



Maher Milad Iskander & Co.
LAWYERS & COUNSELORS

EGYPT

LAND OF OPPORTUNITIES

Invest In Financial Services

An Economical Guide

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Additional detailed information on Egypt, and advice on how to access our market intelligence and services, can be obtained from Maher Milad Iskander & Co. Trade and Investment Team in Egypt. Full contact details are available at the end of this guide.

Whilst we make every effort to ensure that the information is accurate, we can accept no responsibility for any errors, omissions or misleading statements.

Maher Milad Iskander
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Invest In Financial Services

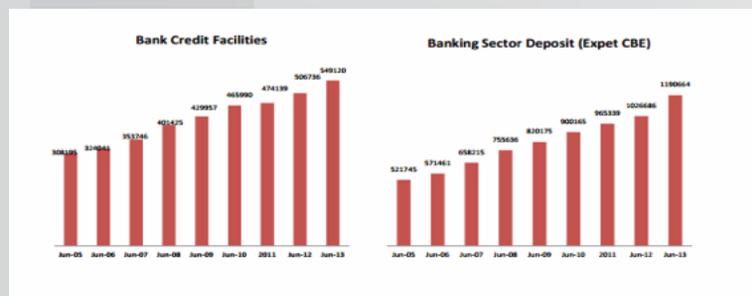
Egypt boasts a Financial Sector which is one of the most-established within the region as well as being one of the oldest within the Middle East. Key players in the Finance industry have long invested within the country due to the nation's vibrant banks, brokerages, investment banks and private equity houses. Foreign investors from major local and international names have taken advantage of this by launching their own ambitious regional expansion plans within Egypt. Furthermore, Investment banking, private equity and brokerage services have reignited life in Egypt, with several of the country's leading institutions now established as dominant regional players or well on their way to becoming so.

Egypt is currently moving steadily towards becoming the biggest financial center in the region. Due to the flourishing privatization program and the prospering domestic bond market, banks have encountered new investment fields which have helped them diversify their portfolios and lower their financial risks. At the same time, most banks are developing their non-traditional services such as brokerage, investment consultations, asset valuation and sales, and mutual

fund operations, which have also helped improve capital market services nationally.

Despite this already well-established market, the Egyptian financial sector still holds massive untapped potential in areas ranging from retail and commercial banking, to insurance, mortgage finance and advisory services.

Stringent minimum capital requirements streamlined a relatively crowded banking sector and brought the number of licensed banks operating in Egypt down from 57 in 2004 to the current 3634 branches recorded for 40 banks, leaving the growing sector on exceptionally stable ground. These changes occurred as a result of regulatory reforms initiated in 2005 with the purpose of addressing issues including capital adequacy requirements, the privatization of public sector banks, and the consolidation of small private institutions into more robust entities. Currently, the Central Bank of Egypt is embracing an initiative promoting the development and growth of banking activities/services catering and access to finance for various sectors, especially small and medium-sized enterprises (SMEs).



The Egyptian Financial Supervisory Authority (EFSA)

The Egyptian Financial Supervisory Authority is a public Authority which has legal status, established in accordance to Law 10 of the year 2009.

The Authority is responsible for the supervision of non-bank financial markets and instruments, including the capital market, the exchange, all activities related to insurance services, mortgage finance, financial leasing, factoring and securitization. Their objective is to ensure market stability as well as regulating the

concerned activities, and maximizing their competitiveness to attract more local and foreign investments. The mandate of the Authority also includes limiting inconsistency risks and addressing problems arising from applying different supervisory rules.

The Egyptian Financial Supervisory Authority replaced the Egyptian Insurance Supervisory Authority, the Capital Market Authority, and the Mortgage Finance Authority in application of the provisions of the supervi-

sion and regulation of Insurance Law no. 10 of 1981, the Capital Market Law no. 95 of 1992, the Depository and Central registry Law no. 93 of 2000, the Mortgage Finance Law no. 148 of 2001, as well as other related laws and decrees that are part of the mandates of the above authorities. The Authority is also considered the concerned administrative body entitled to apply the Financial Leasing provisions promulgated by Law No. 95 of 1995.

Areas for Investment:

Although investment within any services in the financial sector of Egypt can prove to be very lucrative, the following categories are considered the most promising for the up-coming years as they target niche sub-sectors within the industry which are yet to be fully developed.

1. Consumer Banking

Mortgages

Mortgage finance is governed in Egypt by Law No. 140 which was issued in August 2001. According to the Law, mortgage finance is interpreted as a method for financing the purchase, construction, restoration and/or development of houses, administrative units, service foundations and any buildings designated for practicing trade. Since the executive regulations governing the Mortgage Finance Law were made official in 2005, more than EGP 2 billion has been taken out, indicating rapid growth within this young sector of the market.

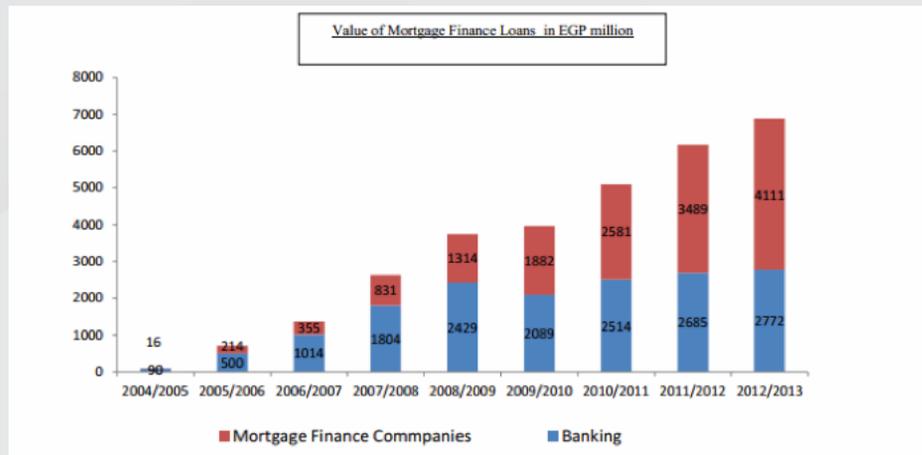
Compared to other financial arrangements, mortgage finance makes purchasing a house affordable to more people, and

allows them to buy at lower price. This ultimately stimulates the housing market to the benefit of developers as well as, existing home owners to move to houses if they desire. This increase in the demand for houses in turn, encourages savings. Consequently, a strong mortgage market will lead to the widening and deepening of the financial system. The development of the mortgage market is sought after from the public and government alike, since an efficient and well-functioning mortgage market offers huge advantages to a developing economy such as Egypt, with no fiscal burden on the government in the form of subsidies and no adverse consequence on government policies.

The Egyptian Mortgage Refinance Company (EMRC) was established in June 2006, with the objective of providing long-term finance to the mortgage finance companies and the banks operating in this field of service. Finance is collateralized by the real estate portfolios of companies and banks and is granted according to specific rules and controls. In this respect, EMRC resolved to issue bonds duly collateralized by real estate loan portfolios, which in turn, enhances the bond market and provides long-term finance resources.

- In addition to the EMRC, there are a further 13 companies and 19 banks who act as mortgage finance lenders. In September 2013, the total value of mortgage loans extended by banks and mortgage finance companies was around EGP 4.17 billion, compared to EGP 3.6 billion in September 2012, showing a growth rate of 15.38%.

- The mortgage market can also now benefit from the services of iScore, the newly established Egyptian credit bureau, when verifying the creditworthiness of clients. With the nation's boom in high-end residential and leisure properties, the mortgage subsector is on track to take off.



The mortgage finance sector is governed by the Egyptian Financial Supervisory Authority (EFSA) which supervises the mortgage finance affairs, sets the controls ensuring market efficiency, conducts follow ups, oversees control and development, and undertakes all the measures that maintain the rights of all market dealers. The EFSA is specifically assigned to:

- Make the general policies required for directing mortgage finance activities.
- Grant licenses to the mortgage finance companies for practicing activities.
- Decide upon all applications submitted by companies regarding mergers, suspension of activities and/or total or partial liquidation of assets.
- Keep and maintain schedules and registries for listing real estate appraisers, mortgage finance intermediaries and real estate agents, granting them licenses, supervising their activities; and for listing the related auditors.
- Set the Financial Reporting Standards (FRS) for companies.
- Control and supervise the companies and impose administrative penalties on violators.
- Undertake anti-money laundering procedures.
- Protect investors and dealers operating in the mortgage finance market.

An investor seeking to partake in mortgage finance services would need to register with the EFSA in order to be validated.

2. Insurance

The insurance industry plays a vital role in supporting the Egyptian economy and growing national investments. It provides financial protection for individuals and protects against various risks. Further, it is a main channel for collecting and using national savings in financing national investments and development plans, making new job opportunities available and alleviating the impacts of inflation. The Egyptian insurance

The legal framework of the Insurance consists of many elements that give the Egyptian Financial Supervisory Authority the opportunity to play its role in an effective way to protect investors and regulate the market. In addition to this, it grants the continuous development in the supervisory framework of the Authority. These elements are as follows:

- Law no. 10 of 1981 for insurance supervision and control in Egypt.
- Law no. 118 of 2008 for the executive regulations of the sector.
- Law no. 54 of 1975 promulgating the private insurance funds and its executive regulations.
- Law no. 72 of 2007 promulgating the law on compulsory insurance against the civil liability arising from high speed transportation motor vehicle and its executive regulations.

To promote transparency in the sector, licensing has begun for insurance-scoring companies. This will enable companies to apply for an insurance rating based on its financial position with creditors and debtors, which will in turn allow insurance and financial leasing companies to make sound decisions about the clients they take on. Companies with strong ratings will also benefit from a fortified position as they will be able to negotiate better premiums on their insurance.

Another aim for the business reform package has been the restructuring of state-owned insurance players which will allow for a more competitive market. The govern-

ment is subject to supervision and regulation per Law No. 10 of 1981 and its amendments, the last of which was Law No. 118 of 2008.

There are currently 30 insurance and reinsurance companies operating in Egypt, and recent regulatory changes allow foreign companies to wholly own Egyptian insurance companies without a local joint-venture partner.

ment also recently approved amendments to the law on insurance supervision and control that will make way for a banking insurance marketing system, among other things.

Another law worth noting is Law No. 118/2008 which enforces insurance companies that merge between both insurance activities (life and non-life insurance) to detach those activities within 2 years from the date of issuing the law; however, this period can be extended according to the EFSA's approval. There are currently 30 insurance companies within the country, 2 of which are public enterprise, and the remaining 28 are registered under the EFSA.

3. Investment banking

Egypt witnessed tough economic conditions in 2012 as the country passed through a series of consecutive political events which had a great impact on Egypt's economic performance, resulting in slow growth rates and reduced investor confidence. Despite this however, The Egyptian Exchange showed a remarkable performance, growing by 51% in 2012; a level that had not been reached since 2007, and is considered the highest growth among all emerging and developed markets (after Turkey) in 2012. The dividend yield for the Egyptian Exchange has reached 8.3% versus 2.6% for the emerging markets, and 3.2% for Africa and the Middle East. This growth is mainly attributed to the investors' positive outlook for the Egyptian market despite conditions faced by the country.

Since the Egyptian revolution EGX has financed the growth of 22 companies, with

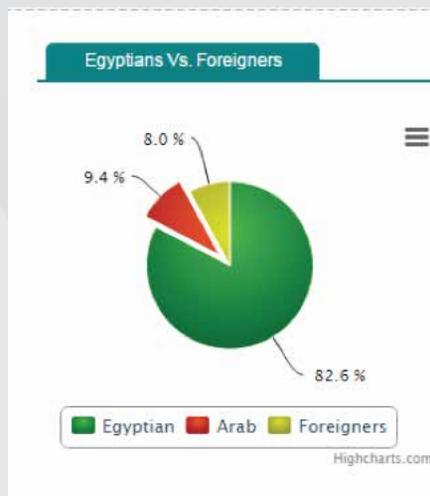
an amount of approximately EGP 1.3 billion. It is also worth mentioning that EGX trading structure allows more financing for companies that have greater expansion plans.

The Egyptian stock market concluded 2013 with a 24% growth rate and EGP 161 billion being traded in total. The main index EGX-30 increased by 24% to reach its highest levels since the uprising of 2011. Meanwhile EGX-70, which encompasses small and medium sized companies, registered a 14% increase and the broader index EGX-100 marked a 15% increase. During the first half of the year, market transactions slumped by 13%, however, the main index hiked by 43% in the second half of the year, according to their annual report. In 2013, an additional nine companies were listed in the stock, with the capital of 24 companies being increased by EGP 5 billion - which is quadruple the value of the increased capital during 2012.



An investor's protection fund has also been established for the purpose of protecting investors against non-commercial activities that may arise due to the performance of the trading companies operating in the financial stock market. The fund has been operational since November 2004.

Investors seeking to participate in financial services may also consider investing in advisory or research services.



Nilex

Launched in 2007, Nilex was the Middle East's first alternative small-business stock exchange, providing medium and small fast growing business (from any country and any sector) access to capital and the benefits of being traded. By mid- 2008, the first companies were listed on the Nilex, and in August 2008 the Nilex had its first landmark transaction when Tarek Nour Group sold 49% of its shares to Omnicom's DDB Europe for USD70 million.

For investors, the Nilex offers a clear exit strategy by allowing them to sell off their shares. In keeping with the Capital Market

Authority's (CMA) transparency requirements, Nilex companies must report quarterly, semiannual and annual financials, as well as present financial statements for at least one non fiscal year prior to their listing. As a result of Nilex, SME's now have access to capital in a regulated environment which was specifically designed to cater to their needs, with less stringent regulations and lower transaction fees than those of EGX. To further assist SME's the CMA requires all Nilex companies to have EGX-certified advisors.

4. Private equity

This area of sector is not as well established as the aforementioned ones within Egypt, however there has been increased interest shown over the last few years in private equity investment and as a result, various organizations have been founded to aid its development.

The most prominent of these is the Egyptian Private Equity Association (EPEA), established in 2011 as a non-profit association committed to supporting and developing the Private Equity and Venture Capital industry in Egypt and the surrounding regions. It was founded by 33 distinguished founding members, including leading experts as well as major corporate players in the private equity industry on the local and regional levels. The Association aims to foster private investment in Egypt, as well as to boost communication and knowledge sharing among the region's private equity and venture capital networks. EPEA seeks to serve as the hub for private

equity and venture capital professionals, organizations and stakeholders in Egypt, and be their gateway to the international community. On a local level, EPEA aims to serve the current needs of the industry in the areas of capacity building, networking and policy advocacy. On the regional and international levels, EPEA contributes to the growth and development of the industry, through assessing potential opportunities and partnering with similar associations.

Associations such as this are sparse within the country despite their importance, and there is therefore room for the introduction of similar entities which provide training of essential skills to up and coming market players. The existence of such organizations would be greatly welcomed by the public as they would encourage the emergence of more private equity houses that are both well informed and well connected, and can impact the Egyptian economy positively.

Notable Private Equity Deals in Egypt:

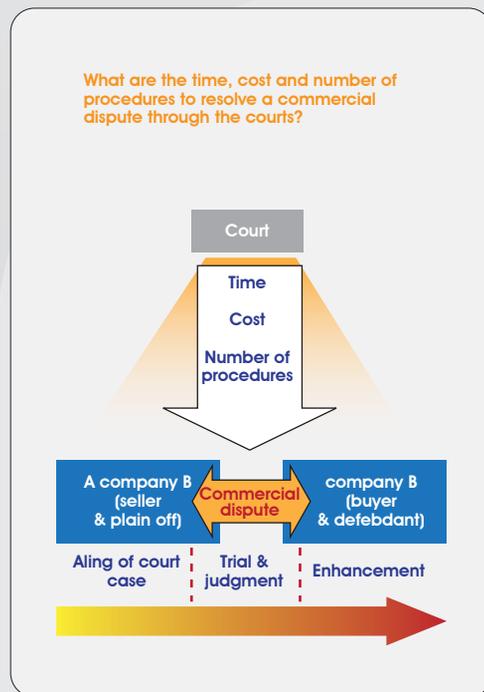
- June 2013: Actis invested US\$102 million to acquire a 30% stake in Edita Food Industries.
- February 2013: Swicorp invested US\$10 million in Orchidia Pharmaceutical Industries.
- September 2012: Beltone Private Equity invested US\$2 million in Bio Pharma Egypt, a manufacturer of nutritional supplements.
- August 2012: Capital Trust Group acquired a minority stake in Sakson Oil and Gas group.
- April 2012: Capital Trust Group acquired 51% of Al Oyoum al Dawli Hospital.
- March 2012: Venture capital firm ldevelopers invested US\$1.3 million in DrBridge, a health care IT firm.

Advantages of Investing in Egypt:

1. Strong labour force -Each year, more than 330 thousand Egyptians obtain university degrees. Of those, more than 22,000 students graduate with European language skills which can be used in a professional work environment to interact with international clients. The cost of labour within Egypt is also comparatively low compared to Europe and the USA.
2. Strong demand - Egypt has a population of more than 85 million people and a booming economy which provide a huge consumer base (larger than the population of many European countries) for new financial products and services. Developments are constantly being made to facilitate public access to the available financial services, for example a recent partnership with the Egyptian postal service has allowed financial service providers to reach any consumer within range of a post office.
3. Infrastructure – Egypt has a number of large airports which are accessible worldwide, good railway and port access, and high world-class telecom, internet and real estate structures. All of these simplify business travel, international communication, and research.
4. Support companies –Egypt is home to a broad range of skilled service providers, including CIT industry, auditors, consultants and trainers who can fortify the skills of employs as well as support any financial service entities.

The Egyptian Legal System:

Egypt's system of civil law is based on a legal code derived largely from the Napoleonic Code. Jurisdiction is determined on the basis of the claim value. Cases up to and including EGP 40,000 (US\$5,700) are heard by the lower division of the courts of first instance, and those above EGP 40,000 are heard by the upper division.



The Civil and Commercial Procedural Code regulates the procedures before all sorts of courts as laws, regulations and procedures are the same across cities. However, the court jurisdiction varies from one local dispute court to another according to the nature of the dispute.

One way to reduce caseload is alternative dispute resolution (ADR). Since 2009, the International Finance Corporation (IFC) has supported an ADR project by providing professional training and certification for mediators, conducting awareness raising workshops, and assisting with the drafting of Egypt's first mediation law, which will regulate both private and judicial mediation. These efforts have already started to produce positive results. There is a now steady referral of cases to mediation at the three IFC-supported institutions the Economic Courts, the General Authority for Investment and Free Zones, and the Cairo Regional Centre for International Commercial Arbitration—and the average number of days required for case resolution through mediation is 28.6 days.

The average cost of litigation in the Egyptian cities measured is 23.6% of the claim value, is significantly lower than the global average of 35.1% and below the regional average of 24.6%. Court and enforcement fees are regulated nationally by the Ministry of Justice as set by the Law on Court Fees and therefore are identical across cities. Egypt's court fees, at 1.3% of the claim value, are among the lowest in the world. Together, the court and enforcement fees constitute 35.3% of the total cost, with court fees accounting for only 5.6%, compared with 18.4% of the total cost in the Middle East and North Africa. Court fees such as the fee to file a case are fixed, while the enforcement fees are largely based on a percentage of the claim value.

Egypt is one of the countries which take less time to issue a judgment. As the number of days it takes to consider a lawsuit is 1010 days. This is relatively good in comparison with Italy that takes 1185 days to consider a lawsuit.

Such period could be reduced in many governorates where an efficient computerized system allows judges and court registers to access case information including trial dates, adjournment and final judgment.

**Egyptian court fees are significantly lower than in other economies in the region.
(% of total cost to enforce a contract)**



Relevant Laws

1. Law 146/88 on Companies Engaged in Receiving Money for Investment:

This law outlines the requirements for such companies to operate within Egypt. It states that companies wishing to engage in receiving money for investment must be registered as joint stock companies that offer their shares for public underwriting, which are recorded in the register, and authorized to receive money from the public in any currency, by any means to employ, invest or share it, whether such purposes are explicit or implicit.

In order to be registered as a joint stock company you must fulfill the following criteria:

- The name of the company should be derived from its purpose.
- The founders should not be less than three (individuals or corporate bodies).
- The board of directors should be composed of at least three members of individuals or corporate bodies.
- The issued capital should not be less than L.E. 250000.
- The paid in capital upon establishment should not be less than 10% to be raised 25% within three months from the company entry into Commercial Registry and the remaining (75%) should be paid within five years. However, we recommend settling 25% upon establishment.

- All the company's founders, shareholders and board members could be non-Egyptian (except for some activity e.g. importation which requires the board members to be 100% Egyptian).

The company will also need to be registered with the EFSA for it to be deemed legally valid.

2. Companies Law No. 3 of 1998:

Companies Law No. 3 of 1998, amending law 159 of 1981, covers investors in any sector including shareholders, joint stock, and limited liability companies and representative and branch offices. It allows for automatic registration of a company upon presentation of the application to the Companies Department and for acquisition of legal status 15 days after annotation in the Commercial Register. The Administrative Authority can challenge the establishment of the company within 10 days of its notification in case of non-compliance with procedures, the company's objective contradicts with laws or public order, or if the company lacks the qualifications requisite to operate a business (Article 17 & 18).

Companies Law No. 3 of 1998 provides for the right of petition for denial of incorporation, removes the restriction that 49% of shareholders must be Egyptian, allows 100% foreign representation on the board of directors, and redefines accounting standards.

3. Investment Law No. 8 of 1997:

Law 8 of 1997 repealed Investment Law 230 of 1989. It made one authority responsible for investor incentives and guarantees--the General Authority for Investment and Free Zones (GAFI). It also grouped some exemptions and incentives under one law, and specified activities that would automatically accrue benefits to investors. It allows 100% foreign ownership of ventures and guarantees the right to remit income earned in Egypt and to repatriate capital. Key provisions include: the guarantee against confiscation, sequestration and nationalization of land; the right to own land, the right to maintain foreign currency bank accounts, freedom from administrative attachment, the right to repatriate capital and profit, free hiring of Egyptian staff, absence of price control or restrictions, , and equal treatment regardless of nationality.

4. The Commercial Register Law:

The process of registration whether for agents or companies, is governed by the Commercial Register Law No. 34 of 1976 and its amendments (98/1996). The basic rule is that anyone carrying on a commercial activity must register in the Commercial Register.

The Commercial Register Law provides that all registrations must be renewed every 5 years. Once a person, company, or partnership is registered, it must put its trade name, place of registration and registration number on the front of its premises and on all its correspondences (Article 5 of Commercial Register Law).

The penalties for violating the provisions of the Commercial Register Law are set forth in Articles 17 – 21 of the Law, and range from a fine of LE10 – 100, that might be multiplied in

case of repetition; however the penalties might be three months - two years imprisonment and/or a fine between LE100-LE500, in case any the events mentioned in article 18 occurred.

5. Law no. 10 of 1981 for Insurance Supervision and Control in Egypt:

According to this law the private sector is permitted to own up to 100% of the shares of an Egyptian insurance company that is fully owned by the government. This provision applies to both local and foreign private investors.

Main provisions of this law include:

- The Prime Minister's approval is required to own 10% or more of an insurance company's shares.
- Risk insurance may be transacted outside Egypt or executed by foreign-owned insurance companies. Foreign companies or companies wishing to pursue insurance transactions outside Egypt, however, must first obtain EISA approval.
- Managing directors of state-owned companies may be non-Egyptians.
- Any company wishing to enter the market and obtain a new license must have a minimum capital of EGP 30 million; however, if the company is to deal in life insurance, the minimum requirement is EGP 60 million. A company's contribution to increasing total retention in the market by introducing new covers or developing existing covers will also be taken into account when the company applies for a new license.
- All insurance companies are required to publish regular financial statements approved by accredited financial auditors.

6. Tax Law

• Personal Taxation

The Egyptian President approved on June 2014 the changing of Egypt's tax law so that more taxpayers are included in the top band of tax, a rate of 30%.

After the changes, those with incomes of EGP 1,000,000 will be required to pay the 30% rate; previously, the rate was 25% only for those earning more than EGP 250,000.

The amendments to Egypt's income tax law stated that the first EGP 7,000 earned by all workers within the bureaucracy is not subject to income taxes. Workers with a salary of up to EGP 5,000 would benefit from the first income bracket exemption. The second bracket, from EGP 5,000 to 30,000, is subject to a 10% income tax rate. The third bracket, from EGP 30,000 to 45,000 is subject to a 15% tax. The fourth bracket, EGP 45,000 to 250,000 is subject to a 20% tax. The fifth bracket, EGP 250,000 to 1,000,000 is subject to a 25% tax. The sixth bracket, more than EGP 1,000,000 is subject to a 30% tax.

- **Corporate Taxation:**

The Corporate Tax Rate in Egypt stands at 30 percent. Corporate Tax Rate in Egypt was 20 percent from 2005 until 2012, reaching an all-time high of 25 percent in 2013. The Egyptian Tax Authority is the one authorized to report corporate Tax Rate in Egypt.

The corporate income tax law has been segregated into two Tax brackets:

1. **First bracket** - profit up to one million EGP subject to tax rate of 25%.
2. **Second bracket** - profit which is more than one million EGP subject to tax rate of 30%.

Mutual funds income is subject to tax, except cash mutual funds, which is still exempted.

Taxation on Dividends - is subject to a 10% tax. In case the shareholder has owned more than 25 percent of issued capital, tax rate will be reduced to 5%. Stock dividends are exempted from tax.

Capital gains – on listed financial securities trading is subject to a tax rate of 10% annually. Losses may be carried forward for 3 years calculated from the following year of the year in which capital losses have been occurred.

International Success Stories

1. **Crédit Agricole**

Crédit Agricole Egypt is a subsidiary of the Crédit Agricole Group, a market leader in Universal Customer-Focused Banking in France and one of the largest banks worldwide. With operations in 70 countries, Crédit Agricole Group seeks to serve the real economy by supporting its clients' projects in all areas of retail banking and associated specialized business lines.

Established in 2006, Crédit Agricole Egypt has become an active player in Egypt's financial industry offering a wide range of innovative and convenient products to its clients across the entire spectrum: Corporate, SMEs and individuals. Crédit Agricole Egypt has created specialized segments to cater to its customers' needs by offering the sound advice and tailored financial solutions. The bank has also been considered a market leader in terms of electronic services due to its offering of state-of-the-art electronic banking solutions.

2. **HSBC**

HSBC Holdings plc is a British multinational banking and financial services company headquartered in London, United Kingdom. It is the world's second largest bank. HSBC has around 6,600 offices in 80 countries and territories across Africa, Asia, Europe, North America and South America, and around 60 million customers. As of 31 December 2013, it had total assets of \$2.671 trillion, of which roughly half were in Europe, the Middle East and Africa, and a quarter in each of Asia-Pacific and the Americas. As of 2012, it was the world's largest bank in terms of assets and sixth-largest public company, according to a composite measure by Forbes magazine. HSBC Egypt was established in 1982 as the Hong Kong Egyptian Bank. The bank was rebranded HSBC Bank Egypt in April 2001 after an increase in the HSBC Group's shareholding from 40% to more than 90% of its issued share capital. HSBC Bank Egypt is one of the largest multinational banks in Egypt, providing a comprehensive range of banking and financial services to the Egyptian nation.

3. **Intesa Sanpaolo**

Previously known as Bank of Alexandria, it was once considered the most problem ridden of all the public sector banks in Egypt, however, now it sits among the largest banks within the country. This transition was largely due to the Italian Sanpaolo IMI's acquisition of 80% of BA's shares for USD1.6 billion — a record-breaking price that was six times the bank's book value when this agreement was made in October 2006. Prior to this however, BOA was overstaffed, employing 8,800 people at 185 branches across the country; operations were largely run manually, with no ATM machines and only 50 computers in the entire branch network, resulting in an accumulated EGP1.1 billion in public-sector non-performing loans for the bank. In a significant EGP1 billion restructuring, BOA streamlined its staff through early retirements to a manageable 5,600 employees. By the end of 2007, 150 branches were fully automated,

with ATMs prominently available throughout the country, and staff completely computer literate. After negotiations with the government and debtor companies, BOA recovered EGP 6.9 billion in non-performing loans.

4. Allianz

Allianz SE is a German multinational financial services company headquartered in Munich. Formally Allianz Insurance Company and Allianz Life Assurance Company, Allianz Egypt is the new name for Arab International Insurance which was established in 1976 as the first private, joint venture insurance company.

In 2000, Allianz increased its ownership of Arab International Insurance from a minority stake to an 80% majority, which allowed it to assume management responsibility and acquire major shareholding. In the following year, Arab International as a subsidiary of Allianz Group, extended its activities from the Free zone to the entire Egyptian territory, launching its commercial and personal lines of products. The same year also witnessed the launch of Arab International sister company "Arab International Life Assurance Company". By 2004, Arab International become Allianz Egypt, a new identity that represented long and extensive knowledge of the Egyptian Insurance sector, and provided comprehensive and integrated insurance service to businesses and individuals who required the best of local know-how coupled with extensive international expertise and experience. In 2006, Allianz Egypt was declared the number one insurance company for life sales within the country and it has maintained its reputation since.

5. Citibank

Citibank is the consumer division of financial services multinational Citigroup. Citibank was founded in 1812 as the City Bank of New York, later First National City Bank of New York, and has since become the largest bank holding company in the United States by total assets.

Citibank's presence in Egypt dates back to 1955 when it opened its first branch of a U.S. bank in the Middle East. Following the nationalizations of the late 50's and 60's, Citibank re-introduced itself in the market in 1975, through its branch in Cairo, with a license to operate in foreign currency. In 1993, Citibank Egypt received its license to operate in local currency, a major milestone, which allowed for the gradual development of a full-blown Corporate and Investment Banking business that caters to corporate customers and financial institutions, providing the full range of Global Transaction Services, Corporate Finance and Treasury solutions. Citibank currently operates nine branches across Cairo.

National Success Stories

1. Banque Misr

As part of the government's plan to streamline and improve the commercial banking sector, so that only 25-30 institutions remain, Banque Misr was merged with Banque du Caire at the end of 2006. Press reports of that year suggested that the combined entity arising from the merger of Banque Misr and Banque du Caire had total assets of about EGP160 billion, making it about the same size as the National Bank of Egypt, the largest bank in the country.

With a large client base of more than 7 million clients in Egypt and a total paid-up capital amounting to EGP 11.3 Billion, there have been more than 490 local branches erected, together with an international presence in France, Germany, Lebanon, and the United Arab Emirates, in addition to its worldwide network of correspondents.

Banque Misr has also established major investment funds in Egypt as part of a diversified portfolio, and has been granted an award by the Global Finance Treasury and Cash Management Awards, as the "Best Provider of Money Market Funds in Middle East for the year 2012 and 2008" and "Best Provider of Money Market Funds in Africa and the Middle East for the year 2009 and 2010 and in the Middle East for the year 2008 and 2012". Utilizing the latest technology in the banking sector, Banque Misr is constantly looking to expand customer access to banking services. Today, Banque Misr offers one of Egypt's largest ATM networks, consisting of more than 800 ATM machines located across all areas of Egypt.

2. Qalaa Holdings

Previously known as Citadel Capital, this company is the leading investment company in Africa and the Middle East. The firm builds businesses in five core industries that define the region's future: energy, transportation, agrifoods, mining and cement. The nearly 39,000 employees of the firm's 10 core platforms work each day to deliver energy to consumers and businesses alike, to grow or manufacture safe, healthy food, to provide reliable, fuel-efficient transportation solutions, to add value to natural resources, and to help build critical national infrastructure.

Drawing on its roots as Africa's largest private equity firm, Citadel Capital has worked since 2004 to build world-class businesses that cater to the needs of more than 1.3 billion consumers across the firm's 15-country footprint. Citadel Capital brings to the table the passion of entrepreneurs, the proven systems of world-class finance professionals and deep operational expertise in each of its industries.

The firm employs 59 professionals, 34 of which are investment specialists. The vast majorities of senior staff are from the region and enjoy the benefits of long relationships with key players in the MENA business community, proven industry expertise and substantial international expo-

sure. Citadel Capital is transforming its business model to create long-term value for its shareholders by focusing on a smaller number of high-potential, unique platform companies operating in five core industries underpinned by outstanding macroeconomic fundamentals. To date, all of the firm's operational core platforms have notable presences in African economies other than Egypt. While Egypt remains a core market and a springboard for most of Citadel Capital's regional expansion activities, a growing number of the firm's investments began operations in (or have expanded to) African economies. Publicly Traded, Citadel Capital shares have traded on the Egyptian Exchange under the symbol CCAP.CA since December 2009, and have been covered by Credit Suisse, Deutsche bank and Goldman Sachs ever since.

3. Commercial International Bank (CIB)

Commercial International Bank (CIB) is the leading private sector bank in Egypt, offering a broad range of financial products and services to its customers, which include enterprises of all sizes, institutions, households and high-net worth individuals. The Bank strives to provide clients with superior financial solutions to meet all of their financial needs. Having the strongest brand equity rightfully places CIB as the bank of choice for over 500 of Egypt's largest corporations. Moreover, CIB shows tremendous upside potential within the expanding Retail and SME Banking markets. Through its superior management, high operating standards, corporate governance best practices and premier training programs, CIB has succeeded in becoming the most profitable commercial bank operating in Egypt for more than 35 years.

4. EFG Hermes

EFG Hermes, the leading investment bank in the Arab world, draws on 30 years of experience to serve as the preeminent investment bank in the region, providing a wide spectrum of financial services including investment banking, asset management, securities brokerage, research and private equity. EFG Hermes also owns a 63.7% majority stake in the Lebanese commercial bank, Credit Libanais. Combining their strengths and expertise in the region they aim to present their clients with premier products and services, which will enable them to maximize their investment goals in our rapidly changing environment. Headquartered in Egypt, EFG Hermes operates in eight countries and extends its services to the rest of the region through its local offices and a highly talented workforce of over 800 employees. EFG Hermes is registered on both the Egyptian and the London stock exchange.

What Maher Milad Iskander (MMI) law firm Can Do For You:

With over 25 years of experience Maher Milad Iskander & Co. can assist in the following areas:

- Provide a wide array of legal services domestically and internationally to depository institutions, finance companies, asset managers, diversified financial services firms and other financial services providers, as well as to their investors.
- Reviewing agreements & contracts, participating in negotiations, providing pre-contract advices and drafting of all kinds of contracts concerning the financial industry.
- Formation of a company/business, providing advice on whether to structure the company as a limited liability company, limited partnership or joint stock company, and the registration of a company with the relevant government agencies.
- Merger and Acquisition operations for banks, financial institutions, private equity houses; selling and purchasing assets.
- Incorporating companies: laying down programs with management of companies to prevent probable crimes such as bribery, corruption and embezzlement, monitoring operations carried out by companies' legal departments and preparing reports and recommendations to render such managements effective.
- Companies Law disputes: we provide consultation to companies and represent them in all Corporate Law disputes before the courts of first instance, courts of appeal and the Court of Cassation based on the wide experience of our firm in laws and procedures.
- Tax disputes: providing assistance in tax inspections and representing the client in several tax procedures before the Tax Administration and Courts.
- Staying updated with national and international legal reforms:- Our advisers can guide you through the relevant financial laws and regulations from the EFSA and the Central Bank of Egypt, as well as any international obligations which may affect the financial sector.



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