all forms of securities and other financial instruments	—	95.00
EFG-Hermes Mena Securities Limited	No specified principal activities (may not engage in any activity prohibited under the laws of the British Virgin Islands).	—	100.00
Middle East North Africa Financial Investments W.L.L.	Selling and buying shares and securities for the company.	—	100.00
EFG-Hermes Qatar LLC	Arranging deals in investments, investment management and investment advisory activities.	100.00	—
EFG-Hermes Oman LLC	Securities brokerage activities.	—	51.00

Name	Principal Activity	Direct Ownership Interest	Indirect Ownership Interest
		(%)	
EFG-Hermes Regional Investment Ltd	No specified principal activities (may not engage in any activity prohibited under the laws of the Cayman Islands).	100.00	—
Offset Holding KSC	Holding shares of shareholding companies and other similar entities and participating in establishing and managing these companies; lending or providing guarantees to such companies; acquiring industrial proprietary rights, including patents, industrial trade marks, or any related rights and leasing and using such rights; acquiring tangible and intangible assets to conduct such activities; investing surplus funds in portfolios or funds managed by specialised entities; and brokerage related activities.	—	50.00
EFG-Hermes IFA Financial Brokerage Company	Brokerage activities for short- and long-term equity investments and investing in portfolios managed by others.	—	45.00
IDEAVELOPERS	Managing and advising technology-driven funds.	—	52.00
EFG Hermes CB Holding Limited	Engaging in any act or activity that is not prohibited by the companies law or any other law of the Cayman Islands.	—	100.00
EFG Hermes Global CB Holding Limited	Engaging in any act or activity that is not prohibited by the companies law or any other law of the Cayman Islands.	100.00	—
EFG Hermes Syria LLC	Brokerage and underwriting activities.	49.00	20.37
Sindyan Syria LLC	Investing in the tourism, agricultural and commercial sectors.	97.00	—
Talas & Co. LLP	Establishing companies and import and export activities.	—	97.00
EFG Hermes Jordan	Securities brokerage activities, margin lending, financial consulting and investment management activities.	100.00	—
MENA Long Term Value Feeder Holdings Ltd	Acting as General Partner of MENA Long-Term Value Feeder Fund L.P.	—	100.00
MENA Long-Term Value Master Holdings Ltd.	Acting as General Partner of MENA Long-Term Value Master Fund L.P.	—	90.00
MENA Long-Term Value Management Ltd.	Acting as Investment Manager of MENA Long-Term Value Master Fund L.P.	—	90.00
EFG Hermes CL Holding SAL	Owning shares in banks and financial institutions.	—	100.00
Credit Libanais SAL “the Bank”	Retail and commercial banking activities.	—	63.739
Credit Libanais Investment Bank SAL	Medium- and long-term lending activities.	—	63.65
Lebanese Islamic Bank SAL	Offering Islamic banking products and services.	—	63.64
Credit International SA	Commercial banking activities.	—	59.16

Name	Principal Activity	Direct Ownership Interest	Indirect Ownership Interest
		(%)	
Cedar's Real Estate SAL	Real estate development activities.	—	63.69
Soft Management SAL	Data processing activities.	—	29.96
Hermes Tourism & Travel SAL	Tourism and ticketing activities.	—	63.73
Credit Libanais d'Assurances et de Reassurances SAL	Insurance and reinsurance activities.	—	42.69
Business Development Center SARL	Publicity and advertising activities.	—	62.86
Capital Real Estate SAL	Real estate development activities.	—	62.46
Credilease SAL	Offering leasing services.	—	63.27
Collect SAL	Receivables collection activities.	—	28.64
EFG Hermes Investment Funds Co.	Establishing private equity funds.	99.998	—
MENA FI Cayman Ltd(1).	Acting as General Partner of EFG-Hermes MENA Fixed Income Fund L.P.	—	100.00
EFG Hermes MENA FI Management Limited(1)	Securities investment activities.	—	100.00
Fixed Income Investment Limited	Buying, selling and holding fixed income debt security instruments.	—	100.00
MEDA Access Cayman Holdings Limited	No specified principal activities (may not engage in any activity prohibited under the laws of the Cayman Islands).	—	100.00
EFG-Hermes Securitization Company	Securitisation financial activities.	100.00	—
Financial Group for Real Estate Co	Real estate development activities.	99.992	—
EFG-Hermes Mutual Funds Co	Mutual Funds investment activities.	100.00	—
EFG-Hermes Orient Advisory Inc	Full authority to carry out any object not prohibited by law.	—	70.00(2)

Notes:
(1) In liquidation as at 31 December 2013.
(2) Struck off on 28 March 2013.

Description of Principal Business Activities

The Company's principal activities, conducted through its subsidiaries, include investment banking, asset management, private equity, securities brokerage, research and commercial banking (through Credit Libanais).

Investment Banking

The Group's investment banking division offers equity capital markets, debt capital markets and M&A advisory, placement and underwriting services.

As a leading investment bank in the MENA region, the Group has executed some of the largest cross border transactions in the region, through a distribution network that encompasses more than 102,400 investors across North America, Europe, the Middle East and Africa. As at 31 December 2013, the Group had successfully completed transactions with a total execution value of U.S.$70.8 billion, of which U.S.$52.4 billion were mergers and acquisition transactions, since 1997. In addition, as at 31 December 2013, the Group has successfully completed capital raising transactions with an aggregate value of U.S.$14.1 billion for its clients since 1997, advising private corporations and public entities on their initial public offerings, secondary offerings, and private placements; and had raised U.S.$4.3 billion in debt arrangements and underwritings.

In recent years, the investment banking team has advised numerous key international clients including, among others, Japan Tobacco International, British American Tobacco, Lafarge, Kraft Foods, Pirelli, Société Générale, Vodafone and Wind Telecom, while its key regional clients include Al Futtaim, Dubai Group, du, Zain and Etisalat and its key

Egyptian clients include Arafa Holding, El Sewedy Electric, Olympic Group, Orascom Construction Industries, Orascom Telecom and Telecom Egypt.

Equity Capital Markets

According to statistics compiled by the Group, the Group has been the leading underwriter for equity transactions in the MENA region since 2000, holding a market share of approximately 18%. The Group acts as placement manager on equity capital markets transactions conducted by Egyptian, regional and foreign corporations, including initial public offerings, rights issues, secondary offerings and private placements

Major equity transactions on which the Group has acted as manager, co-manager or financial advisor since 1 January 2011 include:

- advising the Al Futtaim Group in connection with the acquisition, through a public tender offer, of CMC Holding, the largest automotive distributor in Kenya, in the first quarter of 2014;
- advising a leading private equity house in the MENA region in connection with its acquisition of the third largest offshore accommodation vessels operator, in the first quarter of 2014;
- acting as Lead Manager in connection with the U.S.$86 million offering by Palm Hills, real estate company, in December 2013;
- acting as Corporate Broker and Listing Manager in connection with the U.S.$500 million offering by BLME, a financial services company, in October 2013;
- acting as Financial Adviser in connection with the U.S.$41 million offering by Wadi Degla Holding, a real estate company, in February 2013; and
- acting as Placement Manager in connection with the U.S.$510 million offering by ERC, an oil and gas company in June 2012.

Debt Capital Markets

The Group provides structuring, placement and underwriting services for debt capital market transactions. Since 2008, following increased concentration on debt capital markets transactions as a result of the impact of market conditions on equity-related transactions, the Group has successfully completed transactions with a value in excess of U.S.$4.3 billion. The investment banking team also benefits from the support and placement expertise of the Securities Brokerage Division.

As a result of challenging market conditions in Egypt and the surrounding region, the Group has not managed or co-managed any debt offerings since 1 January 2011.

M&A

According to statistics compiled by the Group, the Group was the number one-ranked advisor for M&A transactions in the MENA region since 2000, holding a market share of approximately 20%. Since 1995, the Group has advised on successfully completed M&A transactions worth approximately U.S.$52 billion. The range of M&A services offered by the Group includes identifying potential acquisition or divestiture targets; creating detailed valuation analysis and transactional structures; negotiating transaction documentation and agreements; deal execution and developing fairness opinions.

Major transactions on which Group acted an advisor since 1 January 2011 include:

- advising on the U.S.$164 million acquisition by First Gulf Bank of Dubai First, a financial services company, in June 2013;
- advising on the acquisition by Japan Tobacco International of Al Nakhla Tobacco, a tobacco company in Egypt, in March 2013;
- advising on the merger of Al Mokhtabar Labs and Al Borg Group in August 2012;

- advising on the U.S.$617 million acquisition by MANNAI Corporation and EFG Hermes Capital Partners Management of Damas, a consumer durables company in Palestine, in June 2012;

- advising on the U.S.$2.6 billion demerger of Orascom TMT off Orascom Telecom S.A.E in January 2012;

- advising on the U.S.$452 million acquisition by Electrolux of Olympic Group, a consumer durables company in Egypt, in September 2011;

- advising on the U.S.$25.7 billion acquisition by Vimpel Com of Wind Telecom, a telecommunications company in Italy, in April 2011; and

- advising on the U.S.$1.2 billion acquisition by QTel of Orascom Telecom, a telecommunications company in Turkey, in January 2011.

Asset Management

The Group's asset management business is believed to the largest asset manager in the MENA region, with over U.S.$3.0 billion in assets under management as at 31 December 2013. The asset management business serves, *inter alia*, institutional, sovereign wealth fund, foundation, pension, family office and insurance clients. The Group operates 26 funds, which cover various countries, strategies and sectors, including Islamic funds, money market funds, equity funds, multi-asset funds and capital guaranteed funds. The Company's asset management subsidiaries also offer discretionary portfolio management services to high net worth individuals and institutional investors.

The Group's asset management business consists of its fund management and portfolio management divisions. The Group's asset management activities focus on developing and managing mutual funds and individual securities portfolios, investing mainly in Egyptian and Middle Eastern equities on behalf of both international and domestic clients. The Group's asset management team consists of more than 40 professionals working from the Group's Cairo, Dubai and Riyadh offices (established in 1994, 2002 and 2006, respectively) with more than 18 years of investment experience in the MENA region.

Fund Management

The Group's fund management activities are principally operated through five subsidiaries: Egyptian Fund Management Group ("**EFMG**"); Hermes Fund Management ("**HFM**"); EFG-Hermes Financial Management (Egypt) Limited ("**EFGFM**"); EFG-Hermes UAE Limited; EFG-Hermes KSA. See "*—Subsidiaries*".

The following table sets forth certain information relating to the funds currently under the Group's management:

Fund	Launch Date	Size	Manager	Open/ Closed End
		(U.S.$ millions)[1]		
Egypt Equity Funds				
Bank of Alexandria Fund I	December 1994	20.76	HFM	Open
Credit Agricole Fund I	October 1994	10.24	HFM	Open
Credit Agricole Fund II	April 1997	10.54	HFM	Open
Egyptian Gulf Fund	May 1997	16.61	HFM	Open
Banque du Caire Mutual Fund	November 1995	21.98	HFM	Open
Al Baraka Fund	May 2006	11.33	HFM	Open
Faisal Islamic Fund	December 2004	32.27	HFM	Open
Egypt Money Markets Funds				
Bank of Alexandria (Money Market Fund)	May 2006	334.32	HFM	Open
QNB-ALAHLI Money Market Fund (Themar)	October 2006	545.12	HFM	Open
Credit Agricole Fund III	June 1999	165.66	HFM	Open
Audi Bank Money Market Fund	May 2009	115.26	HFM	Open
Arab Investment Bank	June 2010	39.65	HFM	Open
Egypt Fixed Income Funds				
BOA Fixed Income Fund	April 2010	12.71	HFM	Open
Regional Equity Funds				
EFG-Hermes Middle East and Developing Africa Fund	July 1999	78.30	EFGFM	Open-end
Al Waseela –Q Class	April 2007	25.14	EFGFM	Open-end
Al Waseela - F Class	April 2007	17.01	EFGFM	Open-end
KB MENA Equity Fund	March 2008	6.98	EFG-Hermes UAE Limited	Open-end
Al Danah GCC Trading Equity Trading Fund	April 2006	5.16	EFG-Hermes UAE Limited	Open-end
Al Qasr GCC Real Estate and Construction Equity Fund	April 2007	12.41	EFG-Hermes UAE Limited	Open-end
Middle East North Africa Opportunities Master Fund Ltd (soon to be Frontier Opportunities Master Fund Ltd.).	September 2007	142.93	EFG-Hermes UAE Limited	Open-end
MENA Long-Term Value Master Fund L.P.	July 2010	390.23	EFG-Hermes UAE Limited	Open-end
EFG-Hermes SPC Limited	August 2006	N/A	EFG-Hermes UAE Limited	Open-end
Saudi Arabia Equity Funds				
EFG-Hermes Saudi Arabia Equity Fund	June 2008	28.14	EFG-Hermes KSA	Open-end
Egypt Balanced Funds				
Principal Bank Fund – Al Massy	April 2008	12.36	HFM	Open
Egypt Offshore Funds				
EFG-Hermes Egypt Fund	August 1996	47.08	EFGFM	Open
Egypt Asset Allocator				
SAIBANK Al Rabeh Fund	February 1999	14.56	HFM	Open

Note:
(1) As at 31 December 2013.

The following table sets forth certain information relating to the total return of funds under the Group's management and returns for relevant market indices during the periods indicated:

Fund	For the year ended 31 December 2013	2012	2011
		(%)	
Bank of Alexandria Fund I	26.30	36.98	(47.39)
Credit Agricole Fund I	27.50	38.43	(42.99)
Credit Agricole Fund II	27.54	39.37	(44.79)
Egyptian Gulf Fund	30.25	40.90	(52.24)
Banque du Caire Mutual Fund	31.35	43.06	(47.16)
Al Baraka Fund	25.30	39.95	(43.45)
Faisal Islamic Fund	20.44	30.22	(47.01)
Bank of Alexandria (Money Market Fund)	10.41	11.35	8.52
QNB-ALAHLI Money Market Fund (Themar)	10.29	11.20	8.44
Credit Agricole Fund III	10.77	11.50	8.47
Audi Bank Money Market Fund	10.60	11.29	8.47
Arab Investment Bank	11.10	11.19	8.90
BOA Fixed Income Fund	14.56	11.48	7.62
EFG-Hermes Middle East and Developing Africa Fund	45.1	14.3	(31.4)
Al Waseela –Q Class	30.9	0.8	5.6
Al Waseela - F Class	31.3	0.8	5.6
KB MENA Equity Fund	56.6	17.7	(20.1)
Al Danah GCC Trading Equity Trading Fund	43.3	13.8	(7.2)
Al Qasr GCC Real Estate and Construction Equity Fund	33.1	19.4	9.9
Mena Long-Term Value Master Fund L.P.	44.6	11.1	(5.7)
Middle East North Africa Opportunities Master Fund, Ltd (soon to be Frontier Opportunities Master Fund, Ltd)	43.6	14.6	(27.8)
EFG-Hermes SPC Limited	n/a	n/a	n/a
EFG-Hermes Saudi Arabia Equity Fund	48.8	11.2	1.8
Principal Bank Fund – Al Massy	15.97	32.69	(19.55)
EFG-Hermes Egypt Fund	16.74	46.36	(53.56)
SAIBANK Al Rabeh Fund	7.82	6.77	4.80

The Group has traditionally marketed its investment funds through a number of distribution channels, including Egyptian banks that distribute mutual funds through their branch office networks, Gulf banks and financial institutions that distribute funds to their retail and institutional clients and European and U.S. distributors that place mutual funds with institutional accounts.

The Group earns two types of fees for its fund management activities: an annual management fee and a performance fee. Annual management fees are payments fixed by the parameters of each fund. Performance fees are earned only if an individual fund exceeds a predetermined level of return for a given period. Performance fees are typical in most domestic and regional funds.

The Group is in the process of finalising the launch of the new EFG-Hermes Umbrella Fund plc, which it intends to launch in the third quarter of 2014. The fund will be a long only equity fund investing in the Middle East and North Africa region and targeting European investors. The UCITS regime is expected to allow the Group to passport funds across the EU and market them to a large retail investor base across Europe. This is expected to enable the Group to attract higher quality institutional investors (such as pension funds, insurance companies and family offices).

Portfolio Management

The Group's portfolio management activities are principally operated through four subsidiaries: Egyptian Portfolio Management Group, EFG-Hermes UAE Limited, EFG-Hermes Financial Management (Egypt) Limited, and EFG-Hermes KSA. See "*—Subsidiaries*".

The Group offers custom-made discretionary portfolio management services, either focusing on the MENA region or a specific country, to cater to the risk profile and investment objectives of each investor. The portfolio management services offered by the Group are as follows:

- ***Equity Portfolio Investment Strategy***: designed to achieve long-term capital appreciation and absolute returns through investment in capital markets across the region.

- ***Sharia-Compliant Portfolio Investment Strategy***: designed to achieve long-term capital appreciation through investments in Sharia-compliant equity and fixed income related securities across the regional capital markets, ensuring asset allocation according to Islamic investment principles.

- ***Balanced Portfolio Investment Strategy***: designed to achieve long-term capital growth with an emphasis on capital preservation, by investing in a balance of listed equity and fixed income securities in the regional capital markets.

- ***Capital Protected Portfolio Investment Strategy***: designed to emphasise capital preservation and principal protection, while achieving a return on investment that exceeds the returns on bank deposits over a four-year period, through investments in fixed deposits, bonds and other instruments in the region.

- ***Fixed Income Portfolio Investment Strategy***: designed to yield long-term capital appreciation by investing in corporate and government fixed income securities across the region.

- ***Indexed Portfolio Investment Strategy***: designed to yield outperformance of regional and country-specific indices by investing in diversified equities in the capital markets of the region listed in regional indices.

As part of its portfolio management services, the Group maintains contact with its clients through bi-annual client visits and communications, providing regular updates on market developments, risk reports and monthly and quarterly portfolio performance updates.

The Group's fee structure for its portfolio management services are made up of a combination of fixed and performance-linked fees, which are calculated on a periodic basis. Fixed management fees are typically accrued on a monthly basis and paid on a quarterly basis, while performance fees are accrued on a monthly basis and paid on an annual basis, although this may differ with each portfolio. As at 31 December 2013, the Group's fixed fee for its services ranged from 0.2% to 0.75%, depending on the fund. The performance fee is typically a percentage of any return over a hurdle rate, which varies with each portfolio. The performance fee is also, on occasion, subject to a high water mark.

Private Equity

The Group is one of the MENA region's leading private equity houses, with over ten years of experience. As at 31 December 2013, the Group had invested approximately U.S.$652 million in 36 unique investments. The Group's private equity investments have focused on the construction and real estate, oil and gas, food and agriculture and retail sectors. The Group also acts as the Egyptian investment manager and a member of the regional investment committee for, and is a founding partner of, InfraMed, a €385 million infrastructure fund focusing on the southern and eastern Mediterranean region. The Group manages its private equity business from its Cairo and Dubai offices, with support from its offices in Beirut, Doha, Kuwait and Muscat.

The Group offers private equity clients exposure to leveraged buy-outs, growth and venture capital, distressed, turnaround, specific industries and natural resources.

The Group receives income from its private equity activities in two ways. On an ongoing basis, the Group receives fund management fees and may receive performance fees in respect of such funds. In addition, the Group will receive income whenever the funds in which it holds equity stakes make distributions.

Private Equity Funds

The Group participates in the following private equity funds:

- ***Inframed Infrastructure Fund:*** The Inframed Infrastructure Fund was launched in May 2010 and has an expected duration of 14+1 years. At its first closing, the Inframed Infrastructure Fund had initial commitments of €386 million. The fund is a joint venture among the Group, the European Investment Bank, Caisse des Dépôts et de Consignations (France), Cassa Depositi e Prestiti (Italy), and Caisse de Dépôts et de Gestion (Morocco) and is the largest investment vehicle dedicated to infrastructure in the Mediterranean area. The fund targets equity investments in greenfield projects in the urban, energy and transport sectors. To date, the Inframed Infrastructure Fund, has made the following principal investments:
    - a 15% ownership interest in the Egyptian Refining Company, a greenfield high technology second stage refining facility in Egypt;
    - a 49% ownership interest in the Tafila Wind Farm in Jordan; and
    - a 20% ownership interest in the Iskenderun Port Facility in Turkey.
- ***Horus Food and Agribusiness Limited Partnership****:* The Horus Food and Agribusiness Limited Partnership was launched in June 2006 and has a term of 17+1+1 years. The Horus Food and Agribusiness Limited Partnership has commitments of U.S.$46 million. The fund is dedicated to investing in feed and agribusiness companies. To date, the Horus and Agribusiness Limited Partnership has made the following principal investments:
    - a 25.2% ownership interest in Ridgewood Egypt, an Egyptian constructor and operator of water desalination plants and power generation plants in the Red Sea and South Sinai regions of Egypt;
    - a 11.3% ownership interest in Omnia Investments Group, an Egyptian operator specialising in cattle imports and meat production, processing and distribution; and
    - a 5.9% ownership interest in Wadi Holding S.A.E, an Egyptian producer of day old chicks (DOC) and feed, processor and seller of branded olives and producer of glass packaging for food products.
- ***EFG Capital Partners Fund III, L.P****.:* EFG Capital Partners Fund III, L.P. was launched in August 2007 and has a term of 7+1+1 years. EFG Capital Partners Fund III, L.P. has commitments of U.S.$575 million. To date, EFG Capital Partners Fund III, L.P. has made the following principal investments:
    - a 9.4% ownership interest (direct and indirect) in Maridive and Oil Services, an Egyptian company offering a range of offshore oil services to oil and gas companies;
    - a 63.8% ownership interest in Omnia Investments Group, an Egyptian operator specialising in cattle imports and meat production, processing and distribution;
    - a 48.8% ownership interest in Ridgewood Egypt, an Egyptian constructor and operator of water desalination plants and power generation plants in the Red Sea and South Sinai regions of Egypt;
    - a 15.9% ownership interest in Gulf Housing Solutions Limited, an Egyptian company, which acquires, builds, leases and manages workforce accommodation complexes for low income workers;
    - a 20.0% ownership interest in Sahara North Bahariya Ltd., an Egyptian oil producer;
    - a 31.9% ownership interest in Horus Cement Limited, pursuant to which the fund has a 23.9% interest in Wadi El Nil Cement Company Limited, an Egyptian cement company;
    - a 54.5% ownership interest in Egyptian International Dyeing and Knitting Company, an Egyptian company specialising in the production of knitted and woven readymade garments for the export markets;

- a 1.2% ownership interest in Talaat Moustafa Group Holding Company, an real estate developer and owner of luxury hotels and resorts;

- a 1.2% ownership interest in Alexandria Mineral Oils Company (AMOC), an 80% state-owned Egyptian refinery providing refined products to the domestic and export markets; and

- a 19% ownership interest in Damas, the largest gold and diamond jewellery retailer in the region, which was sold to Mannai Corporation in March 2014.

- ***EFG Capital Partners Fund II, L.P.:*** EFG Capital Partners Fund II, L.P. was launched in September 2005 and has a term of 7+1+1 years. EFG Capital Partners Fund II, L.P. has commitments of U.S.$155 million. To date, EFG Capital Partners Fund II, L.P. has made the following principal investments:

  - a 16.5% ownership interest in Kandil Steel Holding, an Egyptian manufacturer of six flat-steel end products;

  - a 13.9% ownership interest in EDITA Food Industries S.A.E., an Egyptian producer and distributor of snack foods;

  - a less than 1.0% ownership interest in Talaat Moustafa Group Holding Company, an real estate developer and owner of luxury hotels and resorts;

  - a 17.9% ownership interest in Sahara Oil & Gas, an Egyptian oil and gas company;

  - a 10.0% ownership interest in Watany Bank of Egypt, an Egyptian commercial bank; and

  - a 1.6% ownership interest in Suez Cement Company, an Egyptian cement producer.

Securities Brokerage

The Group's securities brokerage business is the leading brokerage business in Egypt and has leading positions in other regional markets, including Jordan, Kuwait, Oman, Saudi Arabia and the United Arab Emirates. It also operates in Bahrain, Jordan, Iraq and Lebanon and has over 90,000 individual, family office and institutional clients in the MENA region, Africa, Asia, Europe and the United States. The securities brokerage business offers its clients an advanced trading platform, with access to a suite of customer services, including via retail branches, a call centre, online trading and account access and ATMs. The Group offers multimarket trading, fundamental analysis and technical analysis in several MENA markets, as well as additional services such as conditional orders, margin trading and same day trading in certain MENA markets.

In 2013, the Group represented 12.6% of total market executions in daily trading on the Egyptian Exchange. The Group's securities brokerage team consists of approximately 120 sales employees and traders, who are dedicated to GCC and MENA equities and specialised according to client type, product and geography.

The Group conducts its securities brokerage activities through six subsidiaries: Hermes Securities Brokerage, EFG-Hermes Brokerage UAE LLC, EFG-Hermes IFA, EFG-Hermes KSA, EFG-Hermes Jordan and EFG-Hermes Oman LLC.

Individual Clients

The Group provides its individual securities brokerage clients with access to the following:

- execution of brokerage transactions in markets across the MENA region;

- fundamental research covering more than 120 stocks;

- daily technical analysis reports that include analysis of historical price charts and trading volumes;

- online trading, which provides 24-hour access to multi-market trading, stock, cash positions, transaction history, market research and statements in Egypt, the UAE, Kuwait, Oman and KSA;

- the ability to track and trade stocks in multiple markets across the region on their iPhone, iPad and android devices;

- a desktop streamer that allows users to view real time data in Egypt, Dubai, Oman and Abu Dhabi, including the ability to trade and view multiple markets simultaneously;

- margin trading opportunities;

- securities brokerage ATMs in Egypt, which are available in the Group's branches, allowing investors to deposit and withdraw funds from their trading accounts;

- a dedicated contact centre; and

- local branches, offering customer service and portfolio management services.

Institutional Clients

The Group provides its institutional securities brokerage clients with access to the following:

- execution of brokerage transactions in markets across the MENA region;

- an institutional sales and trading team with extensive regional investment expertise and global experience;

- the Group's research division, which publishes a range of products covering economics, strategy, sectors and companies;

- senior management at leading regional investment prospects, through custom-tailored tours, focused investment conferences and the Group's one-to-one sessions, which permit customers to speak directly with the senior management from companies within the region; and

- a designated account manager, which serves as the client's point of access to all regional markets and sources and executes trades on the client's behalf, as well as access to the Group's online trading system.

Brokerage Operations

The methods by which each of the Group's entities execute clients' buy and sell orders are similar. Essentially, all companies within the Group engage only in buying and selling securities for clients' accounts and do not engage in proprietary trading.

The following table sets forth the value of the Group's total brokerage executions during the periods indicated:

Year	**Number of Executions**	**Total value**
		(*U.S.$ billions*)
2011	690,042	18.8
2012	876,012	18.4
2013	1,032,414	27.4

The Group generates fees from its securities brokerage business in three ways: private placements of equity, secondary market transactions and fixed income transactions. In the case of primary offerings, the Group earns a brokerage commission, which is then apportioned between the securities brokerage and investment banking businesses, as agreed. In the case of secondary market transactions, the securities brokerage group generally charges a fixed commission on all executed transactions. In the case of fixed income transactions, the Group charges clients a fixed fee.

Research

The Group provides independent and objective analysis through its research business, which focuses on equity coverage, economics and strategy and covered 138 companies in ten countries as at 31 December 2013, representing approximately 62% of the region's market capitalisation. The Group's research analysts have frequently been ranked at or near the top of industry polls and rankings. In March 2012, the Group launched a new website providing clients with access to all of its research products and a three-year research archive.

The Group's research is offered exclusively, and on a complimentary basis, to its clients.

Products

The Group's research business offers the following products:

- daily newsletters, highlighting key stories in the MENA region and brief equities updates;
- maintenance products, including company flash notes, which provide investors with commentary on key financial results previews and reviews, as well as notifications of suspension of coverage and corporate action adjustments;
- industrial and thematic sector notes, which provide a more in-depth analysis at key sectors by country or region;
- event driven notes, which provide information relating to M&A transactions and regulatory changes;
- monthly data watch reports on macroeconomic and banking key performance indicators in the Group's key markets;
- monthly strategy reports on fund flow and asset allocation data;
- monthly dashboard, which includes a summary of valuations and market performance;
- quarterly macroeconomic reports;
- quarterly strategy reports;
- quarterly earnings previews for individual companies and sectors;
- index research, including the Hermes MENA indices and sector indices; and
- an annual MENA Investment Perspective Yearbook, which is published in December each year and provides a comprehensive guide to MENA equities available.

The table below sets out the Group's research coverage of equity-listed companies in MENA countries, by market capitalisation, as at 31 December 2013:

Country	**Coverage**
	(*as a percentage of market capitalisation)*
Saudi Arabia	71
Abu Dhabi	65
Qatar	64
Lebanon	47
Kuwait	44
Dubai	41
Oman	37
Egypt	35
Morocco	30
Jordan	3

The Group uses a variety of methodologies to obtain and verify its information. Analysts routinely visit companies and meet with members of management to obtain insights and monitor the company's progress, as well as reviewing information provided by other sources.

The Group also uses a number of indices, which are tailored for Egypt, the UAE and the MENA region. For Egypt, the Group uses three broad indices (Hermes Financial Index (HFI), Egyptian Financial Group Index (EFGI) and HFI Ex-EFGI) and seven sector-based indices, each of which is provided in last price and volume weight average price formats. For the UAE, the Group uses three main indices (Abu Dhabi, Dubai and UAE). For the MENA region, the Group uses a broad index (MENA Index), as well as a breakdown of seven sector-based indices, each of which is provided in total return and price return formats.

Commercial Banking

Credit Libanais conducts the Group's commercial banking activities and is one of Lebanon's leading financial institutions. As at 31 December 2013, Credit Libanais had 66 branches in Lebanon, four overseas branches in Bahrain, Cyprus and Iraq (Baghdad and Irbil), a representative office in Canada and a banking licence in Senegal. The principal activities of Credit Libanais include:

- retail banking services, including personal and consumer loans, housing and leasing facilities, lending to SMEs and sole proprietorships, plastic cards, bancassurance and the acceptance of deposits in both Lebanese Pounds and foreign currencies through savings accounts, time deposits and current and checking accounts;

- corporate banking services, including extending credit facilities to medium-sized and large corporate clients, providing medium- and long-term project financing and trade finance services, including the issuance of letters of credit, letters of guarantee and other forms of documentary credit to private sector entities to finance imports and business projects;

- treasury and global markets services, including trading and sales of various types of financial instruments and products;

- private banking and wealth management services, including portfolio management, securities trading, mutual funds, alternative investments and structured products;

- investment banking services (through Credit Libanais Investment Bank), including financial intermediation, long-term subsidised loans, syndicated loans, securitizations, corporate advisory services, project finance, research, housing loans and direct equity participation; and

- electronic banking (e-banking) services, including plastic card embossing and acquiring activities, SMS alerts and online banking, electronic payment gateways, logistics and marketing for ATM and POS networks and payment gateways.

As at 31 December 2013, Credit Libanais had total assets of LBP 12,602 billion, as compared to LBP 11,981.1 billion as at 31 December 2012. For the year ended 31 December 2013, Credit Libanais' net profit was LBP 103.2 billion, as compared to LBP 92.1 billion for the year ended 31 December 2012.

The following table sets forth selected information extracted or derived from the audited financial statements for Credit Libanais S.A.L. as at, and for the year ended, 31 December 2013, which includes comparative information as at, and for the year ended, 31 December 2012:

	For the year ended 31 December	
	2013	2012
	(LBP millions)	
Assets		
Cash and balances with Central Banks	2,046,850	1,929,763
Balances with banks and financial institutions	1,202,414	1,217,513
Loans and advances to customers	3,897,098	3,328,744
Loans and advances to related parties	21,509	39,422
Debtors by acceptances	165,384	136,393
Financial assets at fair value through other comprehensive income	75,047	60,004
Financial assets at fair value through profit or loss	56,775	51,894
Financial assets at amortised cost	4,784,453	4,869,142
Investments in equity-accounted investees	17,733	17,275
Property and equipment	173,707	139,546
Intangible assets	4,569	4,971
Assets held for sale	37,815	44,895
Other assets	118,896	141,519
Total assets	**12,602,250**	**11,981,081**
Liabilities		
Loans and deposits with Central Bank of Lebanon	77,462	3,581
Deposits from other banks and financial institutions	99,172	129,569
Deposits from customers	10,438,788	10,193,831
Deposits from related parties	352,170	299,562
Engagements by acceptances	165,384	136,393
Subordinated debt issued	120,461	120,483
Current tax liabilities	17,848	15,313
Other liabilities	257,455	234,655
Provisions for risks and charges	38,710	34,972
Total liabilities	**11,567,450**	**11,168,359**
Shareholders' Equity		
Share capital - common shares	257,400	257,400
Share capital - preferred shares	11,000	—
Share premium - preferred shares	139,750	—
Capital reserves	160,464	138,482
Retained earnings	103,610	66,925
Fair value reserve	22,002	12,182
Other reserves	221,028	230,839
Profit for the year	98,629	88,192
Total equity attributable to equity holders of the Bank	1,013,883	794,020
Non-controlling interest	20,917	18,702
Total equity	**1,034,800**	**812,722**
Total liabilities and equity	**12,602,250**	**11,981,081**

	For the year ended 31 December	
	2013	**2012**
	(LBP millions)	
Income Statement		
Interest income	665,693	629,874
Interest expense	(459,401)	(440,652)
Net Interest Income	**206,292**	**189,222**
Fee and commission income	93,085	90,328
Fee and commission expense	(36,983)	(35,635)
Net fee and commission income	**56,102**	**54,693**
Net trading income	18,229	20,843
Net gain on financial investment	9,609	12,125
Other income	4,872	3,119
Total operating income	**295,104**	**280,002**
Net impairment on loans and advances	(6,625)	(3,555)
Net impairment losses on financial investments	(56)	(60)
Net operating income	**288,423**	**276,387**
Personnel expenses	(100,170)	(94,140)
Depreciation and amortisation	(10,897)	(11,176)
Other operating expenses	(59,671)	(63,899)
Total expenses	**(170,738)**	**(169,215)**
Share of profit of investments in equity accounted investees	1,746	1,436
Profit before income taxes	**119,431**	**108,608**
Income tax expense	(16,213)	(16,536)
Profit for the year	**103,218**	**92,072**

Retail Banking

Credit Libanais offers a broad range of banking services to its retail customers through its domestic branch network which, as at 31 December 2013, was the sixth largest branch network in Lebanon, with 66 branches across five regions of Lebanon, including East Beirut (14 branches), Mount Lebanon and Keserwan (13 branches), West Beirut (12 branches), Bekaa and South Lebanon (16 branches) and North Lebanon (11 branches), as well as a branch in Limassol, Cyprus, a branch in Manama, Bahrain, two branches in Iraq (located in Baghdad and Erbil), a bank in Senegal and a representative office in Montreal, Canada.

All branches offer the full range of the products and aim to cross-sell different products to identify and meet the needs of each customer throughout his or her life cycle. The branches in Cyprus, Bahrain and Iraq are fully operational branches of Credit Libanais, providing various banking services to Lebanese expatriates and foreign customers. All of Credit Libanais' domestic branches are equipped with ATMs. Credit Libanais operates 84 ATMs directly in Lebanon, two ATMs directly outside Lebanon, seven additional ATMs through its affiliate, International Payment Network S.A.L., and 9,467 POS terminals owned by Credit Card Management S.A.L., a subsidiary of the Credit Libanais.

Retail banking products include personal and consumer loans, cards (credit and debit cards, charge and prepaid cards), current and checking accounts, term deposits, deposit and saving accounts and bancassurance products. These products, which are designed to reduce the risk of concentration, are offered subject to strict limits on financial exposure per customer and are related to each customer's monthly disposable income. In addition, Credit Libanais uses standardised credit documentation, which minimises processing and intermediation costs per transaction due to the high volume of business generated. Credit Libanais' core retail business represents an important source of revenue due to the relatively high margins realised on such lending opportunities, as compared to corporate lending.

Credit Libanais provides personal and consumer products to its customers through its branch network and endeavours to cross-sell such products to employees of its corporate clients. Credit Libanais has succeeded in attracting a greater number of corporate employees (of both companies and public organisations) as clients through the domiciliation of salaries and the offering of other retail banking services.

Corporate Banking and Trade Finance

Credit Libanais offers a wide range of commercial banking services and products to medium-size and large businesses. The Corporate Banking Division is responsible for customers with turnover exceeding U.S.$2 million. Credit Libanais offers its corporate customers seamless and customised products, including traditional loans, as well as long and medium-term subsidised loans, discounting commercial bills, working capital financing, leasing facilities, foreign exchange services, domestic and international transfers, direct debits and standing orders. Customer relationships are fostered by a dedicated team of relationship managers, to promote cross-selling of Credit Libanais's products (including retail banking and wealth management products), while maintaining tight control over risks involved. Recovery relationship managers are also entrusted with the task of monitoring and handling non-performing loans in accordance with the requirements of the BDL.

Credit Libanais has partnership programmes with the following international and regional organisations:

- *The Arab Trade Financing Programme* ("**ATFP**"): Credit Libanais has entered into an agreement with the ATFP, a specialised financial institution established by the Arab Monetary Fund, to develop and promote trade among Arab countries. The ATFP provides financing to Arab exporters and importers by extending lines of credit at concessionary rates to accredited banking institutions, such as Credit Libanais, which are referred to as National Agencies. Credit Libanais then provides direct financing to the borrowers at competitive rates based on the ATFP concessionary rate plus 50 to 100 basis points.

- *The European Investment Bank* (the "**EIB**"): Credit Libanais has entered into an arrangement with the EIB to offer eligible Lebanese firms competitive financing for projects in various economic sectors, including, in particular, industrial and tourism-related projects.

- *The International Finance Corporation* (the "**IFC**"): Credit Libanais has entered into an arrangement with the IFC to offer eligible Lebanese firms competitive financing for projects in various economic sectors, including, in particular, industrial and tourism-related projects.

- *The Inter Arab Investment Guarantee Corporation* ("**IAIGC**"): Credit Libanais has entered into an arrangement with IAIGC to facilitate trade amongst Arab countries by providing insurance guarantees for investment and trade.

- *The Islamic Corporation for Insurance of Investment and Export Credit* ("**ICIIEC**"): Credit Libanais has entered into an arrangement with ICIIEC to provide guarantees, in affiliation with Lebanese Islamic Bank S.A.L., to promote exports from Islamic countries worldwide.

- *The Saudi Fund for Development* ("**SFD**"): Credit Libanais has entered into an arrangement with SFD to finance the trade of Saudi Arabian goods and services by Lebanese importers.

- *The Cooperative Housing and Finance* ("**CHF/USAID**"): Credit Libanais has entered into an arrangement with CHF/USAID to subsidise the Ameen programme, a micro-finance scheme providing financing to small enterprises, which are generally not eligible for loans under standard Lebanese bank credit policies.

In addition, Credit Libanais also offers Murabaha financings through its subsidiary, Lebanese Islamic Bank S.A.L., in collaboration with major regional players in the Islamic banking industry.

In response to its corporate clients' needs, Credit Libanais manages its trade finance activities through a network of regional and international correspondent banks, with which Credit Libanais has established relationships. Credit Libanais's growing trade finance activities are directed at its commercial and trade customers and include, among others, the issuance of guarantees and standby letters of credit, documentary and commercial letters of credit and interest rate swaps. The ongoing reconstruction programme in Lebanon and the renewed trade activities between Lebanon and its trading partners have led to an increase in Credit Libanais's trade finance documentary and commercial letters of credit.

Treasury and Global Markets Operations

Credit Libanais has developed its Treasury and Global Markets Division to offer quality services to its customers and enhance the development and expansion of financial and capital markets activities in Lebanon. Credit Libanais offers a range of global financial services in treasury and cash management, foreign exchange, capital markets and brokerage. Credit Libanais's products and financial instruments include:

- liquidity management and money market instruments;

- foreign exchange trading in major currencies including spots, forwards and swaps;

- trading in all types of fixed-income instruments (including international, regional and domestic instruments, as well as investments in sovereign and corporate securities ranging from high grade to high yield and emerging market instruments) and arranging investments in securitised obligations, equity-linked products and structured products with fixed-income, foreign exchange and equity underlyings;

- brokerage in equities, funds, fixed-income, derivatives and structured products with various underlying assets;

- safekeeping and custody of securities, as well as lending against securities; and

- Islamic banking products and brokerage and financial services through Credit Libanais's subsidiary, Lebanese Islamic Bank S.A.L., including securities lending and custody services.

The performance of the Treasury and Global Markets Division has been facilitated by its leading position in an array of treasury and global markets services and products, which, in line with Central Bank requirements, have generally not included direct or indirect exposure to the type of "exotic" financial instruments and "toxic" assets that precipitated the failures and other troubles among banks in the global financial markets in the past five years.

The Treasury and Global Markets Division implemented a global markets approach that relates to the trading and sales of all types of financial instruments and products, ranging from foreign exchange, Government and corporate and sovereign investment grade debt, structured products and money market instruments to exchange-traded and over-the-counter ("**OTC**") equities and equity derivatives products.

Credit Libanais is a market maker in the Lebanese Pound, as well as in major foreign currencies. Money market and interbank transactions are exclusively carried out with prime banks and are subject to individual limits per bank as defined by Credit Libanais's Financial Institutions Credit Committee.

Credit Libanais undertakes trading activities in all Lebanese fixed-income securities. In addition, Credit Libanais carries out transactions in major international fixed-income markets. In its role as a market maker in the Lebanese Eurobond market, Credit Libanais has acted as lead manager on a number of transactions by the Republic of Lebanon and has supported sovereign transactions in the secondary market, while providing competitive pricing and liquidity to the market. Fixed income securities trading includes treasury bills and notes, Central Bank certificates of deposit, Eurobonds and other securities issued by domestic banks and corporates and international investment-grade fixed-income securities.

Credit Libanais covers major local and international stock markets and operates a seat on the Beirut Stock Exchange through its majority-owned subsidiary, Credit Libanais Investment Bank. Credit Libanais trades shares of companies listed on the Beirut Stock Exchange, as well as OTC-traded shares.

Private Banking and Wealth Management

The Private Banking and Wealth Management Department offers advisory and wealth management services to its high net-worth clients, including portfolio engineering and asset allocation advice based on the client's level of risk tolerance, diversification objectives and risk/return expectations with the aim of providing optimal portfolio performance for the client.

In addition, the wealth management team uses specific frameworks and tools to develop, implement and continuously monitor long-range investment plans to assist clients to invest their assets efficiently and in innovative and complementary investment strategies.

Credit Libanais offers its customers a broad range of investment solutions, including portfolio management; securities (including equities and fixed-income securities) trading and foreign exchange trading; multi-asset class investment funds, mutual funds, exchange traded funds (ETFs) and hedge funds; structured products with various underlying assets; capital protected products; Sharia'a-compliant investment products; brokerage services; and safekeeping and custodial services in respect of all types of financial instruments. Credit Libanais also provides its private banking clients with continuous updated perspectives of market trends and economic forecasts.

Investment Banking

In February 1996, Credit Libanais established Credit Libanais Investment Bank, an investment banking arm that is licensed in Lebanon as a "specialised bank", which is a bank that grants medium- to long-term credit facilities, in addition to conducting investment advisory and brokerage activities. Medium- and long-term loans are classified as those where principal repayments do not exceed 15.0% of the total outstanding amount of the facility during the first two years of the terms of such loans. Specialised banks benefit from certain tax exemptions, including, *inter alia,* certain tax exemptions for the first seven years of operations, as well as continuing special deductions in an amount equivalent to 4.0% of the specialised bank's share capital. Although Credit Libanais Investment Bank's tax exempt status expired at the end of 2003 (seven years after its establishment in 1996), it continues to benefit from reserve requirement exemptions and Credit Libanais remains permitted to take deductions equivalent to 4.0% of Credit Libanais Investment Bank's share capital.

Credit Libanais Investment Bank operates within the strategy designed and implemented by Credit Libanais's management and complements the range of services offered by Credit Libanais. In addition, Credit Libanais Investment Bank acts as the investment arm of Credit Libanais, the investment banking activities of which accounted for 29.4% of Credit Libanais's consolidated net profits in 2012.

Credit Libanais Investment Bank offers a full range of financial services and solutions specifically designed for private and institutional clients, locally, regionally and internationally, including, in particular, the granting of medium- and long-term loans targeting housing and project finance relating to manufacturing, agricultural and tourism ventures.

Credit Libanais Investment Bank also offers its clients comprehensive assistance with mergers and acquisitions, debt and equity financing and structuring and arranging financing for the re-capitalisation of companies. These services are in addition to loans that qualify for subsidised funding by the Central Bank, as well as investment advisory and brokerage services and portfolio management. In addition to the provision of these investment banking services, Credit Libanais Investment Bank contributes to the non-organic growth of Credit Libanais by seeking investment opportunities in Credit Libanais's subsidiaries specialising in insurance, real estate, electronic commerce, electronic payment systems and more. All banking activities conducted by Credit Libanais involving products with maturities of more than two years, including both loans and deposits, are booked through Credit Libanais Investment Bank.

Non-Core Activities

In 2006, the Company established the EFG-Hermes Foundation (the "**Foundation**"), an independent, non-profit organisation aimed at assisting people and institutions in overcoming financial, educational and health related challenges in the MENA region. Since its establishment, the Foundation has played a role in the development of local societies and working with institutions and non-governmental organisations on numerous projects. In particular, the Foundation focuses on projects relating to poverty alleviation, disease prevention and youth development. The Board of Trustees of the Foundation includes, among others, Chief Executive Officers and Directors of the Company.

The shareholders of the Company may allocate a proportion of the Group's net profits to the Foundation on an annual basis, although there is no obligation to do so. In each of the years ended 31 December 2011, 2012 and 2013, there were no such allocations made by the Company to the Foundation.

Cost-Cutting and Asset Disposal Programme

In March 2013, the Company announced its cost-cutting and asset disposal programme, which resulted in a net loss of EGP 335 million for the year ended 31 December 2013, as a result, in part of impairment losses of EGP 768 million, which included the recognition of charges amounting to EGP 512 million in respect of good will, EGP 129 million in respect of available-for-sale instruments and EGP 102 million in respect of other loans. EGP 19 million in respect of accounts receivables and debit accounts and EGP 6 million in respect of fixed assets.

The Company's cost-cutting programme is intended to reduce operating costs to approximately EGP 500 million per year by 31 December 2014 and has involved reductions in employee headcount, occupancy costs and travel and administrative costs. Although the cost-cutting programme is reviewed on an ongoing basis, as at 31 December 2013, it was substantially complete. As part of this programme, the Company is also seeking to dispose of certain non-core assets and to generate additional revenue from its real estate portfolio. Accordingly, the Company has (i) sold its previous headquarters in El Dokki, Giza, Egypt in June 2013, which resulted in a capital gain of EGP 24 million; (ii) sold the seventh floor of the Index Tower in Dubai in December 2013 in exchange for a 4.2% interest in Emirates REIT Fund; (iii) leased three floors of its Nile City property to the European Union for a period of 15 years, which is expected to result in annual rental revenues of U.S.$1.4 million (subject to annual increases); and (iv) sold a portion of its interest in Six of October Development and Investment Company (SODIC) in May 2014. The Company currently intends to sell additional space on the eight floor of the Index Tower in Dubai, as well as to sell certain of its retail branches in Egypt in 2014.

IT and Management Information Systems

The Group's information technology departments work with each of the Group's businesses to determine the technology best suited for its needs, developing customised solutions as required. The Group's information technology department consists of 69 employees.

All of the Group's computers are fully networked and all users are connected by an internal e-mail system and have internet access from their desktop. The Group is supported by information systems, including Bloomberg and Reuters.

Recent upgrades to the Group's information technology systems have included the consolidation of the Group's servers using virtual machine (VM) technology, as well as the upgrade of the storage area network (to EMC VNX) in the Group's regional hubs.

The Group has developed a disaster recovery and business continuity plan in the event of a disaster or other unforeseeable event. The Group's regional hub in Egypt has a disaster recovery site and documented procedures for notification and recovery in order to permit operations to continue in the event of natural or manmade disasters. A Crisis Management Team is also in place, which is composed of senior management and a Business Risk Co-ordinator for internal communication, to implement disaster recovery procedures.

Property

As at 31 December 2013, the Group held property in the form of land and buildings (amounting to a book value of EGP 727 million).

The investment banking division owns two of its branch properties, as well as its head office in Cairo. Credit Libanais owns twelve branches and seven head offices. The Group's other properties are leased. As at 31 December 2013, the Group's lease rental expense was approximately EGP 55 million.

There are no major encumbrances over the Group's properties.

Insurance

The Group maintains insurance coverage in line with market practice in the Egypt and the other markets in which it operates.

The Group currently maintains insurance policies, including cover under a civil liability insurance policy in the event of claims in respect of actual or alleged bodily injury or property damage to a third party by the Group, an employee's or any of its services. The Group maintains property insurance policies in place that cover buildings, as well as business and personal property, such as office equipment, computers and inventory, in the event of, among others, fire, vandalism, theft and smoke damage. The Group also maintains errors and omissions insurance in respect of claims relating to a failure to render, or the improper rendering of, professional services. The Group also maintains directors and officers insurance.

Competition

The Group faces competition from both domestic and foreign institutions operating in the same markets as the Group. The Group considers its principal competitors to be as follows:

- ***Investment Banking***: principal competitors of the Group's investment banking business include HSBC Middle East, Samba Capital and Morgan Stanley.

- ***Asset Management***: principal competitors of the Group's asset management business include: Duet Franklin Templeton, Emirates NBD, Shuaa, ING, Beltone Asset Management, TNI , Arab Bank, Algebra, MENA Capital, Ajeej, Arqaam, Aventicum, HC Asset Management and CIAM.

- ***Private Equity***: principal competitors of the Group's private equity business include Gulf Capital, Citadel Capital, Abraaj, Actis and Swicorp.

- ***Securities Brokerage***: principal competitors of the Group's securities brokerage business include Gulf Capital, Citadel Capital, Abraaj, Actis and Swicorp.

- ***Research***: principal competitors of the Group's research business include HSBC, Deutsche Bank, NCB Capital and Global Investment House.

- ***Commercial Banking***: principal competitors of Credit Libanais include other commercial banks in Lebanon, such as Bank Audi, BLOM Bank, Byblos Bank, Fransabank, BankMed, Bank of Beirut, Société Générale de Banque au Liban and Banque Libano-Française.

Competition is intense and is expected to become stronger, as the markets in which the Group operates develop further The Group competes largely on customer service, and to a lesser extent price. See "*Risk Factors—Risks Relating to the Group—Competition*".

Regulation

The Company's activities are regulated by the EFSA. Each of the Company and its regulated subsidiaries incorporated in Egypt are governed by the Capital Market Law and the Executive Regulations promulgated thereunder, which prescribe licensing requirements with which the Company must comply. If a company whose activities are governed by the Capital Markets Law violates any of these licensing requirements, the EFSA has the authority to suspend such company's activities for up to thirty days. The Company must also comply with the EFSA's periodic reporting requirements, which includes the filing of reports on the Company's business, as well as its financial statements. The Capital Market Law also governs the activities of each of the Company's regulated subsidiaries operating in Egypt.

The Group is also subject to licensing requirements and other regulation in each of the markets in which it operates, including licensing requirements in the UAE, Oman, Qatar, KSA, Kuwait and Jordan.

Credit Libanais

Banking activities in Lebanon are governed by the Lebanese Code of Commerce, the Code of Money and Credit and Central Bank Decisions. Regulations are set out by the BDL and the Banking Control Commission, which was established in 1967 and has the responsibility of supervising banking activities and ensuring compliance with regulations and legislation.

The Banking Control Commission undertakes both off-site reviews and on-site examinations of Lebanese banks to assess, *inter alia*, compliance with banking laws and regulations, reliability of bank reporting, levels of liquidity and capital adequacy and loan-to-deposit ratios.

Banks regularly submit reports to the BDL, including daily lists of foreign exchange transactions undertaken, weekly reports on the portfolio of treasury bills held, periodic financial information on customers and interbank deposits and audited financial statements. Banks also submit regular reports to the Banking Control Commission mainly on their lending portfolio and on some details of their financial statements. Furthermore, banks, like all joint stock companies registered in Lebanon, must have their by-laws and minutes of certain shareholders' meetings, as well as minutes of Board of Directors meetings whose objects relate to, or otherwise affect, third parties, registered with the Register of Commerce.

Risk Management

The Group's operations are subject to a variety of risks, some of which are not within its control. These include market risk, foreign currencies risk, liquidity risk, interest rate risk, credit risk, equity price risk and operational risk.

The Group's risk policies aim to identify, analyse and manage the risks faced by the Group, to set limits and controls on risks and to monitor compliance with those limits and risk levels. Risk management policies and procedures are reviewed regularly in order to reflect changes in market conditions, products and services offered by the Group, as well as to reflect best practice standards.

The Board of Directors has overall responsibility for the oversight of the Group's risk management framework, overseeing the management of key risks and approving its risk management policies. The Board of Directors is supported by the Audit and Risk Committee, which oversees, ratifies and reviews the duties of the risk management department, makes recommendations to the Board of Directors relating to the firm's risk appetite, implements and reviews risk management and internal compliance and develops plans for the mitigation of material risks faced by the Group's business units. The Board of Directors is also supported by the Group's Risk Department and Chief Risk Officer. See "*Management and Corporate Governance—Corporate Governance—Audit and Risk Committee*".

The Board of Directors has approved written policies for risk management, including a Group operational risk framework, a credit risk framework and an anti-fraud and corruption policy. Separate risk management policies have also been introduced by subsidiaries of the Company.

Group Operational Risk Framework

The Group has adopted an operational risk framework to facilitate the Group's Management in the identification, assessment, monitoring, measurement and management of operational risk, as well as to ensure compliance with regulatory requirements. Under the operational risk framework, operational risk self assessments; the collection, reporting and analysis of internal and external loss data; and key risk indicator reporting are used to measure the level of operational risk. All such information is reviewed to assess the Group's operational risk profile and the actions necessary to address specific issues. Regular reports of the Group's operational risk profile are made to the Group Chief Risk Officer.

Credit Risk Framework

The Group has adopted a credit risk framework to manage and monitor its credit risk exposure through the establishment of an appropriate risk environment, operating under a defined granting process and ensuring adequate controls are put in place in response to credit risk. Under the credit risk framework, the Credit Risk Team is responsible for the direction and co-ordination of the implementation of the credit risk framework across the Group. The credit risk framework includes tools for the management of counterparties credit risk, settlement risk, fixed income activities risk, margin risk and concentration risk, including use of ratings granted by international rating agencies, a credit risk and valuation platform, due diligence processes and internal ratings, setting concentration exposure limits relating to issuers, counterparties, sectors, countries and asset types, daily reporting on clients that have overdue accounts and monitoring breaches, exposure and concentration.

Anti-Fraud and Corruption Policy

The Group has adopted an anti-fraud and corruption policy to educate its employees, set out a fraud prevention and anti-corruption framework and define employees' roles in preventing potential fraud and corruption in the Group. The policy applies to all employees of the Group and encourages employees to raise any concerns with their direct manager or supervisor or the Head of Internal Audit. The Head of Internal Audit is ultimately responsible for leading any investigation and reports the results to the Company's senior management or, if necessary, the Board of Directors (through the Audit and Risk Committee). The policy also sets out the Group's commitment to the training of its staff in relation to anti-fraud and corruption matters.

Asset Management Risk Framework

A risk management framework for the Group's Asset Management Division has also been adopted, which aims to align and embed risk management, manage risks and opportunities, comply with legal obligations and policy commitments, effectively discharge the Division's duty of care and prudence to its clients and investors, to promote sound management practices and accountability, to promote prudent financial management practices, to efficiently allocate organisation resources and to manage and limit market, credit and operational risks within the Asset Management Division. The framework sets out the roles of the senior management, Risk Department, Asset Management Compliance Team, the Asset Management Risk Committee, the Group Internal Audit and the Group Risk Management Department. In particular, the Asset Management Risk Committee, which convenes at least quarterly, is responsible for identifying and monitoring all types of risk exposure within the asset management business, including risk limits, as well as taking necessary corrective actions.

Anti-Money Laundering

The Group's Anti Money Laundering Policy is in full compliance with the applicable guidelines in the markets in which the Group operates and involves strict adherence to the following procedures: (i) the verification of the identity of new clients; (ii) the receipt and payment of funds directly to or from the client (rather than from third parties); (iii) the reporting of suspicious transactions; (iv) the maintenance of complete and accurate records and (v) the education and training of all employees, including through the distribution of an Anti Money Laundering Handbook, which is regularly updated.

Internal Audit

The Group's Internal Audit Division assists senior management, in particular, in respect of risk management and internal controls. The Internal Audit Division reports to the Audit and Risk Committee, as well as to the Group's Chief Executive Officers. In addition to submitting regular reports to the Audit and Risk Committee, the Internal Audit Division also conducts spot checks, reviews and inspections across the Group's departments. The Internal Audit Division is comprised of seven people and is headed by Dahlia El Salawy.

Credit Libanais

Credit Libanais has established a Credit Risk Management Division, which reports to the Chairman and the Board of Directors of Credit Libanais. The Credit Risk Management Division complies with applicable BDL and Banking Control Commission regulations and functions independently from Credit Libanais's commercial lines of business, overseeing the analysis, identification, measurement, monitoring, reporting and controlling of risk throughout Credit Libanais. The Credit Policy Committee is responsible for developing and implementing risk management strategies, credit policies and practices and credit limits to better manage Credit Libanais's exposure to a variety of credit risks. Such strategies, policies and practices are applied by the Credit Risk Management Division within the framework set forth by Credit Libanais's management and approved by the Board of Directors and by the Credit Policy Committee.

The Credit Risk Management Division is responsible for managing Credit Libanais's operations through a comprehensive risk management system and integrated strategic risk planning and process review, focusing on measuring, aggregating, monitoring and controlling activity-inherent business risks, including credit, market, operational, liquidity and reputational risks, with the ultimate goal of optimally allocating the economic capital of Credit Libanais. The scope of work of the Credit Risk Management Division encompasses: (i) implementing Credit Libanais's existing strategy and policies on risk management; (ii) studying and proposing new comprehensive risk management policies and practices, in line with the requirements of Basel II and Basel III, as well as those of the BDL and the Banking Control Commission; (iii) developing other risk-focused policies and procedures in order to achieve the best risk/return ratio possible under different market conditions and with the aim of creating and maximising value for customers and enhancing return for shareholders; (iv) maintaining an independent management and control structure; (v) participating in the credit approval process as an independent body; and (vi) creating a proper risk-awareness culture among employees.

Capital Expenditure

The Group has historically funded its capital expenditure requirements from its current cash flows. The Group's capital expenditure for the years ended 31 December 2013, 2012 and 2011 was EGP 205 million, EGP 184 million and EGP 159 million.

The following table sets out information on the Group's capital expenditure for the periods indicated.

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
Land and Buildings	1	14	26
Leasehold improvements	1	14	16
Office furniture equipment & electrical appliance	17	22	39
Computer equipment	3	2	5
Vehicles	1	1	1
Projects under construction	182	131	72
Total	**205**	**184**	**159**

The Group's principal investments currently in progress include construction and acquisition of new headquarters in a total amount of EGP 387 million in respect of projects in Lebanon and EGP 10 million in respect of projects in Egypt. These investments are being funded from internal cash flows.

The following table sets forth the Group's principal future investments for which firm commitments have been made:

	For the year ended 31 December				
	2014	**2015**	**2016**	**2017**	**2018**
			(U.S.$ millions)		
Credit Libanais new headquarters	47.2	—	—	—	—
Credit Libanais software licences and implementation	2.7	—	—	—	—
Credit Libanais Mysis licence upgrade and implementation	2.2	1.8	1.5	0.2	0.2
Total	**52.1**	**1.8**	**1.5**	**0.2**	**0.2**

The Group's principal future investments include the acquisition of a new headquarters, software licence and a licence upgrade for Credit Libanais, which is expected to cost a total of U.S.$55.8 million to be funded from internal cash flows.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past (covering the 12 months immediately preceding the date of this Prospectus) a significant effect on the Company's or the Group's financial position or profitability.

Employees

The following tables set forth the number of employees of the Group (excluding Credit Libanais) as at the dates indicated:

	As at 31 December 2013								
	Egypt	KSA	UAE	Qatar	Oman	Kuwait	Jordan	Syria	Total
Brokerage	133	5	18	—	6	30	8	—	**200**
Information Technology	58	3	5	—	1	5	1	—	**73**
Brokerage Operations	25	3	3	—	4	12	1	—	**48**
Finance	21	3	5	—	3	3	2	—	**37**
Asset Management	14	3	16	—	—	—	—	—	**33**
Administration	18	4	3	1	2	5	—	1	**34**
Research	23	1	7	—	1	—	—	—	**32**
Investment Banking	20	—	8	—	—	—	—	—	**28**
Compliance	18	1	5	—	1	2	1	—	**28**
Human Resources	9	—	2	—	—	1	1	—	**13**
Private Equity	23	—	3	—	—	—	—	—	**26**
Risk Management	6	—	3	—	—	—	—	—	**9**
CEO	6	1	1	—	—	1	—	—	**9**
Internal Audit	7	—	—	—	—	—	—	—	**7**
Marketing and Communication	6	—	—	—	—	—	—	—	**6**
Coverage	1	2	2	—	—	—	—	—	**5**
Corporate Finance	4	—	—	—	—	—	—	—	**4**
Facilities Management	4	—	—	—	—	—	—	—	**4**
COO Office & Regulatory Liaison	3	—	—	—	—	—	—	—	**3**
Legal	1	—	1	—	—	—	—	—	**2**
CFO & Support Administration	—	—	—	—	—	—	—	—	**0**
Strategy and Investor Relations	2	—	—	—	—	—	—	—	**2**
Asset Management Operations	8	—	2	—	—	—	—	—	**10**
Officers Total	**410**	**26**	**84**	**1**	**18**	**59**	**14**	**1**	**613**
Non Officers Total	**153**	**7**	**18**	**0**	**3**	**10**	**2**	**2**	**195**
Grand Total	**563**	**33**	**102**	**1**	**21**	**69**	**16**	**3**	**808**

	As at 31 December 2012								
	Egypt	**KSA**	**UAE**	**Qatar**	**Oman**	**Kuwait**	**Jordan**	**Syria**	**Total**
Brokerage	155	6	25	—	6	32	8	—	**232**
Information Technology	61	4	5	—	1	5	1	—	**77**
Brokerage Operations	30	3	5	—	5	14	1	—	**58**
Finance	27	3	6	—	3	3	2	—	**44**
Asset Management	14	3	16	—	—	—	—	—	**33**
Administration	29	4	3	1	2	5	—	1	**45**
Research	23	2	12	—	1	—	—	—	**38**
Investment Banking	24	—	7	—	—	—	—	—	**31**
Compliance	19	2	7	—	1	1	1	—	**31**
Human Resources	10	—	3	—	—	1	—	—	**14**
Private Equity	25	—	4	—	—	—	—	—	**29**
Risk Management	5	—	4	—	—	—	—	—	**9**
CEO	8	1	1	—	—	1	—	1	**13***
Internal Audit	6	—	—	—	—	—	—	—	**6**
Marketing and Communication	7	—	—	—	—	—	—	—	**7**
Coverage	1	1	2	—	—	—	—	—	**4**
Corporate Finance	—	—	—	—	—	—	—	—	**0**
Facilities Management	5	—	—	—	—	—	—	—	**5**
COO Office & Regulatory Liaison	5	—	—	—	—	—	—	—	**5**
Legal	2	—	1	—	—	—	—	—	**3**
CFO & Support Administration	2	—	—	—	—	—	—	—	**2**
Strategy and Investor Relations	2	—	—	—	—	—	—	—	**2**
Asset Management Operations	11	—	2	—	—	—	—	—	**13**
Officers Total	**471**	**29**	**103**	**1**	**19**	**62**	**13**	**2**	**701**(1)
Non Officers Total	**157**	**7**	**18**	**0**	**3**	**11**	**2**	**2**	**200**
Grand Total	**628**	**36**	**121**	**1**	**22**	**73**	**15**	**4**	**901**(1)

Note:
(1) Includes one CEO in Lebanon.

	As at 31 December 2011								
	Egypt	**KSA**	**UAE**	**Qatar**	**Oman**	**Kuwait**	**Jordan**	**Syria**	**Total**
Brokerage	175	6	34	—	8	39	8	—	**270**
Information Technology	68	5	5	—	1	5	1	—	**85**
Brokerage Operations	32	3	5	—	5	16	1	—	**62**
Finance	28	3	6	—	3	3	2	—	**45**
Asset Management	19	4	16	—	—	—	—	—	**39**
Administration	30	3	4	1	2	5	—	1	**46**
Research	26	2	12	—	1	—	—	—	**41**
Investment Banking	25	—	6	—	—	—	—	—	**31**
Compliance	17	2	7	—	1	2	1	—	**30**
Human Resources	10	—	3	—	—	1	1	—	**15**
Private Equity	25	—	4	—	—	—	—	—	**29**
Risk Management	4	—	2	—	—	—	—	—	**6**
CEO	10	1	1	—	—	1	—	1	**14**
Internal Audit	5	—	—	—	—	—	—	—	**5**
Marketing and Communication	7	—	—	—	—	—	—	—	**7**
Coverage	1	4	2	—	—	—	—	—	**7**
Corporate Finance	—	—	—	—	—	—	—	—	**0**
Facilities Management	5	—	—	—	—	—	—	—	**5**
COO Office & Regulatory Liaison	5	—	—	—	—	—	—	—	**5**
Legal	2	—	1	—	—	—	—	—	**3**
CFO & Support Administration	2	—	—	—	—	—	—	—	**2**
Strategy and Investor Relations	2	—	—	—	—	—	—	—	**2**
Asset Management Operations	12	—	2	—	—	—	—	—	**14**
Officers Total	**510**	**33**	**110**	**1**	**21**	**72**	**14**	**2**	**763**
Non Officers Total	**160**	**8**	**17**	**0**	**3**	**15**	**2**	**2**	**207**
Grand Total	**670**	**41**	**127**	**1**	**24**	**87**	**16**	**4**	**970**

The Company has experienced no material labour disputes or strikes and believes employee relations to be good. As at the date of the Prospectus, the Company does not have any collective bargaining agreements with its employees or a trade union.

Between 2004 and March 2013, EFG-Hermes Advisory Inc., a subsidiary of the Company, operated a management incentive scheme, which entitled members of management to purchase Shares in the Company. See "*Description of the Share Capital of the Company and Certain Requirements of Egyptian Legislation—Share Capital—History of the Share Capital of the Company—Management Incentive Scheme*".

Training and Development

The Group is committed to promoting an environment of training, learning and continuing professional development for all of its employees. The Learning and Development Team works with the Group's business divisions and departments to provide various training and learning opportunities, including mandatory training for regulatory, anti-money laundering and other matters as agreed with the compliance department, as well as technical training, soft skills training and opportunities to obtain certain professional qualifications.

The Group has also established two initiatives to encourage management development: the Executive Development Programme and the Leadership Development Programme.

The Executive Development Programme is targeted at the Group's senior management and is designed to encourage the development of more effective management techniques and competencies to help achieve the Group's long-term growth objectives, while maintaining its core values. The programme is focused on strategic management, people management, self management and change management skills.

The Leadership Development Programme is designed to improve management's people management skills in order to improve the Group's business performance. The programme utilises internationally recognised tools and techniques, such as the Myers-Briggs Type Indicator ("**MBTI**"), situational leadership and team engagement exercises to encourage leadership development.

Transactions with Related Parties

As part of its ordinary business activities, the Company deals with related parties (companies having common directors and sister financial institutions). Transactions between the Company and related parties are subject to and carried out in accordance with applicable regulations in Egypt and the other markets in which the Group operates.

The following table sets forth information in respect of the Company's loans and advances to related parties as at the dates indicated.

	As at 31 December		
	2013	**2012**	**2011**
		(EGP)	
Retail loans regular	680,800	1,180,200	1,068,000
Corporate loans regular	98,251,400	165,173,400	142,248,000
Balance	**98,932,200**	**166,353,600**	**143,316,000**

The following table sets forth information in respect of the Company's customers' deposits from related parties as at the dates indicated.

	As at 31 December		
	2013	**2012**	**2011**
		(EGP)	
Long term saving accounts	537,399 600	382,548,600	—
Short term saving accounts	—	33,600	382,336,000
Long term deposits	999,524,800	784,950,600	822,072,000
Short term deposits	79,101,600	87,389,400	21,156,000
Balance	**1,616,026,000**	**1,254,922,200**	**1,225,564,000**

See Notes 8 and 14 to the Financial Statements.

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The management of the Company's business is vested by its Board of Directors. The Articles of Association of the Company provide that the number of Directors constituting the Company's Board of Directors shall not be less than three nor more than thirteen. The Board of Directors currently consists of ten members, two of which are executive members.

The members of the Board of directors are elected by the General Assembly of the Company's shareholders (the "**General Assembly**") for a period of three years, renewable at the end of the term of office. The General Assembly of the Company can appoint, replace or dismiss any member of the Board of Directors at any time. Members of the Board of Directors elect a Chairman from among themselves.

Pursuant to the Egyptian Companies Law, the primary functions of the Board of Directors are to manage the Company and to undertake all matters not reserved by the Egyptian Companies Law and other applicable law to the General Assembly. See "*Description of the Share Capital of the Company and Certain Requirements of Egyptian Legislation—Changes in Share Capital—Directors*".

The following table sets forth details of the members of the Board of Directors as at the date of this Prospectus.

Name	Age	Date of Birth	Position	Length of service with the Company	Expiration of Current Term
Ms. Mona Zulficar	66	30/12/1948	Chairperson	6 years	May 2017
Mr. Yasser El Mallawany	54	20/10/1960	Co-Chief Executive Officer	12 years	May 2017
Mr. Charles McVeigh	72	4/7/1942	Board Member	14 years	May 2017
Mr. Robert Eichfeld	70	29/6/1944	Board Member	6 years	May 2017
Mr. Thomas Volpe	63	15/4/1951	Board Member	6 years	May 2017
Mr. Efsratios Arapoglou	63	22/4/1951	Board Member	3 years	May 2017
Mr. Joseph Iskander	38	24/2/1976	Board Member	4 years	May 2017
Mr. Karim Awad	38	4/8/1976	Co-Chief Executive Officer	1 year	May 2017
Mr. Ahmed Al Qassim	32	2/3/1982	Board Member	Less than one year	May 2017
Mr. Marwan Elaraby	44	8/6/1970	Board Member	Less than one year	May 2017

The business address for each member of the Board of Directors is the registered office of the Company at Building № B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt.

Below are brief biographies of the members of the Board of Directors.

Ms. Mona Zulficar, Chairperson

Ms. Zulficar has served as the Non-Executive Chairperson of the Board since 2008. She is one of the founding partners of Zulficar & Partners Law Firm, a leading law firm in Egypt and was previously a senior partner at Shalakany Law Firm and Chair of its Executive Committee, specialising in M&A and capital markets transactions. Ms. Zulficar has served on the board of the CBE and as a member of a number of national drafting committees. She is also a leading human rights activist. Ms. Zulficar serves as the head of several non-governmental organisations active in social development and providing microfinance to poor women. She was elected member of the International Advisory Committee of the United Nations Human Rights Council. Ms. Zulficar holds a bachelor's degree in Economics and Political Science from Cairo University and a masters of law from Mansoura University.

Mr. Yasser El Mallawany, Co-Chief Executive Officer

Mr. El Mallawany is a Co-Chief Executive Officer and an Executive Member of the Board. Prior to joining the Company, he worked for 16 years at Commercial International Bank (Egypt) S.A.E., including as General Manager of the Corporate Banking Division. Mr. El Mallawany joined the Company at the time of the merger with CIIC in 2001.

He is a member of the Emerging Markets Private Equity Association's Advisory Council. Mr. El Mallawany holds a bachelor's degree in Accounting from Cairo University.

Mr. Charles McVeigh III, Board Member

Mr. McVeigh is a Non-Executive Member of the Board. He serves as the Chairman of Citigroup's Corporate and Investment Banking-Private Banking Partnership, prior to which he was Co-Chairman of Citigroup's European Investment Bank (formerly Schroder Salomon Smith Barney). Between 1971 and 1975, Mr. McVeigh worked at Salomon Brothers. In 1975, he became head of Salomon Brothers International, and General Partner in 1977. Mr. McVeigh is a former member of the Fulbright Commission and sits on the Development Board and Advisory Council of the Prince's Trust, as well as serving on the boards of Petropavlovsk, Savills plc and The Landmark Trust. He is also a Governor of St Mary's School Shaftesbury. Mr. McVeigh has formerly served as President of the American Chamber of Commerce (now British American Business Inc, of which he was also Co-Chairman), as a member of the boards of Witan Investment Company PLC, Clearstream Banking, Luxembourg, the London Stock Exchange and the London International Financial Futures Exchange, as a member of the Bank of England's City Capital Markets and Legal Risk Review Committees and as a member of the London School of Economics' Financial Markets Committee. Mr. McVeigh holds a bachelor's degree from the University of Virginia and an MBA from Long Island University.

Mr. Robert Eichfeld, Board Member

Mr. Eichfeld is an independent Non-Executive Member of the Board. He previously served as former Chief Executive Officer of Samba Financial Services. Mr. Eichfeld also worked at Citigroup for 33 years, during which he managed many of Citibank's business, country and regional activities in positions throughout the Caribbean, Brazil, India, Indonesia, New Zealand and Pakistan, as well as in Saudi Arabia. He has also worked advising a *de novo* venture capital fund in the UAE and was one of the investors that established Unicorn Investment Bank, an Islamic financial institution in Bahrain. Mr. Eichfeld serves as a member of the Advisory Council of his *alma mater*, the Thunderbird Graduate School of Global Management, is Vice Chairman of the Grameen Foundation, which focuses on microfinance activities, and is a member of various philanthropic organisations. He holds qualifications from the Thunderbird Graduate School of Global Management in the Garvin School of International Management.

Mr. Thomas Volpe, Board Member

Mr. Volpe is a Non-Executive Member of the Board. He serves as Managing Partner of Volpe Investments LLC, a private equity investment firm. Prior to joining Volpe Investments LLC, Mr. Volpe served as the Chief Executive Officer of Dubai Group, the diversified banking, investments and insurance company of Dubai Holding. He also founded and acted as Managing Partner, Chairman and Chief Executive Officer of Volpe Brown Whelan & Company ("**VBW**"), an international risk capital, asset management and investment banking firm, which became Prudential Volpe Technology Group in 1999, following the takeover by Prudential Securities. Mr. Volpe served as Chairman of Prudential Volpe Technology Group between 1999 and 2001. He has also served as Chief Executive Officer, President and Board member of Hambrecht & Quist Incorporated. Mr. Volpe holds an MBA from Harvard Business School, a master's of science degree from the London School of Economics and a bachelor's degree from Harvard College.

Mr. Efsratios Arapoglou, Board Member

Mr. Arapoglou is a Non-Executive Member of the Board and of Credit Libanais. In October 2010 he joined the Company as Chief Executive Officer of the Commercial Banking Group and as an Executive Member of the Board, positions that he held until June 2013 when he became a Non-Executive Member of the Board. Between 2004 and 2009, Mr. Arapoglou served as Chairman and Chief Executive Officer of the National Bank of Greece Group. Between 2005 and 2009, he also served as Chairman of the Hellenic Banks Association. Prior to joining the National Bank of Greece Group, Mr. Arapoglou was Global Head of the Banks and Securities Industry for Citigroup in London. He has also served as a member of several international bank advisory boards in Europe and Africa, as well as on the boards of European educational foundations and institutions, including as Chairman of the Institute of Corporate Culture Affairs in Frankfurt. Mr. Arapoglou is a Non-Executive Vice-Chairman of Eurobank Ergasias SA, a Non-Executive Vice-Chairman of Titan Cement SA and a Non-Executive Board Member of Tsakos Energy Navigation. He is also Chairman of the International Board of Advisors of Tufts University in Boston. Mr. Arapoglou holds degrees in Mathematics, Engineering and Management from Athens University, Glasgow University and Brunel University, respectively.

Mr. Joseph Iskander, Board Member

Mr. Iskander is a Non-Executive Member of the Board and represents the Dubai Financial Group on the Board of Directors. He is also Managing Director of Asset Management at Dubai Group and the former Head of Research at Dubai Capital Group, where he worked until 2009. Between 2004 and 2009, Mr. Iskander worked at Dubai Group, holding a number of positions. Mr. Iskander represents Dubai Group on the board of Sphinx Glass in Egypt, Oasis Capital Bank in Bahrain and Marfin Investment Group in Greece. Prior to joining Dubai Group, Mr. Iskander was the Head of the research team at Prime Investments in Egypt and acted as an investment advisor at Commercial International Bank (Egypt) S.A.E. He began his career at Deloitte & Touche (Egypt) as an auditor. Mr. Iskander holds a degree in Accounting and Finance from Helwan University.

Mr. Karim Awad, Co-Chief Executive Officer

Mr. Awad is a Co-Chief Executive Officer of the Company and an Executive Member of the Board. Prior to acting as Co-Chief Executive Officer of the Company, he was Chief Executive Officer of the Company's Investment Bank, with overall responsibility for managing the Group's Investment Banking, Securities Brokerage, Research, Asset Management and Private Equity Divisions. Previously, he served as Head of the Group's Investment Banking Division. Mr. Awad holds a bachelor's degree in Business Administration (with a minor in Economics) from the American University in Cairo.

Mr. Ahmed Al Qassim, Board Member

Mr. Al Qassim is the Chief Executive Officer of the Dubai Group. Prior to joining the Dubai Group he was Director of Investment Banking at Emirates NBD Capital, where he led the Equity Capital Markets and M&A team. Prior to holding this post, Mr. Al Qassim was Head of Strategic Accounts at General Electric and Assistant Vice President of Structured Finance Originations at Mubadala – GE Capital. Mr. Al Qassim holds an MBA from the University of Victoria, Canada.

Mr. Marwan Elaraby, Board Member

Mr. Elaraby is the Managing Partner of law firm Shearman & Sterling's Middle East practice. He first joined Shearman & Sterling LLP in 1995. Previously, Mr. Elaraby also served as Managing Director at Citadel Capital and as an Executive Director of EFG-Hermes' investment banking group. Mr. Elaraby is a New York-qualified lawyer and holds a bachelor's degree in Economics from the American University in Cairo and a Juris Doctor (J.D.) from Columbia University.

Recent Management Changes

Following almost 20 years working at the Company, Mr. Hassan Heikal, stepped down as Co-Chief Executive Officer and as a member of the Board of Directors in October 2013. See "*Risk Factors—Risks Relating to the Group—Employees*".

Senior Management

The senior management of the Company is comprised as follows.

Name	Age	Position	Length of service with the Company
Mr. Yasser El Mallawany	54	Co-Chief Executive Officer	17
Mr. Karim Awad	38	Co-Chief Executive Officer	15
Mr. Khalid Ellaicy	49	Chief Financial Officer	Less than one year
Mr. Ahmed El Guindy	35	Head of Investment Banking	10
Mr. Mohammed Ebeid	36	Co-Head of Brokerage	15
Mr. Ahmed Waly	41	Co-Head of Brokerage	7
Mr. Amr Seif	45	Head of Asset Management	1
Mr. Wael Ziada	38	Head of Research	14
Mr. Karim Moussa	37	Co-Head of Private Equity	6
Mr. Samer Yassa	41	Co-Head of Private Equity	17
Mr. Seif Fikry	40	Chief Executive Officer, Lower GCC	17
Mr. Khaled Gamal	38	Chief Executive Officer, Saudi Arabia	14
Mr. Mohammed El Wakeel	40	Head of Market Operations	14
Mr. Ibrahim El-Sherbini	49	Chief Operating Officer of Non-Market Operations	7
Mr. Abdel Wahab Mohammed Gadayel	39	Head of Risk and Compliance	16
Ms. Dahlia El Salawy	50	Head of Internal Audit	17
Ms. Inji Abdoun	42	Head of Corporate Human Resources	7
Mr. Alfred Bham	42	General Counsel	6

The business address for each member of the Company's senior management is the registered office of the Company at Building № B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt.

Below are brief biographies of the members of the Company's senior management.

Mr. Yasser El Mallawany, Co-Chief Executive Officer

See "*—Board of Directors*".

Mr. Karim Awad, Co-Chief Executive Officer

See "*—Board of Directors*".

Mr. Khalid Ellaicy, Chief Financial Officer

Mr. Ellaicy is Chief Financial Officer of the Group. He has more than 28 years of experience and, prior to joining the Group, worked as Chief Financial Officer of Orascom Telecom. A large portion of Mr. Ellaicy's career was spent acting as Chief Financial Officer of leading Egyptian mobile operator, Mobinil. He began his career in public accounting and worked as a partner at KPMG in Cairo. Mr. Ellaicy passed his U.S. Certified Public Accountant examination in 1991 and is a member of the Egyptian Society of Accountants and Auditors.

Mr. Ahmed El Guindy, Head of Investment Banking

Mr. El Guindy is Head of the Group's Investment Banking Division. Prior to joining the Company in 2004, he worked as a Research Analyst for the World Bank, focusing on macroeconomic analysis. Mr. El Guindy holds a bachelor's degree in Business Administration from the American University in Cairo and a master's degree in Accounting and Finance from the London School of Economics.

Mr. Mohammed Ebeid, Co-Head of Brokerage

Mr. Ebeid is the Co-Head of the Group's Securities Brokerage Division. Mr. Ebeid joined the Group in 1999, as a Retail Broker with Hermes Securities Brokerage, working with high net worth clients before moving to working with institutional clients in 2004. In 2011, Mr. Ebeid was appointed Co-Head of the Group's Securities Brokerage Division. Mr. Ebeid holds a bachelor's degree in Accounting from Ain Shams University**.**

Mr. Ahmed Waly, Co-Head of Brokerage

Mr. Waly is the Co-Head of the Group's Brokerage Division, a position he has held since 2011, and Chief Executive Officer and Head of Brokerage of EFG-Hermes IFA Brokerage in Kuwait, a position he has held since 2009. He originally joined the Group in 1999 and has held numerous positions in the sales and sales trading desks at Financial Brokerage Group. Between 2003 and 2005, Mr. Waly worked in New York as Vice President of Emerging Markets at Auerbach Grayson & Co. In 2005, he set up and became head of the National Bank of Kuwait's brokerage arm. Mr. Waly holds a bachelor's degree in Mass Communication and Economics from the American University in Cairo.

Mr. Amr Seif, Head of Asset Management

Mr. Seif is the Head of the Group's Asset Management Division and joined the Group in October 2013. Prior to joining the Group, he worked as a Managing Director of Finance Unlimited at Citadel Capital, a regional investment company. Mr. Seif began his career in 1991 working at Shell and then Citibank, before working in London for J.P. Morgan and Investec, as a fund manager, with a particular focus on Turkey, Eastern Europe, the Middle East and North Africa. Mr. Seif holds a bachelor's degree in Economics from the School of Economics and Political Science of Cairo University and an MBA from the University of Pittsburgh.

Mr. Wael Ziada, Head of Research

Mr. Ziada is Head of the Group's Research Division. He has over 14 years of experience working in equities markets in the Middle East and prior to joining the Group, he served as Head of a leading telecommunications team in the MENA region. Mr. Ziada also worked as an Economist and Consultant for the G15 Group. Mr. Ziada holds a bachelor's degree in Economics from the American University in Cairo.

Mr. Karim Moussa, Co-Head of Private Equity

Mr. Moussa is a Co-Head of Private Equity and a Member of the Group Executive Committee. He serves as a member of the investment committees of several of the Group's managed funds, including the InfraMed Infrastructure Fund, and is also a Member of the Board of Directors of various portfolio companies. Mr. Moussa joined the Group in 2008. Between 2001 and 2008, he worked at Deutsche Bank in various positions, starting as an Analyst, before working as Vice President of the Global Banking Division. Prior to joining Deutsche Bank, Mr. Moussa worked as an Investment Analyst at Berlin Capital Fund, a Venture Capital Fund managed by the Berliner Bank. He holds a master's degree in Business Administration and Mechanical Engineering from the Technical University of Berlin.

Mr. Samer Yassa, Co-Head of Private Equity

Mr. Yassa is a Co-Head of Private Equity and Managing Director of the Group. He has more than 20 years experience in investment banking and private equity in Cairo and London. Mr. Yassa began his investment banking career working at Fleming-CIIC in Cairo. Prior to joining the private equity team of the Group, Mr. Yassa worked as an Associate at J.P. Morgan in London, focusing on healthcare M&A. Mr. Yassa sits on the investment committees of a number of the Group's private equity funds. He also represents these funds on the Board of Directors of a number of portfolio companies. Mr. Yassa holds a bachelor's degree in Economics and a master's degree in Public Administration from the American University in Cairo, as well as an MBA from Edinburgh University.

Mr. Seif Fikry, Chief Executive Officer, Lower GCC

Mr. Fikry is Chief Executive Officer of the Group for the Lower Gulf Cooperation Council countries (excluding Saudi Arabia). He previously served as Managing Director and Head of Securities Brokerage in the UAE and Oman. Mr. Fikry joined the Group in February 1997 and has held a number of key positions within the Financial Brokerage Group, including serving as Head of the Institutional Desk. He holds a Bachelor's degree in Economics from the American University in Cairo.

Mr. Khaled Gamal, Chief Executive Officer, Saudi Arabia

Mr. Gamal is Chief Executive Officer of EFG Hermes Saudi Arabia. He has more than 13 years of investment banking experience having acting on numerous high-profile equity and M&A transactions. Prior to moving to Saudi Arabia, Mr. Gamal served as Managing Director of the Investment Banking Division of the Group in Cairo. Before joining the Group in 2000, he worked in the Credit Department of Commercial International Bank (Egypt) S.A.E. Mr. Gamal holds a bachelor's degree in Economics (with a minor in Business Administration) from the American University in Cairo.

Mr. Mohammed El Wakeel, Head of Market Operations

Mr. El Wakeel is a Managing Director of the Group's Market Operations. He joined the Group in 2000 as part of the operations team of the Financial Brokerage Group and was promoted on several occasions before accepting his current position. Prior to joining the Group, Mr. El Wakeel worked at HSBC Bank in Cairo. He holds a bachelor's degree in Business Administration from Ain Shams University.

Mr. Ibrahim El-Sherbini, Chief Operating Officer of Non-Market Operations

Mr. El-Sherbini is the Chief Operating Officer of Non-Market Operations of the Group. Prior to this role, he worked as Chief Information Officer of the Group for six years. Before joining the Group in 2007, Mr. El-Sherbini worked as Vice President of Development for Primavera Systems, headquartered in Philadelphia. He has more than 20 years of experience in the industry and has published articles and presented at a number of conferences. Mr. El-Sherbini holds a master's degree in Computer-Aided-Engineering from Carnegie Mellon University and an MBA from the Wharton School at the University of Pennsylvania.

Mr. Abdel Wahab Mohammed Gadayel, Head of Risk and Compliance

Mr. Gadayel is the Head of Risk and Compliance of the Group. Prior to this role, he worked as a Managing Director of the Group's Brokerage Division. Mr. Gadayel joined the Group in 1998. He holds a bachelor's degree in Economics (with a minor in Political Science) from Cairo University.

Ms. Dahlia El Salawy, Head of Internal Audit

Ms. El Salawy is the Head of Internal Audit of the Group. Since joining the Group in 1997, she has held a number of positions, including working as Operations Manager at Egyptian Portfolio Management Group and as Investment Assistant in the Asset Management Division before joining the Internal Audit Division in 2003. Ms. El Salawy was Head of both the Internal Audit and Compliance Departments between 2004 and February 2010, when she assumed her current role. Prior to joining the Group, she worked at Egyptian British Bank (now HSBC) in Cairo and at Investment Securities Group. Ms. El Salawy holds a bachelor's degree in Economics from the American University in Cairo.

Ms. Inji Abdoun, Head of Corporate Human Resources

Ms. Abdoun is Head of Corporate Human Resources of the Group. She joined the Group's Human Resources Division in 2007 as Human Resources Manager for the UAE, before her role was expanded to cover Oman, Saudi Arabia and Kuwait and she was appointed to her current position in 2009. Prior to joining the Group, Ms. Abdoun held management positions at LINKdotNET (a subsidiary of OT) and Fayrouz International (a subsidiary of Heineken). She also acted as a Career Adviser at the Career Advising and Placement Office of the American University in Cairo. Ms. Abdoun holds a bachelor's degree in English from Alexandria University, a master's degree in Comparative Literature from the American University in Cairo, is a certified Job and Career Transition Coach and is MBTI certified.

Mr. Alfred Bham, General Counsel

Mr. Bham is General Counsel of the Group. He has approximately 15 years post-qualification experience as a general corporate and commercial lawyer, having previously worked at international law and consulting firms Herbert Smith Freehills, Norton Rose Fulbright and Deloitte. Mr. Bham joined the Group in 2007 and was appointed to his current position in 2013. He holds a bachelor's degree in Law (specialising in commercial and corporate law) from Bond University Australia and a Graduate Diploma in Legal Practice from The College of Law, Sydney, Australia.

Corporate Governance

As a company incorporated in Egypt and a London Stock Exchange listed GDS issuer, the Company is not required to adopt the U.K. Corporate Governance Code issued by the Financial Reporting Council.

As a matter of best practice, however, the Group has adopted and intends to comply with certain corporate governance structures and procedures and Management considers its corporate governance framework to be an industry leader in Egypt and to require procedures and compliance beyond those required by regulators in the markets in which the Group operates. The Company is in compliance with the corporate governance regime in Egypt.

As part of its corporate governance framework, all members of the Group's management, employees, representatives, independent contracts and consultants are required to comply with the Group's code of conduct, which includes guidance regarding conduct and corporate governance best practices including with respect to confidentiality, disclosures, protection and use of information and transparency. The Group has also implemented a staff dealing policy, which prohibits the buying or selling of securities while in possession of material non-public information, as well as the communication of such information to others. The Group's compliance policy, which is updated, reviewed and communicated to all departments, branches and subsidiaries on a regular basis, allows senior management to maintain best practice control standards and to fulfil regulatory requirements, as well as to introduce safeguards for the Group against reputational or financial risk. The Group also employs strict information disclosure and due diligence processes. See "*Business Description—Risk Management*".

The Board of Directors has established three standing committees that assist the Board of Directors in fulfilling its corporate governance responsibilities.

Executive Committee

The Executive Committee is chaired by a Chief Executive Officer of the Company and comprises eight further members of the Company's senior management. The Executive Committee's main responsibilities include, among others, approving investment and capital expenditures up to EGP 10 million, approving the acquisition or disposal of up to 5.0% of the voting shares of any company, monitoring the assets and liabilities of the Company, reviewing the Company's monthly management accounts, allocating capital approved by the Board of Directors to the Group's operating divisions, making recommendations to the Compensation Committee and setting Group credit limit allocations (up to 25% of the Group's net worth and subject to regulatory limits). The Executive Committee convenes at least weekly. The Executive Committee consists of Mr. El Mallawany (Chairperson), Mr. Awad (Co-Chairperson) , Mr. El Guindy, Mr. Seif, Mr. Ebeid, Mr. Ziada, Mr. Moussa, Mr. El Wakeel and Mr. Fikry.

Audit and Risk Committee

The Audit Risk Committee is chaired by the Chairperson of the Company and comprises two further Non-Executive Directors. The Audit Committee's mandate is to facilitate communication between the Group's internal auditors, the Chief Risk Officer, the external auditors and the Board of Directors; review the Group's annual financial statements; review any significant violations and management's responses to such violations; review the activities, staffing and organisational structure of the Internal Audit and Risk Departments; review and make recommendations on the appointment, replacement or dismissal of the Chief Internal Auditor and the Chief Risk Officer; review the external auditors' proposed scope of audit and approach and assist the Board of Directors in fulfilling its statutory and regulatory obligations in respect of risk management. The Audit Committee convenes at least quarterly, or more frequently, as required. The Audit Committee consists of Ms. Zulficar (Chairperson), Mr. Eichfeld and Mr. Volpe.

Compensation Committee

The Compensation Committee is chaired by a Non-Executive Director of the Company and comprises two further Non-Executive Directors. The Compensation Committee's main responsibility is to determine appropriate levels of compensation for Management and employees across the Group. The Compensation Committee convenes at least annually, or more frequently, as required. The Compensation Committee consists of Mr. McVeigh (Chairperson), Mr. Arapoglou and Mr. Volpe.

Other Directorships

In addition, to their directorships of the Company (in the case of the members of the Board of Directors), the members of the Company's Board of Directors and the Company's senior management have held the following directorships within the past five years.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Ms. Mona Zulficar	Partner of Zulficar & Partners Law Firm.	Member of the Board of the Central Bank of Egypt and Member of the National Council for Human Rights.
Mr. Yasser El Mallawany	Director of AAW Infrastructure; Director of Atum Cove Holding Company; Director of EFG Capital Partners Ltd; Director of EFG Capital Partners III Ltd; Director of Horus Food & Agri Business Management; Director of EFG Capital Partners SPV; Director of Egypt Fund Partners Inc; Director of Horus Tourism Investment Company; Director of Horus Tourism Investment Management Company; Director of Sahara North Baharyia Limited; Chairman of EFG Hermes Private Equity Egypt, Chairman of EFG Hermes Private Equity Ltd; Director of Short Hills Development Limited; Member in Charge of Investors Board of InfraMed Infrastructure SAS; Board Member of Commercial International Investment Company (CIIC); Principal Manager of Horus Consulting Company; Director of Horus Cement Limited; Board Member of Wadi El Nile Cement; Chairman of Ideavelopers; Chairman of Fleming CIIC Holding Company; Board Member of Maridive Oil Services; Chief Executive Officer of EFG Hermes Holding Company S.A.E.; Vice President of the Board of Trustees of EFG Hermes Foundation; Chairman of EFG-Hermes KSA; Director of EFG Hermes Holding Lebanon S.A.L.; Board Member of EFG-Hermes IFA; Board Member of Credit Libanais; Director of EFG-Hermes CB Holding Limited; Director of EFG-Hermes Global CB Holding Limited; Board Member of EFG-Hermes CL Holdings SAL; Director of EMEA Technologies Investment Limited; Chairman of Egyptian Investment Management Association (EIMA); Board Member of Juhayna Food Industries (Group of Companies) and Board Member of Palm Hills Development Company.	Chairman of Nile Sobek for Tourism; Chairman of Trustwise for Touristic Development; Chairman of Luxor Green Gardens for Tourism Investments; Manager of October Property Development Limited; Director of Arab Company for Real Estate Development Limited (c/o Talaat Mostafa); Director of Fixed Income Investment Limited; Director of Flex Investments Limited; Board Member of EFG Hermes UAE Limited; Board Member of EFG Hermes Qatar LLC; Board Member of Bank Audi - Audi Saradar Group, Beirut, Lebanon; Non-Executive Chairman of ACE Insurance Company Egypt S.A.E; Chairman of ACE Life Insurance Company Egypt S.A.E.; Board Member of National Investment Bank; Director of EFG Hermes Advisory Inc. and Managing Director of EFG Hermes Financial Management (Egypt) Limited.
Mr. Charles McVeigh	Member of the Board of Directors of Petroavlovsk Plc; Member of the Board of Directors of Savills plc; Member of the Board of Directors of The Landmark Trust; Trustee of the Natural History Museum Trust; Governor of Sandroyd School and Board Member of Canongate Books .	Chairman of Citigroup's European Investment Bank-Private Banking Partnership.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Mr. Robert Eichfeld..	Director of Thunderbird School of Global Management; Chair of Thunderbird Global Council; Director of the National Philanthropic Trust; Vice Chair of Give To Colombia, Miami, Florida, USA and Bogota; Chair of Grameen Foundation.	Director of Pearl S, Buck International Foundation.
Mr. Thomas Volpe...	Managing Partner of Volpe Investments LLC.	Chief Executive Officer of Dubai Group; Board Member of Linear Technology, Inc.; Board Member of The Jackson Laboratory; Board Member of Education Partners; Board Member of 7th Inning Stretch and Board Member of Minor League Baseball.
Mr. Efsratios Arapoglou	Non-Executive Director of Credit Libanais S.A.L; Non-Executive Vice-Chairman of Eurobank Ergasias SA; Non-Executive Vice-Chairman of Titan Cement SA; Non-Executive Board Member of Tsakos Energy Navigation and Chairman of the International Board of Advisors of Tufts University.	Chairman and Chief Executive Officer of the National Bank of Greece Group; Non-Executive Board Member of Bank of Cyprus and Chief Executive Officer of the Commercial Banking Group of EFG-Hermes Holding S.A.E.
Mr. Joseph Iskander..	Managing Director of Asset Management at Dubai Group; Member of the Board of Directors of Sphinx Glass; Member of the Board of Directors of Oasis Capital Bank; Member of the Board of Directors of Marfin Investment Group; Member of the Board of Directors of Nouvelair and Member of the Board of Directors of SINO Emirates.	Member of the Board of Directors of Sun Hung Kai & Co.
Mr. Karim Awad	Director of EFG Hermes Holding Company S.A.E; Director of EFG Hermes CB Holding Limited; Director of EFG Hermes Global CB Holding Limited; Director of October Property Development Limited; Director of EFG Hermes Qatar; Director of Atlas Financial Investments Ltd; Director of EFG-Hermes UAE Limited; Director of EFG-Hermes Holding Lebanon SAL; Director of EFG-Hermes CL Holding SAL; Director of Credit Libanais SAL and Director of EFG-Hermes KSA.	Director of Hermes Corporate Finance and Director of EFG-Hermes Promoting & Underwriting.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Mr. Ahmed Al Qassim	Chief Executive Officer of Dubai Group; Non-Executive Director at Shuaa Capital PSC; Non-Executive Director at Sun Hung Kai & Co; Director of Dubai Ventures Group Limited; Director of DFFC Alternatives Limited; Director of Dubai Group Limited; Director of Dubai Investment Group (YLP); Director of Dubai Investment Group Limited; Director of Dubai Investment Group (Europe) Limited; Director of DFG (MIG) Limited; Director of Dubai Financial Fund Company Limited; Director of Dubai Hotels Limited; Director of DIG Cayman Holding Company Limited; Director of Dubai Investment Group (Real Estate) Limited; Director of Dubai Investment Group (North America) Limited; Executive Director of Dubai Group 2024; General Manager of Dubai Banking Group PJSC and Non-Executive Director of Gulf Finance Corporation PJSC.	N/A
Mr. Marwan Elaraby	Partner of Shearman & Sterling LLP.	Managing Director of Citadel Capital.
Mr. Khalid Ellaicy	N/A	Director Board Member of Global Telecom Holding S.A.E (formerly known as Orascom Telecom Holding S.A.E.) and a number of its subsidiaries.
Mr. Ahmed El Guindy	Director of EFG-Hermes CL Holding SAL and Director of EFG-Hermes Promoting & Underwriting.	N/A
Mr. Mohammed Ebeid	Director of Financial Brokerage Group; Director of EFG-Hermes Jordan and Director of Offset Holding Company.	Director of Hermes Securities Brokerage.
Mr. Ahmed Waly	Director of EFG-Hermes Regional Investments Ltd; Director of EFG-Hermes Oman; Director of EFG-Hermes IFA Financial Brokerage.	N/A
Mr. Amr Seif	Director of EFG-Hermes UAE Limited and Director of EFG-Hermes UCITS Umbrella Fund plc.	Director of Pharos Holding for Financial Consultancy; Director of Tanmeyah for Micro Entreprise Services; Board member of Sudanese Egyptian Bank and Managing Director and Board Member of Financial Unlimited.
Mr. Wael Ziada	N/A	N/A
Mr. Karim Moussa	Director of Ridgewood; Director of Maridive Oil Services; Director of Horus Cement Limited; Director of Global Co. for Food Security Limited and Director of Sea Eagle Shipping Limited.	Director of EFG Capital Partners Limited; Director of EFG Capital Partners III Limited and Director of Omina Investment Group.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Mr. Samer Yassa	Director of EFG-Hermes Investment Funds; Director of Dytex; Director of Ridgewood; Director of Maridive Oil Services; Director of Kandil Steel; Director of EFG Capital Partners Limited; Director of EFG Capital Partners III Limited; Director of Horus Food & Agribusiness Management; Director of Horus Cement Limited; Director of Sahara North Baharyia Limited.	N/A
Mr. Seif Fikry	Director of EFG-Hermes UAE Limited; Director of EFG-Hermes Qatar LLC; Director of EFG-Hermes Regional Investments Ltd; Director of Flex Investments Limited; Director of Bayonne Enterprises Limited; Director of EFG-Hermes Global CB Holding Limited.	N/A
Mr. Khaled Gamal	Director of Hermes Corporate Finance; Director of EFG-Hermes Advisory Inc.; Director of EFG-Hermes Promoting & Underwriting and Director of EFG-Hermes KSA.	N/A
Mr. Mohammed El Wakeel	Director of Middle East North Africa Financial Investments WLL; Director of Fixed Income Investments Limited; Director of EFG-Hermes Jordan; Director of EFG Hermes Mena Securities Limited; Director of Fixed Income Investments Limited; Director of Financial Brokerage Group; and Director of EFG Hermes Fixed Income.	Director of Hermes Securities Brokerage.
Mr. Ibrahim El-Sherbini	N/A	N/A
Mr. Abdel Wahab Mohammed Gadayel	Director of EFG-Hermes Holding – Lebanon.	N/A
Ms. Dahlia El Salawy	N/A	N/A
Ms. Inji Abdoun	N/A	N/A
Mr. Alfred Bham	N/A	N/A

Financial obligations of the Members of the Supervisory Board, Board of Directors in relation to the Issuer

As at 31 December 2013, there were no outstanding loans provided by the Company to the members of its Board of Directors or its senior management.

Compensation

The aggregate amount of remuneration paid by the Group to members of its Board of Directors and its senior management for services in all capacities provided to the Company during 2013 was approximately U.S.$10.1 million.

There are no amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or other benefits to such persons. As a matter of the Group's accounting practice, however, the end of service payments made to all employees is accounted for as an accrual.

Service Contracts

Apart from those who are also members of senior management, members of the Board of Directors do not have service contracts with the Company. All members of senior management have service contracts with the Company or a company within the Group. These service contracts contain customary terms and conditions, including as to severance (where applicable).

Interests of Directors

Certain members of the Company's Board of Directors and senior management and employees have beneficial ownership interests in the Company's Shares, local stocks and GDSs.

The following table sets forth information on the holdings of the members of the Board of Directors in the Company, together with any options over the Shares in the Company as at 30 April 2014.

Name	Number of Shares	GDSs	Percentage of Company's total Shares (%)
Ms. Mona Zulficar	—	—	—
Mr. Yasser El Mallawany	—	434,521	0.15
Mr. Charles McVeigh	—	—	—
Mr. Robert Eichfeld	—	—	—
Mr. Thomas Volpe	—	—	—
Mr. Efsratios Arapoglou	76,244	—	0.01
Mr. Joseph Iskander	—	—	—
Mr. Karim Awad	—	199,577	0.07
Mr. Ahmad Al Qassim	—	—	—
Mr. Marwan Elaraby	—	—	—

None of the Directors hold options in respect of the Company's Shares.

Conflicts of Interest

There are no actual or potential conflicts of interest between any duties owed by members of the Board of Directors or the Company's senior management to the Company and their private interests or other duties.

Litigation Statement about Members of the Board of Directors and Senior Management

Save as described below, as at the date of this Prospectus, no member of the Board of Directors or the Company's senior management for at least the previous five years:

- have had any convictions in relation to fraudulent offences;
- have held an executive function in the form of a senior manager or a member of the administrative, management or supervisory body of any company at the time of, or preceding, a bankruptcy, receivership or liquidation of such company; or
- have been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or has been disqualified by a court from acting as a member of an administrative, management or supervisory body of a company or from performing a management role at any company.

As part of an investigation by the Egyptian Attorney General's Office following the corruption complaints filed against former President Mubarak, Mr. Heikal (a former Co-Chief Executive Officer of the Company) and Mr. El Mallawany (a current Chief Executive Officer of the Company) have been accused of corruption in connection with the acquisition of interests in Al-Watany Bank by subsidiaries of the Company. Mr. Heikal has been accused of aiding other individuals through granting orders to subsidiaries of the Company to acquire shares in Al-Watany Bank, allegedly so that the shares could be re-sold at a higher price. Mr. El Mallawany has been accused of conspiring with the Chairman of Al-Watany Bank and another shareholder board member to acquire a portion of the shares of Al-Watany Bank in excess of the legally permissible threshold, and joining the Board of Directors of the Company without disclosing this connection and arrangement, allowing him to be privy to confidential information in breach of applicable law. The court has asked the Attorney General's office to re-examine the investigation and resulting report on two occasions. The case is still ongoing and the next hearing, which was scheduled for 12 June 2014, has been postponed until 18 September 2014. No charges or allegations have been brought against the Company or any member of the Group.

PRINCIPAL SHAREHOLDERS

As at 31 March 2014, the Company had more than 14,000 shareholders, with only two (not including the Depositary) owning a 5.0% or more shareholding.

The following table lists the Company's shareholders of record, as indicated on its share register, as at 28 February 2014, that held 5.0% or more of its outstanding Shares.

Name	Number of Shares	Percentage of Company's total Shares (%)
Depositary	77,247,896	13.5
Dubai Financial Group	63,352,123	11.0
Abdel Moneim Al Rashed	44,275,524	7.7

To the Company's knowledge, no other person or entity controls more than 5.0% of the Company's Shares.

All holders of the Company's Shares have the same voting rights. The Company is not aware of any arrangements that may result in a change of control.

There are no shareholder agreements between the Company and any of its principal shareholders.

In June 2014, a voluntary tender offer by a consortium led by Egyptian businessman Naguib Sawiris was launched to acquire up to 20% of the Shares of the Company. The tender offer has been reviewed by the EFSA which issued a statement confirming it has no objection to publishing the tender offer. On 18 June 2014, the Company announced that the Board of Directors had appointed an Independent Financial Advisor to opine on the fair value of the Company's stock and the fairness of the tender offer in order to help shareholders evaluate its attractiveness. As at the date of this Prospectus, the tender offer had not been completed.

DESCRIPTION OF THE SHARE CAPITAL OF THE COMPANY AND CERTAIN REQUIREMENTS OF EGYPTIAN LEGISLATION

The material provisions of the Company's memorandum and articles of association in effect of the date of this Prospectus, as well as certain requirements of Egyptian law, are described below. This description is not complete and is qualified in its entirety by reference to the Company's memorandum and articles of association and any applicable Egyptian law.

Share Capital

As at 31 December 2013, the Company's authorised capital was EGP 3,200 million. Of the authorised capital of the Company, EGP 2,867,422,500 had been issued and paid, comprising 573,484,500 shares with a par value of EGP 5 per Share, all of which rank *pari passu* in all respects.

The following table sets forth the authorised and issued share capital of the Company as at the dates indicated.

	Authorised capital	**Issued and fully-paid**	
Date	**Nominal Amount**	**Number**	**Nominal Amount**
	(EGP)		*(EGP)*
31 December 2013	3,200,000,000	573,484,500	2,867,422,500
31 December 2012	3,200,000,000	478,294,750	2,391,473,750
31 December 2011	3,200,000,000	478,294,750	2,391,473,750

The Shares are in registered and dematerialised form and are denominated in Egyptian Pounds. Shares are freely transferable.

The Shares cannot be held in certificated form and are registered with MISR for Central Clearing, Depositary and Registry ("**MCDR**"). The Shares are eligible for clearing and settlement through MCDR and any shareholder may request an extract from the share register showing that shareholder's shareholding and the Company is entitled at any time to request a detailed statement of the registered owners of the Shares from MCDR. All transfers of Shares (with the exception of the GDSs) are transacted on the EGX, recorded on the electronic book-entry system of MCDR and reflected in the statements of account issued by the relevant authorised book-keeping companies.

As at 1 June 2014, the Company held 36,956,522 shares in treasury, which were purchased on 4 February 2014.

There are no (i) convertible securities or securities with warrants in relation to the Company; and (ii) terms or acquisition rights or obligations over authorised but unissued capital of the Company or any undertakings to increase the capital of the Company. In addition, there is no capital of any member of the Group, which is under option or agreed conditionally or unconditionally to be put under option.

History of the Share Capital of the Company

Since 1 January 2011, there have been the following changes in the issued share capital of the Company:

- pursuant to a decision of the Board of Directors dated 27 April 2011, the Company purchased 391,000 Shares from the Egyptian Exchange at a cost of EGP 6.9 million;

- pursuant to a decision of the Extraordinary General Assembly dated 13 June 2011, the Company's authorised share capital was increased from EGP 1,914 million to EGP 2,391 million through the distribution of stock dividends at a rate of one Share to every four Shares then outstanding as at the date of declaration;

- pursuant to a decision of the Ordinary General Assembly dated 7 July 2013, the Company's authorised share capital was increased by EGP 477.9 million through the distribution of stock dividends at a rate of one Share to every five Shares; and

- on 1 September 2013, following the passing of a resolution by the Extraordinary General Assembly of the Company on 25 July 2013, the Egyptian Financial Supervisory Authority approved the cancellation of 391,000 Shares, the cancellation was registered on 4 September 2013.

- In January 2014, the Company's Board of Directors approved the purchase of the Company's common shares for consideration of up to EGP 1 billion in the first nine months of 2014. In February 2014, the Company completed the first phase of the share purchase, purchasing 36,956,522 shares at EGP 11.50 per common share for a total consideration of EGP 425 million. Subject to market and other conditions, the second phase of the share purchase is expected to be completed by the end of the third quarter of 2014.

Management Incentive Scheme

In 2004, EFG-Hermes Advisory Inc. launched a management incentive scheme, which was subsequently updated and amended in 2008. Pursuant to the scheme, as amended, management of EFG-Hermes Advisory Inc. were entitled to purchase Shares in the Company at a specified price, as well as to receive discretionary bonuses payable in Shares. Prior to 2008, participants in the scheme were awarded Shares, rather than being offered Shares at a specified price.

The management incentive scheme was terminated upon its expiry on 1 March 2013. Following this expiration, no participations in the scheme have been renewed.

Denomination of Shares

The Shares are denominated in Egyptian Pounds.

Summary of the Memorandum and Articles of Association

The Memorandum and Articles of Association of the Company contain provisions, among others, to the following effect:

Objects

The Company was established to participate in incorporating companies which issue securities or to increase their capital. The Company is also permitted to act as a custodian, a registered owner and a beneficial owner of securities. (Articles of Association of the Company, Article 3).

Rights Attaching to Shares

Attendance and Voting Rights

Under the Egyptian Companies Law, there are two types of General Assembly, Ordinary and Extraordinary.

An Ordinary General Assembly is convened annually by the Chairman of the Board. The Board of Directors may also call an Ordinary General Assembly if deemed necessary or if requested to do so by the Company's auditors, the EFSA or by the shareholders holding or representing at least 5% of the issued capital of the Company.

Ordinary General Assemblies are convened to consider, among other matters, selecting members of the Board of Directors and terminating their term of office, controlling the actions of the Board of Directors, approving the Company's budget and financial statements, approving the Board of Directors' report on the Company's activity, approving the distribution of dividends and determining remuneration and benefits for members of the Board of Directors, appointing the Company's auditors and determining its fees and whatever the Board, the EFSA or shareholders having no less than 5% of the Shares otherwise consider necessary to submit to the General Assembly. The Ordinary General Assembly must be held within three months of the end of the Company's financial year. The quorum for an Ordinary General Assembly Meeting is shareholders holding or representing at least 25% of the issued share capital of the Company for an initial meeting. There are no quorum requirements for adjourned meetings, which must be held within 30 days of the first meeting. At least five members of the Board of Directors must be present at the Ordinary General Assembly. Resolutions of the Ordinary General Assembly are passed if approved by those holding the majority of Shares present or represented at the meeting.

General Assemblies may be called by a notice to be published twice in two daily newspapers (one of which must be in Arabic). The second publication shall be at least five days after the first publication and at least 15 days before the date of the General Assembly. Alternatively, a notice must be sent via registered mail to each shareholder (as evidenced at the MCDR), the members of the Board of Directors, the relevant regulatory authorities and the company's auditor.

Extraordinary General Assemblies are convened by the Board of Directors or by Shareholders representing at least 10% of the issued share capital of the Company for certain serious matters. The quorum for an Extraordinary General Assembly is shareholders holding or representing 50% of the Company's issued share capital for an initial meeting. The quorum requirement for an adjourned meeting is shareholders holding or representing 25% of the Company's issued share capital. Resolutions of the Extraordinary General Assembly are passed if approved by shareholders holding or representing a majority of two-thirds of the Shares present or represented in the meeting or a majority of three-quarters in the event of a resolution to decrease the Company's capital, liquidate the Company, change the purpose of the Company or merge the Company with another entity.

Any shareholder may attend the General Assembly in person or by proxy. Any proxy must be in writing and must be given to a shareholder (who is not a board member), except in the case of a shareholder, which is a legal person, which may give a proxy to whomever it chooses as its representative. No one shareholder may represent by proxy more than 10% of the Company's Shares or 20% of those Shares represented in the meeting.

Transfer of Shares

Pursuant to the Company's Articles of Association, there shall be no restriction on the transfer of Shares of the Company. The Shares shall be registered with one of the companies licensed to undertake central depositary or management of securities registers. The Shares shall be transferred by virtue of registration of the sale before the EGX.

Dividends and Liquidation

Dividends

Net profit after taxation is available for distribution in accordance with the requirements of Egyptian law and the Company's Articles of Association, as follows:

1. A sum equal to 5.0% shall first be deducted and allocated as a reserve. Such deduction shall cease when the aggregate reserves of the Company reach a threshold of 50.0% of the capital of the Company. If the level of reserves falls below this threshold, the deduction from net profit shall resume. Employees of the Company shall be granted a minimum of 10.0% of the net profits, provided that such amount does not exceed the employees' aggregate annual salary.

2. Thereafter, a sum necessary for the distribution of a first dividend to the shareholders and employees of at least 10.0% of the paid up share capital shall be deducted from the net profits. If, however, the Company's profits in any one-year do not permit the distribution of such dividend, it may not be claimed from the net profit of any subsequent year.

3. Thereafter, 10.0% of any remaining net profits shall be allocated as bonuses payable to the Company's Board of Directors.

4. The balance shall then be distributed to the shareholders and employees as additional dividends or shall, upon the proposal of the Company's Board of Directors, be carried forward to the following year, or allocated to the formation of extraordinary reserves or extraordinary depreciation funds.

5. The Ordinary General Assembly may decide to distribute all or some of the profits evidenced in the periodical financial statements prepared by the Company, if audited financial statements are presented.

Liquidation

The Company's Articles of Association provide that the Company will be automatically liquidated before the end of its prescribed term if the Company incurs losses exceeding 50% of its capital, unless an Extraordinary General Assembly of shareholders decides otherwise.

Repurchase of Shares

The Company's Articles of Association do not provide any restriction on the repurchase of Shares.

Changes in Share Capital

Pursuant to the Egyptian Companies Law, an issuance of new Shares within the Company's authorised capital may be effected by a resolution of the Company's Board of Directors setting out the amount of the increase, the price of the new Shares to be issued. In the event of an increase of the Company's authorised capital or an increase of the Company's issued capital in excess of the authorised capital, an Extraordinary General Assembly will be required. Any premium payable on the issue of new Shares is paid into the special reserve. In addition, approval of the GAFI is required for any increase.

The Company's share capital may be reduced by a resolution of the Company's shareholders passed at an Extraordinary General Assembly, with the necessary approval of the General Authority for Investment.

Increases in share capital may be effected by the issue of new Shares, pursuant to a recommendation of the Board of Directors and a shareholders' resolution at an Extraordinary General Assembly either by incorporation of free reserves, for cash or for assets contributed in kind. The newly-issued Shares representing any bonus issue are distributed *pro rata* among shareholders, unless a shareholder waives (in writing) its right to subscribe for such Shares.

Under the Company's Articles of Association, existing shareholders have a pre-emptive right to subscribe for shares in any capital increase, although such rights may be waived by a decision of the Extraordinary General Assembly, upon the proposal of the Company's Board of Directors.

As the Company is listed on the EGX, the Company must also comply with the EGX Listing Rules issued on 28 January 2014. In the event of a capital increase or reduction, these rules require the Company to submit all the necessary documentation in relation to the amendment, including a disclosure report prepared in accordance with the standard EFSA form. The decision of the Board of Directors relating to any capital amendment must include a delegation of power to the Chairman to undertake necessary procedures relating to the capital amendment before the relevant authorities. The EGX will publish the disclosure report and the procedures relating to the capital amendment may not be commenced until such publication. The Company must include details of any capital increase, including the use, in the annual report of the Board of Directors (to be approved by the General Assembly) for the next two financial years.

Directors

Pursuant to the Company's Articles of Association, the management of the Company shall be undertaken by a Board of Directors composed of at least three members and not exceeding thirteen members.

The General Assembly of the Company can appoint, replace or dismiss any member of the Board of Directors at any time.

Mandatory Offers

As a publicly listed company, the Company is subject to the mandatory tender offer rules set out in Capital Market Law № 95 of 1992 (the "**Capital Market Law**"). Under Article 8 of the Capital Market Law, if any transaction would result in an acquirer obtaining more than 10% of a company listed on the EGX (or 5% if the acquirer is a board member or an employee of the relevant company), then the acquirer must notify the company two weeks prior to concluding the transfer by registered letter. The Company must then notify all of its shareholders holding at least 1% of the shares within one week of receiving the prospective purchaser's notice and must notify the EGX. If these procedures are not complied with, the transaction will be nullified.

Pursuant to the executive regulations of the Capital Market Law, any person who acquires 5% of the voting rights or capital of a company listed on the EGX (or any multiple thereof (or 3% and multiples thereof for board members and employees of the relevant company)) but not exceeding one third of the voting rights or capital of such company, must notify the EFSA and EGX within two working days from the date of conclusion of the transaction. This provision is without prejudice to Article 8 of the Capital Market Law. If the percentage acquired reaches 25% or more (but does not exceed one third) of the issued capital of the relevant company or its voting rights, the disclosure provided to the EFSA and the EGX must include details of the purchaser's future investments plan and direction in relation to the management of the Company.

If any person, through one or more transactions, acquires one third or more of the voting rights or capital of the company, the purchaser must conduct a mandatory tender offer to acquire 100% of the share capital of the company.

In addition to the above, any shareholder owning more than one third and up to 50% of the shares or voting rights may then only acquire a further 2% of the share capital or voting rights of the company every twelve months, otherwise the mandatory tender offer requirements will be triggered (subject to certain conditions and restrictions). If a shareholder at any point of time owns more than 50% of the company's share capital, then it shall be obliged to conduct a mandatory tender offer for 100% of the shares.

Any shareholder owning more than 50% and less than 75% of the shares or voting rights may then only acquire a further 2% of the share capital or voting rights of the company every twelve months, otherwise the mandatory tender offer requirements will be triggered (subject to certain conditions and restrictions).

Any reference to a shareholder or a person includes any related party, which is defined to include persons having entered into an agreement with respect to the acquisition of the company, those with voting agreements, affiliated and sister companies and companies under the common control of a person.

Accordingly, if any person (through shares or GDSs), alone or together with its related parties, acquires voting rights in excess of the above thresholds, such person will be obliged to conduct a mandatory tender offer. This requirement does not apply to the Depositary owning shares in its capacity as registered owner.

Depositary Law

According to Decree № 17 of 2014 of the EFSA, the Depositary must be registered with the Egyptian Financial Supervisory Authority to undertake its activities in respect of the GDSs. Such registration must take place on or before 30 June 2014. The decree requires the Depositary to (i) maintain the confidentiality of information and avoid conflicts of interest; (ii) maintain a separation between its depositary and other activities; and (iii) provide the Egyptian Financial Supervisory Authority with all required data and information in respect of the beneficial owners of GDSs, as well as in respect of the issuance or cancellation of GDSs issued against Egyptian securities. The Depositary is in the process of applying for registration under the decree.

In addition, practice in the market requires that issuers of GDSs do not issue GDSs representing more than a third of a company's issued share capital. This requirement used to be codified, although it was removed following the most recent update of the listing rules by the EFSA. The EFSA is expected to issue regulations to reintroduce this requirement. Although the Company has applied for a listing of GDSs up to an amount that is in excess of a third of its issued share capital, this application is to provide the Company with flexibility in the event of the issuance of bonus shares or other capital increases. For so long as there is a regulatory or legal requirement in place, the Company will not issue GDSs in excess of a third of its issued share capital.

THE ARAB REPUBLIC OF EGYPT

Egypt is located in North Africa, bordering the Mediterranean Sea, the Red Sea, Libya, the Gaza Strip, Israel and Sudan. With a population of 72.6 million according to the 2006 Census which is estimated to have grown to 83.7 million in 2012 according to CAPMAS projections of 2.2% average growth rate per year, Egypt is the most populous country in the Middle East and the third most populous country on the African continent.

Recent Events

Following the uprising in Tunisia, which led to the departure of its long-standing president in December 2010, political unrest in Egypt, has led to demonstrations and protests in Cairo, Alexandria and a number of other Egyptian cities, leading to the Revolution in January 2011. Following 18 days of violent protests with protestors demanding the overthrow of President Hosni Mubarak, President Mubarak dissolved the Government, resigned and handed power to the Supreme Council of the Armed Forces (the "**SCAF**"), which suspended the Egyptian constitution and announced that it would govern Egypt until parliamentary elections were held. Demonstrations and protests, which often escalated into violence, continued throughout 2011 and sporadically since in response to the perceived slow pace of political change.

Egypt experienced continued political uncertainty and instability over the course of 2012. Although power was transferred to the lower house of Egypt's bicameral parliament (the Council of Representatives) and the upper house (the Shoura Council) was elected, the SCAF issued an interim declaration on 17 June 2012 granting itself more extensive powers and dissolving the Council of Representatives following a ruling of the Supreme Constitutional Court that the law on parliamentary elections was unconstitutional (the "**Interim Declaration**").

Presidential elections were held in June 2012 and were won by the Freedom and Justice Party candidate, Mr. Mohammed Morsi, who took office on 30 June 2012. President Morsi revoked the Interim Declaration and transferred all legislative powers to the Presidency. On 22 November 2012, President Morsi issued a decree, which, among other things, exempted his decisions from judicial review and tasked a constitutional assembly with drafting a new constitution. This decree sparked further unrest with protestors, who argued its effect was to immunise the actions of the President from judicial challenge and to grant him far-reaching prerogative powers. The President rescinded the majority of the decree on 20 December 2012. The new Egyptian Constitution was approved by parliament on 30 November 2012, although the vote was boycotted by many members. It was approved by popular referendum on 26 December 2012.

There were further violent protests and unrest in January 2013 and then in June 2013, following President Morsi's appointment of his allies as regional leaders in 13 of Egypt's 27 governorships. In July 2013, the military removed President Morsi amid mass demonstrations calling for his resignation. Supreme Court Chief Justice Adly Mansour was appointed as interim President. Mr. Hazem El-Bablawi was appointed Prime Minister of President Mansour's interim government in July 2013. Prime Minister El-Bablawi resigned on 1 March 2014, and Mr. Ibrahim Mahlab was appointed to replace Mr. El-Bablawi on 1 March 2014. Mr. Ibrahim Mahlab was reappointed on 9 June 2014 following the inauguration of President Al-Sisi.

Following further protests and demonstrations in August 2013, a state of emergency was declared and a curfew was imposed (which was lifted in November 2013). In September 2013, the military launched a campaign against militants in northern Sinai and a court banned the Muslim Brotherhood of Egypt from carrying out any activities in Egypt. A new law restricting public protests was passed in November 2013. In December 2013, the Government declared the Muslim Brotherhood of Egypt a terror organisation following a bomb blast in Mansoura.

In January 2014, the new Egyptian Constitution was overwhelmingly approved by Egyptians voting in a referendum, although voter turn-out was relatively low.

Presidential elections were held in May 2014 and Abdel Fattah Al-Sisi was sworn in as President of the Republic on 8 June 2014. According to figures announced by the President of the Supreme Committee for the Presidential elections, President Al-Sisi won 96.9% of the presidential vote with an estimated turnout of approximately 47%. On 9 June 2014, the Prime Minister, Ibrahim Mahlab, tendered his cabinet's resignation to the newly inaugurated President Al-Sisi. President Al-Sisi reappointed Mr. Mahlab as Prime Minister on 9 June 2014 and asked him to form a new interim government. There can be no assurance when this interim government will be formed. Parliamentary elections are expected to follow the Presidential elections, although the date of the elections has not yet been set. Accordingly, it is also unclear when a new government will be formed, The interim and new Government is likely to continue to face socio-economic challenges and risks of instability that often accompany political transition. These challenges, together with the incidents of social and political unrest and violence in Egypt and across the Middle East, have had a significant adverse effect on the Egyptian economy.

See "*Risk Factors—Key Political and Economic Risks to the Group—Political and security concerns*" and "*Risk Factors—Key Political and Economic Risks to the Group—Economic concerns*".

Egyptian Economy

The following table sets forth certain economic indicators for the periods indicated.

	2010/11(1)	**2011/12**(1)	**2012/13**(1)
Domestic Economy			
Real GDP (*LE billions*)	1,309.9	1,508.5	1,677.4
Real GDP Growth Rate) (*%*)(2)	1.8	2.2	2.1
Real GDP per capita (*LE*)	17,233	19,356	20,957
Consumer Price Index in Urban Areas (*%*)(3)	11.0	8.7	6.9
Balance of Payments			
Exports of Goods (FOB) (*U.S.$ millions*)	26,993	25,072	25,971
Imports of Goods (CIF) (*U.S.$ millions*)	(54,096)	(59,211)	(57,513)
Current Account Balance (*U.S.$ millions*)	(6,088)	(10,146)	(5,582)
Overall Balance (*U.S.$ millions*)	(9,754)	(11,278)	237
Net International Reserves (*U.S.$ millions*)	26,564	15,534	14,936
Months of Import Coverage	5.9	3.1	3.1
Gross External Debt/GDP (%)	15.2	13.2	17.3
Net foreign direct investment (*U.S.$ millions*)	2,189	3,982	3,005
Net foreign direct investment (*% of GDP*)	0.9	1.5	1.1
Public Finance			
Total Revenues (*LE billions*)	265,286	303,622	350,322
Total Expenditures (*LE billions*)	401,866	470,992	588,188
Overall Balance (*LE billions*)	(134,460)	(166,705)	(239,719)
Overall Deficit (*% of GDP*)	9.8	10.6	13.7
Primary Deficit (*% of GDP*)	3.6	4.0	5.3

Sources: The Ministry of Finance, CBE and CAPMAS.

Notes:

(1) The Egyptian government publishes annual figures for the year beginning 1 July and ending 30 June the following year. See "*Information from Public Sources*".

(2) Real GDP is calculated using constant prices with the year 2006/07 as the base year.

(3) Annual rate of change.

Having grown significantly during the period 2004/05-2009/10, the growth rates of the Egyptian economy has grown at a slower rate since the Revolution, with annual real GDP growth rates of 1.8% in 2010/11, 2.2% in 2011/12 and 2.1% in 2012/13. This continued growth was primarily attributable to the diversified nature of the Egyptian economy, with a broad range of sectors, including agriculture, manufacturing and tourism, all contributing significantly to GDP, thereby reducing the economy's reliance on any one sector. See "*Risk Factors—Key Political and Economic Risks to the Group—Economic concerns*".

Inflation, as measured by the CPI, has decreased from 11.0% in 2010/11 to 8.6% in 2011/12 and 6.9% in 2012/13. Inflation has, however, increased in recent months, reaching 10.1% in September 2013. due primarily to higher prices of fresh vegetables, poultry and, to a lesser extent, several other food items. Meanwhile, the prices of retail items, other services and paid services has remained broadly unchanged. See "*Risk Factors—Risks Relating to Egypt—Inflation*".

The external sector has weakened since the Revolution, with net international reserves shrinking considerably from U.S.$26.6 billion as at 30 June 2011 to U.S.$15.5 billion as at 30 June 2012 and U.S.$14.9 billion as at 30 June 2013. Net international reserves have since recovered, to an extent, reaching U.S.$17.0 billion as at 31 December 2013.

Between 1991 and 2003, the exchange rate of the Egyptian Pound was pegged to the U.S. Dollar. In January 2003, the CBE abandoned the U.S. Dollar peg and the Egyptian Pound now floats freely against foreign currencies. In the period from June 2003 to 31 December 2014, the value of the Egyptian Pound has depreciated against the U.S. Dollar from U.S.$1.00 = LE 6.03 to U.S.$1.00 = LE 6.94, or 13.1%.

Net foreign direct investment in Egypt ("**FDI**") had begun to decline prior to the Revolution began to decline from U.S.$8.1 billion in 2008/09 primarily as a consequence of the global financial crisis and subsequently as a result of the Revolution, with FDI falling to U.S.$2.2 billion in 2010/11, U.S.$4.0 billion in 2011/12 and U.S.$3.0 billion in 2012/13.

DESCRIPTION OF THE GLOBAL DEPOSITARY RECEIPTS

The following is a summary of certain provisions of the Rule 144A Deposit Agreement and the Regulation S Deposit Agreement. Terms used in this description and not otherwise defined shall have the meanings set forth in the Deposit Agreements.

Global Depositary Receipts

Rule 144A GDRs evidencing Rule 144A GDSs are issuable pursuant to the Rule 144A Deposit Agreement. Regulation S GDRs evidencing Regulation S GDSs are issuable pursuant to the Regulation S Deposit Agreement. Each Rule 144A GDR will evidence a specified number of Rule 144A GDSs, each Rule 144A GDS representing two Shares, or evidence of the right to receive two Shares, deposited with the Custodian and registered in the name of the Depositary or its nominee (together with any additional Shares at any time deposited or deemed deposited under the Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares, the "**Rule 144A Deposited Securities**"). Each Regulation S GDR will evidence a specified number of Regulation S GDSs, each Regulation S GDS representing two Shares, or evidence of the right to receive two Shares, deposited with the Custodian and registered in the name of the Depositary or its nominee (together with any additional Shares at any time deposited or deemed deposited under the Regulation S Deposit Agreement and any other securities, cash or other property received by the Depositary or the Custodian in respect or in lieu of such Shares, the "**Regulation S Deposited Securities**" and, together with the Rule 144A Deposited Securities, the "Deposited Securities"). Only persons in whose names Rule 144A GDRs or Regulation S GDRs, as the case may be, are registered on the books of the Depositary as owners of the Rule 144A GDRs or Regulation S GDRs, as the case may be, will be treated by the Depositary and the Company as Rule 144A Owners or Regulation S Owners, respectively.

Available Information

The Company expects that it will be exempted from the registration requirements of Section 12(g) of the Exchange Act pursuant to Rule 12g3-2(b) thereunder. The Company has agreed in the Rule 144A Deposit Agreement that if, at any time prior to the termination of the Rule 144A Deposit Agreement, the Company is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, the Company will provide to any Owner, Beneficial Owner or any holder of Shares underlying Rule 144A GDSs, and to any prospective purchaser of Rule 144A GDRs or of Shares underlying Rule 144A GDSs, upon request of any such Owner, Beneficial Owner, holder of Shares or prospective purchaser, the information required by Rule 144A(d) (4) (i) of the Securities Act and otherwise comply with Rule 144A(d) (4) of the Securities Act.

Deposit, Transfer and Withdrawal — Rule 144A GDRs

The Depositary has agreed, subject to the terms and conditions of the Rule 144A Deposit Agreement, that upon delivery to the Custodian of Shares (or evidence of rights to receive Shares) and pursuant to appropriate instruments of transfer in a form satisfactory to the Custodian, the Depositary will, upon payment of the fees, charges and taxes provided in the Rule 144A Deposit Agreement, execute and deliver at its Corporate Trust Office to, or upon the written order of, the person or persons named in the notice of the Custodian delivered to the Depositary or requested by the person depositing such Shares with the Depositary, a Rule 144A GDR or Rule 144A GDRs, registered in the name or names of such person or persons, and evidencing any authorised number of Rule 144A GDSs requested by such person or persons.

Any deposit of Shares for Rule 144A GDSs must be accompanied by a written certification ("**Depositor's Certificate**") by or on behalf of the person who will be the beneficial owner of the Rule 144A GDSs or Rule 144A GDSs to be issued upon deposit of such Shares, to the effect that it (a) is a QIB, acquiring such beneficial ownership for its own account or for the account of one or more QIBs, and (b) will comply with the restrictions set forth under "*Transfer Restrictions on the GDSs*" on transfers of the Rule 144A GDRs, the Rule 144A GDSs evidenced thereby and the Shares represented thereby. The Depositary will also refuse to accept certain Shares for deposit if notified in writing that the Shares are listed on a U.S. securities exchange or quoted on a U.S. automated inter-dealer quotation system, unless accompanied by evidence satisfactory to the Depositary that any Shares presented for deposit are eligible for resale pursuant to Rule 144A.

Any deposit of Shares for Rule 144A GDSs or withdrawal of Deposited Securities represented by Rule 144A GDSs must be effected by the EGX in compliance with all prevailing laws and regulations.

Upon surrender at the Corporate Trust Office of the Depositary of a Rule 144A GDR for the purpose of withdrawal of the Deposited Securities represented by the Rule 144A GDSs evidenced by such Rule 144A GDR, and upon payment of the fees, governmental charges and taxes provided in the Rule 144A Deposit Agreement, and subject to the terms and conditions of the Rule 144A Deposit Agreement, the Statutes of the Company and the Rule 144A Deposited Securities, the Rule 144A Owner of such Rule 144A GDR will be entitled to delivery, to him or upon his order, as permitted by applicable law, of the amount of Deposited Securities at the time represented by the Rule 144A GDSs or Rule 144A GDSs evidenced by such Rule 144A GDR. The forwarding of share certificates, other securities, property, cash and other documents of title for such delivery will be at the risk and expense of the Rule 144A Owner.

Notwithstanding the foregoing, no Rule 144A Deposited Securities may be withdrawn in the manner described in the preceding paragraph unless, at or prior to the time of surrender, the Depositary shall have received a duly executed and completed written certificate and agreement by or on behalf of the person surrendering such Rule 144A GDR who after withdrawal will be the beneficial owner of the Shares withdrawn, (i) acknowledging that such Shares have not been registered under the Securities Act, (ii) certifying as to whether or not such Shares will remain restricted upon withdrawal, (iii) in the case of Shares that will remain restricted, agreeing (a) not to offer, sell, pledge or otherwise transfer such Shares except in a transaction that complies with the restrictions on transfer set forth under "*Transfer Restrictions on the GDSs*" and (b) not to deposit or cause to be deposited such Shares into any unrestricted depositary receipt facility established or maintained by a depositary bank (including another facility maintained by the Depositary) relating to such Shares unless such Shares are no longer deemed to be restricted securities within the meaning of Rule 144(a) (3) under the Securities Act and (iv) certifying that the person who will be the beneficial owner of the Shares withdrawn does not own, directly or indirectly, more than 10% of the total share capital of the Company inclusive of the Shares requested to be delivered pursuant to such written certificate and other Shares represented by GDSs. In the absence of such certification no withdrawals of Shares may be made. The Company shall be entitled to waive compliance with such certification, but only to the extent it relates to the 10% ownership specified in (iv).

Neither the Depositary nor the Custodian under the Regulation S Deposit Agreement, shall accept Rule 144A GDSs evidencing Rule 144A GDSs issued pursuant to the Rule 144A Deposit Agreement or Shares withdrawn from the Rule 144A Deposit Agreement for the purpose of deposit under the Regulation S

Deposit Agreement, or issue Regulation S GDSs against delivery thereof, as long as such Rule 144A GDSs, Rule 144A GDRs or Shares are or may be deemed to be restricted securities within the meaning of Rule 144(a)(3) under the Securities Act.

Deposit, Transfer and Withdrawal — Regulation S GDRs

The Depositary has agreed, subject to the terms and conditions of the Regulation S Deposit Agreement, that upon delivery to the Custodian of Shares (or evidence of rights to receive Shares) and pursuant to appropriate instruments of transfer in a form satisfactory to the Custodian, the Depositary will, upon payment of the fees, charges and taxes provided in the Regulation S Deposit Agreement, execute and deliver, before the Effective Time outside the United States at the expense and risk of the person depositing such Shares, and at or after the Effective Time at its Corporate Trust Office to, or upon the written order of, the person or persons named in the notice of the Custodian delivered to the Depositary or requested by the person depositing such Shares with the Depositary, a Regulation S GDR or Regulation S GDRs, registered in the name or names of such person or persons, and evidencing any authorised number of Regulation S GDSs requested by such person or persons.

Any deposit of Shares for Regulation S GDSs or withdrawal of Deposited Securities represented by Regulation S GDSs must be effected by the EGX in compliance with all prevailing laws and regulations.

Upon surrender at the Corporate Trust Office of the Depositary of a Regulation S GDR for the purpose of withdrawal of the Regulation S Deposited Securities represented by the Regulation S GDSs evidenced by such Regulation S GDR, and upon payment of the fees, governmental charges and taxes provided in the Regulation S Deposit Agreement, and subject to the terms and conditions of the Regulation S Deposit Agreement, the Statutes of the Company and the Regulation S Deposited Securities, the Regulation S Owner of such Regulation S GDR will be entitled to delivery, to him or upon his order, as permitted by applicable law, of the amount of Regulation S Deposited Securities at the time represented by the Regulation S GDS or Regulation S GDSs evidenced by such Regulation S GDR. The forwarding of share certificates, other securities, property, cash and other documents of title for such delivery will be at the risk and expense of the Regulation S Owner.

Notwithstanding the foregoing, during the Restricted Period, no Regulation S Deposited Securities may be withdrawn in the manner described in the preceding paragraph unless at or prior to the time of surrender, the Depositary shall have received a duly executed and completed written certificate and agreement by or on behalf of the person surrendering such Regulation S GDR who after withdrawal will be the beneficial owner of the Shares withdrawn, (i) acknowledging that such Shares have not been registered and will not be registered under the Securities Act, (ii) certifying as to whether or not such Shares will remain restricted upon withdrawal, (iii) in the case of Shares that will remain restricted, agreeing (a) during the Restricted Period, not to offer, sell, pledge or otherwise transfer such Shares except in a transaction that complies with the restrictions on transfer set forth below under "*Transfer Restrictions on the GDSs"* and (b) during the Restricted Period, if such Shares are being transferred to a QIB, that it will cause such Shares to be deposited under the Rule 144A Deposit Agreement for issuance of GDSs in accordance with the terms and conditions of such Rule 144A Deposit Agreement and (iv) certifying that the person who will be the beneficial owner of the Shares withdrawn does not own, directly or indirectly, more than 10% of the total Share Capital of the Company inclusive of the Shares requested to be delivered pursuant to such written certificate and other Shares represented by GDSs. The Company shall be entitled to waive compliance with such certification, but only to the extent it relates to the 10% ownership certification specified in (iv). In the absence of such certification, no withdrawals of Shares may be made.

The following description applies equally to the Rule 144A Deposit Agreement and the Regulation S Deposit Agreement, except as specifically indicated.

Dividends, Other Distributions and Rights

Subject to any restrictions imposed by Egyptian law, regulations or applicable permits, the Depositary is required to convert or cause to be converted into U.S. dollars, to the extent that in its judgment it can do so on a reasonable basis and can transfer the resulting U.S. dollars to the United States, all cash dividends and other cash distributions denominated in a currency other than U.S. dollars, including Egyptian pounds ("**Foreign Currency**"), that it receives in respect of the deposited Shares, and to distribute the resulting U.S. dollar amount (net of reasonable and customary expenses incurred by the Depositary in converting such Foreign Currency and of the fees of the Depositary) to the Owners entitled thereto, in proportion to the number of GDSs representing such Deposited Securities evidenced by GDRs held by them, respectively. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions or the date of delivery of any GDR or GDRs or otherwise. The amount distributed will be reduced by any amount on account of taxes to be withheld by the Company or the Depositary. See "*—Liability of Owner for Taxes*." If the Depositary determines that in its judgment any Foreign Currency received by it cannot be so converted and transferred, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may (i) if requested by an Owner, distribute the Foreign Currency received by it to and (ii) if not so requested by an Owner, may hold such Foreign Currency uninvested and without liability for interest thereon for the respective accounts of the Owners entitled to receive the same. If any such conversion of Foreign Currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make such conversion and distribution in U.S. dollars to the extent permissible to the Owners entitled thereto and may distribute the balance of the Foreign Currency received by it to, or hold such balance uninvested for the respective accounts of, the Owners entitled thereto.

If the Company declares a dividend in, or free distribution of, Shares, the Depositary will, as promptly as practicable after the receipt thereof, distribute to the Owners of outstanding GDRs entitled thereto, in proportion to the number of GDSs evidenced by the GDRs held by them, respectively, additional GDRs evidencing an aggregate number of GDSs that represents the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreements with respect to the deposit of Shares and the issuance of GDSs evidenced by GDRs, including the withholding of any tax or other governmental charge and the payment of fees of the Depositary. The Depositary may withhold any such distribution of GDRs if it has not received satisfactory assurances from the Company that such distribution does not require registration under the Securities Act or is exempt from registration under the provisions of such Act. In lieu of delivering GDRs for fractional GDSs in the event of any such dividend or free distribution, the Depositary will sell the amount of Shares represented by the aggregate of such fractions and distribute the net proceeds in accordance with the Deposit Agreement. If additional GDRs are not so distributed, each GDS shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

Each beneficial owner of Rule 144A GDRs (and, prior to the Effective Time, each beneficial owner of Regulation S GDRs) or Shares so distributed shall be deemed to have acknowledged that the Shares have not been registered under the Securities Act and to have agreed to comply with the restrictions on transfer set forth under "*Transfer Restrictions on the GDSs"*.

If the Company offers or causes to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary will, after consultation with the Company, have discretion as to the procedure to be followed in making such rights available to any Owners of GDRs or in disposing of such rights for the benefit of any Owners and, as promptly as practicable, making the net proceeds available in U.S.

dollars to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse; provided, however, if at the time of the offering of any rights the Depositary determines, after consultation with the Company, in its reasonable discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute to any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of GDSs held by such Owner, warrants or other instruments therefore in such form as it deems appropriate. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner or Owners in particular.

In circumstances in which rights would not otherwise be distributed, if an Owner of GDRs requests the distribution of warrants or other instruments in order to exercise the rights allocable to the GDSs of such Owner, the Depositary will make such rights available to such Owner, as promptly as practicable, upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law. Upon instruction pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received in exercise of the rights, and upon payment of the fees of the Depositary as set forth in such warrants or other instruments, the Depositary will, on behalf of such Owner, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited, and will, as promptly as practicable, execute and deliver Receipts to such Owner, pursuant to the Deposit Agreement.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to all Owners or are registered under the provisions of such Act. If an Owner of GDRs requests the distribution of warrants or other instruments, notwithstanding that there has been no such registration under such Act, the Depositary shall not effect such distribution unless it has received an opinion from recognised counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Owner is exempt from such registration. Notwithstanding any terms of the Deposit Agreement to the contrary, the Company shall have no obligation to prepare and file a registration statement for any purpose.

Whenever the Depositary shall receive any distribution other than cash, Shares or rights in respect of the Deposited Securities, the Depositary will, as promptly as practicable after receipt thereof, cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in proportion to their holdings, respectively, in any manner that the Depositary may reasonably deem equitable and practicable for accomplishing such distribution; provided, however, that if in the reasonable opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that such securities must be registered under the Securities Act in order to be distributed) the Depositary reasonably deems such distribution not to be feasible, the Depositary may, after consultation with the Company, adopt such method as it may reasonably deem equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, and the net proceeds of any such sale will be distributed by the Depositary to the Owners entitled thereto as in the case of a distribution received in cash.

Neither the Depositary nor the Custodian, shall accept Rule 144A GDSs issued pursuant to the Rule 144A Deposit Agreement or Shares withdrawn from the Rule 144A Deposit Agreement for the purpose of deposit under the Regulation S Deposit Agreement, or issue Regulation S GDSs or Regulation S GDRs against delivery thereof, as long as such Rule 144A GDSs, Rule 144A GDRs or Shares are or may be deemed restricted securities within the meaning of Rule 144(a) (3) under the Securities Act.

If the Depositary determines that any distribution of property (including Shares and rights to subscribe therefore) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may, by public or private sale, dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes or charges and the Depositary will, as promptly as practicable, distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners entitled thereto in proportion to the number of GDSs held by them, respectively.

Upon any change in nominal or par value, split-up, consolidation, cancellation or any other reclassification of Deposited Securities, or upon any recapitalisation, reorganisation, merger or consolidation or sale of assets affecting the Company or to which it is a party, any securities that shall be received by the Depositary or Custodian in exchange for, in conversion of, or in respect of Deposited Securities will be treated as new Deposited Securities under the Deposit Agreement, and the GDSs shall thenceforth represent, in addition to the existing Deposited Securities, the right to receive the new Deposited Securities so received in exchange or conversion, unless additional GDRs are delivered pursuant to the following sentence. In any such case the Depositary may, and will, if the Company so requests (a) if Book-Entry GDSs are available, make appropriate entry in its records, or (b) if Book-Entry GDSs are not available either (i) execute and deliver additional GDRs as in the case of a distribution in Shares, or (ii) call for the surrender of outstanding GDRs to be exchanged for new GDRs specifically describing such new Deposited Securities.

Record Dates

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each GDS, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient, in respect of any matter, including the calculation of Egyptian property or other taxes owed by Owners, the Depositary will fix a record date, (a) for the determination of the Owners who shall be (i) entitled to receive such dividend, distribution or rights, or the net proceeds of the sale thereof, or (ii) entitled to give instructions for the exercise of voting rights at any such meeting, or (b) for fixing the date on or after which each GDS will represent the changed number of Shares, all subject to the provisions of the Deposit Agreement.

Voting of Deposited Securities

Upon receipt of notice of any meeting of holders of Shares or other Deposited Securities, the Depositary shall, as soon as practicable thereafter, mail to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, which notice shall contain (i) such information as is contained in such notice of meeting, and (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Egyptian law and the Statutes of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective GDRs and (iii) a statement as to the manner in which such instructions may be given. Upon the written request of an Owner on such record date, received on or before the date established by the Depositary for such purpose (the "**Instruction Date**"), the Depositary shall endeavour, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the GDSs in accordance with the following provisions; provided, however, that the Depositary will not be required to vote in respect of any matter, or take any other action unless, in each instance, it shall have been advised by Egyptian counsel to the Company (such counsel being reasonably acceptable to the Depositary) that any such vote or other action does not violate applicable positions of Egyptian law:

Except as provided below, the Depositary will endeavour, in so far as practicable, to vote all the Deposited Securities for or against each and any resolution specified in the agenda for the meeting in accordance with the voting instructions given by Owners holding a majority of the GDSs then outstanding and entitled to give voting instructions to the Depositary. For the avoidance of doubt, such majority shall be calculated after excluding the GDSs in respect of which voting instructions cannot be given. See "*—Disclosure of Beneficial Ownership and Limitations on Voting*" below.

If no voting instructions are submitted by Owners holding a majority of the GDSs then outstanding and entitled to give voting instructions to the Depositary in respect of any resolution, then the Depositary will endeavour, in so far as practicable, to vote in accordance with the instructions of a person designated by the board of directors of the Company or to give a discretionary proxy or power of attorney to vote the Deposited Securities in favour of a person designated by the board of directors of the Company.

As at the date of this Prospectus, the Depositary is permitted by Egyptian law to exercise the voting rights in respect of the Deposited Securities so that a portion of the Deposited Securities may be voted for a resolution and a portion of the Deposited Securities may be voted against a resolution and, accordingly, notwithstanding the above, the Depositary will endeavour, in so far as practicable, to vote the number of Shares or other Deposited Securities represented by GDSs in respect of which valid voting instructions have been received in accordance with such voting instructions, subject to the provisions set forth below under "*—Disclosure of Beneficial Ownership and Limitations on Voting*".

There can be no assurance that the Owners generally or any Owner in particular will receive the notice described in this section sufficiently prior to the Instruction Date to ensure that the Depositary will in fact vote the Shares or Deposited Securities in accordance with the provisions set forth above.

Nothing covered herein shall affect or otherwise restrict the right of any Owner or Beneficial Owner to vote, or take any other action in respect of, Shares after withdrawal of such Shares from the facility.

Disclosure of Beneficial Ownership and Limitations on Voting

Each Owner has agreed to inform the Company in writing, upon request, whether any of the GDSs held by such Owner are being held, directly or indirectly, by a Beneficial Owner and, if being so held, the name and address of such Beneficial Owner.

Any Beneficial Owner of a GDS who, after acquiring directly or indirectly the beneficial ownership of any Share (either directly or by virtue of the ownership of GDSs), is directly or indirectly the Beneficial Owner of more than 10% of the Shares, has agreed to provide to the Company (i) the background, and identity, residence, and citizenship of, and the nature of such beneficial ownership by, such person and all other persons by whom or on whose behalf the purchases have been or are to be effected; (ii) the number of Shares and GDSs which are beneficially owned, and the number of Shares and GDSs concerning which there is a right to acquire directly or indirectly by such person and by each associate of such person, giving the background, identity, residence and citizenship of each such associate; and (iii), if any material change occurs in the facts set forth in the statements to the Company, an amendment setting forth such changes.

In addition, any person who is directly or indirectly the Beneficial Owner of more than 10% of the Shares shall, upon the acquisition (either directly or by virtue of the ownership of GDSs) of Shares and/or GDSs of each additional holding representing 5% or more of the capital of the Company, provide to the Company the information specified in (ii) in the preceding paragraph.

In determining the percentage of Shares in the preceding paragraphs, the Shares shall be deemed to consist of the amount of the outstanding Shares, exclusive of any Shares held by or for the account of the Company or a subsidiary of the Company.

In the event that the Company shall determine that an Owner or a Beneficial Owner has failed to comply with the disclosure of beneficial ownership requirements set forth above, the Company shall advise the Depositary in writing that the Depositary shall not, until further notice is received from the Company, vote any Shares represented by such GDSs and evidenced by such Beneficial Owner's GDR by proxy or otherwise at any meeting of shareholders. Upon receipt of such written notice, the Depositary shall not take into account any voting instructions provided by an Owner on behalf of such Beneficial Owner's GDR.

In the event that a Beneficial Owner of GDSs who is entitled to give voting instructions issues a voting instruction to the Depositary in circumstances where the Company has advised the Depositary in writing that such Beneficial Owner holds in excess of 10% or more (when combined with the Shares owned by such Beneficial Owner) of the capital of the Company, the Depositary shall not take the percentage holding in excess of 10% into account for the purposes of either (i) the calculation of a majority or (ii) the voting of any Shares on a proportional basis, each as contemplated under "*Voting of Deposited Securities*".

The reporting obligations under "*—Voting of Deposited Securities*" and "*—Disclosure of Beneficial Ownership and Limitations on Voting*" describe the contractual obligations under the Deposit Agreements. See "*Description of the Share Capital of the Company and Certain Requirements of Egyptian Legislation"* for details of relevant provisions of Egyptian law.

Reports and Other Communications

The Depositary will make available for inspection by Owners at its Corporate Trust Office any notices reports and communications, including any proxy soliciting material, received from the Company which are both (i) received by the Depositary, Custodian or nominee of either as the holder of the Deposited Securities and (ii) made generally available to the holders of such Deposited Securities by the Company. The Depositary will also send upon written request to the Owners copies of such reports when furnished by the Company pursuant to the Deposit Agreement. Any such reports and communications, including any proxy soliciting material, furnished to the Depositary by the Company will be furnished in English.

Amendment and Termination of the Deposit Agreements

The GDRs and the Deposit Agreements may at any time be amended by agreement between the Company and the Depositary without the consent of the Owners or Beneficial Owners of GDRs. Any amendment that imposes or increases any fees or charges (other than taxes, other governmental charges, custody, transfer and registration fees and other fees and expenses in respect of transfers or sales of Shares, and delivery expenses and charges incurred by the Depositary in the conversion of foreign currency and in connection with foreign exchange control regulation and cable, telex or facsimile transmission costs, delivery and other such expenses), or which otherwise prejudices any substantial existing right of Owners, will not take effect as to outstanding GDRs until the expiration of 90 days after notice of any amendment has been given to the Owners of outstanding GDRs. Every Owner and Beneficial Owner of a GDR, at the time any amendment so becomes effective, will be deemed by continuing to hold such GDR to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Owner of any GDR to surrender such GDR and receive therefore the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

Amendment

Each Owner or Beneficial Owner of a Receipt will agree and acknowledge that, at or after the Effective Time, it is anticipated that GDSs may be converted into unrestricted GDSs or exchanged for GDSs registered pursuant to a registration statement under the Securities Act on Form F-6, either automatically or upon such terms and conditions and in such manner as the Company and the Depositary may agree. Each Owner or Beneficial Owner of a Receipt will agree to, and agree to be immediately bound by, any amendment to this Regulation S Deposit Agreement agreed to by the Depositary and the Company for the purposes of filing a registration statement under the Securities Act with the Commission or for such registration statement to be declared effective under the Securities Act by the Commission. Each Owner or Beneficial Owner of a Receipt will acknowledge that there can be no assurance that such a registration statement will be filed, or if filed, will be declared effective under the Securities Act by the Commission, nor can there be any assurance as to the timing of the filing of any such registration statement or the timing of the effectiveness thereof under the Securities Act.

The Depositary shall at any time at the direction of the Company terminate the Deposit Agreements by mailing notice of such termination to the Owners of the GDRs then outstanding at least 90 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreements by mailing notice of such termination to the Company and the Owners of all GDRs then outstanding if, any time after 90 days have expired after the Depositary shall have delivered to the Company a written notice of its election to resign, a successor depositary shall not have been appointed and accepted its appointment, in accordance with the terms of the Deposit Agreements. If any GDRs remain outstanding after the date of termination of the Deposit Agreements, the Depositary thereafter will discontinue the registration of transfers of GDRs, will suspend the distribution of dividends to the Owners thereof and will not give any further notices or perform any further acts under the Deposit Agreements, except the collection of dividends and other distributions pertaining to the Deposited Securities, the sale of rights and other property and the delivery of underlying Shares, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for surrendered GDRs (after deducting the fees of the Depositary and other expenses set forth in the Deposit Agreements). At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities then held thereunder and hold uninvested the net proceeds of such sale together with any other cash, unsegregated and without liability for interest, for the pro rata benefit of the Owners that have not theretofore surrendered their GDRs, such Owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary will be discharged from all obligations under the Deposit Agreements, except to account for net proceeds and other cash (after deducting the fees of the Depositary and other expenses set forth in the Deposit Agreements and any applicable taxes or other governmental charges). Upon the termination of the Deposit Agreements, the Company shall be discharged from all obligations under the Deposit Agreements except for certain obligations to the Depositary relating to indemnity and fees.

Charges of Depositary

The Depositary will charge any party depositing or withdrawing Shares or any party surrendering GDRs or to whom GDRs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the GDRs or Deposited Securities or a distribution of GDRs pursuant to the Deposit Agreement) where applicable: (i) taxes and other governmental charges; (ii) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the share register of the Company or Foreign Registrar (or any other appointed agent of the Company for transfer and registration of Shares) or relevant central depositary and such brokerage and stock exchange fees and commissions, in each case, applicable to transfers of Shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals; (iii) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreements to be at the expense of persons depositing Shares or Owners; (iv) such reasonable expenses as are incurred by the Depositary in the conversion of Foreign Currency pursuant to the Deposit Agreements; (v) a fee not in excess of

U.S.$5.00 per 100 GDSs (or portion thereof) for the execution and delivery or surrender, respectively, of GDRs pursuant to the Deposit Agreements; (vi) a fee not in excess of U.S.$.02 per GDS (or portion thereof) for any cash distribution made pursuant to the Deposit Agreements; (vii) a fee for the distribution of securities other than cash, rights or Shares pursuant to the Deposit Agreement, such fee being in an amount equal to the fee for the execution and delivery of GDSs referred to above which would have been charged as a result of the deposit of such securities (treating all such securities as if they were Shares), but which securities are instead distributed by the Depositary to Owners and (viii) a fee not in excess of U.S.$1.50 per certificate for a GDR or GDRs for registration of transfers made pursuant to the Deposit Agreements.

Liability of Owner for Taxes

If any tax or other governmental charge or brokerage, stock exchange or central depositary fee shall become payable by the Custodian or the Depositary with respect to any GDR or any Deposited Securities represented by the GDSs evidenced by such GDR, such tax or other governmental charge will be payable by the Owner or Beneficial Owner of such GDR to the Depositary. The Depositary may refuse to effect any transfer of such GDR or any withdrawal of Deposited Securities underlying such GDR until such payment is made and may withhold any dividends or other distributions or may sell for the account of the Owner or Beneficial Owner thereof any part or all of the Deposited Securities underlying such GDR and may apply such dividends, distributions or the proceeds of any such sale to pay any such tax or other governmental charge or brokerage, stock exchange or central depositary fee and the Owner or Beneficial Owner of such GDR shall remain liable for any deficiency.

General

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates will be liable to any Owner or Beneficial Owner if by reason of any provision of any present or future law, regulation order, decree, moratorium or fiat of the United States, Egypt or any other country, or of any other governmental or regulatory authority or stock exchange or by reason of any provision, present or future, of the Statutes of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or other circumstance beyond its control, the Depositary or the Company or any of their respective directors, employees, agents, or affiliates shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of the Deposit Agreements or the Deposited Securities it is provided shall be done or performed; nor will the Depositary or the Company nor any of their respective directors, employees, agents or affiliates incur any liability to any Owner or Beneficial Owner by reason of any non-performance or delay, caused as stated in the preceding clause, in the performance of any act or thing which by the terms of the Deposit Agreements it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for under the Deposit Agreements.

The Company and the Depositary assume no obligation nor will they be subject to any liability under the Deposit Agreements to Owners or Beneficial Owners of GDRs, except that they agree to perform their respective obligations specifically set forth under the Deposit Agreements without negligence or bad faith.

The GDRs are transferable on the books of the Depositary, provided that the Depositary may close the transfer books at any time or from time to time when reasonably deemed expedient by it in connection with the performance of its duties or at the reasonable request of the Company. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any GDR or withdrawal of any Deposited Securities, the Depositary, the Company, the Custodian or Registrar may require payment from the person presenting the GDR or the depositor of the Shares of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer, brokerage, central depositary or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees. The Depositary may refuse to deliver GDRs, to register the transfer of any GDR or to make any distribution on, or related to, Shares or the delivery of any Deposited Securities until it has received such proof of citizenship or residence, exchange control approval or other information as it may deem necessary or proper. The delivery, transfer and surrender of GDRs generally may be suspended during any period when the transfer books of the Depositary, the Company or the Foreign Registrar are closed or if any such action is deemed necessary or advisable by the Depositary or the Company, at any time or from time to time. At and subsequent to the Effective Time, the surrender of outstanding Regulation S GDRs and the withdrawal of Regulation S Deposited Securities may not be suspended subject only to (i) the temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment dividends, (ii) the payment of any fees, taxes and similar charges and (iii) compliance with any U.S. or foreign laws of governmental regulations relating to the Regulation S GDRs or to the withdrawal of the Regulation S Deposited Securities.

Pre-Release

Unless requested by the Company in writing to cease doing so, the Depositary may execute and deliver GDRs prior to the receipt of Shares (a "Pre-Release") and deliver Shares upon the receipt and cancellation of GDRs which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such GDR has been Pre-Released. The Depositary may receive GDRs in lieu of Shares in satisfaction of a Pre-Release. Neither the Depositary nor the Custodian shall deliver Shares in any manner or otherwise permit Shares to be withdrawn except upon the receipt and cancellation of GDRs. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to who GDRs are to be delivered (the "Pre-Release"), that the Pre-Release or its customer, (i) owns the Shares or GDRs to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or GDRs, as the case may be, to the Depositary in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or GDRs, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or GDRs, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralised with cash, U.S. government securities or such other collateral as the Depositary determines, in good faith, will provide substantially liquidity and security, (c) terminable by the Depositary on not more than five business days' notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by GDSs outstanding at any time as a result of Pre-Releases will not normally exceed 30% of the Shares deposited; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it reasonably deems appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into with any particular Pre-Release on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfil its obligations to the Owners under the Deposit Agreement, the collateral referred to in (b) shall be held by the Depositary as security for the performance of the Pre-Release obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Release's obligation to deliver Shares or GDRs upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing, including, without limitation, earnings on the collateral.

At any time, in the case of Rule 144A GDSs, or prior to the Effective Time, in the case of Regulation S GDSs, the person to whom any Pre-Release is to be made pursuant to the Deposit Agreements shall be required to deliver to the Depositary a duly executed and completed Depositor Certificate.

The Depositary will keep books, at its Corporate Trust office, for the registration and registration of transfer of GDRs, which at all reasonable times will be open for inspection by the Owners, provided that such inspection will not be for the purpose of communicating with Owners in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreements or the GDRs.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting transfers, combinations and split-ups of GDRs at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled thereto but only to the extent that the Depositary would be entitled to require such evidence under the Deposit Agreements and will be entitled to protection and indemnity to the same extent as the Depositary.

Governing Law

The Deposit Agreements will be governed by the laws of the State of New York. In the Deposit Agreements, the Company has submitted to the non-exclusive jurisdiction of the New York State and United States federal courts sitting in the City and State of New York.

SUMMARY OF PROVISIONS RELATING TO THE GDRs WHILE IN MASTER FORM

The GDSs will initially be evidenced by (i) a single Regulation S Master GDR in registered form and (ii) a single Rule 144A Master GDR in registered form. Each Master GDR will be deposited with The Bank of New York Mellon in New York as custodian for DTC and registered in the name of Cede & Co as nominee for DTC on the date the GDRs are issued.

Each Master GDR shall state that it evidences the number of GDSs of the relevant class held at DTC at any given point in time. So long as GDSs are evidenced by a global GDR, no beneficial owner of those GDRs will be entitled to become a registered holder of GDSs or to receive a separate GDR evidencing GDSs. If DTC ceases to make its book-entry settlement system available for the GDSs, the Company will consult with the Depositary regarding other arrangements for book-entry settlement. In the event that it is impracticable without undue effort or expense to continue to have the GDSs available in book-entry form, the Company will instruct the Depositary to make separate GDRs available to all beneficial owners of GDSs, with such modification to the form of GDRs as the Company and the Depositary may agree, subject to the terms of the Deposit Agreements.

Payments, Distributions and Voting Rights

Payments of cash dividends and other amounts (including cash distributions) will, in the case of GDRs represented by the Regulation S Master GDR be made by the Depositary to DTC, on behalf of persons entitled thereto upon receipt of funds therefore from the Issuer. A free distribution or rights issue of Shares to the Depositary on behalf of the Holders will result in the record maintained by the Depositary being marked up to reflect the enlarged number of GDRs represented by the relevant Master GDR.

Holders of GDRs will have voting rights as set out in the terms and conditions of the Deposit Agreements.

Surrender of GDRs

Any requirement in the Deposit Agreements relating to the surrender of a GDSs to the Depositary shall be satisfied by delivery of those GDSs to the DTC account of the Depositary.

Notices

For as long as the Regulation S Master GDR is registered in the name of a nominee of DTC, notices to Holders may be given by the Depositary by delivery of the relevant notice to DTC for communication to persons entitled thereto in substitution for delivery of notices.

The Master GDRs shall be governed by and construed in accordance with New York law.

TAXATION

The following summary of certain material United Kingdom, Egyptian and U.S. federal income tax consequences of ownership of the GDSs is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the GDSs, possibly on a retroactive basis, and could alter or modify the statements and conclusions set out herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the GDSs. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of the GDSs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as at the date of this Prospectus, and of any actual changes in applicable tax laws after such date.

Certain Material United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE GDSs; AND (C) EACH INVESTOR SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES BASED ON ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN THE GDSs.

The following is a description of certain material U.S. federal income tax consequences with respect to the acquisition, ownership and disposition of the GDSs. This description addresses only the U.S. federal income tax considerations applicable purchasers of the GDSs that will hold such GDSs as capital assets. This description does not purport to address all material tax consequences of the ownership of the GDSs and does not address aspects of U.S. federal income taxation that may be applicable to investors that are subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities, including “Section 401” pension plans;
- individual retirement accounts and other tax deferred accounts;
- persons that receive the GDSs as compensation for the performance of services;
- persons that will hold the GDSs as part of a “hedging”, “conversion”, integrated or constructive sale transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- persons that mark their securities to market;
- persons that are residents of Egyptian for Egyptian tax purposes or that conduct a business or have a permanent establishment in Egypt;
- certain U.S. expatriates or former long-term residents of the United States;
- “dual resident” corporations;
- persons that have a “functional currency” other than the U.S. Dollar;
- holders that own or are deemed to own 10% or more, by voting power or value, of the equity interests of the Issuer;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes; or

- pass-through entities.

Further, this description does not address the alternative minimum tax or the U.S. federal gift and estate tax consequences of the acquisition, holding or disposition of the GDSs.

This description is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, in each case as in effect on the date of this prospectus, all of which are subject to change (or to changes in interpretation), possibly with retroactive effect.

U.S. Holders

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of a GDS that is:

- a citizen or individual resident of the United States;

- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States or any political subdivision thereof, including the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust if (i) a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (ii) such trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

A "**Non-U.S. Holder**" is a beneficial owner of the GDSs that is not a U.S. Holder. If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) acquires or holds the GDSs, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the U.S. federal income tax consequences of acquiring, holding, or disposing of the GDSs.

For U.S. federal income tax purposes, an owner of GDSs generally will be treated as the owner of the Shares represented by such GDSs. No gain or loss will be recognised if you exchange GDSs for the Shares represented by those GDSs. Your tax basis in such Shares will be the same as your tax basis in such GDSs, and the holding period in such Shares will include the holding period in such GDSs. You should consult your own tax advisor about how to calculate your tax basis and holding period if you acquire GDSs at different times or with different purchase prices.

Distributions

U.S. Holders

U.S. Holders of the GDSs will include in gross income as foreign-source dividend income, when actually or constructively received by the U.S. Holder, the gross amount of any cash or the fair market value of any property distributed by the Issuer (before reduction for any Egyptian withholding taxes, if applicable) in respect of the GDSs to the extent such distribution is paid out of the Issuer's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The Issuer does not intend to compute (or to provide U.S. Holders with information necessary to compute) earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders generally will be required to treat all distributions as taxable ordinary dividend income.

Dividends will not be eligible for the dividends received deduction allowed to U.S. corporate shareholders in respect of dividends received from other U.S. corporations. Subject to applicable holding period and other limitations, the U.S. Dollar amount of dividends received on the GDSs by certain non-corporate U.S. Holders will be subject to taxation at a maximum rate of 20% if the dividends are "qualified dividends". Dividends paid on the GDSs would be treated as qualified dividends if (1) the Issuer is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service (the "**IRS**") has approved for the purposes of the qualified dividend rules, (2) the Issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC (see the discussion below under "*—Passive Foreign Investment Company Considerations*"), and (3) certain additional conditions are met, including certain holding period requirements, the absence of certain risk-reduction transactions and the absence of an election to treat the dividend income as "investment income" pursuant to section 163(d)(4) of the Code.

If the Issuer pays a dividend in a currency other than the U.S. Dollar, any such dividend will be included in the gross income of the U.S. Holder in an amount equal to the U.S. Dollar value of the currency on the date of receipt by the Depositary, determined at the spot foreign currency/U.S. Dollar exchange rate on that date, regardless of whether the payment is in fact converted into U.S. Dollars at that time. U.S. Holders will have a tax basis in the currency received equal to its U.S. Dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible to the date such payment is converted into U.S. Dollars will be treated as ordinary income or loss and will be income to a U.S. Holder from sources within the United States for foreign tax credit limitation purposes.

As discussed in "*—Egyptian Tax Considerations*", under current law payments of dividends by the Company are currently not subject to Egyptian withholding tax. If payments of dividends by the Company were subject to Egyptian withholding tax, for U.S. federal income tax purposes, U.S. Holders would be treated as having received the amount of Egyptian taxes withheld by the Issuer, and as then having paid over the withheld taxes to the Egyptian taxing authorities. As a result of this rule the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

A U.S. Holder will generally be entitled to, subject to certain limitations, a credit against its federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Egyptian taxes withheld by the Issuer. Dividends will be treated as foreign source income for U.S. foreign tax credit purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends will generally constitute "passive category income". In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for foreign taxes imposed on a dividend. U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Egyptian taxes into U.S. Dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. Dollars at the spot rate on the date received by the Depositary. This difference in exchange rates may reduce the U.S. Dollar value of the credits for Egyptian taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to the dividend. However, cash basis and electing accrual basis U.S. Holders may translate Egyptian taxes into U.S. Dollars using the exchange rate on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

Non-U.S. Holders

Except for the possible imposition of U.S. backup withholding tax (see "*—Backup Withholding and Information Reporting*"), dividends paid to a Non-U.S. Holder in respect of the GDSs will not be subject to U.S. federal income tax unless such dividends are effectively connected with the conduct of a trade or business within the United States by such Non-U.S. Holder (and are attributable to a permanent establishment maintained in the United States by such Non-U.S. Holder if an applicable income tax treaty so requires as a condition for such Non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of income from the GDSs), in which case the Non-U.S. Holder generally will be subject to tax in respect of such dividends in the same manner as a U.S. Holder. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a U.S. branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, as adjusted for certain items, unless a lower rate applies under an applicable income tax treaty.

Sale or Exchange of GDSs

U.S. Holders

Upon a sale or other disposition of the GDSs (other than an exchange of GDSs for Shares), a U.S. Holder will recognise capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realised and the U.S. Holder's adjusted tax basis (determined in U.S. Dollars) in such GDSs. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for such GDSs exceeds one year. For non-corporate U.S. Holders, the United States income tax rate applicable to net long-term capital gain will not exceed 20%. The deductibility of capital losses is subject to significant limitations. Capital gains of a U.S. Holder will generally constitute U.S. source income for foreign tax credit purposes and as a result of the U.S. foreign tax credit limitation, foreign taxes, if any, imposed upon capital gains in respect of the

GDSs may not be currently creditable. Subject to certain conditions, a capital loss recognised by a U.S. Holder will generally be allocated against U.S. source income for foreign tax credit purposes.

With respect to the sale or exchange of the GDSs where consideration is paid other than in U.S. Dollars, the amount realised generally will be the U.S. Dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the GDSs are treated as traded on an "established securities market", a cash basis taxpayer or, if it so elects, an accrual basis taxpayer, will determine the U.S. Dollar value of the amount realised by translating the amount received at the spot rate of exchange on the settlement date of the sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any currency exchange gain or loss realised on a subsequent conversion of the foreign currency into U.S. Dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States. However, if such foreign currency is converted into U.S. Dollars on the date received by the U.S. Holder, a cash basis or electing accrual basis U.S. Holder should not recognise any gain or loss on such conversion.

Non-U.S. Holders

Except for the possible imposition of U.S. backup withholding tax (see "—B*ackup Withholding and Information Reporting*"), a Non-U.S. Holder will not be subject to U.S. federal income tax in respect of gain recognised on a sale or other disposition of the GDSs unless (i) the gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (and is attributable to a permanent establishment maintained in the United States by such Non-U.S. Holder if an applicable income tax treaty so requires as a condition for such Non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of gain from a sale or other disposition of the GDSs), or (ii) in the case of a Non-U.S. Holder who is an individual, such holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions apply. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a U.S. branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, as adjusted for certain items, unless a lower rate applies under an applicable income tax treaty.

Passive Foreign Investment Company Considerations

Based upon our current estimates, expectations and projections of the value and classification of our assets, the sources and nature of the Company's income and the Company's use of the net proceeds of this offering, the Company believes that the GDSs should not be treated as stock of a PFIC for U.S. federal income tax purposes for the current year or in the foreseeable future, but this conclusion is a factual determination that is made annually and there can be no assurance that the Company will not be considered a PFIC for the current year or any subsequent year. The Company's actual PFIC status for the Company's current taxable year ending 31 December 2014 will not be determinable until after the close of its current taxable year ending 31 December 2014 and accordingly, there is no guarantee that the Company will not be a PFIC for 2014 or any future taxable year.

In general, if an investor is a U.S. Holder, the Company will be a PFIC with respect to such investor if for any taxable year in which the investor held the GDSs:

- at least 75.0% of the Company's gross income for the taxable year is "passive income"; or
- at least 50.0% of the value, determined on the basis of a quarterly average, of the Company's assets is attributable to assets that produce or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, annuities and gains from assets that produce passive income. The Company will be treated as owning its proportionate share of the assets and earnings and its proportionate share of the income of any other corporation in which the Company owns, directly or indirectly, at least 25.0% by value of the stock of such other corporation. If the Company is a PFIC for any year during which an investor holds GDSs, such investor will generally be required to treat the GDSs as stock in a PFIC for all succeeding years which it holds GDSs, even if the Company does not otherwise meet the PFIC tests for such year.

The Company is unable to determine with certainty that it is not a PFIC because the application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS has issued a notice and has proposed regulations that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the "active bank exception"). The IRS notice and proposed regulations have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the proposed regulations have been outstanding since 1994 and will not be effective unless finalised.

The Company believes that it should qualify as an active bank under the proposed regulations, assuming that the proposed regulations are finalized in their current form. Accordingly, based on the Company's present regulatory status under Egyptian law, the present nature of its activities and the present composition of its assets and sources of income, the Company does not believe it was a PFIC for the taxable year ending 31 December 2013 (the latest period for which the determination can be made) and the Company does not expect to be a PFIC for the current year or for any future years.

However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the market value of the Company's assets and shares, and because the proposed regulations (although proposed to be retroactive in application) are not currently in force, the Company's PFIC status may change and there can be no assurance that the Company will not be considered a PFIC for the current year or any subsequent year. If the Company is treated as a PFIC for any year in which an investor holds GDSs, and the investor is a U.S. Holder that did not make a mark-to-market election, as described below, such investor will be subject to special rules with respect to:

- any gain it realises on the sale or other disposition (including certain pledges) of its GDSs; and
- any excess distribution that the Company makes to it (generally, any distributions to it during a single taxable year that are greater than 125.0% of the average annual distributions received by it in respect of the GDSs during the three preceding taxable years or, if shorter, its holding period for the GDSs).

Under these rules:

- the gain or excess distribution will be allocated rateably over the investor's holding period for the GDSs;
- the amount allocated to the taxable year in which it realised the gain or excess distribution will be taxed as ordinary income;
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realised on the sale of the GDSs cannot be treated as capital, even if the investor holds the GDSs as capital assets. If the Company were a PFIC, certain subsidiaries and other entities in which it has a direct or indirect interest may also be PFICs ("**Lower-tier PFICs**"). Under attribution rules, a U.S. Holder would be deemed to own its proportionate shares of Lower-tier PFICs and would be subject to U.S. federal income tax according to the rules described above on (i) certain distributions by a Lower-tier PFIC and (ii) certain dispositions of shares of a Lower-tier PFIC, in each case as if the U.S. Holder held such shares directly, even though such U.S. Holder had not received the proceeds of those distributions or dispositions.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) may make a mark-to-market election. If an investor makes this election, it will not be subject to the PFIC rules described above. Instead, in general, it will include as ordinary income each year the excess, if any, of the fair market value of its GDSs at the end of the taxable year over its adjusted basis in its GDSs. These amounts of ordinary income will not be eligible for the favourable tax rates applicable to qualified dividend income or long-term capital gains. The investor will also be allowed to take an ordinary loss in respect of both (1) the excess, if any, of the adjusted basis of its GDSs over their fair market value at the end of the taxable year and (2) any loss realised on the actual sale or disposition of the GDSs, but in each case only to the extent of the net amount of previously included income as a result of the mark-to-market election. Any loss on an actual sale of its GDSs would be a capital loss to the extent it exceeds any previously included mark-to-market income not offset by previous ordinary deductions. An investor's basis in the GDSs will be adjusted to reflect any such income or loss amounts.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in applicable regulations. The GDSs are listed on the London Stock Exchange, and the Company expects, although no assurance can be given, that they will be regularly traded on the London Stock Exchange. It is unclear whether the London Stock Exchange constitutes a qualified exchange or market, and, even if the London Stock Exchange so qualifies, whether the GDSs will be treated as “marketable stock” for purposes of the mark-to-market rules. In addition, the mark-to-market election generally would not be effective for any Lower-tier PFICs. Investors are urged to consult their own tax advisors regarding the U.S. federal income tax consequences that would arise if the Company is treated as a PFIC while they hold GDSs.

In addition, notwithstanding any election an investor makes with regard to the GDSs, dividends that it receives from the Company will not constitute qualified dividend income to the investor if the Company is a PFIC either in the taxable year of the distribution or any preceding taxable year during which an investor held GDSs. Instead, an investor must include the gross amount of any such dividend paid by the Company out of the Company’s accumulated earnings and profits (as determined for U.S. federal income tax purposes) in the investor’s gross income, and it will be subject to tax at rates applicable to ordinary income.

If an investor holds GDSs that are treated as PFIC shares with respect to the investor, the investor will be required to file IRS Form 8621 in any year in which it has in effect a mark-to-market election, receives a direct or indirect distribution, or recognises gain on any direct or indirect disposition with respect to the GDSs. Additionally, under legislation enacted in 2010, if an investor holds GDSs in any year in which the Company is a PFIC, the U.S. Treasury Department may require the investor to file an annual report containing such information as the U.S. Treasury Department may require.

In addition, if the Company is a PFIC, it does not intend to prepare or provide an investor with the information necessary to make a “qualified electing fund” election, which, like the mark-to-market election, is a means by which U.S. taxpayers may elect out of the tax treatment that generally applies to PFICs.

Investors are urged to consult their tax advisors regarding the application of the PFIC rules to their investments in GDSs, including the availability and advisability of making an election to avoid the adverse tax consequences of the PFIC rules should the Company be considered a PFIC for any taxable year and the application of the recently enacted legislation to an investor’s particular situation.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds made by a U.S. paying agent or other United States intermediary broker in respect of the GDSs, including to Non-U.S. Holders, may be subject to information reporting to the IRS and to 28% backup withholding. Backup withholding will not apply, however, to a holder who (i) furnishes a correct taxpayer identification number and makes any other required certification or (ii) is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a refund or a credit against such holder’s U.S. federal income tax, provided that the required information is furnished to the IRS.

Possible Foreign Account Tax Compliance Act Withholding

A 30% withholding tax may be imposed on all or some of the payments on the GDSs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. This withholding tax, if it applies, could apply to any payment made with respect to the GDSs, and GDSs held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding. U.S. and non-U.S. holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the GDSs.

In addition, certain payments received by the Company may be subject to 30% withholding if the Company does not comply with reporting obligations imposed by FATCA. The Company intends to comply with FATCA to the extent necessary to avoid the imposition of such withholding.

Information Reporting Regarding Specified Foreign Financial Assets

Pursuant to the Hiring Incentives to Restore Employment Act enacted on 18 March 2010, an individual U.S. Holder may be required to submit to the IRS certain information with respect to his or her beneficial ownership of ordinary shares or GDSs, unless such ordinary shares or GDSs are held on his or her behalf by a financial institution, as defined in Section 6038D of the Code. The new law also imposes penalties if an individual U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their own tax advisors regarding the application of the new law in their particular circumstances.

Additional Tax on Investment Income

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds will be subject to a 3.8% Medicare contribution tax on unearned income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, GDSs, subject to certain limitations and exceptions.

United Kingdom Tax Considerations

General

The following paragraphs are based on current U.K. tax legislation and the practice of HM Revenue and Customs ("**HMRC**") at the date of this Prospectus each of which is subject to change, possibly with retrospective effect. The summary set out below is intended as a general guide for certain classes of investor and does not purport to constitute a comprehensive analysis of the tax consequences under U.K. law of the acquisition, ownership and sale of GDSs. It is not intended to be, nor should it be considered, legal or tax advice. Current and prospective holders of GDSs who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the U.K., should consult their own independent professional adviser immediately.

Except where indicated, the following summary only covers certain limited aspects of the U.K. tax consequences for holders of GDSs (a) who are individuals and resident in (and only in) the U.K. and domiciled in the U.K. for U.K. tax purposes; (b) individuals who, although not resident or domiciled in the U.K. for U.K. tax purposes carry on a trade, profession or vocation in the U.K. through a branch or agency in the U.K. to which the GDSs are attributable; (c) corporate bodies resident in the U.K. for U.K. taxation purposes; and (d) corporate bodies who, although not so resident, carry on a trade, profession or vocation through a permanent establishment in the U.K. to which the GDSs are attributable, and who (in all cases (a) to (d) above) do not have a branch or agency or permanent establishment outside the U.K. with which the holding of GDSs is connected and who are not treated as resident in any jurisdiction other than the U.K. for any tax purposes and whose investment in the GDSs (including any operations associated with such investments) are bona fide commercial transactions the purpose or one of which is not the avoidance of a liability of taxation ("**U**.**K**. **Holders**").

In addition, the following summary (a) only addresses the tax consequences for U.K. Holders of GDSs who are beneficial owners and hold the GDSs as capital assets, and does not address the tax consequences which may be relevant to certain other categories of holders, for example, dealers in securities or holders who have (or are deemed to have) acquired their GDSs by virtue of an office or employment, (b) does not address the tax consequences for U.K. Holders that are banks, financial institutions, insurance companies, collective investment schemes or persons connected with the Issuer or with depository arrangements or clearance services, intermediaries or persons who benefit from special exemption from U.K. tax, for example, pension schemes, charities and other tax-exempt organisations, (c) assumes that the U.K. Holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, either directly or indirectly, 10% or more of the shares (or any class thereof), the voting power, rights to profits or capital in the Issuer, and is not otherwise connected with the Issuer, (d) assumes that there will be no register kept in the U.K. by or on behalf of the Issuer or the Depositary in respect of the GDSs or the shares, (e) assumes that the GDSs will not be issued by, and the Shares will not be held by a depositary incorporated in the U.K., and (f) assumes that neither the GDSs nor the Shares will be paired with Shares issued by a company incorporated in the U.K.

Taxation of chargeable gains

Taxation of disposals

The disposal or deemed disposal of GDSs should be treated as a disposal of the underlying Shares for U.K. tax purposes which may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax on the assumption that the Depositary acts merely as a nominee for the investor or as a bare trustee of the Shares. Accordingly, for capital gains purposes, the nominee or bare trustee should be ignored and the investor should be treated as holding the Shares directly.

In the alternative, it is possible that HMRC will treat the disposal of GDSs as the disposal of two separate assets, namely (i) the beneficial interest in the underlying Shares and (ii) the GDSs comprising the rights the GDS holder has against the Depositary pursuant to the Deposit Agreements. If HMRC were to take such a view, HMRC's published practice indicates that the GDSs should be disregarded and there should therefore only be a gain or loss calculated by reference to the value of the underlying Shares.

For a U.K. Holder, the principal factors that will determine the extent to which any such gain will be subject to capital gains tax are the extent to which the holder realises any other capital gains in that year, the extent to which the holder has incurred capital losses in that or any earlier year, and the level of the "annual exempt amount" for the tax year in which the disposal takes place. The "annual exempt amount" is an annual allowance for otherwise taxable gains of individuals up to the exempt amount for the relevant tax year. For the tax year 2014/15, the "annual exempt amount" is £11,000. Subject to the availability of any exemptions, reliefs, or allowable losses, a gain realised by a holder who is a U.K. resident individual will be subject to capital gains tax, currently at a rate of 18 or 28 per cent, or a combination of both rates, depending on whether the holder's taxable income for the year exceeds the basic rate income tax limit. An individual holder who is temporarily not resident in the U.K. may, in certain circumstances, be liable to capital gains tax in respect of gains realised whilst the holder is not resident in the U.K.

A disposal of GDSs by a U.K. Holder which is a body corporate may give rise to a chargeable gain or an allowable loss for the purposes of U.K. corporation tax depending on their circumstances. Chargeable gains for such a holder will be subject to corporation tax which, for periods on or after 1 April 2014 is charged at rates up to 21%, reducing to 20% with effect from 1 April 2015.

A corporate holder of GDSs that is resident in the U.K. is eligible for an indexation allowance that applies to reduce capital gains to the extent that (broadly speaking) they arise due to inflation. Indexation allowance may reduce a chargeable gain but not create any allowable loss.

Taxation of dividends

Tax liability for individual U.K. Holders

The references to "dividends" below are to dividends that are treated as income distributions for U.K. tax purposes. The current expectation of the Issuer is that dividends paid by it will be so treated.

U.K. Holders who are individuals will be subject to U.K. income tax on the gross amount of any dividends they receive (before the deduction of any Egyptian withholding tax) as increased by any U.K. tax credit available as described below (with potential credit for Egyptian tax deducted at source, as described below).

Individual U.K. Holders will generally receive a non-payable tax credit equal to one-ninth of the gross amount of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend additional rate (currently 37.5%) the effect of this tax credit is to reduce the effective rate of U.K. income tax payable in respect of such dividends to approximately 30.6% of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend upper rate (currently 32.5%), the effect of this credit is to reduce the effective rate of U.K. income tax payable in respect of such dividends to 25% of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend ordinary rate (currently 10%) the effect of this credit is that they will have no further tax to pay on such dividends. For individual U.K. Holders who are liable to U.K. income tax at the dividend upper rate or the dividend additional rate, further credits against the U.K. income tax due would be available in respect of any Egyptian withholding tax suffered on the dividends received. An individual shareholder who is not subject to U.K. tax on dividends will not be entitled to claim payment of the tax credit in respect of such dividends. An individual's dividend income is treated as the top slice of their total income which is chargeable to U.K. income tax.

See "—*Egyptian Tax Considerations*" for information on Egyptian withholding tax on dividends paid by the Issuer.

Tax liability for corporate U.K. Holders

For U.K. Holders that are corporate bodies, dividends received will be subject to U.K. corporation tax unless those dividends benefit from one of the exemptions set out in Part 9A of the United Kingdom Corporation Tax Act 2009.

For U.K. Holders that are "small companies" for the purposes of that Part (broadly, a company with fewer than 50 employees and whose annual turnover and/or annual balance sheet total does not exceed €10 million), dividends should qualify for exemption from U.K. corporation tax provided that no deduction is allowed to any resident of a territory outside the U.K.in respect of the dividend, and the dividend is not made as part of a tax advantage scheme. For U.K. Holders that are not "small companies" for the purposes of that Part, dividends are also likely to qualify for exemption from U.K. corporation tax, provided that no deduction is allowed to any resident of a territory outside the U.K. in respect of the dividend, and subject to certain other detailed anti-avoidance provisions within Part 9A. U.K. Holders that are corporate bodies should seek their own advice in this regard.

Stamp duty and stamp duty reserve tax ("SDRT")

No U.K. stamp duty will be payable in connection with a transfer of the Shares provided that any instrument of transfer is executed and retained outside the U.K. and does not relate to any property situated or any matter or thing done or to be done in the U.K.

No U.K. stamp duty reserve tax will be payable in respect of any agreement to transfer the Shares.

No U.K. stamp duty or stamp duty reserve tax will be payable on the issue of the GDSs or their delivery into DTC, Euroclear or Clearstream (as applicable).

No U.K. stamp duty or stamp duty reserve tax will be payable on any transfer of the GDSs once they are issued into DTC, Euroclear or Clearstream (as applicable), where such transfer is effected in electronic book entry form in accordance with the procedures of DTC, Euroclear or Clearstream.

No U.K. stamp duty should be payable in respect of the transfer of GDSs, where the document of transfer is not executed in the U.K. and does not relate to any property situate or to any matter or thing done or to be done in the U.K. No U.K. SDRT should be payable in respect of any agreement to transfer GDSs.

Inheritance tax

U.K. inheritance tax may be chargeable on the death of, or in certain circumstances on a gift by, the holder of GDSs, where the holder is an individual who is domiciled or is deemed to be domiciled in the U.K. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor receives or retains some benefit.

Egyptian Taxation Considerations

The following is a summary of the principal tax consequences for holders of Shares or GDSs who are not resident in Egypt ("**Non-Residents**"). From an Egyptian taxation perspective, the withdrawal of ordinary shares from the deposit facility is considered as a transfer of Shares. This summary addresses only the tax consequences for Non-Resident investors who hold the Shares or GDSs as capital assets and does not address the tax consequences which may be relevant to other classes of Non-Resident investors, such as dealers in securities.

Dividend Withholding Tax

Dividends are not taxed under Egyptian tax law. Taxes are levied only on the corporation's net profit. Accordingly, there is currently no taxation, by withholding or otherwise, imposed on the payment of dividends by corporations.

Taxation of Capital Gains

Under Law № 89 of 1996, which amends the Capital Market Law and Tax Law № 91 of 2005, there is no capital gains tax levied in Egypt on the sale or exchange of listed shares by individuals or non-resident corporations that do not have a permanent establishment in Egypt.

If a non-resident corporation has a permanent establishment in Egypt, under the Egyptian Income Tax Law № 91 for 2005, as amended in 2013, if a person sells 33% or more of the share capital of an Egyptian listed entity, the seller shall be subject to capital gains tax at a rate of 30% in respect of the sale of Shares (comprising 25% in corporate income tax, plus a 5% surtax for three years for income exceeding EGP 1 million). Sales of Shares amounting to less than 33% of the share capital of an Egyptian listed entity will not be subject to capital gains tax

In respect of the sale or disposal of GDSs, there is no capital gains tax levied in Egypt on the sale or disposal of GDSs by non-resident individuals or non-resident corporations that do not have a permanent establishment in Egypt.

If a non-resident corporation has a permanent establishment in Egypt, the seller shall be subject to capital gains tax at a rate of 30% in respect of any sale or disposal of GDSs, regardless of the percentage of Shares represented by the GDSs that are sold or transferred

Stamp Duty

Under Law № 9 of 2013 amending Stamp Duty Law № 111 of 1980, stamp duty is imposed on all transacted sales and purchases of securities, whether Egyptian or non-Egyptian, at a rate of 0.1% (EGP 1 per EGP 1 thousand) incurred by the purchaser and 0.1% (EGP 1 per EGP 1 thousand) incurred by the seller. The Executive Regulations of the law stipulate that this stamp duty will be levied on all types of securities whether listed or not. This tax will apply to sales of Shares but will not be imposed on sales of GDSs.

Inheritance Tax

Under Law № 227 of 1996, Egypt has abolished all inheritance taxes. Accordingly, no inheritance taxes in Egypt will be chargeable on the death of an owner of shares.

TRANSFER RESTRICTIONS ON THE GDSs

None of the GDSs (or the Shares represented thereby) has been or will be registered under the Securities Act and the GDSs may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the GDSs are being offered and sold only:

(i) to persons reasonably believed to be QIBs in compliance with Rule 144A under the Securities Act or in reliance on another exemption from, or transaction not subject to, registration under the Securities Act; and

(ii) in offshore transactions in compliance with Regulation S under the Securities Act. As used in this document, the term “offshore transaction” has the meaning given to it in Regulation S.

Rule 144A GDSs

Each purchaser of Rule 144A GDSs pursuant to Rule 144A, by its acceptance thereof, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser:

(i) is a QIB as that term is defined by Rule 144A under the Securities Act;

(ii) is aware, and each beneficial owner of such Rule 144A GDSs has been advised, that the sale to it is being made in reliance on Rule 144A or another exemption from, or in transaction not subject to, the registration requirements of the Securities Act;

(iii) is acquiring such Rule 144A GDSs for its own account or for the account of one or more QIBs; and

(iv) if it is acquiring such Rule 144A GDSs for the account of one or more QIBs, has sole investment discretion with respect to each such account and has full power to make the acknowledgements, representations and agreements herein on behalf of each such account.

(2) The purchaser is aware that such Rule 144A GDSs (and the Shares represented thereby) have not been and will not be registered under the Securities Act and are being offered in the United States in reliance on Rule 144A only in transactions not involving any public offering in the United States within the meaning of the Securities Act and that such Rule 144A GDSs (and the Shares represented thereby) are subject to significant restrictions on transfer;

(3) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rule 144A GDSs (or the Shares represented thereby), such Rule 144A GDSs may be offered, sold, pledged or otherwise transferred only in accordance with the following legend, which the Rule 144A GDSs will bear unless otherwise determined by the Issuer and the Depositary in accordance with applicable law:

THIS RULE 144A GLOBAL DEPOSITARY RECEIPT, THE RULE 144A GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE ORDINARY SHARES OF EFG-HERMES HOLDING S.A.E. (“**SHARES**”) REPRESENTED THEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE BENEFICIAL OWNER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (3) IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE BENEFICIAL OWNER OF SHARES RECEIVED UPON CANCELLATION OF ANY RULE 144A GLOBAL DEPOSITARY RECEIPT MAY NOT DEPOSIT OR CAUSE TO BE DEPOSITED SUCH SHARES INTO ANY DEPOSITARY RECEIPT FACILITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, OTHER THAN A RULE 144A RESTRICTED DEPOSITARY RECEIPT FACILITY, SO LONG AS SUCH

SHARES ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT.

(4) For so long as the Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, it will not deposit such Shares into any depositary receipt facility in respect of shares established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility.

(5) Each purchaser of Rule 144A GDSs will be deemed to have acknowledged that the Company, the Depositary and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of such GDSs are no longer accurate, it shall promptly notify the Issuer and the Joint Bookrunners. If it is acquiring such GDSs as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each account.

Prospective purchasers are hereby notified that the sellers of the Rule 144A GDSs may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S GDSs

Each purchaser of Regulation S GDSs pursuant to Regulation S, by its acceptance thereof, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) The purchaser:

(i) is, and the person, if any, for whose account it is acquiring such Regulation S GDSs is, outside the United States for purposes of Rule 903 under the Securities Act;

(ii) is not an affiliate of the Issuer or a person acting on behalf of such an affiliate; and

(iii) is not a securities dealer or, if it is a securities dealer, it did not acquire such Regulation S GDSs (or the Shares represented thereby) from the Issuer or an affiliate thereof in the initial distribution of Regulation S.

(2) The purchaser is aware that such Regulation S GDSs (and the Shares represented thereby) have not been and will not be registered under the Securities Act, are being offered outside the United States in reliance on Regulation S, and are subject to significant restrictions on transfer.

(3) The purchaser will not offer, resell, pledge or otherwise transfer such Regulation S GDSs, except in accordance with the Securities Act and all applicable securities laws of each relevant state of the United States.

(4) If in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Regulation S GDSs (or the Shares represented thereby), such Regulation S GDSs may be offered, sold, pledged or otherwise transferred only in accordance with the following legend, which such Regulation S GDSs will bear unless otherwise determined by the Issuer and the Depositary in accordance with applicable law:

THIS REGULATION S GLOBAL DEPOSITARY RECEIPT, THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE ORDINARY SHARES OF EFG-HERMES HOLDING S.A.E. (“**SHARES**”) REPRESENTED THEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND PRIOR TO THE EXPIRATION OF A RESTRICTED PERIOD (DEFINED AS THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE RULE 144A GLOBAL DEPOSITARY SHARES AND THE RELATED CLOSING), MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (2) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER (“**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, IN

EITHER CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES; PROVIDED THAT IN CONNECTION WITH ANY TRANSFER UNDER (2) ABOVE, THE TRANSFEROR SHALL. PRIOR TO THE SETTLEMENT OF SUCH SALE, WITHDRAW THE SHARES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE REGULATION S DEPOSIT AGREEMENT AND INSTRUCT THAT SUCH SHARES BE DELIVERED TO THE CUSTODIAN UNDER THE RULE 144A DEPOSIT AGREEMENT FOR ISSUANCE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF, OF RULE 144A GLOBAL DEPOSITARY SHARES TO OR FOR THE ACCOUNT OF SUCH QIB.

UPON THE EXPIRATION OF THE RESTRICTED PERIOD (DEFINED ABOVE), THIS REGULATION S GLOBAL DEPOSITARY RECEIPT, THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE SHARES REPRESENTED THEREBY SHALL NO LONGER BE SUBJECT TO THE RESTRICTIONS ON TRANSFER PROVIDED IN THIS LEGEND, PROVIDED THAT AT THE TIME OF SUCH EXPIRATION THE OFFER OR SALE OF THE REGULATION S GLOBAL DEPOSITARY SHARES EVIDENCED HEREBY AND THE SHARES REPRESENTED THEREBY BY THE HOLDER HEREOF IN THE UNITED STATES WOULD NOT BE RESTRICTED UNDER THE SECURITIES LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES.

Each purchaser of Regulation S GDSs will be deemed to have acknowledged that the Company and the Depositary, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF THE HOLDERS OF THE GLOBAL DEPOSITARY SHARES

Information relating to the Depositary

The Depositary is an entity established in the State of New York (under New York law) and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department.

The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286. A copy of the Depositary's Articles, as amended, together with copies of The Bank of New York Mellon Corporation's most recent financial statements and annual report are available for inspection at www.bnymellon.com or the principal office of the Depositary located at One Wall Street, New York, NY 10286 .

Rights of Holders

Relationship of Holders with the Depositary

The rights of registered holders ("**Holders**") and beneficial owners of GDSs against the Depositary are governed by the Deposit Agreements, which are governed by New York law. Each Deposit Agreement is among the Company, the Depositary and all Holders and beneficial owners of GDSs issued thereunder. The Deposit Agreements create, in effect, a bare trust with respect to the deposited Shares of the Company, and the Holders are the beneficiaries of that trust.

Voting

With respect to voting of deposited Shares represented by the GDSs, the Deposit Agreements provide that the Depositary will endeavour to exercise or cease to be exercised the voting rights with respect to deposited Shares in accordance with voting instructions it has received from Holders, subject to applicable Egyptian laws. If instructed by the Company, the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose, voting materials and instructions for voting.

Delivery of Shares

The Deposit Agreements provide that the deposited Shares and any other securities, cash or other property the Depositary is holding under the Deposit Agreements ("**Deposited Property**") can only be delivered out of the Regulation S and Rule 144A GDR facilities created thereby (i) to, or to the order of, a Holder of GDSs upon surrender of those GDSs or (ii) in connection with a sale to pay taxes or fees or following termination of the relevant Deposit Agreement or in connection with a corporate action affecting the Deposited Property.

Rights of the Company

The Company has broad rights to remove the Depositary under the terms of the Deposit Agreements, but no specific rights under the Deposit Agreements, which are triggered in the event of the insolvency of the Depositary.

Insolvency of the Depositary

Applicable insolvency law

If the Depositary becomes insolvent, the insolvency proceedings will be governed by U.S. law applicable to the insolvency of banks.

Effect of applicable insolvency law in relation to cash

Under current U.S. law, it is expected that any cash held by the Depositary for Holders would be held by the Depositary as banker under the Deposit Agreements and would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash and such cash would be also be available to general creditors of the Depositary or the U.S. Federal Deposit Insurance Corporations ("**FDIC**").

Effect of applicable insolvency law in relation to non-cash assets

The Depositary holds Deposited Property other than cash under the Deposit Agreements for the benefit of Holders of GDSs issued thereunder, and the Holders will be tenants in common with respect to that Deposited Property. Under current U.S. law, it is expected that any non-cash assets held for Holders by the Depositary on trust under the Deposit Agreements would not constitute assets of the Depositary and that Holders would have ownership rights relating to such non-cash assets and be able to request the Depositary's liquidator to deliver those assets to them and that those assets would not be available to general creditors of the Depositary or the FDIC.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders in the circumstances required by the Deposit Agreements, the Depositary will be in breach of its contractual obligations under the Deposit Agreements. In such case Holders will have a claim under New York law against the Depositary for damages resulting from that breach.

The Custodian

The Custodian is Commercial International Bank of Egypt S.A.E., a bank organised under Egyptian law. The Custodian holds securities for the Depositary subject to a custody agreement between the Custodian and the Depositary which is governed by New York law.

Relationship of Holders of GDSs with the Custodian

The Holders do not have any contractual relationship with, or rights enforceable against, the Custodian. All deposited Shares, will be held through the local central securities depository, Misr For Central Clearing, Depository and Registry ("**MCDR**"). The records of the MCDR will show a global account in the name of, and managed by, the Custodian. The records of the Custodian will show a sub-account of the Custodian's global account in the name of the Depositary. The deposited Shares will be held in this sub-account in the name of the Depositary.

Default of the Custodian

Failure to deliver cash

Cash payments from the Company (which are expected to be denominated in EGP) will initially be received by the Depositary in an account held with the Custodian in the Depositary's name. Subject to Egyptian legislation (which currently permits amounts in EGP to be removed from Egypt and converted into U.S. dollars by the Depositary without restriction), amounts received from the Company by the Depositary will then be exchanged for U.S. dollars in accordance with the Deposit Agreements and the U.S. dollars will be received by the Depositary in New York. After deduction of any fees and expenses of the Depositary, the U.S. dollars will then be credited to the appropriate accounts of the Holders. If the Custodian fails to deliver cash to the Depositary as required under the custody agreement or otherwise engages in a default for which it would be liable under the terms of the custody agreement, the Custodian will be in breach of its contractual obligations under the custody agreement. In such case, the Depositary would have a claim under New York law against the Custodian for the Custodian's breach of its contractual obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

Failure to deliver non-cash assets

If the Custodian fails to deliver deposited Shares or other non-cash assets held for the Depositary as required by the Depositary, the Custodian will be in breach of its obligations to the Depositary. In such case, the Depositary will have a claim under New York law against the Custodian for the Custodian's breach of its obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

The Depositary's obligations

The Depositary has no obligation to pursue a claim for breach of obligations against the Custodian on behalf of Holders. The Depositary is not responsible for and shall incur no liability in connection with or arising from default by the Custodian due to any act or omission to act on the part of the Custodian, except to the extent that Holders' losses result from the Custodian's wilful default, negligence or bad faith.

Applicable law

The custody agreement is governed by New York law.

Bankruptcy of the Custodian

Applicable law

If the Custodian becomes bankrupt, the bankruptcy proceedings will be governed by Egyptian law.

Effect of applicable bankruptcy law on settlement of transactions

Pursuant to Article 52 of the Central Clearance and Depository Law № 93 of 2000, upon the bankruptcy of the Custodian, MCDR shall settle any pending transactions not settled by the Custodian, and such transactions shall be valid against any third party. EFSA, however, has the right to deem such transactions invalid if it deems they were concluded in bad faith.

Effect of applicable bankruptcy law in relation to cash

Cash held by the Depositary on deposit with the Custodian may be reimbursed to the Depositary in the event of the Custodian's bankruptcy if it is allocated in a separate account in the Depositary's name and, provided that such reimbursement is approved by the trustee in bankruptcy and the competent court. Any remaining cash would form part of the Custodian's insolvent estate and would be available to satisfy the claims of the Custodian's creditors generally. Under the Egyptian Commercial Code, in the event of the Custodian's bankruptcy, creditors may request the annulment of any transaction entered into within a two year period prior to the date the Custodian is judged to be bankrupt if there is evidence that such transaction harmed the interests of the creditors and the third party beneficiaries of such transaction knew at that time that the Custodian had suspended payments to its creditors.

Effect of applicable insolvency law in relation to non-cash assets

The Depositary will have ownership rights in the deposited Shares held by the Custodian at the time of its bankruptcy and applicable Egyptian legislation provides for the reimbursement of non-cash assets, such as the Deposited Shares to their owners. Once reimbursed, the deposited Shares would be transferred into an account maintained by another custodian appointed by the Depositary.

The Depositary's liability

The Depositary is only liable to Holders for loss incurred by Holders as a result of the Custodian's bankruptcy if such loss arises from the failure of the Depositary to perform its obligations under the Deposit Agreements without negligence or bad faith.

The Depositary's obligations

The Depositary has no obligation to pursue a claim in the Custodian's bankruptcy on behalf of the Holders. The Depositary has no responsibility for, and will incur no liability in connection with or arising from, the insolvency or bankruptcy of any custodian. In the event of the bankruptcy of the Custodian, the Holders have no direct recourse to the Custodian under the Deposit Agreements, though the Depositary can remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

PERSONS HOLDING BENEFICIAL INTERESTS IN GDSs ARE REMINDED THAT THE ABOVE DOES NOT CONSTITUTE LEGAL ADVICE AND IN THE EVENT OF ANY DOUBT REGARDING THE EFFECT OF THE DEFAULT OR INSOLVENCY OR BANKRUPTCY OF THE DEPOSITARY OR THE CUSTODIAN, SUCH PERSONS SHOULD CONSULT THEIR OWN ADVISORS IN MAKING A DETERMINATION.

CLEARING AND SETTLEMENT

Clearing and Settlement of GDSs

Custodial and depositary links have been established between Euroclear, Clearstream and DTC to facilitate the initial issue of the GDSs and cross-market transfers of the GDSs associated with secondary market trading.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of dividends and other payments with respect to book-entry interests in the GDSs held through Euroclear or Clearstream will be credited, to the extent received from DTC, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

DTC

DTC has advised the Company as follows:

DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerised book-entry changes in DTC participants' accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the GDSs holding through DTC will receive, to the extent received by the Depositary, all distributions of dividends or other payments with respect to book-entry interests in the GDSs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant U.S. tax laws and regulations. See "*Taxation—Certain Material United States Federal Income Tax Considerations*".

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the GDSs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the GDSs, may be limited.

Registration and Form

GDSs held through DTC will be evidenced by a global GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by The Bank of New York Mellon in New York as custodian for DTC. As necessary, the Depositary will adjust the amounts of GDRs on the relevant register to reflect the amounts of GDRs held through DTC. Beneficial ownership in the GDRs will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream and DTC.

The aggregate holdings of book-entry interests in the GDRs in Euroclear, Clearstream and DTC will be reflected in the book-entry accounts of each such institution. Euroclear, Clearstream and DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the GDRs, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of GDRs registered in the name of the nominee for DTC. The Depositary will be responsible for ensuring that payments received by it from the Issuer are paid to DTC. The address for DTC is P.O. Box 5020, New York, New York 10274, United States. The address for Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address for Clearstream is 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg.

The Issuer will not impose any fees in respect of the GDSs; however, holders of book-entry interests in the GDSs may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream or DTC and certain fees and expenses payable to the Depositary in accordance with the terms and conditions of the Deposit Agreements. See "*Description of the Global Depositary Receipts*".

Global Clearance and Settlement Procedures

Initial Settlement

The GDSs will be in global form evidenced by the two global GDRs. Purchasers electing to hold book-entry interests in the GDRs through Euroclear and Clearstream accounts will follow the settlement procedures applicable to depositary receipts. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the GDRs through DTC will follow the delivery practices applicable to depositary receipts.

Secondary Market Trading

Transfer Restrictions

For a description of the transfer restrictions relating to the GDSs, see "*Transfer Restrictions on the GDSs*".

Trading between Euroclear and Clearstream Participants

Secondary market sales of book-entry interests in the GDSs held through Euroclear or Clearstream to purchasers of book-entry interests in the GDSs through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear or Clearstream and will be settled using the normal procedures applicable to depositary receipts.

Trading between DTC Participants

Secondary market sales of book-entry interests in the GDSs held through DTC will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to depositary receipts, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream Purchaser

When book-entry interests in the GDSs are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the DTC participant must send to DTC a delivery instruction at least two business days prior to the settlement date. DTC will in turn transmit such instruction to Euroclear or Clearstream, as the case may be, on the settlement date. If payment is not in U.S. Dollars, separate payment arrangements are required to be made between the DTC participant and credit the custody account of Euroclear or Clearstream, as applicable, for further credit to the relevant Euroclear or Clearstream participant. On the settlement date, DTC will debit the account of its DTC participant and the relevant account of the Euroclear or Clearstream participant, as the case may be.

Trading between Clearstream/Euroclear Seller and DTC Purchaser

When book-entry interests in the GDSs are to be transferred from the account of a Euroclear or Clearstream participant to the account of a DTC participant, the Euroclear or Clearstream participant must send to Euroclear or Clearstream a delivery instruction at least one business day prior to the settlement date. If payment is not in U.S. Dollars, separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant, as the case may be. On the settlement date, Euroclear or Clearstream, as the case may be, will debit the account of its participant and will instruct DTC to credit the relevant account of the DTC participant.

General

Although the foregoing sets out the procedures of Euroclear, Clearstream and DTC in order to facilitate the transfers of interests in the GDSs among participants of Euroclear, Clearstream and DTC, none of Euroclear, Clearstream or DTC are under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Depositary, the Custodian or their respective agents will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective participants of their respective obligations under the rules and procedures governing their operations.

INDEPENDENT AUDITORS

The Financial Statements included in this Prospectus have been audited by KPMG Hazem Hassan of KPMG Building, Pyramids Heights Office Park, Km 22 Cairo/Alex Road, Giza, Cairo, Egypt ("**KPMG**"). KPMG is a firm of independent auditors and is registered with the Egyptian Financial Supervisory Authority. KPMG does not have any material interest in the Company.

KPMG is registered as a third country audit entity in accordance with the requirements of article 45 of the Statutory Audit Directive (2006/43/EC) (as implemented in the United Kingdom).

KPMG has given and has not withdrawn its written consent to the inclusion of its independent auditors' report in relation to the Financial Statements in the form and context in which it appears and has authorised the contents of such report for the purposes of paragraph 5.5.4(R)(2)(f) of the Prospectus Rules. This declaration is included in the Prospectus in compliance with item 23.1 of Annex X of Commission Regulation (EC) № 809/2004, as amended.

For the purposes of Prospectus Rule 5.5.4(R)(2)(f), KPMG accepts responsibility for the independent auditors' report as part of this Prospectus and declares that it has taken all reasonable care to ensure that the information contained in the independent auditors' report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex X of Commission Regulation (EC) № 809/2004, as amended.

ADDITIONAL INFORMATION

1. It is expected that the Additional GDSs will be admitted, to the Official List on or about 26 June 2014. Application will be made for the Additional GDSs to be traded on the LSE through its IOB. The GDSs will trade on the IOB on a T+3 settlement basis.

2. The Company has obtained all consents, approvals and authorisations required in Egypt in connection with the listing of the GDSs.

3. Copies of the following documents, in physical form, will be available for inspection free of charge, during usual business hours on any business day (Saturday, Sunday and public holidays excepted), at the registered office of the Company, for a period of one year following the publication of the Prospectus:

   - this Prospectus;
   - the Articles of Association (English translation); and
   - the Financial Statements.

4. The Company's registered office and principal administrative establishment is Building № B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt and the telephone number of its registered office is + 20 2 3535 6499.

5. The payment currency of the GDSs is U.S. Dollars.

6. In the event that certificates in definitive form are issued in exchange for the global GDSs, the Issuer will appoint an agent in the United Kingdom for so long as the GDSs are listed on the London Stock Exchange.

7. There has been no significant change in the financial or trading position of the Group since 31 December 2013, the end of the last financial period for which audited financial information has been published.

8. Holders of GDSs may contact the Depositary with questions relating to the transfer of GDSs on the books of the Depositary at 101 Barclay Street, New York, New York, 10286, U.S.A.

10. The London Stock Exchange trading symbol is "EFGD".

11. The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this Prospectus and are, or may be, material or have been entered into at any time by the Company and contain provisions under which the Company has an obligation or entitlement which is, or may be, material to the Company at the date of this Prospectus:

    Rule 144A Deposit Agreement dated 3 August 1998 between the Company and the Depositary

    The Rule 144A Deposit Agreement among the Company, the Depositary and the registered holders and beneficial owners of GDRs issued thereunder dated as of 3 August 1998 as described in "*Description of The Global Depositary Receipts*".

    Regulation S Deposit Agreement dated 3 August 1998 between the Company and the Depositary

    The Regulation S Deposit Agreement among the Company, the Depositary and the registered holders and beneficial owners of GDRs issued thereunder dated as of 3 August 1998 as described in "*Description of The Global Depositary Receipts*".

12. The total costs and expenses relating to the listing are estimated to amount to approximately £120,000. The Company will receive no proceeds from the listing.

13. The ISIN for the Rule 144A GDSs is US2684253030 and the CUSIP number for the Rule 144A GDSs is 268425303.

14. The ISIN for the Regulation S GDSs is US2684254020 and the CUSIP number for the Regulation S GDSs is 268425402.

15. No natural or legal person involved in the issue of the Additional GDSs has an interest (including a conflicting interest) in the issue of the Additional GDSs.

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EFG – Hermes Holding Company
(Egyptian Joint Stock Company)

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for the years ended 31 December 2011, 2012 and 2013
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Independent auditor's report

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KPMG

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Public Accountants & Consultants

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Independent auditor's report

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

We have audited the accompanying consolidated financial statements of EFG – Hermes Holding Company and its subsidiaries "the Group" which comprise the consolidated statement of financial position as at 31 December 2011, 2012 and 2013, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error .

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. we conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated 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 consolidated 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.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as of 31 December, 2011, 2012 and 2013 and its consolidated results of its operations and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Hassan Bas
KPMG Hazem Hassan

Cairo, June 9, 2014

KPMG Hazem Hassan
Public Accountants and Consultants
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Consolidated statement of financial position

	Note	As at 31 December 2013	2012	2011
(In EGP)				
Assets				
Cash and cash equivalents	(5)	16 451 210 148	13 414 952 983	12 242 864 080
Other investments	(6)	25 050 048 201	22 638 262 453	20 667 946 925
Equity-accounted investees	(7)	81 571 800	72 500 400	67 344 000
Loans and advances	(8)	18 006 296 182	14 241 487 765	12 016 896 726
Trade and other receivables	(9)	2 053 298 724	817 123 383	1 925 133 273
Current tax assets		9 577 354	8 161 658	53 846 601
Assets held for sale	(4-1)	-	3 346 987 421	-
Property, plant and equipment	(10)	1 307 073 381	1 153 170 000	1 105 532 741
Intangible assets and goodwill	(11)	4 092 415 380	3 607 068 559	4 091 559 340
Investment property	(12)	320 250 709	132 062 511	320 045 183
Total assets		**67 371 741 879**	**59 431 777 133**	**52 491 168 869**
Liabilities				
Due to banks and financial institutions	(13)	914 515 747	555 920 400	609 256 600
Customers' deposits	(14)	49 484 814 388	43 961 779 238	37 957 455 300
Trade and other payables	(15)	3 466 175 306	1 144 646 995	1 843 566 580
Liabilities held for sale	(4-2)	-	953 163 490	-
Loans and borrowings	(16)	554 120 600	506 028 600	486 932 000
Deferred income/revenue		15 136 531	6 316 801	14 438 691
Current tax liabilities		108 977 161	68 280 980	87 810 614
Deferred tax liabilities	(17)	706 760 395	582 936 839	563 117 188
Provisions	(19)	319 636 881	338 830 990	348 251 688
Total liabilities		**55 570 137 009**	**48 117 904 333**	**41 910 828 661**
Equity				
Share capital	(20)	2 867 422 500	2 391 473 750	2 391 473 750
Share premium		3 289 103 899	3 294 067 512	3 294 067 512
Reserves		2 272 193 621	1 555 050 403	925 901 417
Retained earnings		395 724 420	1 424 013 293	1 535 669 251
		8 824 444 440	**8 664 604 958**	**8 147 111 930**
Treasury shares	(20-1)	-	(6 918 613)	(6 918 613)
Equity attributable to owners of the Company		**8 824 444 440**	**8 657 686 345**	**8 140 193 317**
Non-controlling interests	(21)	2 977 160 430	2 656 186 455	2 440 146 891
Total equity		**11 801 604 870**	**11 313 872 800**	**10 580 340 208**
Total equity and liabilities		**67 371 741 879**	**59 431 777 133**	**52 491 168 869**

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

Auditor's report "attached"

Mona Zulficar
Chairperson

Yasser El Mallawany
Executive Managing Director

karim Awad
Executive Managing Director

Consolidated statement of profit or loss and other comprehensive income

	Note	For the year ended 31 December		
		2013	**2012**	**2011**
(In EGP)				
Fee and commission income		1 039 359 903	909 845 451	882 552 883
Fee and commission expense		(170 121 800)	(143 357 872)	(134 972 640)
Net fee and commission income		869 238 103	766 487 579	747 580 243
Interest and dividend income		3 186 491 823	2 623 341 207	2 518 446 046
Interest expense		(2 147 298 277)	(1 799 113 046)	(1 636 387 800)
Net interest and dividend income		1 039 193 546	824 228 161	882 058 246
Securities gains		31 524 974	45 862 078	67 941 982
Share of profit of associate	(7)	8 031 600	5 757 458	5 342 040
Changes in the investments at fair value through profit and loss		51 614 241	45 058 651	(1 941 841)
Gains from selling assets classified as held for sale	(4-1)	24 599 488	-	-
Foreign currencies differences		165 533 482	81 842 924	20 304 188
Other income	(18)	196 495 774	79 114 647	87 742 550
		477 799 559	257 635 758	179 388 919
Operating income		2 386 231 208	1 848 351 498	1 809 027 408
General administrative expenses	(27)	(1 657 483 079)	(1 509 806 807)	(1 373 938 106)
Net losses on loans and advances	(8)	(59 869 000)	(34 160 378)	(20 374 200)
Provisions	(19)	(58 200 800)	(57 166 655)	(85 976 164)
Impairment loss on assets	(24)	(768 069 614)	(52 752 289)	(1 883 142)
Changes in the fair value of investment property	(12)	(83 759 019)	(2 951 987)	-
Other operating expenses		(2 627 381 512)	(1 656 838 116)	(1 482 171 612)
Profit (loss) before income tax		(241 150 304)	191 513 382	326 855 796
Income tax expense	(25)	(93 832 079)	(71 042 361)	(79 957 082)
Profit (loss) for the year		(334 982 383)	120 471 021	246 898 714

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income (Continued)

	Note	For the year ended 31 December		
		2013	**2012**	**2011**
(In EGP)				
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Revaluation of assets		158 058 214	53 744 272	50 863 379
Related tax	(17)	(25 330 344)	(7 413 381)	(8 695 847)
		132 727 870	46 330 891	42 167 532
Items that are or may be reclassified to profit or loss				
Foreign operations - foreign currency translation differences		597 228 645	266 119 845	94 067 152
Available-for-sale financial assets - net change in fair value		353 326 699	344 743 521	(698 447 855)
Cumulative adjustments		(10 688 673)	10 453 055	(3 773 509)
Related tax	(17)	(105 018 380)	(20 810 862)	(13 997 367)
		834 848 291	600 505 559	(622 151 579)
Other comprehensive income, net of tax		967 576 161	646 836 450	(579 984 047)
Total comprehensive income		632 593 778	767 307 471	(333 085 333)
Profit attributable to :				
Owners of the Company		(540 322 092)	(15 908 759)	71 778 586
Non-controlling interests	(21)	205 339 709	136 379 780	175 120 128
		(334 982 383)	120 471 021	246 898 714
Total comprehensive income attributable to :				
Owners of the Company		180 459 660	526 032 930	(555 291 032)
Non-controlling interests		452 134 118	241 274 541	222 205 699
		632 593 778	767 307 471	(333 085 333)
Earnings per share				
Basic earnings per share	(28)	(0.94)	(0.03)	0.13

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

EFG - Hermes Holding Company (Egyptian Joint Stock Company)

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

(In EGP)

	Note	Share capital	Share premium	Reserves: Legal reserve	General reserve	Special reserve	Translation reserve	Fair value reserve	Cumulative adjustments	Other reserves	Retained earnings	Treasury shares	Total	Non - controlling interests	Total equity
Balance as at 1 January, 2011		1 913 570 000	3 294 067 512	956 785 000	373 146	41 600 000	116 063 387	347 863 826	(19 106 177)	(10 026 106)	2 022 524 395	-	8 663 714 983	2 232 176 534	10 895 891 517
Total comprehensive income															
Profit for the year		-	-	-	-	-	-	-	-	-	71 778 586	-	71 778 586	175 120 128	246 898 714
Other comprehensive income															
Revaluation of assets		-	-	-	-	-	-	-	-	-	-	-	-	42 167 532	42 167 532
Foreign operations - foreign currency translation differences		-	-	-	-	-	69 205 337	-	-	-	-	-	69 205 337	9 576 397	78 781 734
Available -for-sale financial assets -net change in fair value		-	-	-	-	-	-	(692 501 446)	-	-	-	-	(692 501 446)	(4 658 358)	(697 159 804)
Cumulative adjustments		-	-	-	-	-	-	-	(3 773 509)	-	-	-	(3 773 509)	-	(3 773 509)
Total other comprehensive income		-	-	-	-	-	69 205 337	(692 501 446)	(3 773 509)	-	-	-	(627 069 618)	47 085 571	(579 984 047)
Total comprehensive income		-	-	-	-	-	69 205 337	(692 501 446)	(3 773 509)	-	71 778 586	-	(555 291 032)	222 205 699	(333 085 333)
Transactions with owners of the Company															
Contributions and distributions															
Share capital increase	(20)	477 903 750	-	-	-	-	-	-	-	-	(477 903 750)	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	119 417 959	-	-	119 417 959	-	119 417 959
Purchasing of treasury shares		-	-	-	-	-	-	-	-	-	-	(6 918 613)	(6 918 613)	-	(6 918 613)
Dividends		-	-	-	-	-	-	-	-	-	(80 729 980)	-	(80 729 980)	(14 235 342)	(94 965 322)
Total contributions and distributions		477 903 750	-	-	-	-	-	-	-	119 417 959	(558 633 730)	(6 918 613)	31 769 366	(14 235 342)	17 534 024
Balance as at 31 December, 2011		2 391 473 750	3 294 067 512	956 785 000	373 146	41 600 000	185 268 724	(344 637 620)	(22 879 686)	109 391 853	1 535 669 251	(6 918 613)	8 140 193 317	2 440 146 891	10 580 340 208

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

EFG - Hermes Holding Company (Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the year ended 31 December 2012

(In EGP)

	Share capital	Share premium	Reserves: Legal reserve	General reserve	Special reserve	Translation reserve	Fair value reserve	Cumulative adjustments	Other reserves	Retained earnings	Treasury shares	Total	Non - controlling interests	Total equity
Balance as at 31 December, 2011	2 391 473 750	3 294 067 512	956 785 000	373 146	41 600 000	185 268 724	(344 637 620)	(22 879 686)	109 391 853	1 535 669 251	(6 918 613)	8 140 193 317	2 440 146 891	10 580 340 208
Total comprehensive income														
Profit for the year	-	-	-	-	-	-	-	-	-	(15 908 759)	-	(15 908 759)	136 379 780	120 471 021
Other comprehensive income														
Revaluation of assets	-	-	-	-	-	-	-	-	-	-	-	-	46 330 891	46 330 891
Foreign operations - foreign currency translation differences	-	-	-	-	-	205 279 910	-	-	-	-	-	205 279 910	47 808 814	253 088 724
Available -for-sale financial assets -net change in fair value	-	-	-	-	-	-	326 208 724	-	-	-	-	326 208 724	10 755 056	336 963 780
Cumulative adjustments	-	-	-	-	-	-	-	10 453 055	-	-	-	10 453 055	-	10 453 055
Total other comprehensive income	-	-	-	-	-	205 279 910	326 208 724	10 453 055	-	-	-	541 941 689	104 894 761	646 836 450
Total comprehensive income	-	-	-	-	-	205 279 910	326 208 724	10 453 055	-	(15 908 759)	-	526 032 930	241 274 541	767 307 471
Transactions with owners of the Company														
Contributions and distributions														
Other reserves	-	-	-	-	-	-	-	-	82 734 711	-	-	82 734 711	-	82 734 711
Dividends	-	-	4 472 586	-	-	-	-	-	-	(95 747 199)	-	(91 274 613)	(25 234 977)	(116 509 590)
Total contributions and distributions	-	-	4 472 586	-	-	-	-	-	82 734 711	(95 747 199)	-	(8 539 902)	(25 234 977)	(33 774 879)
Balance as at 31 December, 2012	2 391 473 750	3 294 067 512	961 257 586	373 146	41 600 000	390 548 634	(18 428 896)	(12 426 631)	192 126 564	1 424 013 293	(6 918 613)	8 657 686 345	2 656 186 455	11 313 872 800

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

EFG - Hermes Holding Company (Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the year ended 31 December 2013

(In EGP)

	Note	Share capital	Share premium	Reserves: Legal reserve	General reserve	Special reserve	Translation reserve	Fair value reserve	Cumulative adjustments	Other reserves	Retained earnings	Treasury shares	Total	Non - controlling interests	Total equity
Balance as at 31 December, 2012		2 391 473 750	3 294 067 512	961 257 586	373 146	41 600 000	390 548 634	(18 428 896)	(12 426 631)	192 126 564	1 424 013 293	(6 918 613)	8 657 686 345	2 656 186 455	11 313 872 800
Total comprehensive income															
Loss for the year											(540 322 092)	-	(540 322 092)	205 339 709	(334 982 383)
Other comprehensive income															
Revaluation of assets		-	-	-	-	-	-	11 587 485	-	-	-	-	11 587 485	121 140 385	132 727 870
Foreign operations - foreign currency translation differences		-	-	-	-	-	446 887 930	-	-	-	-	-	446 887 930	112 604 877	559 492 807
Available -for-sale financial assets -net change in fair value		-	-	-	-	-	-	272 995 010	-	-	-	-	272 995 010	13 049 147	286 044 157
Cumulative adjustments		-	-	-	-	-	-	-	(10 688 673)	-	-	-	(10 688 673)	-	(10 688 673)
Total other comprehensive income		-	-	-	-	-	446 887 930	284 582 495	(10 688 673)	-	-	-	720 781 752	246 794 409	967 576 161
Total comprehensive income		-	-	-	-	-	446 887 930	284 582 495	(10 688 673)	-	(540 322 092)	-	180 459 660	452 134 118	632 593 778
Transactions with owners of the Company															
Contributions and distributions															
Increase the issued capital - 2012 dividends payout	(20)	477 903 750	-	29 174 481	-	-	-	-	-	-	(529 566 781)	-	(22 488 550)	(124 563 346)	(147 051 896)
Cancelling of treasury shares		(1 955 000)	(4 963 613)	-	-	-	-	-	-	-	-	6 918 613	-	-	-
Transfer other reserves to retaind earnings		-	-	-	-	(41 600 000)	-	-	-	-	41 600 000	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	8 786 985	-	-	8 786 985	-	8 786 985
Total contributions and distributions		475 948 750	(4 963 613)	29 174 481	-	(41 600 000)	-	-	-	8 786 985	(487 966 781)	6 918 613	(13 701 565)	(124 563 346)	(138 264 911)
Changes in ownership interests															
Acquistion of non - controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	-	-	(6 596 797)	(6 596 797)
Total changes in ownership interests		-	-	-	-	-	-	-	-	-	-	-	-	(6 596 797)	(6 596 797)
Total transactions with owners of the Company		475 948 750	(4 963 613)	29 174 481	-	(41 600 000)	-	-	-	8 786 985	(487 966 781)	6 918 613	(13 701 565)	(131 160 143)	(144 861 708)
Balance as at 31 December, 2013		2 867 422 500	3 289 103 899	990 432 067	373 146	-	837 436 564	266 153 599	(23 115 304)	200 913 549	395 724 420	-	8 824 444 440	2 977 160 430	11 801 604 870

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

Consolidated statement of Cash flows

	For the year ended 31 December		
(In EGP)	2013	2012	2011
Cash flows from operating activities			
Profit (loss) before income tax	(241 150 304)	191 513 382	326 855 796
Adjustments to reconcile net profit (loss) to net cash provided from operating activities			
Depreciation and amortization	94 757 406	92 437 804	95 596 169
Povisions made during the year	58 200 800	57 166 655	85 976 164
Provisions used during the year	(18 864 367)	(13 396 272)	(12 064 935)
Provisions reversed	(124 918 906)	(30 978 907)	-
Write-back of allowances for impairment of loans and advances	(29 394 000)	(19 817 308)	(49 503 960)
Losses on sale of property, plant and equipment	839 422	2 470 103	6 019 023
(Gains) losses on sale of available -for- sale investments	(893 968)	16 068 960	(1 658 310)
Losses on sale of equity-accounted investees	-	-	657 360
Gains on sale of assets classified as held for sale	(24 599 488)	-	-
Gains on sale of investment property	(3 033 544)	(8 966 295)	-
Changes in the fair value of investments at fair value through profit or loss	(51 614 241)	(45 058 651)	1 941 841
Share of profit of equity-accounted invesetees	-	(4 195 800)	-
Impairment loss on assets	768 069 614	52 752 289	1 883 142
Changes in the fair value of investments property	83 759 019	2 951 987	-
Foreign currency translation differences	715 827 836	437 810 806	147 491 267
Currency differences gains	(165 533 482)	(81 842 924)	(20 304 188)
Operating profit before changes in working capital	1 061 451 797	648 915 829	582 889 369
Changes in :			
Other assets	150 952 499	253 820 050	20 866 007
Creditors and other credit balances	125 074 709	(81 892 450)	(108 310 318)
Loans and advances	(2 562 508 200)	(1 648 407 600)	(1 914 752 000)
Customers' deposits	1 412 380 148	4 189 153 038	3 857 724 165
Accounts receivables	(131 817 733)	(242 958 563)	381 412 144
Accounts payables	410 635 597	209 446 931	(163 108 160)
Investments at fair value through profit or loss	(228 248 733)	(58 784 385)	179 526 897
Financial assets (over 3 months)	(287 219 400)	(1 062 301 800)	(1 842 252 000)
Income tax paid	(42 724 379)	(84 621 964)	(343 911 684)
Net cash (used in) provided from operating activities	(92 023 695)	2 122 369 086	650 084 420
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1 388 357	6 565 467	24 034 792
Proceeds from sale of available -for- sale investments	3 182 298	655 852 706	258 571 787
Proceeds from sale of investments in subsidiaries and associates	-	-	140 988
Proceeds from sale / (payments) to purchase of held to maturity investments	389 569 400	(1 076 791 800)	65 356 000
Proceeds (payments) from non -current assets held for sale	78 439 200	91 830 892	(5 344 640)
Acquisition of property, plant and equipment	(204 843 322)	(184 446 153)	(158 694 413)
Payments to purchase available -for- sale investments	(5 563 433)	(595 668 937)	(204 665 971)
Acquisition of investments in subsidiaries and associates	(13 439 626)	(1 789 200)	(14 636 654)
Payments for long term lending	(11 478 469)	(24 830 021)	(14 817 280)
Payments to increase companies' share in Settlement Guarantee Fund	(201 165)	(211 110)	(2 451 839)
Net cash provided from (used in) investing activities	237 053 240	(1 129 488 156)	(52 507 230)
Cash flows from financing activities			
Proceeds from issue of preferred shares	693 450 000	-	-
Payments to long term loans	-	(15 584 600)	(49 990 226)
Payments to preferred shares	-	-	(300 700 000)
Purchasing of treasury shares	-	-	(6 918 613)
Dividends paid	(124 563 346)	(57 625 396)	(95 423 917)
Net cash provided from (used in) financing activities	568 886 654	(73 209 996)	(453 032 756)
Net increase in cash and cash equivalents	713 916 199	919 670 934	144 544 434
Cash and cash equivalents at 1 January (note 26)	8 147 473 639	7 102 502 629	6 918 344 840
Cash and cash equivalents at 31 December (note 26)	8 861 389 838	8 022 173 563	7 062 889 274

Non cash transactions

- For the year 2013 an amount of EGP 60 371 144 has been excluded from payments to purchase available-for-sale investments and proceeds from sale investment in property represents the amount transferred from investment in property (Index Tower-Dubai) to available for sale investment during the year.
- For the year 2011 an amount of EGP 70 936 046 has been excluded from proceeds from sale of property, plant and equipment and trade and other receivables represents the amount transferred from property, plant and equipment to trade and other receivables during the year.

The notes on pages (8) to (91) are an integral part of these consolidated financial statements.

1- Reporting entity

1-1 Incorporation

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 12577 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.
- **Acquisition of the Credit Libanais SAL (the Bank)**

  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. The Company obtained the approval of the Central Bank of Lebanon for the acquisition transaction and the transfer of title has been completed.

2- Basis of preparation

2-1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They were authorized for issue in accordance with a resolution of the Board of Directors on June 9, 2014.

2-2 Basis of measurement

The consolidated 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 or loss.
- Available-for-sale financial assets.
- Investment property.

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pounds (EGP) which is the Company's functional currency.

2-4 Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, 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.

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 (17) – recognition of deferred tax assets and liabilities.
- Note (19) – recognition and measurement of provision.
- Note (22) – recognition and measurement of contingent liabilities.
- Note (24) – recognition of impairment loss.

Measurement of fair values

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

- **Valuation models**

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group recognizes transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over the counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

2-5 Financial assets and liabilities

Recognition and derecognition:

The Group initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes 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 on the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are transferred.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting

- Financial assets and liabilities are set-off and the net amount is presented in the financial position when, and only when, the Group has a legal right to set-off the amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
- Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the groups trading activity.

3- Significant accounting policies applied

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

3-1 Basis of consolidation

3-1-1 Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group .The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3-1-2 Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3-1-3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through it's power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3-1-4 Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3-1-5 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to it's assets and obligations for it's liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (hereinafter referred to OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

3-1-6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated to 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 to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

3-3 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Egyptian Pound at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Egyptian Pound at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-attributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognized in OCI and accumulated in the translation reserve.

3-4 Derivative financial instruments

The Group 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 faire value in respect of the risk being hedged, with any gain or loss being recognized in profit or loss.

3-5 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale, immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

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

3-6 Property, plant and equipment depreciation

Property, plant and equipment depreciation are stated at historical cost and presented in the financial position net of accumulated depreciation and impairment (note 3-10). Depreciation is charged to the profit or loss 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 - 40 years
- Office furniture, equipment & electrical appliances	2-16.67 years
- Computer equipment	3.33 - 5 years
- Transportation means	3.33 - 8 years

Expenditure incurred to replace a component of an item of property, plant 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 profit or loss as an expense is incurred.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in OCI and presented in the revaluation reserve. Any loss is recognized in profit or loss.

3-7 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.

3-8 Intangible assets

3-8-1 Goodwill

Goodwill (positive and negative) represents amounts arising on acquisition of subsidiaries, and associates. Goodwill (positive and negative) represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired at acquisition date.

- Positive goodwill is stated at cost less impairment losses (note 3-10).
- Negative goodwill arose from business combinations recognized directly in the profit or loss.
- Goodwill resulting from further acquisitions after control is obtained is determined on the basis of the cost of the additional investment and the carrying amount of net assets at the date of acquisition, accordingly, no fair value adjustments would be recognized.

3-8-2 Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment losses (note 3-10). Amortization is recognized in the profit or loss on a straight – line basis over the estimated useful lives of intangible assets which have useful lives.

The following are the estimated useful lives, for each class of assets, for amortization calculation purposes:

	Estimated useful life
- Research and development expenses	3 years
- Key money	10 years
- License and franchise	5 years
- Software	3 years

3-8-3 Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

3-9 Investments

3-9-1 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 recognized 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 recognized in profit or loss.

3-9-2 Available-for-sale financial assets

These assets are initially recognized 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 recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

The fair value of investments available for sale, is based on quoted price of the exchange market at the financial position date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3-9-3 Held-to-maturity financial assets

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

3-9-4 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3-10 Impairment

3-10-1 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; or
- Observable data indicating that there is measurable decrease in 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 it's fair value below it's cost.

- **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 less 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; otherwise, it is reversed through OCI.

- **Equity-accounted investees**

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

3-10-2 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unites (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of it's value in use and it's fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds it's recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

3-11 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 , cash on hand, cheques under collection and due from banks and financial institutions.

3-12 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 profit or loss over the period of the borrowings on an effective interest basis.

3-13 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.

3-14 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.

3-15 Share capital

3-15-1 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, net of any tax effects, 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.

3-15-2 Dividends

Dividends are recognized as a liability in the year in which they are declared.

3-16 Revenue recognition

Revenues comprise the fair value of the consideration received or receivable for services in the ordinary course of the Company's activities. Revenue is shown net of sales tax, rebates, and discounts.

The Company recognizes revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

3-16-1 Gain (loss) on sale of investments

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in OCI shall be recognized in profit or loss.

3-16-2 Dividend income

Dividend income is recognized when declared.

3-16-3 Custody fee

Custody fees are recognized when the service is provided.

3-16-4 Interest income and expenses

Interest income and expenses are recognized in the profit or loss under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception fair value through profit or loss.

3-16-5 Fee and commission income

Fees related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized, instead, they are to be recorded in marginal records off the financial position. Then they are recognized within income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets, they are treated as an amendment to the rate of actual return.

3-16-6 Brokerage commission

Brokerage commissions resulting from purchase of and sale of securities operations in favor of clients are recorded when an operation is implemented and the invoice is issued.

3-16-7 Management fee

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

3-16-8 Incentive fee

Incentive fee is calculated based on certain percentages of the annual return realized by the fund and portfolio, however these incentive fees will not be recognized until revenue realization conditions are satisfied and there is adequate assurance of collection.

3-17 Long term lending

Long term lending is recognized at cost net of any impairment loss. The group evaluates the loans at the financial position date, and in case of impairment in the redeemable value of the loan the loan is reduced by the value of impairment loss which is recognized in profit or loss.

3-18 Expenses

3-18-1 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 profit or loss using the accrual basis of accounting.

3-18-2 Taxation

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

Taxation is provided for in accordance with the fiscal regulations of the respective countries in which the Company and its subsidiaries operate.

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.

3-19 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 year.

3-20 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.

3-21 Loans and advances to customers and related provision

Loans and advances to customers are stated at principal together with interest earned at the financial position date, and after deduction of unrealized interest and provisions on sub-standard, doubtful and bad debts. These provisions are reviewed periodically by the management of the Bank, using criteria that are consistent with those of the preceding year. Specific provision for credit losses is determined by assessing each case individually.

Provisions for doubtful and bad debts are set up to cover any possible losses in principal and interest in the existing portfolio of loans and advances to customers and contingent accounts.

The level of provision to be constituted is based on the difference between the book value and the present value of the expected future cash flows after taking into consideration the realizable value of the guarantees provided. This provision charge is accounted in the statement of profit or loss. No general provisions are made on the loan portfolio apart from the "Reserve for general banking risks".

Provisions on doubtful accounts are written back to income only when the debt is restructured or repayment effectively resumed. Provision charges and provisions written back are recorded under "Net losses on loans and advances", in the statement of profit or loss.

Doubtful and bad loans and advances are written-off from the financial position and are recorded as memorandum accounts when all possible means of collection recourses have been exhausted, and the possibility of any future recovery is considered to be remote.

3-22 Unrealized interest on sub-standard, doubtful and bad debts

Interest on non performing loans and advances are only recognized in the statement of profit or loss upon realization. Interest receivable from sub-standard, doubtful and bad loans is reserved and deducted directly from the loan accounts at period end.

Interests are transferred to the "unrealized interest" account for every loan considered by the management as doubtful in the short run and transferred to the "non ordinary loans" account in accordance with the Lebanon Central Bank Circular N° 58.

3-23 Assets acquired in satisfaction of loans (unquoted assets ready for sale)

Real estate property acquired through the enforcement of security over loans and advances to customers is measured at cost less any accumulated impairment losses. The acquisition of such assets is regulated by the Lebanon Banking Authorities which require the liquidation of these assets within 2 years from acquisition. In case of default of liquidation the Group's lead regulator requires an appropriation from the yearly net income to a special reserve that is reflected under equity. This reserve can neither be distributed nor considered as an equity component while calculating the ratios set according to applicable laws, regulations and decisions.

3-24 Due from banks and other financial institutions

These are stated at cost less any amounts written off and provision for impairment where necessary.

3-25 Customers' deposits

All money market and customer deposits are carried at cost including interest, less amounts repaid.

3-26 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not recorded in the financial position.

3-27 Reserves for general banking risks

In compliance with the Lebanon Central Bank regulations and effective from 1996, Lebanese banks should appropriate from net profit for the year a minimum of 0.2% and a maximum of 0.3% from the total risk weighted assets and off-financial position items based on rates specified by the Central Bank of Lebanon for any unspecified risks. The consolidated ratio should not be less than 1.25% of these risks at the end of the tenth financial year and 2% at the end of the twentieth financial year.

This reserve is not available for distribution, and is constituted in Lebanese weighted assets and off-financial position items.

3-28 Allowances for credit losses

Specific impairment for credit losses is determined by assessing each case individually. This method applies to classified loans and advances and the factors taken into consideration when estimating the allowance for credit losses including the counterparty's credit limit, the counterparty's ability to generate cash flows sufficient to settle his advances and the value of collateral and potential repossession.

3-29 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subjected to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

3-30 Discontinued operation

- A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.
- If an entity has classified an asset or disposal group as held for sale, but the criteria are no longer met, the entity shall cease to classify the asset or disposal group as held for sale, also the results of operations of the component previously presented in discontinued operations shall be reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.

4- Discontinued operation

- **Strategic alliance with QInvest L.L.C.**

  EFG Hermes Holding Company's Extraordinary General Assembly - the parent Company- agreed at the meetings dated June 2, 2012 and September 16, 2012 to enter into a strategic alliance with QInvest through its subsidiary EFG Hermes Qatar LLC which will be 60% owned by QInvest and 40% owned by EFG Hermes Holding. The agreement involves the moving of the following business lines, Brokerage, Research, Asset Management, Investment Banking and the Infrastructure Fund businesses to EFG Hermes Qatar LLC.
- On May 1, 2013 EFG Hermes Holding Company and QInvest, announced that the long-stop date for the satisfaction of the conditions precedent for their joint venture agreement to proceed had been reached without receiving the necessary regulatory approvals from the Egyptian Financial Supervisory Authority (EFSA). As a result of the long-stop date being reached, the joint venture agreement automatically terminated.

4-1 Assets classified as held for sale

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Cash and due from banks	--	989 535 669	--
Investments at fair value through profit or loss	--	271 103 128	--
Accounts receivables (net)	--	545 705 549	--
Available -for- sale investments	--	42 609 363	--
Investment property	--	193 913 067	--
Fixed assets (net) *	--	72 923 390	--
Goodwill and other intangible assets	--	646 120 259	--
Other assets	--	585 076 996	--
Balance	**--**	**3 346 987 421**	**--**

* The Extraordinary General Assembly of Financial Brokerage Group Company – one of the Company's subsidiaries – 99.92% - approved in it's session held on May 29, 2013 the sale of the entire parts of the building no. 58 Tahrir St.El Dokki Egypt and common share in the land owned by it. These assets had a net book value as follows:

	EGP
Land	5 360 000
Buildings	8 040 512
Balance	**13 400 512**

The total selling price amounted to EGP 38 million and the gain from sale amounted to EGP 24 599 488.

4-2 Liabilities classified as held for sale

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Due to banks and financial institutions	--	20 283 764	--
Accounts payables - customers' credit balances	--	699 431 731	--
Creditors and other credit balances	--	156 778 342	--
Current tax liability	--	27 042 993	--
Provisions	--	49 626 660	--
Balance	**--**	**953 163 490**	**--**

5- Cash and cash equivalents

	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Cash on hand	293 937 747	238 630 983	179 141 029
Central Bank of Lebanon *			
- Demand deposits	1 120 748 600	992 329 800	645 616 000
- Time deposits	7 605 755 000	6 524 044 800	4 852 380 000
Other Central Banks			
- Demand deposits	263 984 800	284 541 600	179 252 000
- Time deposits	53 406 000	--	--
Cheques under collection	145 494	--	8 364 805
Banks - current accounts (net)	1 302 154 685	88 795 696	811 733 349
Banks - demand deposits	1 291 948 084	702 274 516	552 293 748
Banks - time deposits	4 519 129 738	4 584 335 588	5 014 083 149
Balance	**16 451 210 148**	**13 414 952 983**	**12 242 864 080**

* In accordance with Central Bank of Lebanon regulations, the Bank is required to constitute mandatory reserve in Lebanese pounds of 15% and 25% of the average weekly customers' deposit accounts denominated in Lebanese pounds. The Bank is also required to constitute mandatory reserve in foreign currency, calculated on the basis of 15% of customers' deposit accounts denominated in foreign currency. Lebanese pounds reserve is non- interest bearing, whereas foreign currency reserve is floating –rate interest.

6- Other investments

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Non-current investments			
Available - for- sale investments			
- Preferred shares	135 598 800	110 107 200	103 960 000
- Equity securities	796 555 353	563 352 448	1 065 019 102
- Mutual fund certificates	854 409 190	726 941 677	--
Balance	**1 786 563 343**	**1 400 401 325**	**1 168 979 102**
Held-to-maturity investments			
- Lebanese government treasury bills and Eurobonds	15 992 937 657	14 618 379 721	12 828 713 718
- Other sovereign bonds	70 642 200	40 992 000	34 352 000
- Certificates of deposit issued by banks	5 798 961 917	5 724 340 497	5 476 080 111
- Other debt instruments	276 530 057	220 921 575	342 372 949
Balance	**22 139 071 831**	**20 604 633 793**	**18 681 518 778**
Current investments			
Investment securities measured as at fair value through profit or loss			
- Mutual Fund certificates	863 481 592	413 959 391	507 242 358
- Equity securities	19 386 882	18 064 095	122 901 007
- Debt securities	151 494 953	120 517 649	89 945 680
- Treasury bills	90 049 600	80 686 200	97 360 000
Balance	**1 124 413 027**	**633 227 335**	**817 449 045**
Balance	**25 050 048 201**	**22 638 262 453**	**20 667 946 925**

7- Equity-accounted investees

	2013 Ownership %	31/12/2013 EGP	2012 Ownership %	31/12/2012 EGP	2011 Ownership %	31/12/2011 EGP
Agence Générale de Courtage d'Assurance SAL	25.86	35 654 600	25.86	31 050 600	25.86	28 152 000
Credit Card Management SAL	28.96	11 270 000	28.96	9 949 800	28.96	9 448 000
International Payment Network SAL	20.18	7 544 000	20.18	6 753 600	19.88	6 180 000
Net Commerce SAL	21.88	1 173 000	21.88	1 071 000	21.88	1 016 000
Liberty Executive Center SAL	29.98	55 200	29.98	50 400	29.98	48 000
Hot Spot Properties SAL	32.23	9 315 000	32.23	8 505 000	32.23	8 100 000
Dourrat Loubnan Al Iqaria SAL	30.14	16 560 000	30.14	15 120 000	30.14	14 400 000
Balance		**81 571 800**		**72 500 400**		**67 344 000**

Summary financial information for equity- accounted investees is as follows:

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Current assets	160 659 600	138 885 600	93 984 000
Non-current assets	179 869 200	141 493 800	68 904 000
Current liabilities	(67 725 800)	(84 210 000)	(30 100 000)
Non-current liabilities	(55 632 400)	(5 409 600)	(4 580 000)
Net assets	**217 170 600**	**190 759 800**	**128 208 000**
Income	78 614 000	65 261 980	66 551 760
Expenses	(47 909 000)	(42 754 082)	(42 320 520)
Profit	**30 705 000**	**22 507 898**	**24 231 240**

8- Loans and advances

		31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Loans and advances to customers	(8-1)	17 907 363 982	13 984 441 417	11 807 718 000
Loans and advances to related parties	(8-2)	98 932 200	166 353 600	143 316 000
Other loans – note (24)		--	90 692 748	65 862 726
Balance		**18 006 296 182**	**14 241 487 765**	**12 016 896 726**

8-1 Loans and advances to customers

	31/12/2013			
	Gross amount EGP	Unrealized interest EGP	Impairment allowance EGP	Carrying amount EGP
Regular retail customers				
Cash collateral	454 079 800	--	--	454 079 800
Mortgage loans	5 848 198 873	--	--	5 848 198 873
Personal loans	226 830 600	--	--	226 830 600
Credit cards	178 457 000	--	--	178 457 000
Others	1 984 785 000	--	--	1 984 785 000
Regular corporate customers				
Corporate	8 290 291 428	--	--	8 290 291 428
Classified retail customers				
Watch	111 196 221	--	--	111 196 221
Substandard	115 791 200	(37 904 000)	--	77 887 200
Doubtful	264 983 000	(108 564 600)	(83 563 600)	72 854 800
Bad	43 313 600	(17 912 400)	(25 401 200)	--
Classified corporate customers				
Watch	622 583 660	--	--	622 583 660
Substandard	23 805 000	(4 820 800)	--	18 984 200
Doubtful	303 908 200	(87 919 800)	(104 406 200)	111 582 200
Bad	6 315 800	(1 573 200)	(4 742 600)	--
Collective provision for retail loans	--	--	(39 491 000)	(39 491 000)
Collective provision for corporate loans	--	--	(50 876 000)	(50 876 000)
Balance	**18 474 539 382**	**(258 694 800)**	**(308 480 600)**	**17 907 363 982**

Loans and advances to customers

	31/12/2012			
	Gross amount EGP	**Unrealized interest EGP**	**Impairment allowance EGP**	**Carrying amount EGP**
Regular retail customers				
Cash collateral	477 838 200	--	--	477 838 200
Mortgage loans	5 133 424 377	--	--	5 133 424 377
Personal loans	1 602 153 000	--	--	1 602 153 000
Credit cards	172 481 400	--	--	172 481 400
Others	99 531 600	--	--	99 531 600
Regular corporate customers				
Corporate	4 732 676 303	--	--	4 732 676 303
Classified retail customers				
Watch	297 861 468	--	--	297 861 468
Substandard	94 445 400	(31 747 800)	--	62 697 600
Doubtful	232 239 000	(104 521 200)	(78 422 400)	49 295 400
Bad	46 746 000	(27 988 800)	(18 757 200)	--
Classified corporate customers				
Watch	1 327 867 469	--	--	1 327 867 469
Substandard	31 987 200	(5 090 400)	--	26 896 800
Doubtful	248 026 800	(81 001 200)	(92 828 400)	74 197 200
Bad	46 166 400	(31 395 000)	(14 771 400)	--
Collective provision for retail loans	--	--	(28 198 800)	(28 198 800)
Collective provision for corporate loans	--	--	(44 280 600)	(44 280 600)
Balance	**14 543 444 617**	**(281 744 400)**	**(277 258 800)**	**13 984 441 417**

Loans and advances to customers

	31/12/2011			
	Gross amount EGP	Unrealized interest EGP	Impairment allowance EGP	Carrying amount EGP
Regular retail customers				
Cash collateral	367 392 000	--	--	367 392 000
Mortgage loans	4 850 657 189	--	--	4 850 657 189
Personal loans	1 387 236 000	--	--	1 387 236 000
Credit cards	162 504 000	--	--	162 504 000
Other	66 504 000	--	--	66 504 000
Regular corporate customers				
Corporate	4 677 934 300	--	--	4 677 934 300
Classified retail customers				
Watch	51 352 946	--	--	51 352 946
Substandard	83 024 000	(29 332 000)	--	53 692 000
Doubtful	167 924 000	(83 612 000)	(64 636 000)	19 676 000
Bad	38 948 000	(22 652 000)	(16 296 000)	--
Classified corporate customers				
Watch	165 225 565	--	--	165 225 565
Substandard	10 432 000	(2 364 000)	--	8 068 000
Doubtful	238 144 000	(78 612 000)	(96 900 000)	62 632 000
Bad	40 692 000	(26 984 000)	(13 708 000)	--
Collective provision for retail loans	--	--	(22 984 000)	(22 984 000)
Collective provision for corporate loans	--	--	(42 172 000)	(42 172 000)
Balance	**12 307 970 000**	**(243 556 000)**	**(256 696 000)**	**11 807 718 000**

Unrealized interest

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Balance at 1 January	281 744 400	243 556 000	244 218 000
Unrealized interest on non-performing loans	46 478 400	46 533 046	31 355 280
Unrealized interest recovered	(45 080 000)	(21 476 168)	(38 210 040)
Unrealized interest written-off	(51 280 800)	--	--
Foreign currency translation differences	26 832 800	13 131 522	6 192 760
Balance at 31 December	**258 694 800**	**281 744 400**	**243 556 000**

Impairment allowance

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Specific allowances for impairment			
Balance at 1 January	204 779 400	191 540 000	211 532 100
Impairment loss for the year:			
Charge for the year	48 884 200	30 243 850	19 110 960
Recoveries	(29 394 000)	(19 817 308)	(49 503 960)
Write-offs	(25 658 800)	(6 938 890)	(9 044 640)
Reversal of write-offs	--	--	14 275 800
Foreign currency translation differences	19 502 800	9 751 748	5 169 740
Balance at 31 December	**218 113 600**	**204 779 400**	**191 540 000**
Collective allowance for impairment			
Balance at 1 January	72 479 400	65 156 000	62 283 000
Impairment loss for the year:			
Charge for the year	10 984 800	3 916 528	1 263 240
Foreign currency translation differences	6 902 800	3 406 872	1 609 760
Balance at 31 December	**90 367 000**	**72 479 400**	**65 156 000**
Total impairment allowance	**308 480 600**	**277 258 800**	**256 696 000**

8-2 Loans and advances to related parties

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Retail loans regular	680 800	1 180 200	1 068 000
Corporate loans regular	98 251 400	165 173 400	142 248 000
Balance	**98 932 200**	**166 353 600**	**143 316 000**

9- Trade and other receivables

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Accounts receivables	823 841 307	84 820 830	382 556 027
Other assets *	1 229 457 417	732 302 553	1 542 577 246
Balance	**2 053 298 724**	**817 123 383**	**1 925 133 273**

*** Other assets**			
Deposits with others	50 573 225	26 486 689	48 388 384
Down payments to suppliers	11 107 597	89 280	1 870 574
Prepaid expenses	110 459 628	190 882 289	92 111 894
Employees' advances	16 075 628	3 950 161	18 802 301
Accrued revenues	24 777 317	17 014 831	31 940 043
Accrued interest	145 590 000	110 615 400	64 488 000
Payments for investments	7 454 500	8 454 500	22 895 075
Re-insurers' share of technical reserve	66 727 600	69 875 400	214 688 000
Receivables - sale of investments	94 463 829	--	76 694 259
Receivables - sale of assets classified as held for sale	15 000 000	--	70 936 046
Perching Brokerage	--	--	1 178 414
Infra Egypt fund	3 650 489	--	3 187 862
Settlement Guarantee Fund	28 604 207	211 287	27 173 750
Unquoted assets - ready for sale acquired in satisfaction of loans	151 077 800	167 676 600	183 704 000
Due from EFG- Hermes Employee Trust	339 901 084	--	398 946 562
Due from Ara inc. company	544 630	--	3 477 331
Due from related parties	33 409 800	21 789 600	10 468 000
Re-insurance accrued commission	16 376 000	15 078 000	14 360 000
Cards transaction on ATM	4 494 200	1 638 000	536 000
Re-insurance debtors	427 800	1 050 000	1 564 000
Sundry debtors	108 742 083	97 490 516	255 166 751
Balance	**1 229 457 417**	**732 302 553**	**1 542 577 246**

10- Property, plant and equipment

Particular	Land & buildings EGP	Leasehold improvements EGP	Office furniture, equipment & electrical appliances EGP	Computer equipment EGP	Vehicles EGP	Projects under construction* EGP	Total EGP
Cost							
Balance as at 1 January 2011	1 098 371 919	165 444 434	278 696 161	80 373 732	19 217 135	40 710 266	**1 682 813 647**
Additions	26 132 922	16 067 311	38 595 524	5 158 227	1 190 962	71 549 467	**158 694 413**
Disposals	(84 065 935)	(228 595)	(13 368 829)	(5 428 372)	(819 996)	(14 242 537)	**(118 154 264)**
Transfer to investment property	(159 937 966)	--	--	--	--	--	**(159 937 966)**
Reclassification of assets	2 636 000	8 870 547	2 433 453	--	--	(13 940 000)	--
Foreign currency translation differences	14 493 750	3 851 935	7 068 599	143 048	178 181	1 005 050	**26 740 563**
Balance as at 31 December 2011	**897 630 690**	**194 005 632**	**313 424 908**	**80 246 635**	**19 766 282**	**85 082 246**	**1 590 156 393**
Balance as at 1 January 2012	897 630 690	194 005 632	313 424 908	80 246 635	19 766 282	85 082 246	**1 590 156 393**
Additions	14 392 907	14 180 796	22 455 081	1 526 875	664 150	131 226 344	**184 446 153**
Disposals	--	(2 380 789)	(24 145 559)	(66 574)	(448 000)	(2 293 740)	**(29 334 662)**
Reclassification of assets	--	9 454 200	8 576 400	--	--	(18 030 600)	--
Foreign currency translation differences	15 587 578	8 865 578	14 312 725	1 152 260	147 330	8 125 850	**48 191 321**
Transferred to assets held for sale	(49 050 606)	(13 538 761)	(99 621 373)	(38 508 054)	(4 044 394)	(9 784 500)	**(214 547 688)**
Balance as at 31 December 2012	**878 560 569**	**210 586 656**	**235 002 182**	**44 351 142**	**16 085 368**	**194 325 600**	**1 578 911 517**
Balance as at 1 January 2013	878 560 569	210 586 656	235 002 182	44 351 142	16 085 368	194 325 600	**1 578 911 517**
Transferred from assets held for sale	49 050 606	13 538 761	99 621 373	38 508 054	4 044 394	9 784 500	**214 547 688**
Additions	784 926	1 021 213	16 901 385	3 135 068	1 196 180	181 804 550	**204 843 322**
Disposals	(64 000)	(4 075 561)	(19 905 592)	(12 327 097)	(1 148 661)	(392 000)	**(37 912 911)**
Reclassification of assets	--	5 294 600	1 725 000	--	--	(7 019 600)	--
Foreign currency translation differences	58 663 492	20 123 581	26 469 401	2 536 061	758 974	18 293 250	**126 844 759**
Transfer to assets held for sale	(19 110 270)	--	--	--	--	--	**(19 110 270)**
Transfer to investment property	(116 045 340)	--	--	--	--	--	**(116 045 340)**
Balance as at 31 December 2013	**851 839 983**	**246 489 250**	**359 813 749**	**76 203 228**	**20 936 255**	**396 796 300**	**1 952 078 765**
Accumulated depreciation							
Accumulated depreciation as at 1 January 2011	67 754 878	118 183 835	161 619 846	49 837 509	11 960 894	--	**409 356 962**
Depreciation	30 170 535	15 571 630	31 896 121	8 928 122	2 069 236	--	**88 635 644**
Disposals' accumulated depreciation	(12 788 575)	(232 495)	(3 555 256)	(104 100)	(483 977)	--	**(17 164 403)**
Transfer to investment property	(5 748 811)	--	--	--	--	--	**(5 748 811)**
Reclassification of assets	--	76 199	(76 199)	--	--	--	--
Foreign currency translation differences	1 522 453	3 201 574	4 261 435	450 845	107 953	--	**9 544 260**
Accumulated depreciation as at 31 December 2011	**80 910 480**	**136 800 743**	**194 145 947**	**59 112 376**	**13 654 106**	--	**484 623 652**

Particular	Land & buildings EGP	Leasehold improvements EGP	Office furniture, equipment & electrical appliances EGP	Computer equipment EGP	Vehicles EGP	Projects under construction* EGP	Total EGP
Accumulated depreciation as at 1 January 2012	80 910 480	136 800 743	194 145 947	59 112 376	13 654 106	--	484 623 652
Depreciation – continued operation	22 677 179	13 790 108	23 267 463	5 631 114	1 236 053	--	66 601 917
Depreciation – discontinued operation	1 019 558	2 675 667	11 055 354	2 037 974	456 590	--	17 245 143
Disposals' accumulated depreciation	--	(1 213 475)	(18 730 359)	(27 258)	(328 000)	--	(20 299 092)
Foreign currency translation differences	3 185 291	6 741 425	8 110 281	1 107 655	49 543	--	19 194 195
Transferred to assets held for sale	(17 034 591)	(8 192 213)	(76 871 333)	(36 014 405)	(3 511 756)	--	(141 624 298)
Accumulated depreciation as at 31 December 2012	**90 757 917**	**150 602 255**	**140 977 353**	**31 847 456**	**11 556 536**	**--**	**425 741 517**
Accumulated depreciation as at 1 January 2013	90 757 917	150 602 255	140 977 353	31 847 456	11 556 536	--	425 741 517
Transferred from assets held for sale	17 034 591	8 192 213	76 871 333	36 014 405	3 511 756	--	141 624 298
Depreciation	25 179 044	17 122 229	34 645 869	6 547 615	1 578 449	--	85 073 206
Disposals' accumulated depreciation	--	(3 806 118)	(18 688 142)	(12 306 032)	(884 840)	--	(35 685 132)
Foreign currency translation differences	6 576 786	14 176 367	17 204 758	2 444 884	466 771	--	40 869 566
Transfer to assets held for sale	(5 709 757)	--	--	--	--	--	(5 709 757)
Transfer to investment property	(13 375 365)	--	--	--	--	--	(13 375 365)
Impairment of assets	4 819 987	1 128 047	493 202	25 815	--	--	6 467 051
Accumulated depreciation as at 31 December 2013	**125 283 203**	**187 414 993**	**251 504 373**	**64 574 143**	**16 228 672**	**--**	**645 005 384**
Carrying amount:							
Carrying amount as at 31 December 2011	**816 720 210**	**57 204 889**	**119 278 961**	**21 134 259**	**6 112 176**	**85 082 246**	**1 105 532 741**
Carrying amount as at 31 December 2012 - continued operation.	**787 802 652**	**59 984 401**	**94 024 829**	**12 503 686**	**4 528 832**	**194 325 600**	**1 153 170 000**
Carrying amount as at 31 December 2012- discontinued operation. note no. (4-1)	**32 016 015**	**5 346 548**	**22 750 040**	**2 493 649**	**532 638**	**9 784 500**	**72 923 390**
Carrying amount as at 31 December 2013	**726 556 780**	**59 074 257**	**108 309 376**	**11 629 085**	**4 707 583**	**396 796 300**	**1 307 073 381**

* Projects under construction are represented in the following :

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Office spaces in Egypt	9 784 500	--	9 784 500
Preparation of new headquarters Credit Libanais SAL "the Bank" - Lebanon	387 011 800	194 325 600	73 336 000
Preparation of alternate headquarters in emergency - United Arab Emirates	--	--	1 961 746
Total	**396 796 300**	**194 325 600**	**85 082 246**

11- Intangible assets and goodwill

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Goodwill	195 309 571	65 083 756	707 539 161
Other intangible assets	3 897 105 809	3 541 984 803	3 384 020 179
Balance	**4 092 415 380**	**3 607 068 559**	**4 091 559 340**

- **Intangible assets and goodwill are represented in the following :**

Intangible assets and goodwill

		Other intangible assets				
	Goodwill	Branches network - Credit Libanais Bank	Key money	Licenses and Franchise	Software	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Cost						
Balance as at 1 January 2011	707 539 161	3 235 184 109	6 025 500	15 225 150	55 444 117	**4 019 418 037**
Prior year adjustment	--	--	--	--	70 200	**70 200**
Additions	--	--	1 217 500	2 355 850	5 916 213	**9 489 563**
Disposals	--	--	--	(846 300)	--	**(846 300)**
Currency translation differences	--	125 116 075	169 000	314 950	2 068 105	**127 668 130**
Balance at 31 December 2011	**707 539 161**	**3 360 300 184**	**7 412 000**	**17 049 650**	**63 498 635**	**4 155 799 630**
Balance as at 1 January 2012	707 539 161	3 360 300 184	7 412 000	17 049 650	63 498 635	**4 155 799 630**
Reclassification to assets held for sale	(642 455 405)	--	--	(2 627 008)	(1 037 846)	**(646 120 259)**
Reclassification	--	--	--	(798 000)	604 800	**(193 200)**
Additions	--	--	--	1 360 200	7 342 208	**8 702 408**
Disposals	--	--	--	(28 000)	(632 000)	**(660 000)**
Currency translation differences	--	160 783 916	370 600	1 305 558	3 712 899	**166 172 973**
Balance at 31 December 2012	**65 083 756**	**3 521 084 100**	**7 782 600**	**16 262 400**	**73 488 696**	**3 683 701 552**
Balance as at 1 January 2013	65 083 756	3 521 084 100	7 782 600	16 262 400	73 488 696	**3 683 701 552**
Prior year adjustment	--	--	--	--	(688 000)	**(688 000)**
Reclassification from assets held for sale	642 455 405	--	--	2 627 008	1 037 846	**646 120 259**
Impairment	(512 229 590)	--	--	--	--	**(512 229 590)**
Additions	--	--	--	5 006 800	2 833 727	**7 840 527**
Disposals	--	--	--	(28 000)	(1 032 000)	**(1 060 000)**
Currency translation differences	--	351 439 638	741 200	1 830 888	6 840 934	**360 852 660**
Balance at 31 December 2013	**195 309 571**	**3 872 523 738**	**8 523 800**	**25 699 096**	**82 481 203**	**4 184 537 408**

Accumulated amortization and impairment losses						
Balance at 1 January 2011	--	--	5 834 400	10 990 200	36 999 376	**53 823 976**
Prior year adjustment	--	--	--	--	2 090 400	**2 090 400**
Amortization for the year	--	--	79 200	700 920	6 180 405	**6 960 525**
Disposals	--	--	--	(156 000)	--	**(156 000)**
Currency translation differences	--	--	150 400	284 880	1 086 109	**1 521 389**
Balance at 31 December 2011	**--**	**--**	**6 064 000**	**11 820 000**	**46 356 290**	**64 240 290**
Balance at 1 January 2012	--	--	6 064 000	11 820 000	46 356 290	**64 240 290**
Amortization for the year	--	--	157 794	1 027 684	7 405 266	**8 590 744**
Disposals	--	--	--	(28 000)	--	**(28 000)**
Reclassification	--	--	--	(520 800)	453 600	**(67 200)**
Currency translation differences	--	--	309 206	628 716	2 959 237	**3 897 159**
Balance at 31 December 2012	**--**	**--**	**6 531 000**	**12 927 600**	**57 174 393**	**76 632 993**
Balance at 1 January 2013	--	--	6 531 000	12 927 600	57 174 393	**76 632 993**
Prior year adjustment	--	--	--	(80 000)	(1 176 000)	**(1 256 000)**
Amortization for the year	--	--	174 800	1 803 200	7 706 200	**9 684 200**
Disposals	--	--	--	(28 000)	--	**(28 000)**
Currency translation differences	--	--	622 000	1 215 000	5 251 835	**7 088 835**
Balance at 31 December 2013	**--**	**--**	**7 327 800**	**15 837 800**	**68 956 428**	**92 122 028**
Carrying amount:						
Balance at 31 December 2011	**707 539 161**	**3 360 300 184**	**1 348 000**	**5 229 650**	**17 142 345**	**4 091 559 340**
Balance at 31 December 2012	**65 083 756**	**3 521 084 100**	**1 251 600**	**3 334 800**	**16 314 303**	**3 607 068 559**
Balance at 31 December 2013	**195 309 571**	**3 872 523 738**	**1 196 000**	**9 861 296**	**13 524 775**	**4 092 415 380**

- **Goodwill is relating to the acquisition of the following subsidiaries:**

	31/12/2013 EGP	**31/12/2012 EGP**	**31/12/2011 EGP**
Flemming CIIC Group (S.A.E) – Egypt *	--	63 483 756	63 483 756
EFG- Hermes Oman LLC *	5 921 803	--	66 039 857
EFG- Hermes IFA Financial Brokerage Company (KSC) – Kuwait *	179 148 550	--	567 776 330
IDEAVELOPERS – Egypt	1 600 000	1 600 000	1 600 000
EFG- Hermes Jordan	8 639 218	--	8 639 218
Balance	**195 309 571**	**65 083 756**	**707 539 161**

* Note no. (24)

12- Investment property

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Balance at 1 January	132 062 511	320 045 183	163 125 763
Reclassification from property, plant and equipment	118 119 954	--	154 189 155
Reclassification from / (to) assets classified as held for sale	208 649 494	(187 982 672)	--
Change in fair value	(83 759 019)	--	--
Disposals	(57 337 600)	--	--
Currency translation differences	2 515 369	--	2 730 265
Balance at 31 December	**320 250 709**	**132 062 511**	**320 045 183**

13- Due to banks and financial institutions

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Due to Central Bank of Lebanon	355 497 200	15 015 000	--
Current deposits of banks	245 165 910	111 312 600	198 044 000
Time deposits	42 554 600	116 457 600	76 372 000
Financial institutions	271 298 037	313 135 200	319 256 000
Borrowings	--	--	15 584 600
Balance	**914 515 747**	**555 920 400**	**609 256 600**

14- Customers' deposits

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Deposits from customers (private sector):			
Saving accounts	28 170 802 502	25 224 625 500	22 832 211 300
Term deposits	12 587 614 800	11 804 423 400	9 062 524 000
Current accounts	4 833 771 286	3 853 067 738	3 474 632 000
	45 592 188 588	**40 882 116 638**	**35 369 367 300**
Deposits from customers (public sector):			
Saving accounts	--	224 754 600	238 348 000
Term deposits	1 782 389 600	942 471 600	638 296 000
Current accounts	316 530 600	576 025 800	415 288 000
	2 098 920 200	**1 743 252 000**	**1 291 932 000**
Others	177 679 600	81 488 400	70 592 000
	47 868 788 388	**42 706 857 038**	**36 731 891 300**

Deposits from related parties:			
Long term saving accounts	537 399 600	382 548 600	--
Short term saving accounts	--	33 600	382 336 000
Long term deposits	999 524 800	784 950 600	822 072 000
Short term deposits	79 101 600	87 389 400	21 156 000
	1 616 026 000	**1 254 922 200**	**1 225 564 000**
Balance	**49 484 814 388**	**43 961 779 238**	**37 957 455 300**

15- Trade & other payables

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Accounts payables - customers' credit balances	1 155 605 256	2 486 650	483 536 711
Other liabilities *	693 450 000	--	--
Margins held against documentary credits	207 763 600	82 559 400	71 352 000
Technical reserve for insurance companies	389 210 600	310 191 000	343 052 000
Interbranch reconciling items	--	--	5 984 000
Revaluation of assets acquired in satisfaction of loans	--	--	19 888 000
Social Insurance Association	528 048	219 138	589 324
Suppliers	132 802 515	197 937 600	94 560 762
Accrued expenses	291 089 488	66 209 113	242 258 425
Accrued interest	262 913 000	232 579 200	210 084 000
Clients' coupons- custody activity	5 950 397	6 926 836	8 267 925
Due to Industry Modernization Center	5 628 458	5 695 508	6 748 849
Dividend payable	106 582 450	77 166 341	84 654 114
Cards transaction on ATM	35 976 600	19 278 000	13 592 000
Re-insurance creditors	138 138 000	136 260 600	221 504 000
Due to related parties	--	--	15 235 000
Sundry creditors	40 536 894	7 137 609	22 259 470
Balance	**3 466 175 306**	**1 144 646 995**	**1 843 566 580**

	Balance at 31/12/2013	Balance at 31/12/2012	Balance at 31/12/2011
Current	2 772 725 306	1 144 646 995	1 843 566 580
Non-current *	693 450 000	--	--
Balance	**3 466 175 306**	**1 144 646 995**	**1 843 566 580**

* On 16 September 2013, the extraordinary general meeting of Credit Libanaies SAL (the Bank) approved to issue 1 000 000 preferred shares at a price of LBP 11 000 per share with total amount of LBP 11 000 million (equivalent to EGP 50 600 000). These shares were issued and fully paid during the year.

The extraordinary general meeting of the Bank approved at the same date to issue the share with premium amounting to LBP 139 750 per share with total amount of LBP 139 750 million (equivalent to EGP 642 850 000), settled in cash by the subscribers according to the terms set by the extraordinary general meeting on 4 July 2013.

16- Loans and borrowings

On November 11, 2010 Credit Libanais SAL issued US.$ 75 000 000, 6.75% Subordinated Bonds due January 15, 2018 at an issue price of 100% of their principal amount. The bonds were fully underwritten. The net proceeds from the sale of the bonds will be used for general corporate purposes, and the obligation of the issuer in respect of the bonds constitutes direct, unsecured and general obligation of the issuer. The arranger of the offering is Credit Libanais Investment Bank SAL (an affiliate) and the bonds will not be listed on any stock exchange.

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Current	34 030 800	31 164 000	34 680 000
Non-current	520 089 800	474 864 600	452 252 000
Balance	**554 120 600**	**506 028 600**	**486 932 000**

17- Deferred tax assets and liabilities

Balance as at 31 December 2013

	Balance at 1/1/2013 EGP	Recognized in profit or loss EGP	Recognized in OCI EGP	Net EGP	Deferred tax assets EGP	Deferred tax liabilities EGP
Fixed assets depreciation	4 762 302	1 665 908	--	6 428 210	--	6 428 210
Expected claims provision	(90 750)	(737 500)	--	(828 250)	(828 250)	--
Impairment loss on assets	(2 393 287)	(3 954 620)	--	(6 347 907)	(6 347 907)	--
Prior year losses forward	(38 926)	(2 846 278)	--	(2 885 204)	(2 885 204)	--
Company's share in affiliate's profits	5 546 978	(652 678)	--	4 894 300	--	4 894 300
Fair value adjustments	575 061 152	--	59 203 687	634 264 839	--	634 264 839
Changes in fair value of cash flow hedges	(6 612 597)	--	--	(6 612 597)	(6 612 597)	--
Revaluation of property, plant and equipment	--	--	3 862 494	3 862 494	--	3 862 494
Fair value of available for sale financial assets	6 701 967	--	67 282 543	73 984 510	--	73 984 510
	582 936 839	**(6 525 168)**	**130 348 724**	**706 760 395**	**(16 673 958)**	**723 434 353**

Balance as at 31 December 2012

	Balance at 1/1/2012 EGP	Recognized in profit or loss EGP	Recognized in OCI EGP	Net EGP	Deferred tax assets EGP	Deferred tax liabilities EGP
Fixed assets depreciation	5 040 533	(278 231)	--	4 762 302	--	4 762 302
Expected claims provision	(2 132 865)	2 042 115	--	(90 750)	(90 750)	--
Impairment loss on assets	(5 581 321)	3 188 034	--	(2 393 287)	(2 393 287)	--
Prior year losses forward	(1 602 917)	1 563 991	--	(38 926)	(38 926)	--
Company's share in affiliate's profits	20 467 479	(14 920 501)	--	5 546 978	--	5 546 978
Fair value adjustments	554 616 650	--	20 444 502	575 061 152	--	575 061 152
Changes in fair value of cash flow hedges	(6 612 597)	--	--	(6 612 597)	(6 612 597)	--
Fair value of available-for-sale financial assets	(1 077 774)	--	7 779 741	6 701 967	--	6 701 967
	563 117 188	**(8 404 592)**	**28 224 243**	**582 936 839**	**(9 135 560)**	**592 072 399**

Balance as at 31 December 2011

	Balance at 1/1/2011 EGP	Recognized in profit or loss EGP	Recognized in OCI EGP	Net EGP	Deferred tax assets EGP	Deferred tax liabilities EGP
Fixed assets depreciation	3 836 086	1 204 447	--	5 040 533	--	5 040 533
Expected claims provision	(3 114 649)	981 784	--	(2 132 865)	(2 132 865)	--
Impairment loss on assets	(4 009 430)	(1 571 891)	--	(5 581 321)	(5 581 321)	--
Prior year losses forward	(882 479)	(720 438)	--	(1 602 917)	(1 602 917)	--
Company's share in affiliate's profits	39 879 242	(19 411 763)	--	20 467 479	--	20 467 479
Fair value adjustments	530 635 385	--	23 981 265	554 616 650	--	554 616 650
Changes in fair value of cash flow hedges	(6 612 597)	--	--	(6 612 597)	(6 612 597)	--
Fair value of available-for-sale financial assets	210 277	--	(1 288 051)	(1 077 774)	(1 077 774)	--
	559 941 835	**(19 517 861)**	**22 693 214**	**563 117 188**	**(17 007 474)**	**580 124 662**

18- Other income

Other income presented in the profit or loss includes provision reversed as follows:

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Provision reversed	124 918 906	19 817 308	49 500 000

19- Provisions

		31/12/2013	31/12/2012	31/12/2011
		EGP	EGP	EGP
Expected claims provisions	(19-1)	142 724 113	233 877 194	232 734 753
Severance pay provisions	(19-1)	175 638 568	104 021 396	114 636 935
Other provisions		1 274 200	932 400	880 000
Balance		**319 636 881**	**338 830 990**	**348 251 688**

(19-1)

	Expected claims provisions	Severance pay provisions	Total
	EGP	EGP	EGP
Balance at 1 January 2011	178 448 831	91 969 622	**270 418 453**
Provisions made during the year	59 087 858	26 888 306	**85 976 164**
Foreign currency differences	404 240	2 637 766	**3 042 006**
Provisions used during the year	(5 206 176)	(6 858 759)	**(12 064 935)**
Balance at 31 December 2011	**232 734 753**	**114 636 935**	**347 371 688**
Provisions made during the year	31 237 560	25 929 095	**57 166 655**
Provisions reversed	(11 079 288)	(2 626 804)	**(13 706 092)**
Foreign currency differences	1 034 475	9 054 796	**10 089 271**
Provisions used during the year	(5 948 716)	(7 447 556)	**(13 396 272)**
Transferred to liabilities as held for sale Note no. (4-2)	(14 101 590)	(35 525 070)	**(49 626 660)**
Balance at 31 December 2012	**233 877 194**	**104 021 396**	**337 898 590**
Transferred from liabilities held for sale	13 733 761	37 963 549	**51 697 310**
Provisions made during the year	23 356 735	34 844 065	**58 200 800**
Provisions reversed	(122 292 102)	(2 626 804)	**(124 918 906)**
Foreign currency differences	2 249 412	12 099 842	**14 349 254**
Provisions used during the year	(8 200 887)	(10 663 480)	**(18 864 367)**
Balance at 31 December 2013	**142 724 113**	**175 638 568**	**318 362 681**

20- Share capital

- The Company's authorized capital amounts EGP 3 200 million and issued and paid in capital amounts EGP 1 913 570 000 distributed on 382 714 000 shares of par value EGP 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 EGP 1 913 570 000 to EGP 2 391 473 750 with an increase amount of EGP 477 903 750 through distributing of 95 580 750 shares as a stock dividend at a ratio of one share to each four shares outstanding at the declaration date (Company's issued shares became 478 294 750 shares) , this increase are financed from retained earnings according to the decision of the Company's Ordinary General Assembly in its session held at the same date and the required procedures had been taken and this increase have been registered in the Commercial Register on September 6, 2011.
- The Company's Ordinary General Assembly approved in its session held on July 7, 2013 to increase the Company's share capital by an amount equal to EGP 477 903 750 through distributing stock dividends of one share to every outstanding five shares from retained earnings presented on December 31, 2012.
- The Egyptian Financial Supervisory Authority approved on September 1, 2013 to cancel a number of 391 000 shares of the Company's shares. The Company's issued shares became 573 484 500 shares with an amount of EGP 2 867 422 500 and the cancelation was registered in the Commercial Register on September 4, 2013.

Share capital	**Ordinary shares**
Issue at 1 January 2011	382 714 000
Stock dividend distributing 13 June 2011	95 580 750
Treasury share	(391 000)
Outstanding share at 31 December 2011	477 903 750
Stock dividend distributing 7 July 2013	95 580 750
Outstanding share at 31 December 2013	573 484 500
Authorized - par value 5 EGP	3 200 000 000

20-1 Treasury shares

- The Company's Board of Directors approved in its session held on April 27, 2011 to purchase a number of 5 million of the Company's shares and the Company has purchased a number of 391 000 shares from Egyptian Stock Exchange at cost of EGP 6 918 613.
- The Company's Extraordinary General Assembly approved in its session held on July 25, 2013 to decrease the Company's issued capital through cancelling a number of 391 000 shares of the Company, which was approved by the Egyptian Financial Supervisory Authority on September 1, 2013.

21- Non - controlling interests

	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Share capital	444 194 165	450 790 962	449 146 509
Legal reserve	139 390 534	127 049 733	115 287 877
Other reserves	671 828 945	563 475 870	439 417 163
Retained earnings	144 359 186	123 777 605	67 551 400
Other equity	75 108 800	78 913 800	64 156 000
Increase in fair value of net assets	1 296 939 091	1 175 798 705	1 129 467 814
Net profit for the year	205 339 709	136 379 780	175 120 128
Balance	**2 977 160 430**	**2 656 186 455**	**2 440 146 891**

22- Contingent liabilities

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:

	31/12/2013	31/12/2012	31/12/2011
AED	97 670 000	153 670 000	178 670 000
equivalent to EGP	180 962 976	264 373 868	293 358 273

- The Company and its subsidiaries have the following off- financial position assets and liabilities :

Off-balance sheet items :

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Financing commitments given to financial institutions	738 304 600	778 621 200	680 256 000
Commitments to customers	2 536 766 600	1 434 006 000	1 830 912 000
Guarantees given to customers	1 002 629 800	810 339 600	526 324 000
Restricted and non – restricted fiduciary accounts	52 191 600	51 702 000	48 720 000
Commitments of signature received from financial intermediaries	136 362 400	73 155 600	84 572 000
Securities' commitments	511 952 400	484 734 600	383 156 000
Other-commitments received	33 750 802 600	29 514 294 600	23 092 916 000
Assets-under management	28 884 605 600	27 792 973 200	27 453 901 000

23- Incentive fee revenue

Due to inadequate assurance concerning the revenue recognition conditions and collection of the incentive fee on managing investment funds and portfolios, the assets management companies (subsidiaries) deferred the recognition of incentive fee with an amount of EGP 22 156 909 till December 31, 2013 versus EGP 8 637 819 till December 31, 2012 versus EGP 38 595 till December 31, 2011 as no revenues are recognized if there are any uncertainties regarding the recovery of the consideration due.

Subsidiary's name	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Egyptian Portfolio Management Group	8 305 866	5 473 431	38 595
Hermes Fund Management	274 966	1 192 556	--
EFG- Hermes Financial Management (Egypt) Ltd	13 576 077	1 971 832	--
Total	**22 156 909**	**8 637 819**	**38 595**

24- Impairment loss on assets

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Impairment loss on accounts receivables & debit accounts	18 553 375	52 509 529	837 702
Impairment loss on available –for– sale investments	128 648 382	242 760	1 045 440
Impairment loss on property, plant and equipment	6 467 051	--	--
Impairment loss on goodwill	512 229 590	--	--
Impairment loss on other loans	102 171 216	--	--
Total	**768 069 614**	**52 752 289**	**1 883 142**

25- Income tax expense

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Current income tax	87 306 911	79 446 953	99 474 943
Deferred tax	6 525 168	(8 404 592)	(19 517 861)
Total	**93 832 079**	**71 042 361**	**79 957 082**

26- Cash and cash equivalents

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

	31/12/2013 EGP	31/12/2012 EGP	31/12/2011 EGP
Cash and due from banks	16 534 230 948	14 471 516 453	12 287 220 080
Due to banks and financial institutions	(917 202 147)	(579 512 696)	(613 772 600)
Less : Assets – maturity more than three months	(6 755 638 963)	(5 910 063 600)	(4 610 558 207)
Effect of exchange rate	--	165 533 482	39 613 356
Balance	**8 861 389 838**	**8 147 473 639**	**7 102 502 629**

27- General administrative expenses

	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Wages , salaries and similar items	1 035 266 023	908 125 115	819 947 770
Consultancy	65 719 025	74 275 893	23 885 951
Travel , accommodation and transportation	44 319 120	41 642 116	42 014 005
Leased line and communication	49 935 777	47 864 598	51 612 680
Rent and utilities expenses	83 560 851	82 975 838	122 842 269
Depreciation and amortization	94 757 406	92 437 804	95 596 169
Other expenses	283 924 877	262 485 443	218 039 262
Balance	**1 657 483 079**	**1 509 806 807**	**1 373 938 106**

28- Basic earnings per share

	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Profit (loss) for the year	(334 982 383)	120 471 021	246 898 714
Profit (loss) for equity holders of the parent Company	(540 322 092)	(15 908 759)	71 778 586
Weighted average number of shares	573 484 500	573 484 500	573 680 000
Earnings per share	(0.94)	(0.03)	0.13

29- Operating segments

(a) Basis for segmentation

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment. The revenue & expense and assets & liabilities analyses in the table below are based on the type of business activities and services that are distinguishable component.

The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	**Operations**
Commercial banking	Loans, deposits and other transactions and balances with corporate and retail customers.
Holding	Participation in the establishment of companies which issue securities or in increasing their share capitals, custody activities and margin trading.
Brokerage	Undertaking brokerage in securities operations and maintaining and managing the records of the clients' securities.
Asset management	Fund management activities.
Investment banking	Trading and corporate finance activities.
Private equity	Fundraising, employing both traditional funds and transaction based approaches as it looks to acquire, grow and exit investments in sectors.

The Group's CEO reviews internal management reports of each division at least quarterly.

31 December 2013

	Holding	Brokerage	Asset management	Investment banking	Private equity	Commercial bank	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Fee and commission income	7 370 103	255 204 324	211 239 375	36 046 166	101 308 935	428 191 000	1 039 359 903
Fee and commission expense	--	--	--	--	--	(170 121 800)	(170 121 800)
Net fee and commission income	**7 370 103**	**255 204 324**	**211 239 375**	**36 046 166**	**101 308 935**	**258 069 200**	**869 238 103**
Interest and dividend income	16 114 824	15 603 731	70 516	1 100 000	2 045 156	3 151 557 596	3 186 491 823
Interest expense	(43 974)	(16 743 268)	--	--	--	(2 130 511 035)	(2 147 298 277)
Net interest and dividend income	**16 070 850**	**(1 139 537)**	**70 516**	**1 100 000**	**2 045 156**	**1 021 046 561**	**1 039 193 546**
Securities gains	11 016 060	22 022 314	--	--	--	(1 513 400)	31 524 974
Share of profit of associate	--	--	--	--	--	8 031 600	8 031 600
Changes in the investments at fair value through profit or loss	60 929 657	2 396 184	--	--	--	(11 711 600)	51 614 241
Gains from selling assets classified as held for sale	--	24 599 488	--	--	--	--	24 599 488
Foreign currencies differences	44 498 988	4 489 495	4 699 694	837 221	30 761 084	80 247 000	165 533 482
Other income	11 185 617	10 694 307	447 903	--	122 376 547	51 791 400	196 495 774
	127 630 322	**64 201 788**	**5 147 597**	**837 221**	**153 137 631**	**126 845 000**	**477 799 559**
Operating income	**151 071 275**	**318 266 575**	**216 457 488**	**37 983 387**	**256 491 722**	**1 405 960 761**	**2 386 231 208**
Other operating expenses	(1 139 782 568)	(252 901 139)	(87 198 540)	(53 161 598)	(235 996 166)	(858 341 501)	(2 627 381 512)
Profit (loss) before income tax	**(988 711 293)**	**65 365 436**	**129 258 948**	**(15 178 211)**	**20 495 556**	**547 619 260**	**(241 150 304)**
Income tax expense	(4 616 607)	(11 825 639)	(2 013 470)	1 002 382	(3 772)	(76 374 973)	(93 832 079)
Profit (loss) for the year	**(993 327 900)**	**53 539 797**	**127 245 478**	**(14 175 829)**	**20 491 784**	**471 244 287**	**(334 982 383)**
Total assets	**3 053 760 853**	**2 592 762 089**	**206 369 164**	**22 929 501**	**203 846 299**	**61 292 073 973**	**67 371 741 879**
Total liabilities	**352 053 268**	**1 360 417 191**	**34 754 949**	**17 408 339**	**161 686 772**	**53 643 816 490**	**55 570 137 009**

31 December 2012

	Holding	Brokerage	Asset management	Investment banking	Private equity	Commercial bank	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Fee and commission income	10 350 643	198 735 945	121 927 630	117 845 280	95 518 863	365 467 090	**909 845 451**
Fee and commission expense	--	--	--	--	--	(143 357 872)	**(143 357 872)**
Net fee and commission income	**10 350 643**	**198 735 945**	**121 927 630**	**117 845 280**	**95 518 863**	**222 109 218**	**766 487 579**
Interest and dividend income	18 377 920	17 158 584	170 130	--	1 966 039	2 585 668 534	**2 623 341 207**
Interest expense	(249 017)	(12 959 400)	--	--	(155)	(1 785 904 474)	**(1 799 113 046)**
Net interest and dividend income	**18 128 903**	**4 199 184**	**170 130**	--	**1 965 884**	**799 764 060**	**824 228 161**
Securities gains	(626 892)	24 231 911	--	--	--	22 257 059	**45 862 078**
Share of profit of associate	--	--	--	--	--	5 757 458	**5 757 458**
Changes in the investments at fair value through profit or loss	37 827 431	(622 066)	--	--	--	7 853 286	**45 058 651**
Foreign currencies differences	24 762 637	1 806 117	1 556 136	1 288 916	12 195 690	40 233 428	**81 842 924**
Other income	31 721 602	11 753 992	15 271	3 133 966	53 031	32 436 785	**79 114 647**
	93 684 778	**37 169 954**	**1 571 407**	**4 422 882**	**12 248 721**	**108 538 016**	**257 635 758**
Operating income	**122 164 324**	**240 105 083**	**123 669 167**	**122 268 162**	**109 733 468**	**1 130 411 294**	**1 848 351 498**
Other operating expenses	(430 665 359)	(238 016 483)	(77 113 524)	(66 272 077)	(114 055 143)	(730 715 530)	**(1 656 838 116)**
Profit (loss) before income tax	**(308 501 035)**	**2 088 600**	**46 555 643**	**55 996 085**	**(4 321 675)**	**399 695 764**	**191 513 382**
Income tax expense	14 443 947	(5 541 552)	(1 837 263)	(17 313 960)	(102 848)	(60 690 685)	**(71 042 361)**
Profit (loss) for the year	**(294 057 088)**	**(3 452 952)**	**44 718 380**	**38 682 125**	**(4 424 523)**	**339 005 079**	**120 471 021**
Total assets	**2 818 120 670**	**2 521 156 298**	**146 767 486**	**30 865 996**	**400 517 562**	**53 514 349 121**	**59 431 777 133**
Total liabilities	**169 997 977**	**828 559 464**	**65 484 541**	**49 288 454**	**208 557 708**	**46 796 016 189**	**48 117 904 333**

	31 December 2011						
	Holding	Brokerage	Asset management	Investment banking	Private equity	Commercial bank	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Fee and commission income	9 866 962	193 986 490	127 341 697	96 620 131	123 701 403	331 036 200	882 552 883
Fee and commission expense	--	--	--	--	--	(134 972 640)	(134 972 640)
Net fee and commission income	**9 866 962**	**193 986 490**	**127 341 697**	**96 620 131**	**123 701 403**	**196 063 560**	**747 580 243**
Interest and dividend income	37 120 694	21 612 465	88 239	12 901 513	15 315 028	2 431 408 107	2 518 446 046
Interest expense	34 338 764	(9 004 139)	(219)	--	(958)	(1 661 721 248)	(1 636 387 800)
Net interest and dividend income	**71 459 458**	**12 608 326**	**88 020**	**12 901 513**	**15 314 070**	**769 686 859**	**882 058 246**
Securities gains	29 789 101	13 748 466	--	(793 066)	--	25 197 481	67 941 982
Share of profit of associate	--	--	--	--	--	5 342 040	5 342 040
Changes in the investments at fair value through profit or loss	(12 167 508)	(2 478 013)	--	--	--	12 703 680	(1 941 841)
Foreign currencies differences	13 606 792	(721 179)	1 863 378	(88 099)	5 643 296	--	20 304 188
Other income	9 823 404	12 536 606	492 982	132 257	118 221	64 639 080	87 742 550
	41 051 789	**23 085 880**	**2 356 360**	**(748 908)**	**5 761 517**	**107 882 281**	**179 388 919**
Operating income	**122 378 209**	**229 680 696**	**129 786 077**	**108 772 736**	**144 776 990**	**1 073 632 700**	**1 809 027 408**
Other operating expenses	(360 081 284)	(295 986 222)	(92 421 199)	(45 626 044)	(67 227 494)	(620 829 369)	(1 482 171 612)
Profit (loss) before income tax	(237 703 075)	(66 305 526)	37 364 878	63 146 692	77 549 496	452 803 331	326 855 796
Income tax expense	(2 718 145)	(648 812)	(897 360)	(1 870 242)	(6 309 815)	(67 512 708)	(79 957 082)
Profit (loss) for the year	**(240 421 220)**	**(66 954 338)**	**36 467 518**	**61 276 450**	**71 239 681**	**385 290 623**	**246 898 714**
Total assets	**2 511 040 841**	**2 404 990 188**	**192 117 813**	**129 041 767**	**419 282 189**	**46 834 696 071**	**52 491 168 869**
Total liabilities	**263 629 638**	**608 542 511**	**63 185 218**	**35 817 023**	**195 662 321**	**40 743 991 950**	**41 910 828 661**

(b) Geographical segments

Holding companies, Investment banking, securities and Assets management revenues are managed on world wide basis, but operate in two principal geographical areas: Egypt and Arab world. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of operation. Segment assets are based on the geographical location of the assets. The group's operations are reported under geographical segments, reflecting their respective size of operation

The revenue analysis in the tables below is based on the location of the operating company, which is the same as the location of the major customers and the location of the operating companies:

December 31, 2013

	EGYPT EGP	GCC EGP	Lebanon EGP	Other EGP	Total EGP
Operating income	407 391 100	555 096 387	1 411 072 987	12 670 734	**2 386 231 208**
Segment assets	3 511 406 911	2 484 655 960	61 321 658 173	54 020 835	**67 371 741 879**

December 31, 2012

	EGYPT EGP	GCC EGP	Lebanon EGP	Other EGP	Total EGP
Operating income	446 385 494	240 506 213	1 142 486 087	18 973 704	**1 848 351 498**
Segment assets	5 487 542 205	379 755 517	53 553 689 049	10 790 362	**59 431 777 133**

December 31, 2011

	EGYPT EGP	GCC EGP	Lebanon EGP	Other EGP	Total EGP
Operating income	360 031 923	359 951 156	1 079 105 241	9 939 088	**1 809 027 408**
Segment assets	2 233 228 026	3 346 052 620	46 863 984 774	47 903 449	**52 491 168 869**

30- Tax status

- As to Income Tax, the years from starting the operations to 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, as to the year 2011 it has been inspected and result objected thereon on the due date. As to 2012, according to tax form of tax law no. 91 of 2005 the company has submitted the tax return and paid the tax due.

  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, 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 courts, and the period from 1/8/2006 till 31/12/2012 have not been inspected yet.

31- Group's entities

The parent Company owns the following subsidiaries:

	Direct ownership	**Indirect ownership**
	%	**%**
Financial Brokerage Group	99.88	0.04
Egyptian Fund Management Group	88.51	11.49
Egyptian Portfolio Management Group	66.33	33.67
Hermes Securities Brokerage	97.58	2.42
Hermes Fund Management	89.95	10.05
Hermes Corporate Finance	99.37	0.53
EFG - Hermes Advisory Inc.	100	--
EFG- Hermes Financial Management (Egypt) Ltd.	--	100
EFG - Hermes Promoting & Underwriting	99.88	--
Bayonne Enterprises Ltd.	100	--
EFG- Hermes Fixed Income	99	1
EFG- Hermes Management	96.3	3.7
EFG- Hermes Private Equity	1.59	63.41
EFG- Hermes Brokerage – UAE Ltd.	--	100
Flemming CIIC Holding	100	--
Flemming Mansour Securities	--	99.33
Flemming CIIC Securities	--	96
Flemming CIIC Corporate Finance	--	74.92
EFG- Hermes UAE Ltd.	100	--
EFG- Hermes Holding - Lebanon	99	--
EFG- Hermes KSA	73.1	26.9
October Property Development Ltd.	100	--
EFG- Hermes Lebanon	99	0.97
Mena Opportunities Management Limited	--	95
EFG- Hermes Mena (Caymen) Holding	--	100
Mena (BVI) Holding Ltd.	--	95

	Direct ownership %	Indirect ownership %
EFG - Hermes Mena Securities Ltd.	--	100
Mena Financial Investments W.L.L	--	100
EFG - Hermes Qatar LLC	100	--
EFG- Hermes Oman LLC	--	51
EFG- Hermes Regional Investment Ltd.	100	--
Offset Holding KSC	--	50
EFG- Hermes IFA Financial Brokerage	--	45
IDEAVELOPERS	--	52
EFG- Hermes CB Holding Limited	--	100
EFG- Hermes Global CB Holding Limited.	100	--
EFG - Hermes Orient Advisory Inc.	--	70
EFG - Hermes Syria LLC	49	20.37
Sindyan Syria LLC	97	--
Talas & Co. LLP	--	97
EFG - Hermes Jordan	100	--
Mena Long-Term Value Feeder Holdings Ltd	--	100
Mena Long-Term Value Master Holdings Ltd	--	90
Mena Long-Term Value Management Ltd	--	90
EFG - Hermes CL Holding SAL	--	100
Credit Libanais SAL "the Bank"	--	63.739
Credit Libanais Investment Bank SAL	--	63.65
Lebanese Islamic Bank SAL	--	63.64
Credit International SA	--	59.16
Cedar's Real Estate SAL	--	63.69
Soft Management SAL	--	29.96
Hermes Tourism & Travel SAL	--	63.73
Crédit Libanais d'Assuranceset de Réassurances SAL	--	42.69
Business Development Center SARL	--	62.86
Capital Real Estate SAL	--	62.46
Credilease SAL	--	63.27
Collect SAL	--	28.64
EFG - Hermes Investment Funds Co.	99.998	--
Mena FI Cayman Ltd.	--	100
EFG - Hermes Mena FI Management Limited.	--	100
Fixed Income Investment Limited.	--	100
Meda Access Cayman Holdings Limited .	--	100
EFG-Hermes Securitization Company	100	--
Financial Group for Real Estate Co.	99.992	--
EFG- Hermes Mutual Funds Co.	100	--

32- Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management program seeks to minimize potential adverse effects on the group's financial performance.

Management of financial risk in the commercial bank is conducted through a separate organization from the investment bank due to regulatory rules and operational necessity. Below is a summary of the risk management framework in both business segments.

Risk management framework in the investment bank

The investment bank has a central treasury department that works closely with the operating units throughout the group. The board of directors provides, through its audit and risk committee, guidance to management to issues regarding risk. The board of directors is responsible for:

- Overseeing, ratifying and reviewing the duties of the risk management department.
- Indentifying the firm's risk appetite.
- Making plans for the mitigation of material risks faced by the various business units.

a) Investment bank market risk

Market risk is defined as the potential loss in both on and off balance sheet positions resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

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 the merits of the investment.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

Financial risk management (continued)

a) Investment bank market risk (continued)

i. Foreign exchange risk

The investment bank operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar and other GCC currencies. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management requires investment bank companies to manage their foreign currency risk against their functional currency. Commercial transactions are conducted either in the functional currency of the investment bank country or in transaction currency. Further, almost all liabilities are in the functional currency of the investment bank companies currency.

Due to the fact that most of the functional currencies of the investment bank are pegged to the dollar the Company does not engage in hedging activities for its foreign currency exposure.

If the Egyptian pound had weakened / strengthened by 10% against the US dollar with all other variables held constant the Company would have recognized gains or losses as follows:

	2013	2012	2011
Weakened 10 %	141 833 200	78 979 524	140 324 553
Strengthened 10 %	(141 833 200)	(78 979 524)	(140 324 553)

ii. Price risk

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies / maturities).

The investment bank is exposed to equity securities price risk because of investments held by the investment bank and classified on the consolidated financial position either as available-for-sale or at fair value through profit or loss. The investment bank is not exposed to commodity price risk, except indirectly through its minority investment in a company that owns 50% of an oil concession in Egypt.

Financial risk management (continued)

a) Investment bank market risk (continued)

The investment bank's investments in Equity of other entities that are publicly traded are included in one of the following equity indexes EGX 30 and DFM General index.

The table below summarizes the impact of a 5% increase /decrease of the equity indexes on the investment bank's pretax operating profit / loss and the investment bank AFSI reserve.

In EGP	2011		2012		2013	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
AFSI Reserve related to EGX 30	6 987 396	(6 987 396)	17 635 114	(17 635 114)	19 822 462	(19 822 462)
AFSI Reserve related to DFM General index	50 839	(50 839)	--	--	172 243	(172 243)
Operating EGX 30 profit (loss)	260 494	(260 494)	206 737	(206 737)	214 464	(214 464)

iii. Cash flow and fair value interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities. The investment bank companies currently do not have any medium or long term debt. The only interest bearing debt that the investment bank is exposed to is short term variable rate overdraft facilities therefore the investment bank has limited cash flow interest rate risk and hence does not hedge for this risk.

b) Investment bank credit risk

Credit risk arises from cash and cash equivalents, deposits with financial institutions, as well as credit exposures to institutional and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only investment grade institutions are accepted. For non rated institutional and retail customers, the various risk management departments in the business units assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and other regulatory requirements. The utilization of credit limits is regularly monitored.

Financial risk management (continued)

c) **Investment bank liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources.

Cash flow forecasting is performed in the operating entities of the bank and aggregated by bank finance. Bank finance monitors the bank's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed short term facilities at all times so that the bank does not breach any capital adequacy rules.

Surplus cash held by the operating entities over and above balance required for working capital management are, with the input of bank treasury, invested in time deposits, money market accounts and investment funds. See note (5) for details of cash and cash equivalents.

d) **Investment bank capital management**

The investment bank objectives when managing capital is to safeguard the investment bank ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the investment bank may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to return capital to shareholders.

Consistent with others in the industry the investment bank monitors capital on the basis of return on equity. During the first quarter of 2014 the board of directors decided to embark on a share buyback program for a value of 1 billion Egyptian pounds in two phases. The first phase has been implemented with the buyback of 36 956 522 shares at EGP 11.5 per share. The second phase is expected to be implemented during the second or third quarter of 2014 for a value of EGP 575 million.

e) **Investment bank operational risk**

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

Financial risk management (continued)

Risk management framework in the commercial bank

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Board Risk Committee, Credit Policy Committee and the Asset and Liability Management Committee (ALCO), which are responsible for developing and monitoring Bank risk management policies.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Risk Committee, the Credit Policy Committee and the Asset Liability Management Committee (ALCO) oversee how management monitors compliance with the Bank's risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a. Commercial bank credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks, and investment debt securities. For risk management reporting purposes the Bank considers and consolidates all elements of credit risk exposure.

For risk management purposes, credit risk arising on trading assets is managed independently by the market risk management function. The overall objective of managing market risk is to avoid unexpected losses due to changes in market prices and to optimize the use of market risk capital. The Bank manages these potential exposures on a daily basis within predefined limits for each of the major types of market risk established within the Bank's policies and commensurate with the risk appetite defined by the Board of Directors.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to its Risk Management Committee, Credit Policy Committee and allocated Credit Committees. An independent Credit Risk Management function, reporting to the Chief Risk Officer (CRO), is responsible for management of the Bank's credit risk, including:

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for the approval and renewal of credit facilities.
- Reviewing and assessing credit risk. The Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and sectors. The Bank's approach to controlling this concentration of exposure is by the diversification of it's commitments and by setting limits at level of aggregate of products, economic sectors, region and segments.
- Developing and maintaining the Bank's credit risk rating system. This system is a summary indicator of the Bank's individual credit exposure. An internal rating system categorizes all credits into various classes on the basis of underlying credit quality. A well structured credit rating framework is an important tool for monitoring and controlling risk inherent in individual credits as well as in credit portfolios of the Bank or a business line. The importance of internal credit rating framework becomes more eminent due to the fact that historically major losses to banks stemmed from default in loan portfolios. While the Bank already has a system for rating individual credits in addition to the risk categories prescribed.
  By the Central Bank of Lebanon, the Bank established an internal rating framework. The internal rating framework benefits the Bank in a number of ways such as: credit selection, amount of exposure, tenure and price of facility, frequency or intensity of monitoring, analysis of migration of deteriorating credits and more accurate computation of future loan loss provision; and deciding the level of approving authority of loan.
- Reviewing compliance with agreed exposure limits, including those for selected sectors, geography and product types. Regular reports on the credit quality of portfolios are provided to the Credit Policy Committee who may require appropriate corrective action to be taken.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

- Providing advice, guidance and specialist skills to promote best practice throughout the Bank in the management of credit risk.
- Each Credit Officer is required to implement Bank credit policies and procedures, with credit approval authorities delegated from the Bank Credit Committee. Each Credit Officer reports on all credit related matters to management and the Bank Credit Committee. Each Credit Officer is responsible for the quality and performance of his/her credit portfolio and for monitoring and controlling all credit risks in his/her portfolios, including those subject to central approval.
- Regular audits of Bank Credit processes are undertaken by Internal Audit.

Analysis of credit quality

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss held by the Bank against those assets. Allowance for impairment held against assets.

Classified within credit grades 1 to 6 is in respect of losses incurred but not yet specifically identified. The carrying amount of assets with credit grades 1 to 6 that are collectively impaired represents the estimated proportion of the total assets within these grades (rather than individually identified assets) to which such allowance is estimated to relate.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

	2013				2012				2011			
	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
rrying amount	17 907 363 982	98 932 200	14 572 616 000	22 380 616 384	13 984 441 417	166 353 600	12 913 345 200	20 805 837 642	11 807 718 000	143 316 000	10 715 152 000	18 868 824 458
lividually impaired												
ade 4: Substandard	139 596 200	--	--	--	126 432 600	--	--	--	93 456 000	--	--	--
ade 5: Impaired	568 891 200	17 213 200	--	--	480 265 800	6 245 400	--	--	406 068 000	--	--	--
ade 6: Impaired	49 629 400	--	48 364 400	--	92 912 400	--	46 166 400	--	79 640 000	--	44 652 000	--
oss amount	758 116 800	17 213 200	48 364 400	--	699 610 800	6 245 400	46 166 400	--	579 164 000	--	44 652 000	--
owance for impairment	(218 113 600)	(10 713 400)	(35 079 600)	--	(204 779 400)	(3 801 000)	(28 795 200)	--	(191 540 000)	--	(27 424 000)	--
realized interest	(258 694 800)	(216 200)	--	--	(281 744 400)	(58 800)	--	--	(243 556 000)	--	--	--
rrying amount	281 308 400	6 283 600	13 284 800	--	213 087 000	2 385 600	17 371 200	--	144 068 000	--	17 228 000	--
st due but not impaired												
ade 3: Low-fair risk	733 779 881	--	--	--	1 625 728 937	--	--	--	216 578 511	--	--	--
rrying amount	733 779 881	--	--	--	1 625 728 937	--	--	--	216 578 511	--	--	--
ither past due nor paired												
ades 1-2: Low-fair risk	16 982 642 701	92 648 600	14 559 331 200	22 380 616 384	12 218 104 880	163 968 000	12 895 974 000	20 805 837 642	11 512 227 489	143 316 000	10 697 924 000	18 868 824 458
owance for collective pairment	(90 367 000)	--	--	--	(72 479 400)	--	--	--	(65 156 000)	--	--	--
rrying amount	16 892 275 701	92 648 600	14 559 331 200	22 380 616 384	12 145 625 480	163 968 000	12 895 974 000	20 805 837 642	11 447 071 489	143 316 000	10 697 924 000	18 868 824 458
tal carrying amount	**17 907 363 982**	**98 932 200**	**14 572 616 000**	**22 380 616 384**	**13 984 441 417**	**166 353 600**	**12 913 345 200**	**20 805 837 642**	**11 807 718 000**	**143 316 000**	**10 715 152 000**	**18 868 824 458**

Financial risk management (continued)

a) Commercial bank credit risk (continued)

Analysis of credit quality (continued)

	Lending commitments and financial guarantees		
	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Amount committed/guaranteed	3 854 096 200	3 096 702 000	2 330 783 000
Off - balance sheet maximum exposure			
Lending commitments			
Grade 1-3: low-fair risk	2 846 861 800	2 286 362 400	1 804 459 000
Financial guarantees			
Grade 1-3: low-fair risk	1 007 234 400	810 339 600	526 324 000
Total exposure	3 854 096 200	3 096 702 000	2 330 783 000

Impaired loans and investment debt securities

The Bank regards a loan and advance or a debt security as impaired where there is objective evidence that a loss event has occurred since initial recognition and such loss event has an impact on future estimated cash flows from the asset. In addition, a retail loan is considered impaired if it is overdue for 90 days or more. Loans that are subject to a collective provision for losses incurred but not yet identified are not considered impaired. Impaired loans and advances are graded 4 to 6 in the Bank's internal credit risk grading system.

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade.

	Loans and advances to customers		Loans and advances to related parties		Balances with central banks, other banks and financial institutions	
	EGP		EGP		EGP	
31-Dec-13	Gross	Net	Gross	Net	Gross	Net
Grade 4: Individually impaired	139 596 200	96 871 400	--	--	--	--
Grade 5: Individually impaired	568 891 200	184 437 000	17 213 200	6 283 600	--	--
Grade 6: Individually impaired	49 629 400	--	--	--	48 364 400	13 284 800
	758 116 800	281 308 400	17 213 200	6 283 600	48 364 400	13 284 800
31-Dec-12						
Grade 4: Individually impaired	126 432 600	89 594 400	--	--	--	--
Grade 5: Individually impaired	480 265 800	123 492 600	6 245 400	2 385 600	--	--
Grade 6: Individually impaired	92 912 400	--	--	--	46 166 400	17 371 200
	699 610 800	213 087 000	6 245 400	2 385 600	46 166 400	17 371 200
31-Dec-11						
Grade 4: Individually impaired	93 456 000	61 760 000	--	--	--	--
Grade 5: Individually impaired	406 068 000	82 308 000	--	--	--	--
Grade 6: Individually impaired	79 640 000	--	--	--	44 652 000	17 228 000
	579 164 000	144 068 000	--	--	44 652 000	17 228 000

The Bank believes that no impairment allowance is necessary with respect to investment debt securities.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

Past due but not impaired loans and investment debt securities

Past due but not impaired loans and investment debt securities are those for which contractual interest or principal payments are past due, but the Bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Bank.

Write-off policy

The Bank writes off a loan or an investment debt security balance, and any related allowances for impairment losses and suspended interest, when Bank Credit Committee determines that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Collateral held

Type of credit exposure

The Bank holds collateral against certain of its credit exposures. The table below sets out the principal types of collateral held against loans and advances to customers and related parties.

	31/12/2013	31/12/2012	31/12/2011
	EGP	EGP	EGP
Principal type of collateral held for secured lending			
Engagement by signature received	136 362 400	73 155 600	84 572 000
Personal guarantees received	14 234 640 200	11 594 629 200	8 074 464 000
Mortgages and real securities received	16 691 426 600	13 592 485 200	10 763 104 000
Mobilization bills received as guarantee	3 035 857 400	4 302 736 200	4 022 444 000
Bills received as guarantee	17 208 600	24 444 000	232 904 000
	34 115 495 200	29 587 450 200	23 177 488 000

The Bank typically does not hold collateral against balances with other banks and financial institutions and against investment securities, and no such collateral was held at 31 December 2013, 2012 or 2011.

The Bank's policy is to pursue timely realization of the collateral in an orderly manner. The Bank generally does not use the non-cash collateral for its own operations.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

Concentration of credit risk

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances and investment securities is shown below:

	2013				2012				2011			
	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities	Loans and advances to customers	Loans and advances to related parties	Balances with central banks, other banks and financial institutions	Investment debt securities
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
rying amount	17 907 363 982	98 932 200	14 572 616 000	22 380 616 384	13 984 441 417	166 353 600	12 913 345 200	20 805 837 642	11 807 718 000	143 316 000	10 715 152 000	18 868 824 458
ncentration by tor												
ail	7 351 730 567	--	--	--	6 098 321 626	--	--	--	6 133 576 470	1 072 000	--	--
de and services	5 702 627 361	10 754 800	--	--	4 431 165 408	34 393 800	--	--	3 179 618 658	68 312 000	--	--
ustries	2 666 266 106	483 000	--	--	1 942 246 821	22 738 800	--	--	1 488 442 226	27 280 000	--	--
nstruction and real te	1 686 012 855	75 656 200	--	--	1 168 678 393	96 272 400	--	--	605 072 360	32 684 000	--	--
kerage	176 689 728	12 038 200	--	--	116 016 214	12 948 600	--	--	184 074 156	13 968 000	--	--
iculture	324 037 365	--	--	--	228 012 955	--	--	--	216 934 130	--	--	--
ks and financial itutions	--	--	5 499 771 970	397 328 273	--	--	5 087 150 971	386 493 239	--	--	5 017 704 916	5 697 978 444
porate	--	--	--	135 257 609	--	--	--	50 613 735	--	--	--	44 894 926
vernment	--	--	9 072 844 030	21 848 030 502	--	--	7 826 194 229	20 368 730 668	--	--	5 697 447 084	13 125 951 088
	17 907 363 982	98 932 200	14 572 616 000	22 380 616 384	13 984 441 417	166 353 600	12 913 345 200	20 805 837 642	11 807 718 000	143 316 000	10 715 152 000	18 868 824 458
centration by tion												
anon	17 527 441 868	98 849 400	9 283 638 724	21 824 836 247	13 645 335 551	166 349 400	7 984 518 883	20 344 979 525	11 549 390 445	143 316 000	5 874 506 137	18 364 625 649
dle East and Africa	320 124 525	82 800	1 517 194 878	380 570 332	276 147 365	4 200	1 082 734 727	291 538 253	239 296 004	--	864 130 880	159 000 405
ope	50 354 658	--	2 997 258 493	88 860 052	56 782 815	--	3 539 704 220	78 253 156	18 177 008	--	3 751 267 409	255 684 148
er	9 442 931	--	774 523 905	86 349 753	6 175 686	--	306 387 370	91 066 708	854 543	--	225 247 574	89 514 256
	17 907 363 982	98 932 200	14 572 616 000	22 380 616 384	13 984 441 417	166 353 600	12 913 345 200	20 805 837 642	11 807 718 000	143 316 000	10 715 152 000	18 868 824 458

Concentration by location for loans and advances is based on the customer, related party and banks and financial institutions' country of domicile. Concentration by location for investment securities is based on the country of domicile of the issuer of the security. At 31 December, the lending commitments and financial guarantees, classified within credit grade 1-3, amount to 2013: EGP 3 854 096 200, 2012: EGP 3 096 702 000 and 2011: EGP 2 330 783 000.

Financial risk management (continued)

a) Commercial bank credit risk (continued)

Trading assets

An analysis of the credit quality of the maximum credit exposure, based on the median rating of the three eligible rating agencies as per Basel II (Moody's, Standard & Poor's and Fitch) where applicable, is as follows:

	From AA+ to AA-	From A+ to A-	From BBB+ to BBB-	From BB+ to BB-	From B+ tO B-	From CCC+ to CCC- or NR	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
31-Dec-13							
Financial assets at fair value through profit or loss	--	71 585 200	83 784 400	--	105 100 800	694 600	261 165 000
31-Dec-12							
Financial assets at fair value through profit or loss	--	56 246 400	31 924 200	23 872 800	105 277 200	634 200	217 954 800
31-Dec-11							
Financial assets at fair value through profit or loss	6 040 000	52 020 000	121 448 000	10 992 000	97 360 000	604 000	288 464 000

Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honor it's obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Bank mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Bank risk.

b) Commercial bank liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Financial risk management (continued)

b) Commercial bank liquidity risk (continued)

Management of liquidity risk

The Bank's Board of Directors sets the Bank's strategy for managing liquidity risk and delegates the responsibility for the oversight of the implementation of this policy to the Risk Committee and ALCO. ALCO approves the Bank's liquidity policies and procedures. Central Treasury manages the Bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of both the Bank and foreign branches.

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. The key elements of the Bank's liquidity strategy are as follows:

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and maintaining contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the Bank's financial assets and liabilities, and the extent to which the Bank's assets are encumbered and so not available as potential collateral for obtaining funding.

In addition, the Bank maintains statutory deposits with Central Banks. As per Lebanese banking regulations, the Bank must retain non-interest bearing balances with the Central Bank of Lebanon equivalent to 25% of the sight deposits and 15% of term deposits denominated in Lebanese Pounds.

As for foreign currencies, the Bank must retain with the Central Bank of Lebanon interest bearing statutory investments equivalent to 15% of all deposits regardless of their nature.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank.

The Bank maintains a solid ratio of highly liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking market conditions into consideration. In accordance, with the Central Bank of Lebanon circulars, the ratio of net liquid assets to deposits and commitments in foreign currencies and Lebanese Pounds should not be less than 10% and 40% respectively. The highly liquid net assets consist of cash and balance with Central Banks, balances with other banks and financial institutions less deposits from banks and financial institutions and deposits that mature within one year. Deposits and commitments are composed of total deposits from customers in addition to acceptances and loans that mature within one year.

Financial risk management (continued)

b) Commercial bank liquidity risk (continued)

When a branch is subject to a liquidity limit imposed by its local regulator, the branch is responsible for managing its overall liquidity within the regulatory limit in co-ordination with Central Treasury. Central Treasury monitors compliance of all foreign branches with local regulatory limits on a daily basis.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and investment debt securities for which there is an active and liquid market less any deposits from banks and financial institutions, other borrowings and commitments maturing within the next month. A similar, but not identical, calculation is used to measure the Bank's compliance with the liquidity limit established by the Central Bank of Lebanon and the Banking Control Commission. Details of the reported Bank ratio of net liquid assets to deposits from customers at the reporting date were as follows:

	2013	**2012**	**2011**
At 31 December	30.85%	30.87%	33.53%

Financial risk management (continued)

b) Commercial bank liquidity risk (continued)

Maturity analysis for assets and liabilities

The tables below set out the remaining contractual maturities of the Bank's assets and liabilities:

2013	Amount without maturity	1-3 months	3-6 months	6 months to 1 year	1-5 years	More than 5 years	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Assets							
Cash and cash equivalents	304 262 400	8 459 188 400	735 093 800	1 255 146 800	1 393 832 200	2 716 070 000	**14 863 593 600**
Other investments	590 847 000	1 633 226 263	1 140 718 064	1 618 088 526	11 213 432 599	6 549 140 579	**22 745 453 031**
Equity-accounted investees	81 571 800	--	--	--	--	--	**81 571 800**
Loans and advances	197 225 000	6 621 639 942	418 089 142	528 323 283	3 632 668 015	6 608 350 800	**18 006 296 182**
Trade and other receivables	612 329 000	--	--	--	--	--	**612 329 000**
Property, plant and equipment	1 089 289 219	--	--	--	--	--	**1 089 289 219**
Intangible assets and goodwill	3 893 541 141	--	--	--	--	--	**3 893 541 141**
Total assets	**6 769 065 560**	**16 714 054 605**	**2 293 901 006**	**3 401 558 609**	**16 239 932 814**	**15 873 561 379**	**61 292 073 973**
Liabilities							
Due to banks and financial institutions	--	216 273 600	99 447 400	23 920 000	219 870 800	250 318 200	**809 830 000**
Customers' deposits	--	43 028 214 903	3 854 781 217	1 987 466 034	614 352 234	--	**49 484 814 388**
Trade and other payable	1 212 233 399	--	14 095 463	--	693 450 000	--	**1 919 778 862**
Loans and borrowings	34 030 800	--	--	--	520 089 800	--	**554 120 600**
Deferred income / revenue	5 303 800	--	--	--	--	--	**5 303 800**
Current tax liabilities	--	33 483 400	48 617 400	--	--	--	**82 100 800**
Deferred tax liabilities	634 264 840	--	--	--	--	--	**634 264 840**
Provisions	153 603 200	--	--	--	--	--	**153 603 200**
Total liabilities	**2 039 436 039**	**43 277 971 903**	**4 016 941 480**	**2 011 386 034**	**2 047 762 834**	**250 318 200**	**53 643 816 490**

Financial risk management (continued)
b) Commercial bank liquidity risk (continued)
Maturity analysis for assets and liabilities (continued)

2012	Amount without maturity	1-3 months	3-6 months	6 months to 1 year	1-5 years	More than 5 years	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Assets							
Cash and cash equivalents	255 561 600	8 093 479 800	1 038 366 000	481 198 200	1 392 930 000	1 890 000 000	**13 151 535 600**
Other investments	586 114 199	1 027 842 282	1 169 399 082	1 139 257 164	11 894 362 782	5 257 629 884	**21 074 605 393**
Equity-accounted investees	72 500 400	--	--	--	--	--	**72 500 400**
Loans and advances	142 989 000	5 368 096 045	785 799 445	994 455 892	2 829 630 236	4 029 803 400	**14 150 774 018**
Trade and other receivables	662 797 800	--	--	--	--	--	**662 797 800**
Property, plant and equipment	860 165 206	--	--	--	--	--	**860 165 206**
Intangible assets and goodwill	3 541 970 704	--	--	--	--	--	**3 541 970 704**
Total assets	**6 122 098 909**	**14 489 418 127**	**2 993 564 527**	**2 614 911 256**	**16 116 923 018**	**11 177 433 284**	**53 514 349 121**
Liabilities							
Due to banks and financial institutions	--	314 286 000	41 311 200	26 161 800	145 328 400	28 833 000	**555 920 400**
Customers' deposits	--	36 847 480 748	4 204 437 810	2 355 663 420	554 155 260	42 000	**43 961 779 238**
Trade and other payable	919 556 399	82 559 400	--	--	--	--	**1 002 115 799**
Loans and borrowings	31 164 000	--	--	--	--	474 864 600	**506 028 600**
Deferred income / revenue	6 316 801	--	--	--	--	--	**6 316 801**
Current tax liabilities	--	31 655 400	32 659 200	--	--	--	**64 314 600**
Deferred tax liabilities	575 061 151	--	--	--	--	--	**575 061 151**
Provisions	124 479 600	--	--	--	--	--	**124 479 600**
Total liabilities	**1 656 577 951**	**37 275 981 548**	**4 278 408 210**	**2 381 825 220**	**699 483 660**	**503 739 600**	**46 796 016 189**

Financial risk management (continued)

b) Commercial bank liquidity risk (continued)

Maturity analysis for assets and liabilities (continued)

2011	Amount without maturity EGP	Less than 3 months EGP	3-6 months EGP	6 months to 1 year EGP	1-5 years EGP	More than 5 years EGP	Total EGP
Assets							
Cash and cash equivalents	178 092 000	8 218 728 000	464 312 000	681 392 000	1 350 720 000	--	**10 893 244 000**
Other investments	409 028 000	695 626 915	1 281 746 915	2 979 213 829	8 892 225 446	4 924 665 673	**19 182 506 778**
Equity-accounted investees	67 344 000	--	--	--	--	--	**67 344 000**
Loans and advances	--	5 103 101 364	1 104 429 364	2 148 058 727	3 438 177 818	157 266 727	**11 951 034 000**
Trade and other receivables	655 636 000	--	--	--	--	--	**655 636 000**
Property, plant and equipment	703 723 103	--	--	--	--	--	**703 723 103**
Intangible assets and goodwill	3 381 208 190	--	--	--	--	--	**3 381 208 190**
Total assets	**5 395 031 293**	**14 017 456 279**	**2 850 488 279**	**5 808 664 556**	**13 681 123 264**	**5 081 932 400**	**46 834 696 071**
Liabilities							
Due to banks and financial institutions	--	302 408 000	47 444 000	25 168 000	165 784 000	52 868 000	**593 672 000**
Customers' deposits	--	31 985 054 118	3 419 994 552	2 141 305 105	411 101 525	--	**37 957 455 300**
Trade and other payable	924 724 000	71 348 000	--	--	--	--	**996 072 000**
Loans and borrowings	34 680 000	--	--	--	--	452 252 000	**486 932 000**
Deferred income / revenue	4 656 000	--	--	--	--	--	**4 656 000**
Current tax liabilities	--	25 964 000	22 128 000	--	--	--	**48 092 000**
Deferred tax liabilities	554 616 650	--	--	--	--	--	**554 616 650**
Provisions	102 496 000	--	--	--	--	--	**102 496 000**
Total liabilities	**1 621 172 650**	**32 384 774 118**	**3 489 566 552**	**2 166 473 105**	**576 885 525**	**505 120 000**	**40 743 991 950**

The above tables show the undiscounted cash flows on the Bank's assets and liabilities on the basis of their earliest possible contractual maturity.
The Bank's expected cash flows on some assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stable or increasing balance.

Financial risk management (continued)

b) Commercial bank liquidity risk (continued)

As part of the management of it's liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, compulsory reserves with Central Banks and investment securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements. In addition, the Bank maintains agreed lines of credit with banks.

Liquidity reserves

	2013		2012		2011	
	EGP	EGP	EGP	EGP	EGP	EGP
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with Central Banks	4 946 895 200	4 946 895 200	4 207 522 200	4 207 522 200	3 705 292 000	3 705 292 000

c) Commercial bank market risks

Market risk is the risk that changes in market prices, such as interest rates, equity prices foreign exchange rates will affect the Bank's income or the value of its holdings of financial instruments. The objective of the Bank's market risk management is to manage and control market risk exposures within acceptable parameters in order to ensure the Bank's solvency while optimizing the return on risk.

Management of market risks

Overall authority for market risk management is vested in ALCO. ALCO sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The Bank Market Risk is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation. The Bank employs a range of tools to monitor and limit market risk exposures.

Exposure to interest rate risk

The principal risk to which portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having preapproved limits for re-pricing bands. A summary of the Bank's interest rate gap position is as follows:

Financial risk management (continued)

c) Commercial bank market risks - exposure to interest rate risk (continued)

2013	carrying amount	less than 3 months	3-6 months	6-12 months	1-5 years	more than 5 years	non interest bearing
Assets	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**
Cash and cash equivalents	**14 863 593 600**	7 176 993 600	735 093 800	1 255 146 800	--	2 716 070 000	2 980 289 400
Other investments	**22 745 453 031**	1 633 226 263	1 135 211 863	1 618 088 526	11 089 306 200	6 293 582 979	976 037 200
Equity-accounted investees	**81 571 800**	--	--	--	--	--	81 571 800
Loans and advances	**18 006 296 182**	6 621 639 942	418 089 142	528 323 283	3 632 668 015	6 608 350 800	197 225 000
Trade and other receivables	**612 329 000**	--	--	--	--	--	612 329 000
Property, plant and equipment	**1 089 289 219**	--	--	--	--	--	1 089 289 219
Intangible assets and goodwill	**3 893 541 141**	--	--	--	--	--	3 893 541 141
Total assets	**61 292 073 973**	**15 431 859 805**	**2 288 394 805**	**3 401 558 609**	**14 721 974 215**	**15 618 003 779**	**9 830 282 760**
Liabilities							
Due to banks and financial institutions	**809 830 000**	71 286 200	99 447 400	23 920 000	219 870 800	250 318 200	144 987 400
Customers' deposits	**49 484 814 388**	38 408 416 503	3 854 781 217	1 987 466 034	614 352 234	--	4 619 798 400
Trade and other payable	**1 919 778 862**	--	--	--	693 450 000	--	1 226 328 862
Loans and borrowings	**554 120 600**	--	--	--	520 089 800	--	34 030 800
Deferred income / revenue	**5 303 800**	--	--	--	--	--	5 303 800
Current tax liabilities	**82 100 800**	--	--	--	--	--	82 100 800
Deferred tax liabilities	**634 264 840**	--	--	--	--	--	634 264 840
Provisions	**153 603 200**	--	--	--	--	--	153 603 200
Total liabilities	**53 643 816 490**	**38 479 702 703**	**3 954 228 617**	**2 011 386 034**	**2 047 762 834**	**250 318 200**	**6 900 418 102**

Financial risk management (continued)

c) Commercial bank market risks - exposure to interest rate risk (continued)

2012	carrying amount	less than 3 months	3-6 months	6-12 months	1-5 years	more than 5 years	non interest bearing
Assets	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**
Cash and cash equivalents	**13 151 535 600**	6 114 334 800	1 038 366 000	481 198 200	1 392 930 000	1 890 000 000	2 234 706 600
Other investments	**21 074 605 393**	1 027 842 282	1 169 399 082	1 139 257 164	11 894 362 782	5 257 629 884	586 114 199
Equity-accounted investees	**72 500 400**	--	--	--	--	--	72 500 400
Loans and advances	**14 150 774 018**	5 368 096 045	785 799 445	994 455 891	2 829 630 237	4 029 803 400	142 989 000
Trade and other receivables	**662 797 800**	--	--	--	--	--	662 797 800
Property, plant and equipment	**860 165 206**	--	--	--	--	--	860 165 206
Intangible assets and goodwill	**3 541 970 704**	--	--	--	--	--	3 541 970 704
Total assets	**53 514 349 121**	**12 510 273 127**	**2 993 564 527**	**2 614 911 255**	**16 116 923 019**	**11 177 433 284**	**8 101 243 909**
Liabilities							
Due to banks and financial institutions	**555 920 400**	187 958 400	41 311 200	26 161 800	145 328 400	28 833 000	126 327 600
Customers' deposits	**43 961 779 238**	32 920 451 348	4 204 437 810	2 355 663 420	554 155 260	42 000	3 927 029 400
Trade and other payable	**1 002 115 799**	--	--	--	--	--	1 002 115 799
Loans and borrowings	**506 028 600**	--	--	--	--	--	506 028 600
Deferred income / revenue	**6 316 801**	--	--	--	--	--	6 316 801
Current tax liabilities	**64 314 600**	--	--	--	--	--	64 314 600
Deferred tax liabilities	**575 061 151**	--	--	--	--	--	575 061 151
Provisions	**124 479 600**	--	--	--	--	--	124 479 600
Total liabilities	**46 796 016 189**	**33 108 409 748**	**4 245 749 010**	**2 381 825 220**	**699 483 660**	**28 875 000**	**6 331 673 551**

Financial risk management (continued)

c) Commercial bank market risks - exposure to interest rate risk (continued)

2011	carrying amount	less than 3 months	3-6 months	6 months to 1 year	1-5 years	more than 5 years	non interest bearing
Assets	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cash and cash equivalents	**10 893 244 000**	6 825 428 000	464 312 000	681 392 000	1 350 720 000	--	1 571 392 000
Other investments	**19 182 506 778**	695 626 915	1 281 746 915	2 979 213 829	8 892 225 446	4 826 569 669	507 124 004
Equity-accounted investees	**67 344 000**	--	--	--	--	--	67 344 000
Loans and advances	**11 951 034 000**	5 024 189 364	1 104 429 364	2 148 058 727	3 438 177 818	157 266 727	78 912 000
Trade and other receivables	**655 636 000**	--	--	--	--	--	655 636 000
Property, plant and equipment	**703 723 103**	--	--	--	--	--	703 723 103
Intangible assets and goodwill	**3 381 208 190**	--	--	--	--	--	3 381 208 190
Total assets	**46 834 696 071**	**12 545 244 279**	**2 850 488 279**	**5 808 664 556**	**13 681 123 264**	**4 983 836 396**	**6 965 339 297**
Liabilities							
Due to banks and financial institutions	**593 672 000**	115 436 000	47 444 000	25 168 000	165 784 000	52 868 000	186 972 000
Customers' deposits	**37 957 455 300**	28 643 326 117	3 419 994 553	2 141 305 105	411 101 525	--	3 341 728 000
Trade and other payable	**996 072 000**	--	--	--	--	--	996 072 000
Loans and borrowings	**486 932 000**	--	--	--	--	452 252 000	34 680 000
Deferred income / revenue	**4 656 000**	--	--	--	--	--	4 656 000
Current tax liabilities	**48 092 000**	--	--	--	--	--	48 092 000
Deferred tax liabilities	**554 616 650**	--	--	--	--	--	554 616 650
Provisions	**102 496 000**	--	--	--	--	--	102 496 000
Total liabilities	**40 743 991 950**	**28 758 762 117**	**3 467 438 553**	**2 166 473 105**	**576 885 525**	**505 120 000**	**5 269 312 650**

Financial risk management (continued)

c) Commercial bank market risks - exposure to interest rate risk (continued)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

	Change in bp	Sensitivity of net interest income EGP
31-Dec-13		
LBP	+100	(220 514 800)
USD	+50	(47 237 400)
EUR	+25	211 600
31-Dec-12		
LBP	+100	(185 136 000)
USD	+50	(25 599 000)
EUR	+25	(735 000)
31-Dec-11		
LBP	+100	(210 512 000)
USD	+50	(48 572 000)
EUR	+25	(1 084 000)

Overall interest rate risk positions are managed by Risk Management, which uses investment securities, advances to banks, deposits from banks to manage the overall position arising from the Bank's activities.

Exposure to currency risks

The Bank monitors any concentration risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into the functional currency of the Bank, and with regard to the translation of foreign operations into the presentation currency of the Bank.

Financial risk management (continued)

c) Commercial bank market risks - exposure to currency risks (continued)

The following table presents the breakdown of assets and liabilities by currency:

In EGP			31/12/2013		
Assets	**LBP**	**USD**	**EUR**	**Other CCY**	**Total**
Cash and cash equivalents	4 181 459 776	9 818 559 274	328 540 672	535 033 878	**14 863 593 600**
Other investments	15 052 426 854	7 610 733 017	11 650 573	70 642 587	**22 745 453 031**
Equity-accounted investees	81 355 611	--	--	216 189	**81 571 800**
Loans and advances	6 602 804 202	10 432 571 251	644 218 290	326 702 439	**18 006 296 182**
Trade and other receivables	392 559 412	172 302 000	179 380 550	(131 912 962)	**612 329 000**
Property, plant and equipment	1 036 752 618	31 012 992	--	21 523 609	**1 089 289 219**
Intangible assets and goodwill	3 892 368 123	617 174	52 856	502 988	**3 893 541 141**
Total assets	**31 239 726 596**	**28 065 795 708**	**1 163 842 941**	**822 708 728**	**61 292 073 973**
Liabilities					
Due to banks and financial institutions	414 055 211	374 438 947	3 038 906	18 296 936	**809 830 000**
Customer's deposits	22 752 636 583	25 031 781 447	1 100 754 235	599 642 123	**49 484 814 388**
Trade and other payable	1 324 101 880	558 804 025	20 342 232	16 530 725	**1 919 778 862**
Loans and borrowings	--	554 120 600	--	--	**554 120 600**
Deferred income/revenue	5 303 800	--	--	--	**5 303 800**
Current tax liabilities	82 100 800	--	--	--	**82 100 800**
Deferred tax liabilities	634 264 840	--	--	--	**634 264 840**
Provisions	148 902 278	3 007 824	1 029 763	663 335	**153 603 200**
Total liabilities	**25 361 365 392**	**26 522 152 843**	**1 125 165 136**	**635 133 119**	**53 643 816 490**

In EGP			31/12/2012		
Assets	**LBP**	**USD**	**EUR**	**Other CCY**	**Total**
Cash and cash equivalents	3 574 662 000	8 635 666 200	484 255 800	456 951 600	**13 151 535 600**
Other investments	14 052 381 793	6 981 235 800	--	40 987 800	**21 074 605 393**
Equity-accounted investees	72 303 000	--	--	197 400	**72 500 400**
Loans and advances	5 349 548 018	8 192 545 200	335 017 200	273 663 600	**14 150 774 018**
Trade and other receivables	438 551 400	195 027 000	117 390 000	(88 170 600)	**662 797 800**
Property, plant & equipment	806 573 206	32 067 000	--	21 525 000	**860 165 206**
Intangible assets and goodwill	3 539 946 304	373 800	--	1 650 600	**3 541 970 704**
Total assets	**27 833 965 721**	**24 036 915 000**	**936 663 000**	**706 805 400**	**53 514 349 121**
Liabilities					
Due to banks and financial institutions	49 849 800	469 786 800	7 228 200	29 055 600	**555 920 400**
Customer's deposits	20 577 708 038	21 918 976 800	1 004 148 600	460 945 800	**43 961 779 238**
Trade and other payable	643 927 199	321 472 200	22 003 800	14 712 600	**1 002 115 799**
Loans and borrowings	--	506 024 400	--	4 200	**506 028 600**
Deferred income/revenue	6 316 801	--	--	--	**6 316 801**
Current tax liabilities	64 314 600	--	--	--	**64 314 600**
Deferred tax liabilities	575 061 151	--	--	--	**575 061 151**
Provisions	118 612 200	4 804 800	898 800	163 800	**124 479 600**
Total liabilities	**22 035 789 789**	**23 221 065 000**	**1 034 279 400**	**504 882 000**	**46 796 016 189**

Financial risk management (continued)

c) Commercial bank market risks - exposure to currency risks (continued)

In EGP	31/12/2011		
Assets	**LBP**	**Other CCY**	**Total**
Cash and cash equivalents	2 365 872 000	8 527 372 000	**10 893 244 000**
Other investments	12 578 434 778	6 604 072 000	**19 182 506 778**
Equity-accounted investees	67 156 000	188 000	**67 344 000**
Loans and advances	4 805 778 000	7 145 256 000	**11 951 034 000**
Trade and other receivables	409 952 000	245 684 000	**655 636 000**
Property, plant and equipment	657 875 103	45 848 000	**703 723 103**
Intangible assets and goodwill	3 376 804 190	4 404 000	**3 381 208 190**
Total assets	**24 261 872 071**	**22 572 824 000**	**46 834 696 071**
Liabilities			
Due to banks and financial institutions	105 832 000	487 840 000	**593 672 000**
Customer's deposits	17 657 043 300	20 300 412 000	**37 957 455 300**
Trade and other payable	552 268 000	443 804 000	**996 072 000**
Loans and borrowings	--	486 932 000	**486 932 000**
Deferred income/revenue	4 656 000	--	**4 656 000**
Current tax liabilities	48 092 000	--	**48 092 000**
Deferred tax liabilities	554 616 650	--	**554 616 650**
Provisions	97 732 000	4 764 000	**102 496 000**
Total liabilities	**19 020 239 950**	**21 723 752 000**	**40 743 991 950**

The Bank is subject to currency risk on financial assets and liabilities denominated in currencies other than the Bank's functional currency, which is the Lebanese Pound (LBP). Most of these financial assets and liabilities are denominated in US Dollars or Euros.

An analysis of the Bank's sensitivity to a change in currency rates, assuming all other variables remain constant, is as follows:

	Change in bp	**Effect on profit before tax EGP**	**Effect on equity EGP**
31-Dec-13			
USD	1%	(1 886 000)	14 241 600
EUR	1%	234 600	--
BHD	1%	1 412 200	--
XOF	1%	23 000	--
31-Dec-12			
USD	1%	(1 671 600)	6 703 200
EUR	1%	50 400	--
BHD	1%	1 318 800	--
XOF	1%	21 000	--
31-Dec-11			
USD	1%	(1 180 000)	6 060 000
EUR	1%	28 000	--
BHD	1%	1 264 000	--
XOF	1%	20 000	--

Financial risk management (continued)

d) Commercial bank operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and innovation. In all cases, the Bank policy requires compliance will all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility for operational risks to management which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is cost effective.

Compliance with Bank standards is supported by a program of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management, with summaries submitted to the Audit Committee and senior management of the Bank.

Financial risk management (continued)

e) Commercial bank capital management

Regulatory capital

The Bank's lead regulator, the Central Bank of Lebanon, sets and monitors capital requirements for the Bank as a whole. The Bank's regulatory capital adequacy ratio at 31 December was as follows:

	2013	**2012**	**2011**
Capital adequacy ratio - Tier 1 capital	12.54%	11.62%	11.83%
Capital adequacy ratio - Total capital	14.17%	13.65%	14.15%

To monitor the adequacy of its capital, the Bank uses ratios established for International Settlements (BIS). In line with Basel III and Central Bank of Lebanon Basic Circular no. 44 amended by Central Bank of Lebanon Intermediary Circular no. 282, the minimum requirements for capital adequacy ratios are set at 8% by the BIS and the Central Bank of Lebanon.

These ratios measure capital adequacy (minimum 8% as required by BIS and 12% as required by the Central Bank of Lebanon) by comparing the Bank's eligible capital with its statement of financial position, off-balance-sheet commitments and market and other risk positions at weighted amounts to reflect their relative risk.

The market risk approach covers the risk of open positions in currencies and debt and equity securities. Assets are weighted according to broad categories of notional risk, being assigned a risk weighting according to the amount of capital deemed to be necessary to support them. Six categories of risk weights (0%, 20%, 35%, 50%, 75%, 100%) are applied, for example cash and LBP placements with the Central Bank have a 0% risk weighting which means that no capital is required to support the holding of these assets.

Off-balance-sheet credit instruments are taken into account by applying different categories of conversion factors, designed to convert these items into statement of financial position equivalents.

The results of the capital adequacy computation exercise are presented to Senior Management and the Bank's Risk Committee for regular review and monitoring of the Bank's overall capitalization levels.

The resulting equivalent amounts are then weighted for risk using the same percentages as for on financial position assets.

Financial risk management (continued)

e) Commercial bank capital management (continued)

The Bank's regulatory capital comprises two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings and NCI after deductions for intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, and the element of the fair value reserve relating to unrealized gains and losses on equity instruments measured at fair value through other comprehensive income and real estate revaluation reserve.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements.

	2013	**2012**	**2011**
	EGP	**EGP**	**EGP**
Risk weighted assets			
Credit risk	29 252 002 600	24 463 450 200	19 567 092 000
Market risk	463 151 000	430 647 000	420 764 000
Operational risk	2 159 382 600	1 898 908 200	1 671 168 000
Total risk weighted assets	**31 874 536 200**	**26 793 005 400**	**21 659 024 000**

The Bank's regulatory capital position under Basel II at 31 December was as follows:

	2013	**2012**	**2011**
	EGP	**EGP**	**EGP**
Tier 1 capital	3 998 172 800	3 112 368 000	2 562 120 000
Tier 2 capital	518 857 000	544 210 800	503 532 000
Total regulatory capital	**4 517 029 800**	**3 656 578 800**	**3 065 652 000**

33- Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

a) Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2:inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Fair values of financial instruments (continued)

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over the counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair values of financial instruments (continued)

b) Financial instruments measured at fair value

The following tables analyses financial instruments measured at fair value at the reporting date, the amounts are based on the values recognized in the statement of financial position:

31 December 2013		Carrying amount					Fair value			
(In EGP)	Note	Designated at fair value	Amortized cost	Available - for - sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Financial assets measured as at fair value through profit or loss	(6)	1 124 413 027	--	--	--	1 124 413 027	268 286 835	856 126 192	--	1 124 413 027
Available - for- sale investments	(6)	--	--	1 786 563 343	--	1 786 563 343	638 773 206	92 418 600	1 055 371 537	1 786 563 343
		1 124 413 027	--	**1 786 563 343**	--	**2 910 976 370**				
Financial assets not measured at fair value										
Trade and other receivables	(9)	--	2 053 298 724	--	--	2 053 298 724				
Cash and cash equivalents	(5)	--	16 451 210 148	--	--	16 451 210 148				
Held-to-maturity investments	(6)	--	22 139 071 831	--	--	22 139 071 831				
		--	**40 643 580 703**	--	--	**40 643 580 703**				
Financial liabilities not measured at fair value										
Due to banks and financial institutions	(13)	--	--	--	914 515 747	914 515 747				
Customers' deposits	(14)	--	--	--	49 484 814 388	49 484 814 388				
Trade and other payables	(15)	--	--	--	3 466 175 306	3 466 175 306				
Loans and borrowings	(16)	--	--	--	554 120 600	554 120 600				
		--	--	--	**54 419 626 041**	**54 419 626 041**				

Fair values of financial instruments (continued)

31 December 2012		Carrying amount					Fair value			
(In EGP)	Note	Designated at fair value	Amortized cost	Available - for - sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Financial assets measured as at fair value through profit or loss	(6)	633 227 335	--	--	--	633 227 335	222 955 542	410 271 793	--	633 227 335
Available - for- sale investments	(6)	--	--	1 400 401 325	--	1 400 401 325	507 669 681	73 092 600	819 639 044	1400 401 325
		633 227 335	--	**1 400 401 325**	--	**2 033 628 660**				
Financial assets not measured at fair value										
Trade and other receivables	(9)	--	817 123 383	--	--	817 123 383				
Cash and cash equivalents	(5)	--	13 414 952 983	--	--	13 414 952 983				
Held-to-maturity investments	(6)	--	20 604 633 793	--	--	20 604 633 793				
		--	**34 836 710 159**	--	--	**34 836 710 159**				
Financial liabilities not measured at fair value										
Due to banks and financial institutions	(13)	--	--	--	555 920 400	555 920 400				
Customers' deposits	(14)	--	--	--	43 961 779 238	43 961 779 238				
Trade and other payables	(15)	--	--	--	1 144 646 995	1 144 646 995				
Loans and borrowings	(16)	--	--	--	506 028 600	506 028 600				
		--	--	--	**46 168 375 233**	**46 168 375 233**				

Fair values of financial instruments (continued)

31 December 2011		Carrying amount					Fair value			
(In EGP)	Note	Designated at fair value	Amortized cost	Available - for - sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Financial assets measured as at fair value through profit or loss	(6)	817 449 045	--	--	--	817 449 045	261 982 690	555 466 355	--	817 449 045
Available - for- sale investments	(6)	--	--	1 168 979 102	--	1 168 979 102	262 785 404	74 880 000	831 313 698	1 168 979 102
		817 449 045	--	**1 168 979 102**	--	**1 986 428 147**				
Financial assets not measured at fair value										
Trade and other receivables	(9)	--	1 925 133 273	--	--	1 925 133 273				
Cash and cash equivalents	(5)	--	12 242 864 080	--	--	12 242 864 080				
Held-to-maturity investments	(6)	--	18 681 518 778	--	--	18 681 518 778				
		--	**32 849 516 131**	--	--	**32 849 516 131**				
Financial liabilities not measured at fair value										
Due to banks and financial institutions	(13)	--	--	--	609 256 600	609 256 600				
Customers' deposits	(14)	--	--	--	37 957 455 300	37 957 455 300				
Trade and other payables	(15)	--	--	--	1 843 566 580	1 843 566 580				
Loans and borrowings	(16)	--	--	--	486 932 000	486 932 000				
		--	--	--	**40 897 210 480**	**40 897 210 480**				

34- Subsequent events

- The company's board of directors meeting held on January 8, 2014 approved to purchase treasury shares with a billion Egyptian pounds during the first nine months of the year 2014 through two phases, the first phase have been implemented through purchase of 36 956 522 shares at average exercising price EGP 11.5 per share and the second phase aims to purchase shares with an amount of approximately EGP 575 million during the period between the end of the second quarter or the third quarter of 2014.

- The Ordinary General Assembly of EFG - Hermes Holding Company approved in its session held on May 17, 2014 to transfer an amount of EGP 591 721 138 from share premium reserve to cover the retained losses which were presented in the separate financial statements of the company for the year ended 31 December, 2013.

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