Stock Exchange & Symbol

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EFG HERMES REPORTS FIRST QUARTER 2013 GROUP NET PROFIT OF EGP98 MILLION; ON TOTAL OPERATING REVENUE OF EGP494 MILLON

Cairo, May 22nd, 2013 – EFG Hermes reported today Group net profit after tax and before minority of EGP98 million for the 1Q2013, compared to EGP77 million a year earlier. The Group operating revenue reached EGP494 million in 1Q2013, from EGP433 million in 1Q2012. Total assets stood at EGP65.1 billion at the end of 1Q2013.

Key Highlights

- Group revenue rose 14% Y-o-Y to reach EGP494 million while the Group's operating expenses reached EGP351 million, resulting in a net profit after tax and before minority of EGP98 million and a Group net operating profit margin of 29%.

- Investment Bank revenue rose 17% Y-o-Y to EGP194 million driven by an improvement in core business revenue, fees & commissions.

- Fee and commission revenue increased 26% Y-o-Y to EGP158 million in 1Q2013 on higher revenue generated from Brokerage, Asset Management, Private Equity and Investment Banking.

- Capital markets & treasury operations revenue declined 13% Y-o-Y to EGP36 million mainly on lower returns on investments as Egyptian equity market retreated Y-o-Y.

- Credit Libanais net income after tax came at USD16.2 million in 1Q2013, down 12% Y-o-Y and up 65% Q-o-Q, resulting in an after-tax RoAE of 12.2%. The Bank's operating revenue lines, fees and commissions and trading income, saw Y-o-Y increase.

- Brokerage remained #1 on the Egyptian Stock Exchange and maintained a leading position in a number of other regional markets. Over the quarter, Brokerage executions rose 35% to reach USD5.4 billion.

- Asset Management AuMs stood at USD3.1 billion at the end of 1Q2013, down 7.7% Q-o-Q. Net outflows represented 5.6% of the decline while markets performance represented the remaining, 2.1%.

- EFG-Hermes Investment Banking closed two transactions during the quarter a USD43 million private placement for Wadi Degla for Investments S.A.E. and the acquisition of Japan Tobacco International of Al Nakhla Tobacco in Egypt.

- Private Equity AuMs stood at USD0.6 billion, with no exits taking place during the quarter.

A. GROUP PERFORMANCE

I. Performance Indicators and Financial Highlights

Table 1: Key Operating Indicators

		1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Brokerage Executions	USD mn	5,417	4,014	5,872	35%	-8%
Investment Banking Fees	EGP mn	15	4	12	291%	22%
Assets under Management:	USD mn	3,791	4,075	4,284	-7%	-12%
In Private Equity*	USD mn	644	665	976	-3%	-34%
In Asset Management	USD mn	3,147	3,410	3,308	-8%	-5%
Deposits	USD mn	7,046	6,961	6,423	1%	10%
Loans	USD mn	2,386	2,234	2,049	7%	16%
Group Net Income**	EGP mn	98	(21)	77	N/M	27%

**The decline in Private Equity's AuM is due to the expiration of ECP III's investment period, the fund is included at NAV*

***Net profit after tax and before minority interest*

Source: EFG Hermes and Crédit Libanais data

Table 2: Investment Bank/Commercial Bank Financial Performance

EGP (mn)	Investment Bank					Commercial Bank				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	194	157	166	23%	17%	300	290	267	4%	12%
Total Operating Expenses	188	217	163	-13%	16%	163	190	133	-14%	22%
Net Operating Profit	5	(60)	3	N/M	59%	138	100	134	37%	3%
Net Operating Margin	3%	N/M	2%			46%	35%	50%		
Net Profit After Tax & Before Minority Interest	(18)	(72)	(26)	N/M	N/M	116	51	103	128%	13%

Source: EFG Hermes management accounts and Crédit Libanais data

Table 3: Group Financial Performance

EGP (mn)	Group EFG Hermes				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	494	447	433	10%	14%
Total Operating Expenses	351	407	296	-14%	19%
Net Operating Profit	143	41	137	252%	4%
Net Operating Margin	29%	9%	32%		
Net Profit After Tax & Before Minority Interest	98	(21)	77	N/M	27%

Source: EFG Hermes management accounts

II. Group Revenues

Table 4: Group Revenue

EGP (mn)	1Q13		4Q 12		1Q12		Q-o-Q	Y-o-Y
Investment Bank Revenue	**194**	**39%**	**157**	**35%**	**166**	**38%**	**23%**	**17%**
Fees & Commissions	158	32%	145	25%	125	29%	8%	26%
Capital Markets & Treasury Operations	36	7%	12	5%	41	10%	201%	-13%
of which:								
Net Interest Income*	38	8%	21	5%	13	3%	83%	200%
Returns on Investments**	(2)	0%	(9)	0%	29	7%	N/M	N/M
Commercial Bank Revenue	**300**	**61%**	**290**	**65%**	**267**	**62%**	**4%**	**12%**
Group Revenue	**494**	**100%**	**447**	**100%**	**433**	**100%**	**10%**	**14%**

** Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)*
*** Represents realized & unrealized gains/losses on trading investments and dividend income*
Source: EFG Hermes management accounts

Group revenue rose 14% Y-o-Y to EGP494 million in 1Q2013 supported by an improvement in the Investment Bank and the Commercial Bank revenue. The Commercial Bank revenue represented 61% of the Group revenue and the Investment Bank represented the remaining, 39%.

The Investment Bank revenue rose 17% Y-o-Y to EGP194 million in 1Q2013, driven by an improvement in core business revenue, fees & commissions, which increased 26% Y-o-Y to EGP158 million in 1Q2013 on higher revenue generated from Brokerage, Asset Management, Private Equity and Investment Banking. The Commercial Bank revenue contribution to the Group increased 12% Y-o-Y to EGP300 million in 1Q2013, largely on FX gains as the EGP devaluated.

Group revenue rose 10% Q-o-Q, principally on higher revenue generated from the Investment Bank (+23%) and particularly from higher revenue generated from capital markets and treasury operations which increased 201% Q-o-Q. The increase in capital markets and treasury operations revenue is attributed to higher FX gains, as the EGP devaluated sharply during 1Q2013. Fee and commission revenue rose 8% Q-o-Q, driven by higher revenue generated from Investment Banking and Private Equity. The Commercial Bank revenue rose 4% Q-o-Q, supported by the EGP devaluation.

III. Group Operating Expenses

Table 5: Group Operating Expenses (Investment Bank/Commercial Bank)

EGP (mn)	Investment Bank					Commercial Bank				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	194	157	166	23%	17%	300	290	267	4%	12%
Total Operating Expenses	**188**	**217**	**163**	**-13%**	**16%**	**163**	**190**	**133**	**-14%**	**22%**
Net Operating Profit	5	(60)	3	N/M	59%	138	100	134	37%	3%
Net Operating Margin	3%	N/M	2%			46%	35%	50%		
Employee Expenses	**134**	**163**	**106**	**-18%**	**26%**	**104**	**102**	**88**	**2%**	**18%**
Employee Expenses/Operating Expenses	71%	75%	65%			64%	54%	66%		
Other Operating Expenses	**55**	**54**	**57**	**2%**	**-4%**	**59**	**88**	**45**	**-33%**	**30%**
Other Operating Expenses/Operating Expenses	29%	25%	35%			36%	46%	34%		

Source: EFG Hermes Management Accounts

Table 6: Group Operating Expenses

EGP (mn)	Group EFG Hermes				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	494	447	433	10%	14%
Total Operating Expenses	**351**	**407**	**296**	**-14%**	**19%**
Net Operating Profit	143	41	137	252%	4%
Net Operating Margin	29%	9%	32%		
Employee Expenses	**237**	**265**	**193**	**-11%**	**23%**
Employee Expenses/Operating Expenses	68%	65%	65%		
Other Operating Expenses	**114**	**142**	**103**	**-19%**	**11%**
Other Operating Expenses/Operating Expenses	32%	35%	35%		

Source: EFG Hermes Management Accounts

Group operating expenses rose 19% Y-o-Y to EGP351 million on higher costs reported by the Investment Bank and the Commercial Bank. Group operating expenses were split 54/46 between the Investment and the Commercial Bank.

The Investment Bank expenses rose 16% Y-o-Y to EGP188 million in 1Q2013, on the back of one-off expenses booked during the quarter. A significant portion of those one-off expenses relate to the cost restructuring plan that EFG Hermes is currently undergoing for the whole business and that aims at bringing our cost base lower in the coming years.

Meanwhile, the Commercial Bank expenses rose 22% Y-o-Y to EGP163 million, reflecting higher employee expenses, higher other operating expenses and the impact of the EGP depreciation. Indeed, expenses will be higher when converted to EGP, the reporting currency.

On a Q-o-Q basis, Group operating expenses fell 14%, as the Investment Bank expenses declined 13% Q-o-Q and the Commercial Bank expenses contracted 14% Q-o-Q. The decline in the Investment Bank expenses was due to lower employee expenses. Meanwhile, the decline in the Commercial Bank expenses relates to the disappearance of one-offs general expenses booked in 4Q2012.

THE INVESTMENT BANK

I. Investment Bank Revenue

Table 7: Investment Bank Revenue

EGP (mn)	1Q13		4Q12		1Q12		Q-o-Q	Y-o-Y
Fee & Commission Revenue	158	81%	145	92%	125	75%	8%	26%
Capital Markets & Treasury Operations Revenue	36	19%	12	8%	41	25%	201%	-13%
of which:								
*Net Interest Income**	*38*	*20%*	*21*	*13%*	*13*	*8%*	*83%*	*200%*
*Returns on Investments***	*(2)*	*-1%*	*(9)*	*-6%*	*29*	*17%*	*N/M*	*N/M*
Total Revenue	**194**	**100%**	**157**	**100%**	**166**	**100%**	**23%**	**17%**

** Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)*
*** Represents realized & unrealized gains/losses on trading investments and dividend income*

Source: EFG Hermes Management Accounts

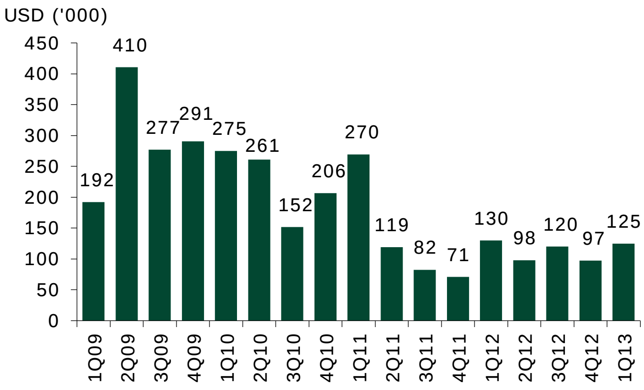
The Investment Bank revenue rose 17% Y-o-Y to EGP194 million in 1Q2013 underpinned by strong fee and commission revenue, which climbed 26% Y-o-Y to EGP158 million in 1Q2013, and reflects the improvement in revenue generated from all business divisions including, Private Equity, Asset Management, Investment Banking and Brokerage.

Alternatively, revenue generated from capital markets and treasury operations declined 13% Y-o-Y to EGP36 million in 1Q2013. The improvement in net interest income (+200% Y-o-Y), which was driven by FX gains as the USD appreciated against the EGP, failed to off-set the losses booked on investments. Unrealized losses on equity funds amounted to EGP4.0 million in 1Q2013 compared to returns of EGP20.3 million a year earlier, as the Egyptian equity market contracted in 1Q2013 as opposed to 1Q2012.

On a quarterly basis, the Investment Bank revenue rose 23% on higher fees and commissions and capital market and treasury operations revenues. Fee and commission revenue rose 8% Q-o-Q on higher Private Equity and Investment Banking revenue. Capital markets and treasury operations revenue increased 201% Q-o-Q, supported by: (1) FX gains surfacing from the EGP devaluation; (2) A low comparative base 4Q2012 which included losses on Investments amounting to EGP9 million.

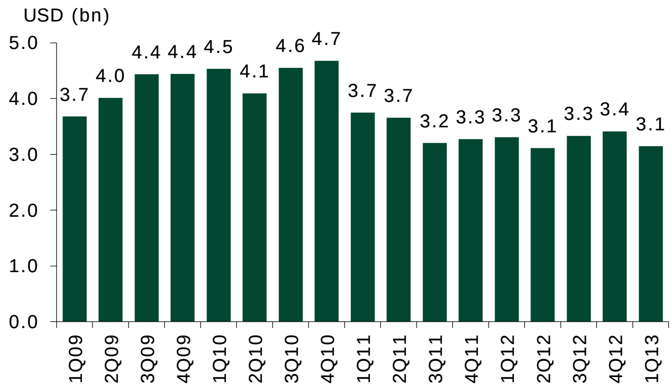
Fee and Commission Revenue

Figure 8: Brokerage Av. Daily Commission



**In 1Q2011, av. daily comm. in Egypt is calc. on 25 trading day*
Source: EFG Hermes

Figure 9: Asset Management AuMs



Source: EFG Hermes

Table 10: Fee and Commission Revenue

(EGP mn)	1Q13		4Q12		1Q12		Q-o-Q	Y-o-Y
Brokerage: Egypt	41	26%	53	36%	40	32%	-23%	1%
Brokerage: UAE	7	5%	3	2%	7	5%	177%	9%
Brokerage: KSA	2	1%	1	1%	3	2%	63%	-15%
Brokerage: Oman	3	2%	1	1%	1	1%	135%	116%
Brokerage: Kuwait	10	6%	6	4%	10	8%	67%	1%
Brokerage: Jordan	2	1%	1	1%	1	1%	58%	66%
Total Brokerage	**65**	**41%**	**65**	**45%**	**62**	**49%**	**0%**	**4%**
Asset Management: Egypt	11	7%	27	19%	9	7%	-61%	25%
Asset Management: Regional	21	13%	18	12%	16	13%	15%	31%
Total Asset Management	**31**	**20%**	**45**	**31%**	**24**	**19%**	**-31%**	**29%**
Private Equity	**47**	**30%**	**31**	**22%**	**27**	**21%**	**50%**	**76%**
Investment Banking: Egypt	14	9%	3	2%	12	10%	315%	19%
Investment Banking: Regional	0	0%	0	0%	0	0%	16%	N/M
Total Investment Banking	**15**	**9%**	**4**	**3%**	**12**	**10%**	**291%**	**22%**
Fees & Commissions	**158**	**100%**	**145**	**100%**	**125**	**100%**	**8%**	**26%**

Source: EFG Hermes Management Accounts

Fee and commission revenue rose 26% Y-o-Y to EGP158 million in 1Q2013, as revenue generated from all business lines increased.

Brokerage revenue rose 4% Y-o-Y to EGP65 million in 1Q2013 broadly in line with the 7% Y-o-Y increase in regional volumes (excluding KSA). Asset Management revenue rose 29% Y-o-Y to EGP31 million in 1Q2013 on higher management fees and incentive fees. Investment Banking revenue rose 22% Y-o-Y to EGP15 million in 1Q2013 on higher advisory fees. Private Equity revenue rose 76% Y-o-Y to EGP47 million.

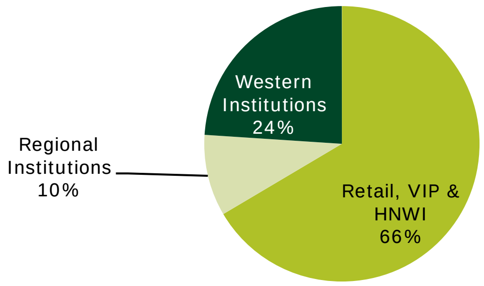
On a Q-o-Q, fees and commissions rose 8% Q-o-Q, driven by Investment Banking and Private Equity revenue. Investment Banking revenue rose 291% Q-o-Q on higher advisory fees, and Private Equity revenue increased 50% Q-o-Q. On the other hand, Asset Management revenue declined 31% Q-o-Q on lower incentive fees. Brokerage revenue was flat Q-o-Q despite our higher executions (+35% Q-o-Q), mainly due to the base effect as 4Q2012 included higher custody revenue, interest earned and end of year dividends.

Fee and Commission Revenue – Brokerage

Regional markets kicked off the year with strong performance (except Egypt). The S&P Pan Arab Comp ML Index added 3.1% and EFG Hermes MENA Index climbed 4.3% over the same period. Improving volumes accompanied the regional indices upward trend, with the average regional volumes rising 53% Q-o-Q (excluding KSA). EFG Hermes Brokerage executions rose 35% to reach USD5.4 billion compared to USD4.0 billion in the previous quarter.

Revenue generated from the retail business (which includes online, call center, branches, VIP individuals and HNWI), declined to account for 66% of total brokerage revenue versus 70% in 4Q2012. Meanwhile, western institutional clients accounted for 24% of total Brokerage revenue at the end of 1Q2013 versus 22% in 4Q2012 and regional institutional clients accounted for 10% versus 8% a quarter earlier.

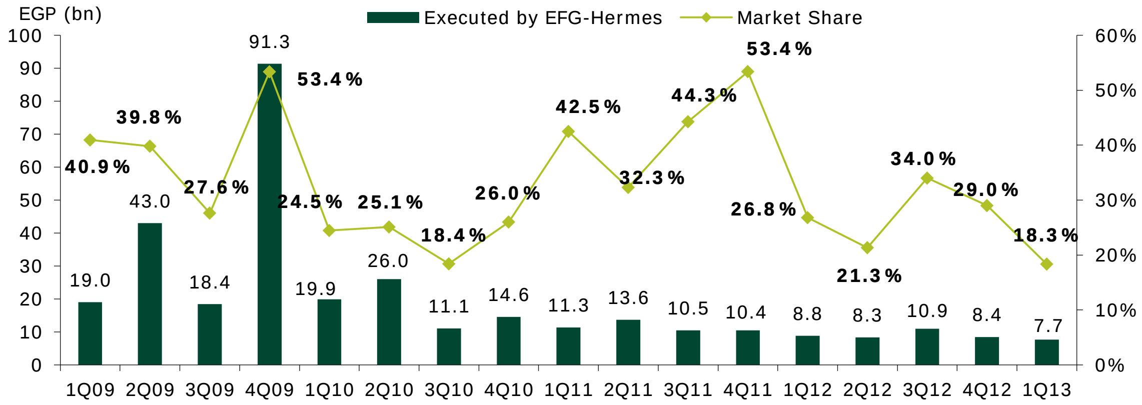
Figure 11: Brokerage Revenue by Desk



**1Q2013 Revenue Breakdown*
Source: EFG Hermes

Egypt

Figure 12: Egypt Executions and Market Share



**Market share calculation is based on total market volumes (including special transactions)*
Source: EGX, EFG Hermes

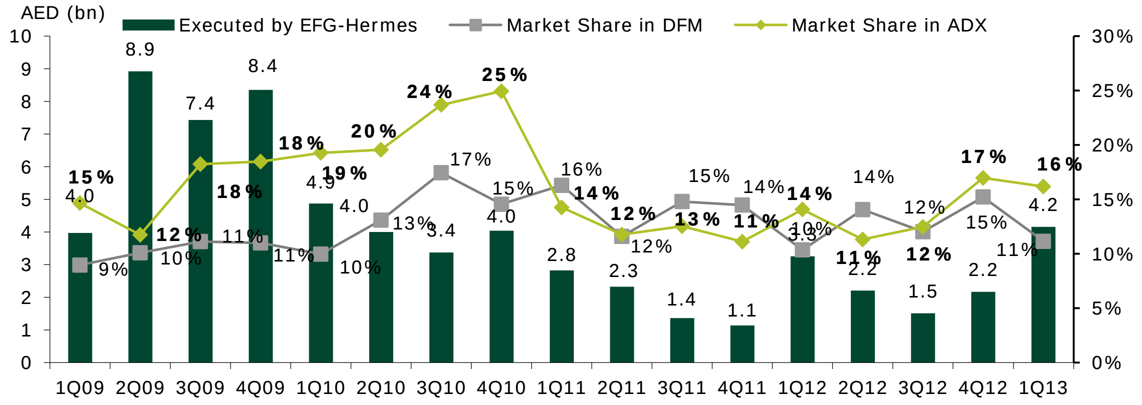
With the deteriorating economic conditions weighing down on the Egyptian equity market, the Hermes Financial Index (HFI) lost 6.3% over the quarter. However, volumes on the Egyptian Stock Market (EGX) rose 45% Q-o-Q in 1Q2013, as the quarter saw the execution of NSGB/QNB tender offer in a transaction worth EGP16.7 billion. Excluding the special transaction, market volumes would have declined 16.7% in 1Q2013.

During the quarter and excluding special transactions, EFG-Hermes maintained a strong 65% market share, on average, of foreign institutional investor participation on the Egyptian market, thus resulting in a 30.7% market share and a #1 ranking on the EGX in 1Q2013, comfortably outperforming the following broker by 96%.

Revenue generated from Egypt brokerage declined 23% Q-o-Q to EGP41 million in 1Q2013, driving Egypt's brokerage revenue contribution to the Group's total brokerage revenue to 63% from 81% in 4Q2012.

UAE

Figure 13: UAE Executions and Market Share



Source: DFM, ADX, EFG Hermes

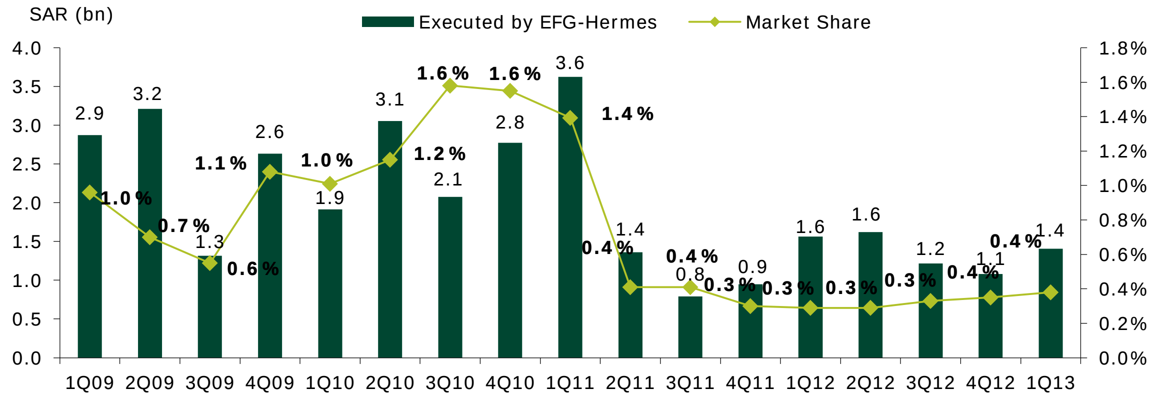
Volumes and performance improved considerably in 1Q2013, with volumes on the Dubai Financial Market (DFM) rising 156% Q-o-Q and on the Abu Dhabi Exchange (ADX) gaining 138% Q-o-Q. In terms of performance, the Dubai Financial Market General Index (DFMGI) gained 12.7% Q-o-Q and Abu Dhabi Index (ADI) rose 15.0% Q-o-Q.

On the DFM, our Brokerage executions improved, yet lingered the improvement seen in the market volumes, pushing our market share and ranking to 11.2% and 6th place in 1Q2013. Meanwhile, on ADX, our market share was broadly unchanged, slipping slightly to 16.2% in 1Q2013 with 4th place ranking.

In 1Q2013, revenue generated from UAE brokerage operations reached EGP7 million; a 177% increase Q-o-Q. This brings UAE's contribution to the Group's total brokerage revenue to 11% from 4% in 4Q2012.

Saudi Arabia

Figure 14: KSA Executions and Market Share



Source: Tadawul, EFG Hermes

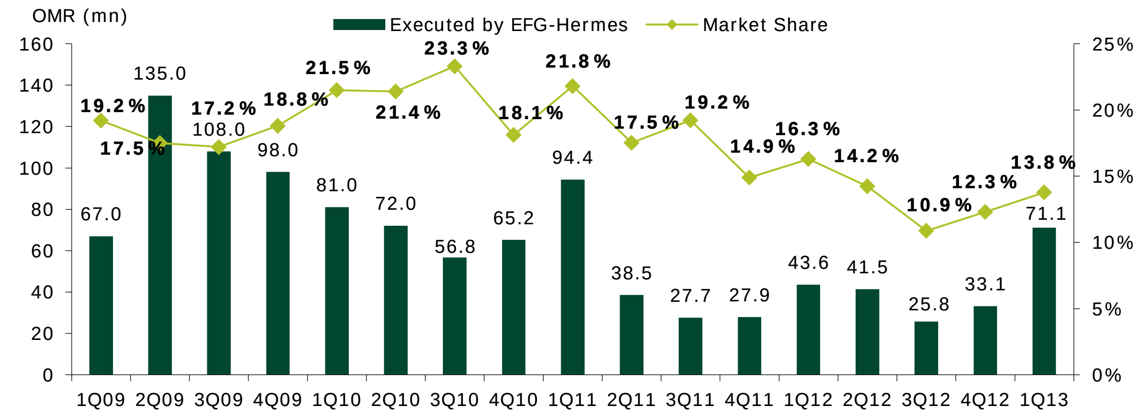
The Saudi Stock Market (Tadawul) gained some momentum in 1Q2013, with turnover rising 16% Q-o-Q and Tadawul All Share Index (TASI) rising 4.8% over the quarter.

Retail investors continued to dominate the Saudi market while the percentage of foreign institutions participation via participatory notes did not exceed an average of 2.5% of the total market volumes. Additionally, EFG-Hermes share of the total foreign participation was around 22%. All of which, restricted EFG Hermes market share at 0.4% in 1Q2013.

The increase in market volumes was reflected in EFG Hermes executions and revenue. EFG Hermes KSA brokerage revenue reached EGP2 million in 1Q2013, up 63% Q-o-Q and represented 3.3% of the Group's total brokerage revenue.

Oman

Figure 15: Oman Executions and Market Share



Source: Muscat Securities Market, EFG Hermes

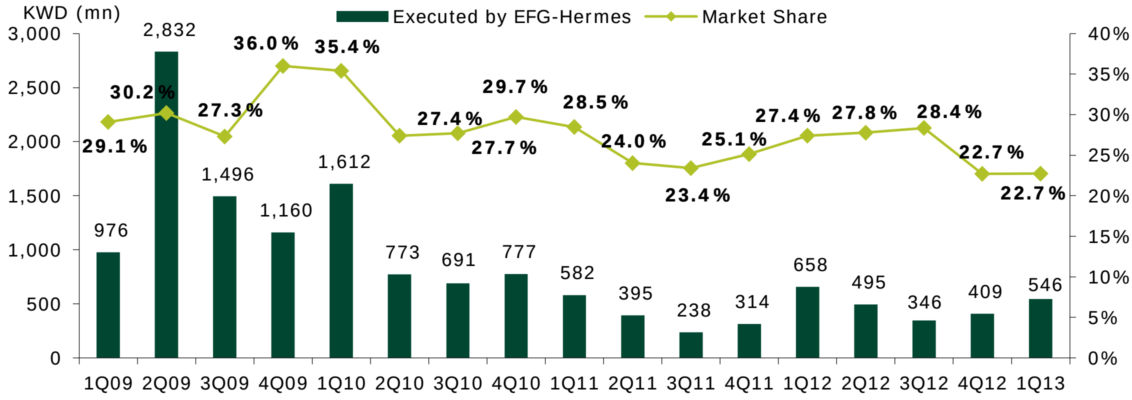
In 1Q2013, volumes picked up on the Muscat Securities Market (MSM) increasing 106% Q-o-Q and the Muscat Securities Index (MSM30) rose 4.0% Q-o-Q.

Triggered by higher local investors and GCC clients' activity, EFG Hermes executions increased with the rebound in volumes, driving our market share up to 13.8% and supporting our 6th place ranking.

Revenue generated from Oman brokerage stood at EGP3 million, up 135% Q-o-Q and bringing its contribution to total brokerage revenue to 4.4%.

Kuwait

Figure 16: Kuwait Executions and Market Share



Source: Kuwait Securities Exchange, EFG Hermes

Improved sentiment in the Kuwaiti market on the back of a somewhat calmer political scene lifted the Kuwaiti market, with volumes increasing 29% Q-o-Q and the KSE Index gaining 13.3% over the quarter.

During the quarter, trading was focused on small cap. stocks rather than the blue chips which our HNW clients trade, however given our solid retail platform including online trading, the firm managed to maintain its market share and ranking unchanged at 22.7% and 3rd place ranking.

Kuwait Brokerage revenue rose 67% Q-o-Q to EGP10 million, bringing it as the second largest contributor to the Group's total brokerage revenue with 15.8%.

Jordan

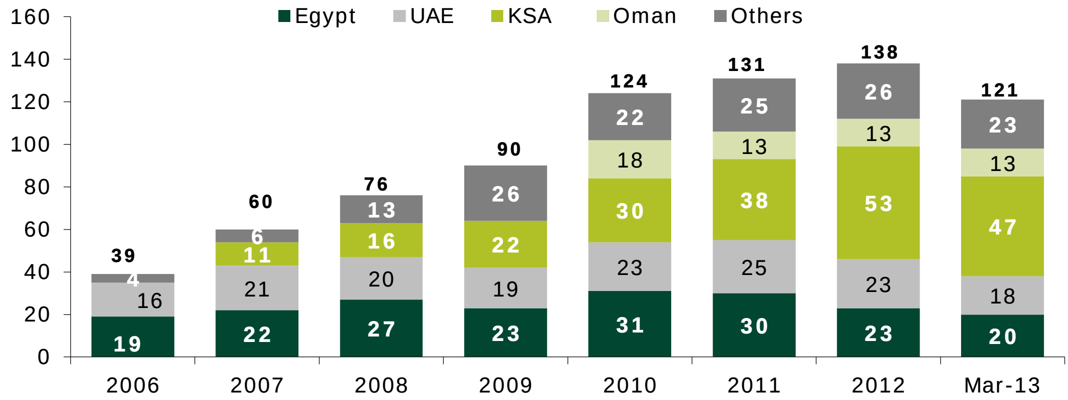
After a few quarters of muted performance, the Amman Stock Exchange (ASE) gained some steam in 1Q2013, with the index rising 7.3% Q-o-Q and volumes increasing 63% during the quarter.

EFG Hermes market share declined to 5.4% in 1Q2013, mainly due to very low trading volumes by foreign investors, who constitute the majority of EFG Hermes client base.

Revenue booked from Jordan Brokerage increased 58% Q-o-Q to EGP2 million, and represented 2.3% of total brokerage revenue in 1Q2013.

Research

Figure 17: Research Coverage Universe



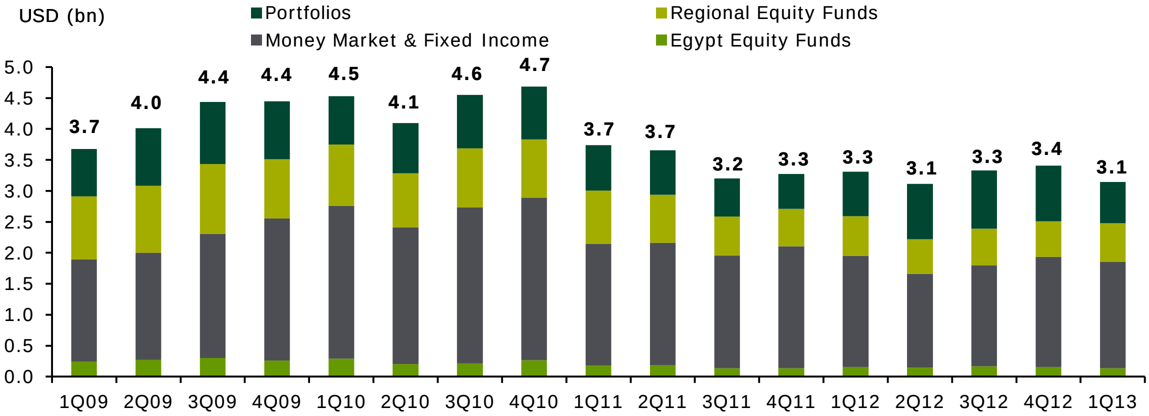
Source: EFG Hermes

The Research department coverage declined to 121 companies at the end of 1Q2013, distributed across the region (Egypt 20, UAE 18, KSA 47, Kuwait 8, Oman 13, Qatar 8, Lebanon 3, Morocco 3 and Jordan 1). Currently EFG Hermes covers 57% of the regional market capitalization. The decline in our coverage universe came as a result of streamlining our coverage with our costs.

The research department covers 11 economies from a macro level and 8 countries in terms of regular strategy notes in addition to companies and sector notes. In addition, the research team issues regular publications, including daily morning round-ups, after end of session wrap-ups and a regional monthly product.

Fee and Commission Revenue – Asset Management

Figure 18: Development of Listed Assets under Management



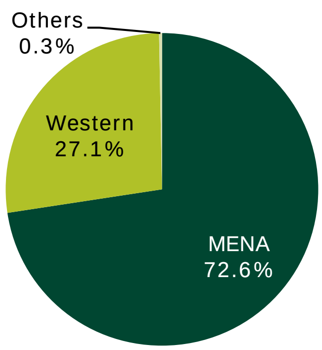
Source: EFG Hermes

EFG Hermes assets under management stood at USD3.1 billion at the end of 1Q2013, down 7.7% Q-o-Q, with net outflows representing 5.6% of the decline and markets performance representing the remaining, -2.1%. The net outflow was mainly attributed to the closure of a fixed income portfolio which a client that decided to manage it in-house. Excluding this portfolio, net outflows during the quarter would be limited to 0.3%.

The strategy of targeting long term clients and increasing institutional base while maintaining diversified client base remains one of the Asset Management team main focuses. During the quarter, the SWF clients' contribution to the total AuMs stood at 24.8%, institutional clients' content came at 21.1% and Foundation/Pension/Insurance clients represented 37.3%.

In terms of funds' origination, fund sourcing remained largely skewed towards MENA-based clients. Investor mix changed slightly in 1Q2013: Western clients increased to 27.2% from 22.9% a quarter earlier mainly on the account of the MENA-based clients which decreased to 72.6% from 76.7% a quarter earlier.

Figure 19: Assets under Management by Geography



Source: EFG Hermes Asset Management

Fee and Commission Revenue – Private Equity

Assets under management at the end of 1Q2013 stood at USD0.6 billion post the expiration of ECP III's investment period in 3Q2012.

Despite relative improvement in MENA M&A activities, exits remain challenging in the short-term given the political unrest in the region. However, improving global economic outlook on the back of the recovering US economy and more solid signs of regional political stability will create a healthier exit environment.

Fee and Commission Revenue – Investment Banking

In terms of executions, the Investment banking team had a solid quarter, during which the team successfully closed and executed two significant transactions that had continued from 2012 and the revenue from which was reflected in 1Q2013. These transactions include: (1) the USD43 million private placement for Wadi Degla for Investments S.A.E., a milestone in itself, being the first deal of its kind targeting the Egyptian sports sector, and (2) the acquisition of Japan Tobacco International of Al Nakhla Tobacco in Egypt, the team's second advisory assignment with global giant Japan Tobacco International.

Carrying on from our strong closing of 2012, the Investment Banking team's pitching efforts have intensified quite considerably during the past period with the team's focus shifting to countries outside Egypt. Markets like the UAE and Saudi Arabia have been special areas of focus for the team despite the strong competitive environment. The team's persistence in these markets has paid off with several new mandates being successfully sourced. Three UAE based mandates are currently in advanced stages, all of which involve high profile principals and clients. Our ability to secure those engagements will play an important role in ensuring an enduring flow of business to our department and a diversification of its revenue streams chiefly as our key home market Egypt continues to witness a notable slow down.

Despite the team's continuous efforts to generate more advisory mandates outside Egypt and across new sectors and industries, we have fended off competition in our home market and remain heavily involved in all high profile, and more importantly, fee generating contemplated transactions in the Egyptian market. The team's success is evidenced by its involvement as Buy Side Advisor to Russia's Altimo on the potential acquisition of a 48% stake in Orascom Telecom Holding, one of Egypt's most high profile transactions of 2013 that cements our position as an advisor of choice in the regional TMT sector. Furthermore, several mandates have been secured for prospective M&A and equity raising activities, that might need time to weather the current difficult investment scene, but are nevertheless solid and executable once a proper window presents itself offering us a healthy pipeline and a positive outlook.

Capital Markets and Treasury Operations Revenue

Table 20: Capital Markets and Treasury Operations Revenue

EGP (mn)	1Q13		4Q12		1Q12		Q-o-Q	Y-o-Y
Fee & Commission Revenue	158	81%	145	92%	125	75%	8%	26%
Capital Markets & Treasury Operations Revenue	36	19%	12	8%	41	25%	201%	-13%
of which:								
*Net Interest Income**	*38*	*20%*	*21*	*13%*	*13*	*8%*	*83%*	*200%*
*Returns on Investments***	*(2)*	*-1%*	*(9)*	*-6%*	*29*	*17%*	*N/M*	*N/M*
Total Revenue	**194**	**100%**	**157**	**100%**	**166**	**100%**	**23%**	**17%**

** Net of bank interest paid, bank charges, FX differences and intercompany revenue (expenses)*
*** Represents realized & unrealized gains/losses on trading investments and dividend income*

Source: EFG Hermes Management Accounts

Capital markets & treasury operations revenue declined 13% Y-o-Y to EGP36 million in 1Q2013, mainly on lower returns on investments.

Losses on investments came at EGP2 million in 1Q2013 versus returns of EGP29 million in 1Q2012, largely attributed to unrealized losses on equity funds which reached EGP4.0 million versus unrealized gains of EGP20.3 million a year earlier. Egypt equities market retreated during first quarter of this year as opposed to 1Q2012 where markets rallied. Net interest and FX income rose 200% to EGP38 million, principally on FX gains as the USD appreciated during the quarter.

On a Q-o-Q basis, revenue generated from capital markets and treasury operations rose 201% on FX gains which pushed net interest income up 83% Q-o-Q. Meanwhile, returns on investments showed lower losses Q-o-Q, losses on investments totalled to EGP2 million versus a loss of EGP9 million a quarter earlier.

II. Investment Bank Operating Expenses

Table 21: Investment Bank Operating Expenses

EGP (mn)	Fees & Commissions					Capital Markets & Treasury Operations				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	158	145	125	8%	26%	36	12	41	201%	-13%
Total Operating Expenses	**168**	**189**	**145**	**-11%**	**16%**	**21**	**29**	**18**	**-28%**	**12%**
Net Operating Profit	(10)	(43)	(20)	N/M	N/M	15	(17)	23	N/M	-32%
Net Operating Margin	N/M	N/M	N/M			43%	N/M	55%		
Employee Expenses	**120**	**140**	**92**	**-15%**	**29%**	**14**	**23**	**13**	**-39%**	**7%**
Employee Expenses/Operating Expenses	71%	74%	64%			68%	81%	72%		
Other Operating Expenses	**48**	**48**	**52**	**0%**	**-7%**	**6**	**5**	**5**	**20%**	**24%**
Other Operating Expenses/Operating Expenses	29%	26%	36%			32%	19%	28%		

Source: EFG Hermes Management Accounts

EGP (mn)	Total Investment Bank				
	1Q13	4Q12	1Q12	Q-o-Q	Y-o-Y
Total Operating Revenue	194	157	166	23%	17%
Total Operating Expenses	**188**	**217**	**163**	**-13%**	**16%**
Net Operating Profit	5	(60)	3	N/M	59%
Net Operating Margin	3%	N/M	2%		
Employee Expenses	**134**	**163**	**106**	**-18%**	**26%**
Employee Expenses/Operating Expenses	71%	75%	65%		
Number of Employees	861	901	941	-4%	-9%
Other Operating Expenses	**55**	**54**	**57**	**2%**	**-4%**
Other Operating Expenses/Operating Expenses	29%	25%	35%		

Source: EFG Hermes Management Accounts

The Investment Bank operating expenses rose 16% Y-o-Y to EGP188 million in 1Q2013, driven by one-offs expenses. EFG-Hermes incurred around EGP26.7 million of one-off expenses during the first quarter of the year 2013. A significant portion of those one-off expenses relate to the cost restructuring plan that EFG Hermes is currently undergoing and that aims at reducing our operating expenses to EGP500 million in 2014. Accordingly, we expect more one-off expenses to occur during the rest of the year as the Company completes its plan. If we exclude the one-off expenses in 1Q2013, total operating expenses would decline 1% Y-o-Y.

Employee expenses increased 26% Y-o-Y to EGP134 million in 1Q2013 while other operating expenses declined 4% Y-o-Y to EGP55 million in 1Q2013, as the management remains committed to keeping low cost operating environment.

Travel expenses fell 15% Y-o-Y to EGP3.6 million in 1Q2012. Promotional and advertising expenses declined 8% Y-o-Y to EGP2.9 million on lower promotional and advertising expenses, data communication expense declined 24% Y-o-Y to EGP4.9 million, office expenses declined 32% Y-o-Y to EGP4.8 million and telephone/fax/mobile expense lost 16% Y-o-Y to EGP2.4 million. On the other hand, occupancy expense added 3% Y-o-Y to EGP11.8 million, general expenses rose 20% to EGP4.1 million, consultancy and service fees, which include third party fees, rose 14% to EGP20.3 million.

On a Q-o-Q, the Investment Bank operating expenses fell 13% on lower employee expenses (-18%). Other operating expenses were broadly unchanged, slipping 2% Q-o-Q.

B. THE COMMERCIAL BANK

Table 22: Commercial Bank Key Financial Highlights and Ratios

USD (mn)	1Q13	4Q12	3Q12	2Q12	1Q12	Q-o-Q	Y-o-Y
Balance Sheet:							
Total Assets	8,002	7,948	7,735	7,493	7,353	0.7%	8.8%
Cash and due from banks	2,089	2,088	1,931	1,910	1,833	0.1%	14.0%
Loans	2,386	2,234	2,203	2,130	2,049	6.8%	16.4%
Deposits	7,046	6,961	6,694	6,536	6,423	1.2%	9.7%
Shareholders' Equity:	633	619	607	589	584	2.2%	8.3%
Tier 1 capital	546	529	517	501	498	3.3%	9.7%
Tier 2 capital	86	90	89	88	86	-4.3%	0.5%
P&L:							
Net Interest Income	29.7	30.8	31.5	31.9	31.4	-3.7%	-5.5%
Interest Income	102.9	115.8	102.4	100.2	99.4	-11.2%	3.5%
Interest Expense	(73.2)	(85.0)	(71.0)	(68.3)	(68.0)	-13.9%	7.7%
Net Fees and Commissions	8.7	10.4	8.8	9.1	8.0	-15.6%	9.2%
Trading Income	6.3	7.4	6.5	3.8	4.1	-14.8%	54.4%
Total Operating Income	44.8	48.9	47.1	45.3	44.5	-8.4%	0.6%
Net Provisions	(0.7)	(2.3)	(0.5)	0.9	(0.5)	-69.4%	40.2%
Net Operating Income	44.0	46.6	46.6	46.2	44.0	-5.4%	0.1%
Staff Cost	15.3	16.5	16.3	15.2	14.5	-7.3%	5.3%
General Expenses	8.7	14.2	10.5	10.1	7.5	-38.6%	16.3%
Total Operating Expenses	25.8	32.8	28.7	27.1	23.7	-21.4%	8.7%
Net Income	16.2	9.8	15.7	17.3	18.3	64.5%	-11.5%
Ratios:							
Net Interest Margin	1.6%	1.7%	1.8%	1.8%	1.8%	(0.2)	(0.3)
Cost-to-income*	57.3%	60.1%	57.7%	56.1%	53.0%	(2.8)	4.3
Loans-to-deposits	33.9%	32.1%	32.9%	32.6%	31.9%	1.8	2.0
NPL / Gross Loans	3.7%	3.9%	3.6%	3.8%	3.7%	(0.2)	0.0
Provision Cover	92.8%	91.1%	95.0%	93.9%	97.3%	1.7	(4.5)
ROAE (after- tax)	12.2%	12.9%	14.5%	15.1%	15.3%	(0.7)	(3.1)
ROAA (after-tax)	0.8%	0.8%	0.9%	1.0%	1.0%	0.0	(0.2)
Core Tier 1 Capital Ratio**	N/A	11.4%	N/A	12.3%	N/A	N/A	N/A
Total Capital Adequacy Ratio**	N/A	13.4%	N/A	14.5%	N/A	N/A	N/A

**Including extraordinary items*

***Equity includes FY2012 net profits*

Source: Crédit Libanais

I. Results in Context

Despite the ongoing political turmoil in Lebanon, but more so in the surrounding region, Credit Libanais continues to perform in a stable, solid manner, growing the balance sheet in a controlled way, while maintaining high levels of liquidity and capital adequacy.

Net Income after tax for 1Q2013, came in at USD16.2 million, a Q-o-Q increase of 64.5% and a Y-o-Y decline of 11.5%, resulting in an after tax RoE of 12.2%.

The high Q-o-Q increase in Net Income from the previous quarter is mainly due to the high one-off expenses in the last quarter of 2012. The Y-o-Y decline is principally due to higher expenses, higher growth in interest expense, and declining margins.

Loan growth, through a continued push in growing corporate loans, posted a very solid Q-o-Q increase of 6.8% and an equally above peers Y-o-Y increase of 16.4%. Corporate loans are now by far the largest loan category in CL's portfolio. Deposits grew Q-o-Q by 1.2% and Y-o-Y by 9.7%, in line with the decision to curtail last year's above peers deposit growth. Savings deposits resumed their increasing trend, while term deposits eased off from the previous quarters and are expected to continue doing so going forward, which is expected to result in lower interest expense in the coming quarters. The combination of the above was a record Loans to Deposits ratio of 33.9%, a level now much closer to the 35% industry average.

Net interest income continued its gradual, steady, decline due not only to the above mentioned higher interest expense but also due to the continued pressure on lending spreads, posting declines of 3.7% Q-o-Q and 5.5% Y-o-Y. As a result Net Interest Margin continued its gradual decline to 1.6%, a typical trend in Lebanese banking.

Fee and commission income continued to successfully grow in line with the target to grow trade finance, as did trading income. The Q-o-Q performance in these items always suffers in Q1 of each year from year-end distortions in 4Q of the previous calendar year, but Y-o-Y performance showed solid increases. Furthermore the split between interest and non-interest income (as shown in the analytical results below) has now declined from 72.5%/27.5% two years ago to 66.3%/33.7% respectively, more in line with peer averages.

Net Operating Income came in 5.4% lower Q-o-Q and flat Y-o-Y, while Total Operating Expenses posted a Q-o-Q decline of 21.4% and a modest Y-o-Y increase of 8.7%. Cost to Income ratio declined nearly 3% from the lofty levels of 4Q2012 which were burdened by large amounts of one-off charges.

The loan portfolio quality continues to be excellent with the NPL ratio at 3.7% and provision cover increasing to 92.8% from 91.1% a quarter earlier.

II. Selected Financials & Qualitative Information

Assets:

Total Assets remained almost flat from last quarter, reaching USD8.0 billion by the end of 1Q2013, and representing an increase of 8.8% Y-o-Y, primarily driven by loan growth.

The composition of total assets slightly changed Q-o-Q. Loans increased from 28.1% of total assets last quarter to 29.8% in 1Q2013 at the expense of securities, which fell from 42.6% last quarter to 41.2%; on the other hand, cash representation remained stable at 26.2%.

Total asset allocation by business line remained virtually unchanged from the previous quarter with 19.5% allocated to retail banking, 14.1% to corporate banking, 65.2% to treasury & capital markets and 1.2% to investment banking.

Loans:

Total Loans reached USD2.4 billion at the end of 1Q2013, an increase of 6.8% Q-o-Q and 16.4% Y-o-Y, mainly driven by an impressive growth in corporate loans.

Table 23: Loans by Type

USD (mn)	1Q13	4Q12	3Q12	2Q12	1Q12	Q-o-Q	Y-o-Y
Loans:	**2,386**	**2,234**	**2,203**	**2,130**	**2,049**	**6.8%**	**16.4%**
Corporate	1,158	993	966	933	883	16.7%	31.1%
Retail	964	930	900	878	860	3.7%	12.1%
SME	264	312	336	318	306	-15.3%	-13.8%

Loan growth by type: Retail loans grew by 3.7% Q-o-Q, corporate loans by 16.7% and SME loans contracted 15.3%.

Loan distribution by type: In 1Q2013, corporate loans increased considerably their contribution to the bank's total loan book during the quarter. Of the total loan book corporate loans represented 48.5%, whereas retail loans declined to 40.4%, and SME loans declined to 11.1%.

Loan distribution by sector: Personal & consumer loans and loans to the trading sector represented 45.0% and 27.2% of the total loan book, respectively. Loans to the industrial sector accounted for 14.6% while loans to the construction sector accounted for 9.8%.

Loan quality: The NPL ratio reached 3.7% this quarter versus 3.9% a quarter earlier, while provision cover increased by almost 2% to 92.8%. Of total loans, 73% is covered by mortgage, cash or bank guarantees, as collateral, in addition to any relevant provisions, where applicable.

Loans by currency: At the end of 1Q2013, the loan book was split 36/64 between local and foreign currency, respectively. Based on the bank's local currency deposits and relevant local currency reserve requirements with the Central Bank of Lebanon, Credit Libanais has exhausted its lending limit in LBP. As a result loan growth is being driven mainly by loans in foreign currency.

Deposits:

Total deposits reached USD7.0 billion at the end of 1Q2013, up 1.2% Q-o-Q and 9.7% Y-o-Y, driven mainly by an increase in savings deposits.

Table 24: Deposits by Type

USD (mn)	1Q13	4Q12	3Q12	2Q12	1Q12	Q-o-Q	Y-o-Y
Deposits:	**7,046**	**6,961**	**6,694**	**6,536**	**6,423**	**1.2%**	**9.7%**
Savings	4,168	4,084	4,035	4,016	3,997	2.0%	4.3%
Term	2,119	2,141	1,927	1,821	1,730	-1.0%	22.5%
Sight	759	736	732	699	696	3.2%	9.0%

Deposits contribution by type: Term deposits, a major contributor to deposit growth and higher interest expense at the end of 2012, expected to decline further in the months to come.

Saving accounts represented 59.2% at the end of 1Q2013 versus 58.7% last quarter on the account of term deposits which slightly fell from 30.8% to 30.1%. Sight deposits contribution to total deposits was 10.8% versus 10.6% a quarter earlier.

Deposits by sector: By the end of 1Q2013, deposits were split 95/5% between retail and corporate, respectively, virtually unchanged Q-o-Q.

Deposits by currency: The split between foreign and local currency deposits came at 53/47%, respectively, virtually unchanged from the previous quarter.

Loans/Deposits ratio: The loans/deposits ratio reached 33.9%, up from 32.1% a quarter earlier as loans grew faster than deposits during the quarter. Interesting to note that the loans/deposits ratio in FC is 40% and in LP 26%, evidencing the above peers FC loan growth.

Net Interest income:

Net Interest Income for the quarter reached USD29.7 million, a 3.7% decline Q-o-Q and a 5.5% decline Y-o-Y.

The Q-o-Q decline is due to customary end-of-year management accounting adjustments always affected in the last quarter of each year and resulting in higher NII for the last quarter. Whereas the Y-o-Y decline in NII mainly reflects continuous pressure on lending spreads and the steady decline of the high coupon securities in our portfolio.

Fee & Commission Income:

F&Cs for the quarter came at USD8.7 million, down 15.6% Q-o-Q, the base effect however in comparing with 4Q2012 is not indicative, as 4Q of each year witnesses extraordinary items.

On the other hand, F&C's showed an increase of 9.2% Y-o-Y mainly due to an increase in trade finance commissions from Iraq.

Trading income:

Trading Income reached USD6.3 million in 1Q2013, a decline of 14.8% Q-o-Q, and an increase of 54.4% Y-o-Y.

The yearly increase in trading income reflects foreign exchange income generated from Iraq combined with gains in the trading portfolio.

Net Provisions:

In 1Q2013 net provisions was USD0.7 million versus a large adjustment charge of USD2.3 million a quarter earlier.

CL ended the quarter with an NPL ratio of 3.7% and a coverage ratio of 92.8% on the back of increase in loans.

Net Operating Income (i.e. after provisions):

NOI came at USD44.0 million for 1Q2013, a decline of 5.4% Q-o-Q and virtually flat Y-o-Y.

Total Operating Expenses:

TOEs for the quarter were USD25.8 million, down 21.4% Q-o-Q and up 8.7% Y-o-Y.

Staff expenses decreased 7.3% Q-o-Q at USD15.3 million. However, on a Y-o-Y basis, staff expenses showed an increase of 5.3%, in line with market trends.

General expenses declined in 1Q2013 on a Q-o-Q basis, reaching USD8.7 million, down 38.6%. However, it increased 16.3% Y-o-Y mainly reflecting the inflationary effect of the National Salary Correction initiated early last year. The 8.7% Y-o-Y increase in total operating expenses is in line with market and below inflation levels.

Net Income:

NI came at USD16.2 million in 1Q2013, an increase of 64.5% Q-o-Q and a decline of 11.5% Y-o-Y reflecting the higher expense charges and lower revenue from the different income lines.

Cost / Income Ratio:

Cost-to-Income was reduced from the peak of last quarter (60.1%), coming down to 57.3% in 1Q2013. Worth noting that 4Q2012 contained several extraordinary expense items.

Net Interest Margin:

NIM declined to 1.6% in at the end of 1Q2013 from 1.8% from the same period last year, mainly as a result of the increased interest expense and decline in assets yield and margins. This is also in line with market.

Branch Productivity and Efficiency ratios:

Table 25: Branch Productivity

	1Q13	4Q12	3Q12	2Q12	1Q12	Q-o-Q	Y-o-Y
Employees/Branch	22.6	23.0	22.8	23.1	22.9	-1.9%	-1.3%
Loans/Branch (USD mn)	33.6	31.9	31.5	30.9	29.7	5.3%	13.1%
Deposits/Branch (USD mn)	99.2	99.4	95.6	94.7	93.1	-0.2%	6.6%

One of the areas of focus in the last two years has been increasing the productivity of branches. In line with this the loans per branch ratio has been growing steadily throughout the quarters, reaching USD33.6 million of loans per branch in 1Q2013 up from USD29.7 million a year earlier and USD31.9 million last quarter. Similarly the deposits per branch ratio reached USD99.2 million in 1Q2013, up from USD93.1 million a year earlier.

III. International Operations

International operations produced considerable growth rates this quarter. Both Iraq and Senegal operations reported positive net profit and expanded their balance sheets.

High level financial highlights:

SENEGAL

Credit International reported a net profit of USD42.5 thousand for 1Q2013 compared to a loss of USD0.1 million a quarter earlier.

Balance sheet highlights:

Total Assets : USD53.3 million

Loans : USD29.4 million

Deposits : USD30.3 million

IRAQ

The two CL branches in Iraq reported a net profit of USD1.5 million in 1Q2013 versus a profit of USD0.8 million in 4Q2012, mainly driven by foreign exchange trading income.

The branches combined balance sheets more than doubled from last quarter, growing 57.2% Q-o-Q.

Balance sheet highlights:

Total Assets : USD84.4 million

Loans : USD4.4 million

Deposits : USD31.2 million

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