

EFG HERMES REPORTS THIRD QUARTER 2016 GROUP EARNINGS FROM CONTINUED OPERATIONS OF EGP41 MILLION; ON OPERATING REVENUE OF EGP294 MILLION

Cairo, November 15th, 2016 – EFG Hermes reported today net profit after tax and minority interest from continued operations of EGP41 million in 3Q16, up 3% Y-o-Y. Operating revenue rose 28% Y-o-Y to EGP294 million in 3Q16. Net profit after tax and minority interest from continued and discontinued operations reached EGP151 million, up 25% Y-o-Y in 3Q16. The Group total assets stood at EGP14.0 billion at the end of 3Q16.

Key Highlights

3Q2016

- ≡ EFG Hermes reported buoyant results in 3Q16 despite a seasonally weak quarter; with the burgeoning non-bank finance platform supporting the overall performance. The Firm reported a net profit after tax and minority interest from continued operations of EGP41 million, up 3% Y-o-Y in 3Q16;
- ≡ On the operational level, the Firm recorded a net operating profit of EGP76 million, up 7% Y-o-Y; as higher revenues overshadowed higher expenses;
- ≡ Total operating revenues increased 28% Y-o-Y to EGP294 million in 3Q16; predominantly on strong revenue generated from the growing non-bank finance platform, higher contribution from one of our core segments, namely Brokerage, and capital gain realized from seed capital redemption;
- ≡ Total operating expenses rose 37% Y-o-Y to EGP219 million in 3Q16; mainly on additional costs associated with the new businesses, Leasing and Tanmeyah. However, employee expenses/ operating revenue came at 47% in 3Q16; an accomplishment given the rising inflationary pressures, and the EGP devaluation in 1Q16 which impacts our overseas salaries;
- ≡ During the period, EFG Hermes reported a net profit after tax and minority interest from continued and discontinued operations of EGP151 million, up 25% Y-o-Y in 3Q16; reflecting the adjustment of impairment charges booked in 1Q16 and associated with the sale of Credit Libanais. This comes in accordance with the Egyptian Accounting Standards, which necessitates an adjustment in the occurrence of a subsequent material event - the EGP devaluation;
- ≡ We continue to divest our remaining stake in Credit Libanais post the sale of our majority stake in the Bank and its subsequent deconsolidation in 2Q16. In 3Q16, we offloaded an additional 3.3% of the Bank's shares, thus leaving the Firm with 16.1% stake at the end of the period.

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

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