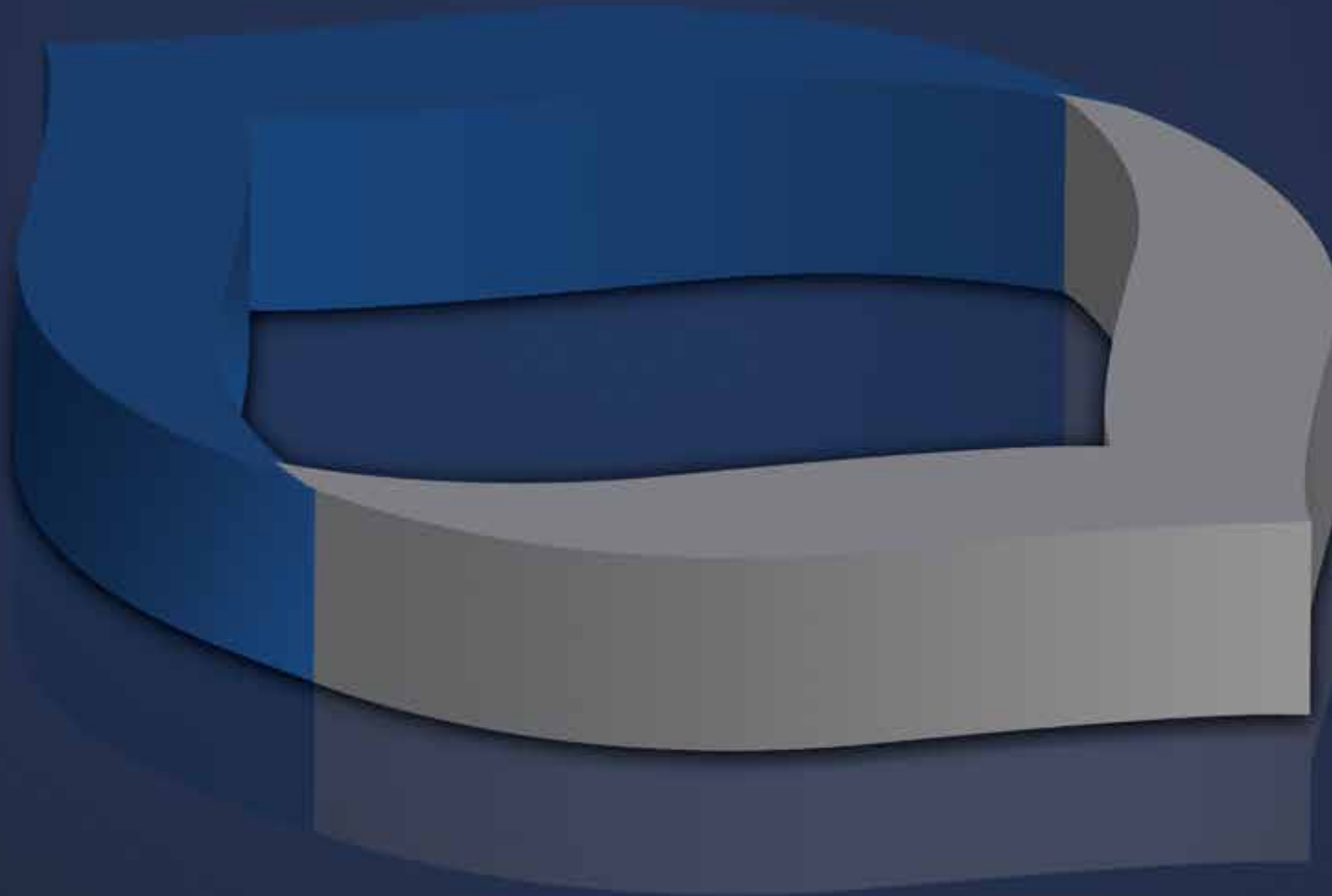


Annual Report 2012



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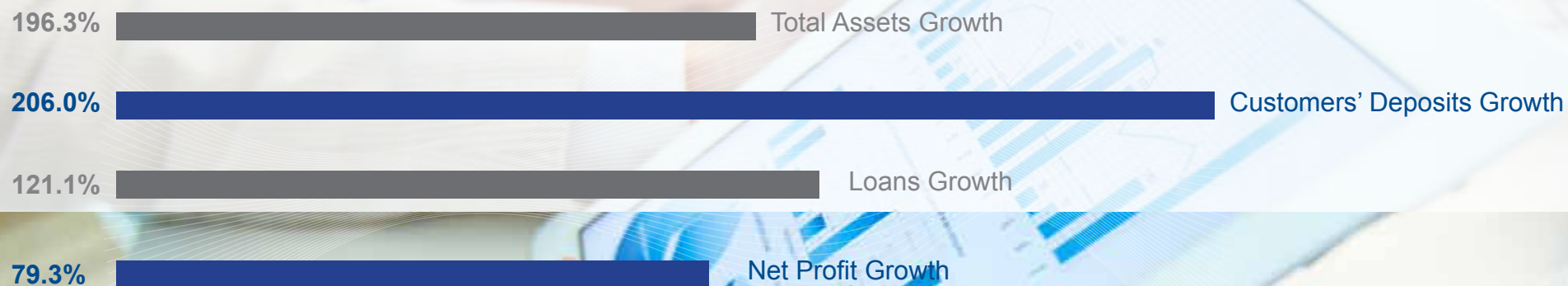
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Welcome to SAIB BANK

4th Decade Performance Reflected from 2006 - 2012



Management Statement

Chairman
Mohamed Naguib Ibrahim



We are pleased to present the annual report on the bank's activities and results for the year ending December 31st, 2012. The report shows the noticeable achievement of positive results and financial performance which has reinforced SAIB's position in the banking sector. Taking into consideration the political circumstances Egypt has witnessed and the position of the Egyptian economy in general and the performance of the banking sector in particular,

SAIB has demonstrated outstanding growth and performance in 2012. This is a result of the historical solid foundation of sound management and the current strategic management that the bank has employed during the last year. This has led to growth of 30% in terms of market share and a growth of 40% in net profit. These positive results would not have been achieved without our

Respected Shareholders,
Clients and Colleagues,

employees, who demonstrated the highest levels of professionalism and dedication in serving our clients and safeguarding the bank's position. SAIB employees are our most valuable asset.

Our results as of December 31st, 2012 have shown a growth of 28% in our financial position in comparison with the previous year, with an increase of USD 568 Million. Total Assets & Liabilities reached USD 2572 Million in comparison to USD 2004 Million in 2011. This increase was due to growth in the bank's resources, as customers' deposits portfolio grew by 26% compared to the previous year. The investment portfolio reached USD 1666 million compared to USD 1058 Million in the previous year, with an increase of USD 608 Million.

The loans and advances portfolio remained stable at USD 656 Million, despite the

Management Statement

repayment of the installments of loans while maintaining the same credit rating. Having said this, it is important to note that as part of the overall strategic vision, a shift has begun in favor of further development in the SMEs and syndicated loans portfolio which has seen substantial growth in 2012.

The bank achieved an increase of 40% in net profit, USD 28 Million available for distribution, compared to 20 million USD the previous year 2011. This is due to the optimum use of the bank's resources, the net interest income increased by USD 13.2 Million to reach USD 65.9 Million compared to USD 52.7 Million in the previous year, with a growth of 25 %. An important contributing factor to the growth of profitability was that we were also able to control the percentage of overheads at 27% of the total revenues. .

2012 was an important milestone in SAIB's

history with a new management team leading the way forward with an accompanying new corporate logo as well. It was a year of transition for the financial services industry, as bank's sought to adapt to changing macro-economic conditions and evolving client needs. We began implementing our strategy to position the bank for sustainable success amidst the ongoing changes in our industry, which is reflective off the macro-economic environment in Egypt to date. The change in leadership gave us the opportunity to reflect



on our strong history together with our clients, deepening existing relationships and establishing new ones. SAIB has demonstrated a long tradition of adapting successfully to change while maintaining the qualities of excellence and client focus which have always been our hallmarks in serving our clients. 2012 was a year of adaptation, during which we took decisive action to prepare the bank for the future. At the end of 2011, we defined a clear strategic direction for our bank designed to address the challenges of an operating environment that is fundamentally dynamic and changing. Our strategy is shaped by the bank's guiding principle that place our clients' interests first and demands we aim for excellence in everything we do in order to deliver sustainable performance.

Management Statement



┌ Vice Chairman
└ Hassan Hosni Ibrahim Abd El Meguid ┘

We believe our enhanced risk controls and efforts to drive operational efficiency are also prerequisites for success in the changed environment. Strong operational risk controls enable us to deploy appropriate levels of risk in order to better serve our clients and generate sustainable financial performance. During the year, we strengthened these controls further and stepped up our efforts to reinforce a culture of accountability and responsibility. In 2012, we made substantial progress towards achieving our strategic objectives by utilizing our capital more effectively in investing our resources in driving growth and profitability in our business which is evident in a resilient underlying performance. Striving to meet our customers' expectations, new different banking services were introduced in order to better serve our clients and satisfy their needs. With a view to our customers' needs being our number one priority in service

Respected Shareholders,
Clients and Colleagues,

delivery, SAIB made impressive improvements that allowed us to strength our commitment to being partners for sustainable efficient growth with our customers. In order to better serve our customers in the most effective way possible and to reduce risk to the bank, SAIB began the centralization process for several key areas that had a direct impact on customer service and satisfaction. We successfully centralized the clearing and collection process as well as the fund transfer mechanism through the ACH system.

We also implemented a centralized cash management system and began working on trade finance, which was in the project phase in 2012 due for completion in 2013. E-payments and CPS were also successfully introduced. To better serve the needs of our customers, a plan has been adopted to redistribute the branches in order to enable

Management Statement

the bank's effective presence in the areas where our customers are located. The bank continues to apply a policy of horizontal expansion, extending the branches network, including the opening of two new branches one in New Cairo & an Islamic Finance branch in Nasr City. 2013 shall witness the opening of additional branches in Sheik Zayed/6th of October, Maadi, Luxor, Assuit, and Alexandria.

Several new products were introduced in 2012 which gave customers a more diversified portfolio of banking products at SAIB. An education cost-sharing product was implemented very successfully with partnering educational institutions. Also, a club membership loan program saw great success with collaborating clubs. Household appliances financing helped many segments of the society to purchase their needs in an economically feasible way.

In conclusion, we would like to take this opportunity to thank the Board of Directors for their exerted effort and effective participation in helping the management guide the bank into a new strategic direction which has led to the improved competitive status of the bank. We also wish to thank the bank's staff for the significant effort & performance they have shown during the last period.



Introduction

SAIB BANK (Société Arabe Internationale de Banque), was established on the 21st of March 1976, as the first joint Arab Bank working in Egypt to abide by the provisions of the investment law 43 of the year 1974, which was amended in accordance with the investment laws 230 / 1989 and 8 / 1997.

SAIB's issued and paid-up capital has increased from US\$ 4 million dollars in 1978, to currently reach US\$ 150 million dollars distributed over 15 million shares, per nominal value of US\$ 10 dollars per share; while the authorized capital amounts to US\$ 200 million dollars.

The bank executes all banking investment, financial and commercial matters related to banking investment business, and contributes to financing economic, industrial, real estate, agricultural, and commercial projects, as well as Egyptian foreign trade.

In addition to provision of loans, short, medium and long-term clients credit facilities, as well as retail banking products.

Also, deposits acceptance and issuance of savings certificates in Egyptian and foreign currencies, and carrying out relevant securities.

Moreover, execution of all the banking activities in compliance with the provisions of the Islamic law through SAIB's Islamic branches. Whilst total customers' deposits portfolio amounts to L.E. 12.8 billion, whereby these banking services are being offered through SAIB's headquarters and a disseminated nationwide network of branches.

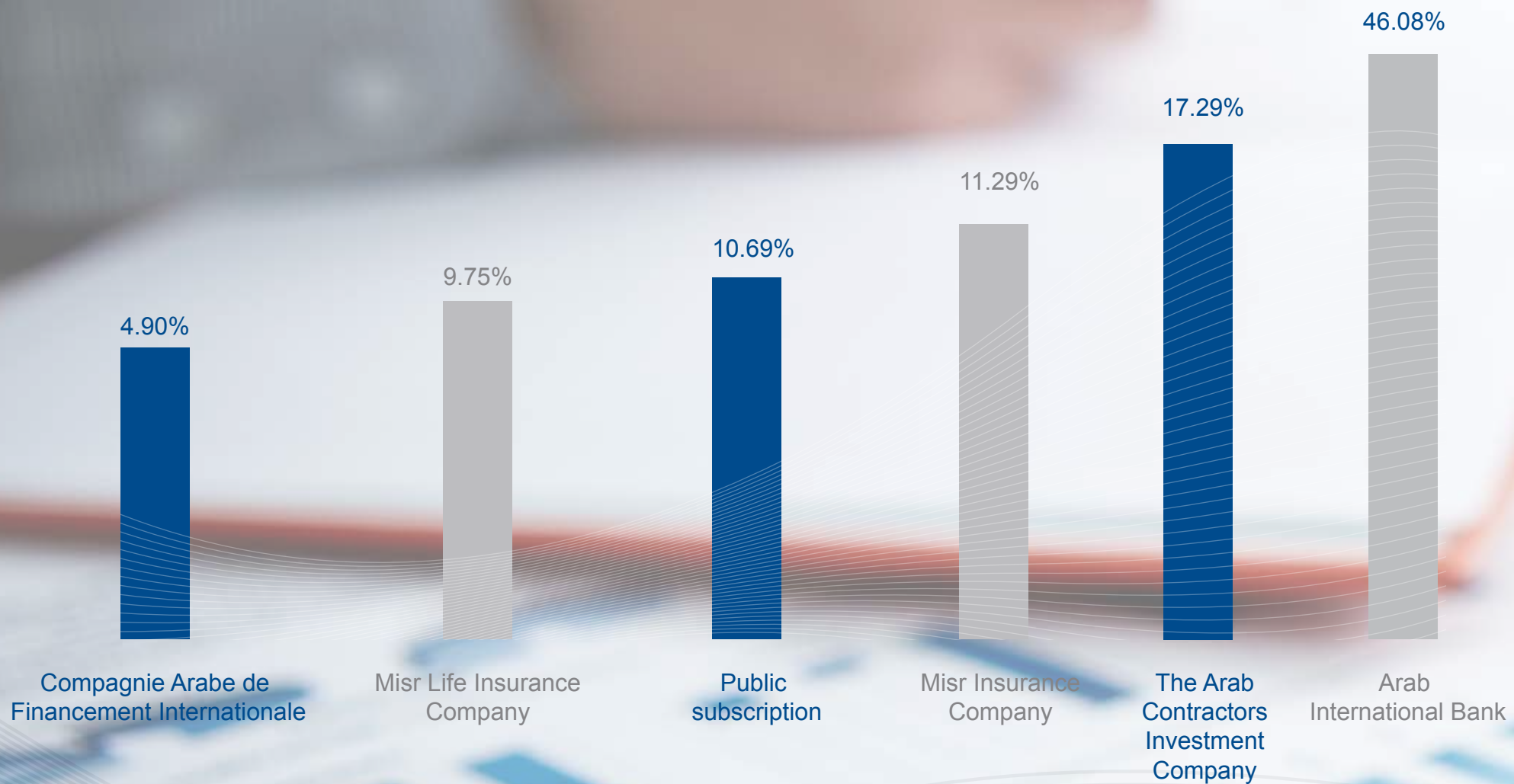




ANNUAL REPORT

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SAIB BANK Shareholders



Board of Directors

Mr. Mohamed Naguib Ibrahim
Chairman & Managing Director

Mr. Hassan Hosni Ibrahim Abd El Meguid
Vice Chairman & Managing Director

Mr. Mohamed Ibrahim Abdel Gawad
Experienced Member

Mr. Hamad Salem Kardous al Amary
Arab International Bank

Mr. Amr Yekhlef Hagag
Arab International Bank

Mr. Adel Salah el-Din Ezzat
Arab International Bank

Mr. Ahmed Bahaa el- Din Youssef
Arab International Bank

Mr. Ali A. A. Hadi
Misr Insurance Co.

Mr. Ahmed Shawky Farid
Misr Insurance Co.

Ms. Zeinab Khalil Eshak
Misr Life Insurance Co.

Eng. Mohamed Samy Saad Ibrahim
The Arab Contractors for Investments Co.

Mr. Mohamed Mahmoud Ali el Khatib
The Arab Contractors for Investments Co.

SAIB BANK Board Members



Mr. Mohammed I. A. El-Gawad

Experienced Member

Mr. Mohammed , is a knowledgeable Banker with a wide experience that extends to more than 45 years in several Middle Eastern Countries including Libya, Egypt and many other Arab Countries. Among his major achievements is the establishment of the Libyan Foreign Bank, the foundation & the chairmanship of the largest oil distribution in the region namely, TamOil. Moreover, the participation in the establishment and co. management of the Arab International Bank.



Mr. Hamad S. Kardous

Arab International Bank Representative

Mr. Hamad, Vice Chairman at Arab International Bank. He is also a board member at Arab International Company for Hotels & Tourism and Chairman, Executive Director at Abu Dhabi Investment Authority (ADIA) ,and a member of the Board at Contact Media Production.

SAIB BANK Board Members



Mr. Amr Yekhlef Al-Haggag

Arab International Bank representative

Mr. Amr, is a banker with an experience that extends to 20 years during which he had been appointed as a board member at Libya Tunisia Bank, Arab Bank for Investment and Foreign Trade in Abu Dhabi. Mr. Amr currently sits on the board of Directors of Wahda Bank in Libya as a Board Member.



Mr. Adel Salah El Din Amin Ezzat

Arab International Bank representative

Mr. Adel has experienced over twenty five years in the banking sector, he is responsible for setting the overall business strategy for the corporate banking division. He has held several senior positions such as a Director Corporate Banking Division at Piraeus Bank Egypt, Head of Corporate Banking Division, Banking Group Head at National Bank of Oman , Deputy Managing Director at Commercial Int'l Life Insurance Co. ,The Egyptian American Bank and Citi Bank.

SAIB BANK Board Members



Mr. Ahmed S. Farid

Misr Insurance Company representative

Mr. Ahmed has held several positions at Misr Insurance Company such as Sector Head for Canal Region, after which he became Assistant Chairman for Re-insurance and Private Risk.



Mrs. Zeinab K. Eshak

Misr Life Insurance Company representative

Mrs. Zeinab has held several senior management positions at Misr Insurance Company where she was the Vice Chairman, and she is currently Vice Chairman at Misr Insurance Holding Company .

SAIB BANK Board Members



Mr. Mohammed S. Saad

Arab Contractors for Investments Company Representative

Mr. Mohammed is an expert in construction management with more than 30 years of experience in project management and procurement construction (EPC) management. He is specialized in infrastructure, building, healthcare, construction project, roads and utilities. He is also a board member of Akhbar El Youm, a board member of Egyptian-Chinese Company, board member of El-Nahda company and El Wadi El Akhdar Company,



Mr. Mohammed M. El-Khateeb

Arab Contractors for Investments Company Representative

Mr. Mohammed has more than 35 years industry experience and has held several senior management positions at Arab Contractors Company until becoming the current Assistant Chairman.

SAIB BANK Board Members



Dr. Ahmed Bahaa El-Din Yusuf

Arab International Bank representative

Dr. Ahmed, has 30 years' experience in the banking sector and has assumed many senior positions such as Assistant General Manager for Treasury sector and then assumed Deputy General Manager for Compliance Sector at AIB. He represents AIB at CAFI Company and works as a lecturer in the Egyptian Banking Institute.



Dr. Ali A. A. Hady

Misr Insurance Company representative

Dr. Ali has more than 30 years of experience in academia. He is a board member at Misr Insurance Company, a member of the Technical Committee of Mo Ibrahim Index for Governance in Africa. He is a Distinguished Professor at AUC and is currently Section Head for Mathematics and Actuarial Science.

Executive Committee

Mr. Mohamed Naguib Ibrahim
Chairman & Managing Director

Mr. Hassan Ibrahim Abdel Meguid
Vice Chairman & Managing Director

Mr. Hassan Mohamed Sherif
Senior General Manager for Risk
and Control

Mr. Magdy Mohamed el Dakroury
Senior General Manager for
Business Sectors

Mr. Alaa Mohamed Amin
Head of Credit Sector

Mr. Mahmoud Ezzat
Head of Retail

Mr. Khaled Gad
Head of Information and Technology
Sector

Mr. Ashraf Negm
Head of Treasury Sector

Mr. Khaled Abdel MoneimSetouhy
Head of Legal Sector

Mr. Hamdy Ghazy
Head of Finance Sector

Executive Committee



Mr. Mohamed Naguib Ibrahim

(SAIB BANK Chairman & Board Member)

Mr. Mohamed has more than 35 years of extensive experience in Banking & Finance Industry at both operational & managerial levels, during which he assumed several senior leadership positions as he has been the Vice Chairman at Banque Misr, Board Member & Head of Risk Management at National Bank of Egypt, Managing Director at the International Company for Leasing “IncoLease” & the General Manager of Credit & Risk Management at MIBANK. He currently sits as a Board Member on the Board of Directors of various distinguished institutions spread throughout Egypt.

Simultaneously, Mr. Mohamed had the pride of lecturing on Banking Management & Credit Analysis at the American University in Cairo for several years. He also contributed in amending the Egyptian Financial Leasing Law & further introducing its provisions at the economic committee of the Egyptian Parliament.



Mr. Hassan Hosni Ibrahim Abd El Meguid

(SAIB BANK vice Chairman & Board Member)

Mr. Hassan is the Vice Chairman & Managing Director responsible for fulfilling the bank’s strategy through development of executive plans that ensure efficient resources management.

He has over 35 years of experience during which he assumed numerous executive positions in several banks starting with the Arab African Int’l Bank in 1975 where he joined the International Investment and Finance Division, followed by the Credit International d’Egypte Bank in 1978. In 1981 joined MIBank (Misr International Bank) till 1999. Prior to joining SAIB as the Executive General Manager in 2004, he was the General Manager of Credit and Marketing in the United Bank of Egypt (UBE).

Mr. Abd El-Meguid was elected in 2005 till date as Board Member & Treasurer of the Federation of Egyptian Banks, as well as being a Board Member at International Company for Leasing “Incolease” the largest leasing company in Egypt. In 2009 he was appointed as Board member at the Egyptian Competition Authority representing the Banking sector.

Executive Committee



Mr. Hassan Sherif

(Senior General Manager for Risk and Control)

Mr. Hassan is SAIB's current Senior General Manager for Risk and Control, with 30 years of experience in the banking sector including both banks national and international, like National Bank of Egypt, Islamic Bank, Qatar Bank, Al Watany Bank of Egypt. During his job tenure in SAIB since 1998, he has held many senior positions including Senior Manager-Credit Sector, General Manager Credit Sector and General Manager Risk Sector.



Mr. Magdy M. EIDakroury

(Senior General Manager for Business Sectors)

Mr. Magdy is SAIB's current Senior General Manager for Business Sectors, including Direct Investment & Syndicated Loans, Corporate Finance, SMEs, Treasury and Retail. He started his career in 1986, and he has extensive banking experience. He joined SAIB in January 2006 as General Manager during this period he was responsible for handling the merger process, focused on upgrading the ratios and norms of Port Said Bank to integrate with SAIB's standards. Before joining SAIB he was Head of Corporate Banking in Export Development Bank of Egypt. Prior to this, he worked for Egyptian American Bank as an Assistant Manager.

Executive Committee



Mr. Alaa M. Amin

(Corporate Banking Sector Head)

Mr. Alaa is SAIB's current Corporate Banking Sector Head with almost 30 years of experience in the banking sector, including positions in Delta International Bank amongst other's. During his job tenure in SAIB, he held many Senior Positions including Assistant General Manager, Deputy General Manager in the Credit Sector as well as serving as a Branch Manager.

He also contributes in the Bank's ALCO and Credit Committees through his membership in these committees.



Mr. Mahmoud Ezzat

(Retail Sector Head)

Mr. Mahmoud is SAIB's current Head of Retail Banking Sector, with more than 30 years of experience in the banking sector, including positions in international banks in Egypt and in the Middle East region. During his job tenure in SAIB he held many senior positions including Head of Compliance Sector, Head of Retail Banking Sector.

Executive Committee



Mr. Khaled M. Gad

(Information Technology Sector Head)

Mr. Khaled is SAIB's current Information Technology Sector Head with almost 30 years of experience in the banking sector which includes banks as Union National Bank (UNB) and SAIB BANK. During his job tenure in SAIB, he has held many senior positions until he reached his current position.



Mr. Ashraf Negm

(Treasury and Capital Market Sector Head)

Mr. Ashraf is SAIB's current Treasury and Capital Markets Sector Head, with over 30 years of industry experience. He began his career in 1981 in the Foreign Relations and Treasury team at Egyptian American Bank Hong Kong Bank Egypt, HSBC, where he served until 1997. He joined SAIB in 1997 in his current position and under his leadership; he has helped with his professionalism with the growth of the department.

Executive Committee



Mr. Khaled Setouhy

(Legal Sector Head)

Mr. Khaled is SAIB's current Legal Sector Head and a Cassation lawyer and Supreme Administrative since 1997. He has attended courses in VEDIC contracts as well as in domestic and international arbitration, trade and labor law and investment rules and he has worked as a private lawyer since 1984 till 1993. He is a member of the Bar Association, a member Arab Lawyers Union. Prior to working in financial institutions, he has extensive experience in law of trade and international contracts. He served as Chief Director of Legal Department at Egyptian British Bank (HSBC) and supervised debt settlement department from 1994 - 2001. During his job tenure in SAIB since 2001, he has been a member of the debt settlement committee since 2002 and he has held many positions from Senior Manager, Legal Sector till Head of Legal Sector.



Mr. Hamdy I. Ghazi

(Financial Sector Head)

Mr. Hamdy is SAIB's current Financial Sector Head with 30 years of experience in the banking sector. During his job tenure in SAIB in the Financial Sector, he has held many positions until he reached the Financial Sector Head position which he has held since 2007. During this period he had attended numerous eligible internal and external training courses for providing knowledge and has full know-how of the Egyptian Accounting Standards and Financial Statements preparation and development rules in accordance with the requirements of the Central Bank of Egypt.

Under Mr. Hamdy Ghazi's chairmanship of the Financial Sector, the unit provides the bank's Senior Management and Business Units and supporting Sectors with financial indicators and reports for analyzing the resources as well as the cost and the return on different business units and branches of the Bank in order to assist officials on periodic follow-up of the figures and the results of business units and branches, to maximize profitability in order to achieve the objectives and strategies desired for the bank.

Executive Committee







Interview with the Founder (Dr. Hassan Abbas Zaki)

Without a doubt, SAIB owes Dr. Hassan Abbas Zaki its inception as he is the one who created and inaugurated the bank in 1970's of the previous century. He was able to strengthen the bank's position as a leader in the banking industry despite the Bank's medium size. He was not only the Chairman of SAIB but a legend of his times.

SAIB BANK HISTORY

OLD HERITAGE...

Without a doubt, SAIB Bank owes Dr. Hassan Abbas Zaki its inception as he is the one who created and inaugurated the bank in 1970's of the previous century. He was able to strengthen the bank's position as a leader in the banking industry despite the Bank's medium size. He was not only the Chairman of SAIB but a legend of his times.

The idea of the creation of SAIB began in 1976 in order to offer investments for the financial sector as the opportunity was available for further investments by the Arab International Bank to diversify the portfolio in Egypt. Accordingly, the Board of Directors of Arab International Bank, took the decision to create another investment bank that was under its jurisdiction, under my leadership. The decision was made to house the head office in downtown Cairo/Al Bustaan. The bank began its operations in all banking transactions in USD in the market because of its subsidiary relationship to Arab International Bank. In 1983, the Bank began also dealing in local currency and the priority was always for investments that were trustworthy and avoiding investing in high risk sectors. There was always a view to sharing information with the investors on how their investments were being managed.

My role in the Egyptian banking sector was to advise the other heads of banks to not make high risk decisions with the bank's money and to invest it in areas that are safer.

The role of the bank is to safeguard the investments of investors and shareholders and for the employees and heads of sector to make prudent choices in the liquidity of the bank's portfolio, in terms of the bank specifically and in terms of the country as a whole. The bank's relationship with its clients is always based on mutual respect and full consideration of their needs.

The Head Office of the bank moved from Down Town to its current location in Mohandiseen in 1987. And the branch that is currently in existence began its operations and other branches began opening in Cairo and Alexandria.

In order to capture new market segments, new banking products and services were pioneered by SAIB, which was "leasing". This idea was spearheaded by a working group comprised of my humble self, with the participation of Mr. Mohamed Naguib (current SAIB Chairman) and Dr. Farouk El Okda (former Central Bank of Egypt Governor). And based on this contribution and their ideas, the first international leasing company was inaugurated in Egypt under the name "International Leasing Company – INCOLEASE", with ownership by SAIB of 20.19% and it was the first company of its kind in the Egyptian market. After its launch, other competitive companies arose.

7 OLD HERITAGE...

The idea of an acquisition plan for another bank came to us in 2008 and with the start of 2009, SAIB acquired National Bank of Port Said, based on my extensive experience with the local market there and it being my hometown.

My opinion on the role of employees in the bank is that they have to act as a trustworthy advisor for the client and they must act in an intelligent and productive way in making investment decisions that guarantee the highest rates of return for the client while always safeguarding their investment.

It is important to always offer training for employees, especially the middle management level and that there is open communication between line managers and their subordinates and that leaders always work to teach and develop those working under them.

The new management team that is in place, under the leadership of Mr. Mohamed Naguib, current Chairman and Managing Director, still maintains an open line of communication with me.

At the end of the discussion, I wish to thank Mr. Mohamed Naguib and highlight his insight and expertise in the banking sector and industry and wish him all the success possible.



WORLD MILESTONES

1976

Earthquake in Tabgshan China
The First Commercial Concorde Flights take off
The United States celebrates 200th birthday of independence from British Rule

1983

The World's population is estimated at 4.72 Billion
The first mobile phones, are introduced to the public by the Motorola Company
President Ronald Reagan proposes the Strategic Defense Initiative (SDI)
Margaret Thatcher wins landslide victory in General Elections in the UK.

1997

Asian Financial Crisis- Devaluations and banking crises across Asia

2008

Democratic Candidate Barack Obama elected to be 44th President of the United States
Global Financial Crisis - Central Banks and policy makers around the world announce unprecedented stimulus packages in an effort to restore liquidity and stabilize the financial system.

Mohammed Morsi becomes the first civil elected President of Egypt
Re-election of Barack Obama as President of the United States

2012

Registration @ Central Bank of Egypt (CBE)



Start Dealing in EGP

IncoLease Establishment

Acquisition of National Bank of Port Said

Website Launch
Call Center 16668
Branch Expansion Strategy

New Logo





OLD HERITAGE...

OLD HERITAGE...

البنك المركزي المصري

قرار مجلس إدارة البنك المركزي المصري
بمجلسه المنعقد في ٨ يناير ٢٠٠٨ رقم ١٠٠٨/٢٠٠٨
بمقتضى الموافقة النهائية على اندماج بنك الشركة المصرفية العربية الدولية
في بنك الشركة المصرفية العربية الدولية
١ - الموافقة على اندماج بنك الشركة المصرفية العربية الدولية
٢ - سحب تسجيل بنك الشركة المصرفية العربية الدولية
من سجل البنوك بالبنك المركزي المصري اعتباراً من نهاية يوم عمل ٣١ يناير ٢٠٠٨ رقم (١١٢٢)

سكرتير مجلس الإدارة
د. محمد كمال الدين منير

هيئة العامة لشؤون المطابع الأميرية
صدرة طبق الأصل

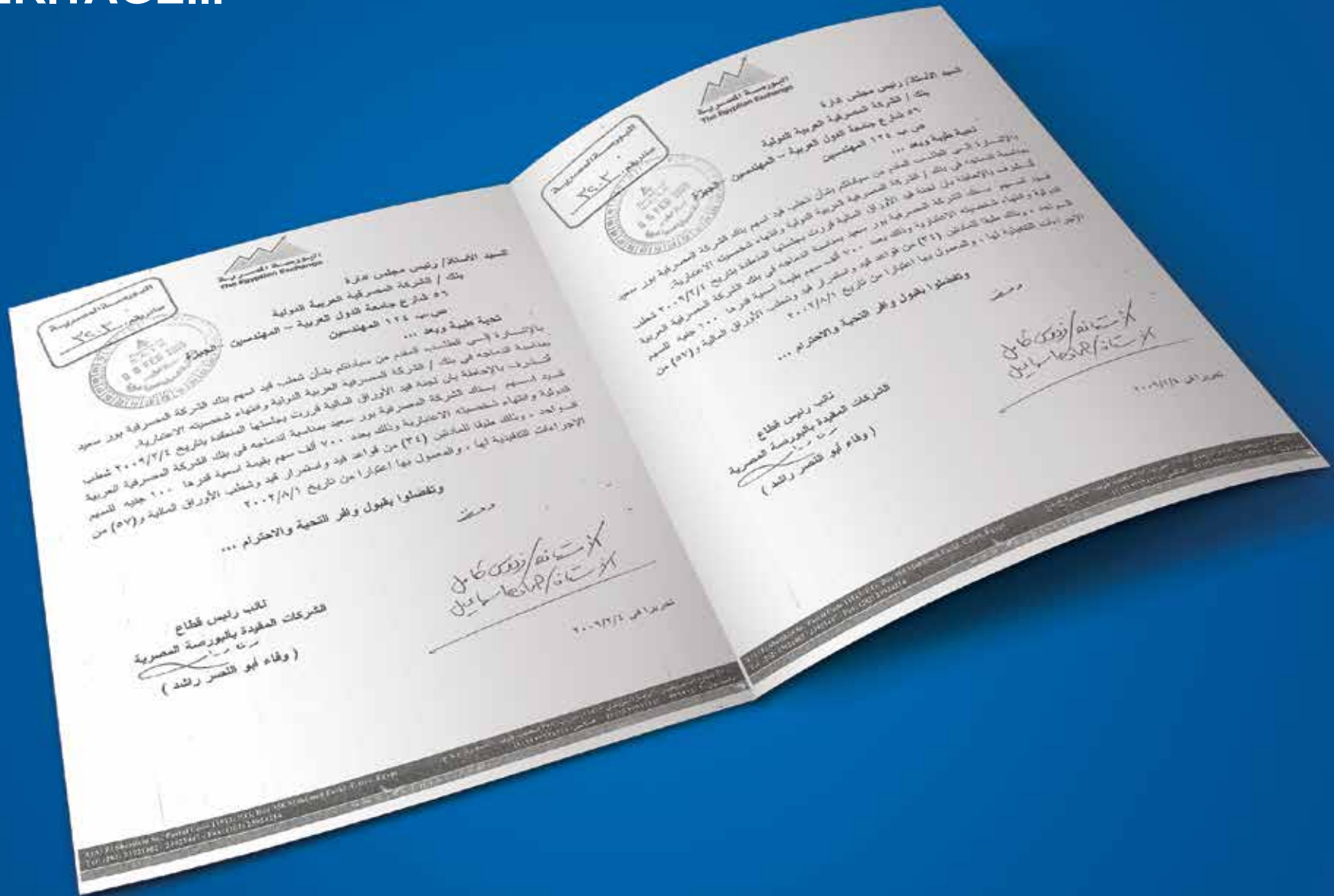


الأمانة العامة
البنك المركزي المصري
البنك المركزي المصري
٨٧/ ٨٦٨
البنك المركزي المصري
١٠ من عهد السلطان طارق (البنك سابقاً)

تسوية طيبة وحيد
مديران
صالحية بالبنك المركزي المصري
الدولة " بحيث يمكن له حق التصالح بالعملة المصرية بالأساقفة إلى العملات السيرة
وعدم احتجاز العملة الأجنبية اليوم لشراء البنك المركزي في الوقائع السيرة حتى تتواكب
العلازمة اللازمة
ويود أن يشرفي هذا الخصوص إلى أن الترشيح للبنك بالتصالح بالعملة المصرية يمكن أن يندمج
بما تنص به المادة (٦) من المادة الثالثة من قانون استئجار المال العربي والبنك المركزي
والقوانين والقرارات المعدلة السابقة " ومن ثم لم يعد للبنك الحق في التصالح بالبنك من أحكام التراسيم
فأسوأ على العملات السيرة " وعلاوة على ذلك فإن القانون رقم ١٣ من ذات القانون ما لم الذي يستلزم
استعداد الترشيح بمزاولة عملات النقد الأجنبي وثلاً أحكام القانون رقم ٩٧ لسنة ١٩٧٦ لا يوافق
شحن البنوك المتحدة الواردة بالمادة الثالثة من اللائحة التنفيذية لقانون البنك
وتفضلوا بتحويل نافي الاسترام

بمدير عام الوقائع على البنوك

OLD HERITAGE...



7 Strategic Direction & Values

Vision

- To be our customers' prime choice in service quality and competitiveness, reaching a top position in the market.

Mission

- Undertake all banking, financial, and commercial operations to the best of our customers' expectations, fulfilling our shareholders' ambitions.
- Encompass cutting edge performance through good investment in building our employees' skills, and applying advanced technologies preparing and providing our staff with the best specialized training programs to perform according to international standards
- Make a positive contribution to our society, by being an effective member of the community.

Value statement: "To be our Customers prime choice"

- Service is our honor
- Perfection is our attitude
- Integrity is our commitment
- Citizenship is our identity





2012 ANOTHER CHALLENGING YEAR

Globally

The global economy has weakened markedly since the start of 2012. The downturn in the euro zone economy appears to have intensified after months of policy procrastination, and a swift recovery in the coming quarters appears extremely unlikely. The Chinese economy has slowed significantly over the past year, even beyond the slowdown implied by the headline GDP figures (real GDP growth fell to 7.6% y-o-y in Q212, from 8.1% in the first quarter). This dynamic is to the detriment of economic activity in the wider emerging markets sphere. On top of recessionary conditions in Europe and slowing emerging markets, the US macroeconomic landscape has weakened, with jobs growth decelerating and the manufacturing ISM index falling into contractionary territory (i.e., below 50) in June for the first time since July 2009. The policy reaction to the gathering slowdown will come from the monetary, rather than the fiscal side. Most countries – particularly in the developed world – appear fixated on maintaining austerity measures and allowing monetary policy to do the heavy lifting. With US economic activity weakening in line with global macroeconomic woes, and inflation well contained.

Developed Markets

Developed markets like the United States grew in 2012 by 2.2%, Japan 0.5%, China recorded the highest by 7.7%, but the Euro zone scored a decline by -0.6%, while the rest of the world recorded growth rate by 2.6%.

Developing and Emerging Markets

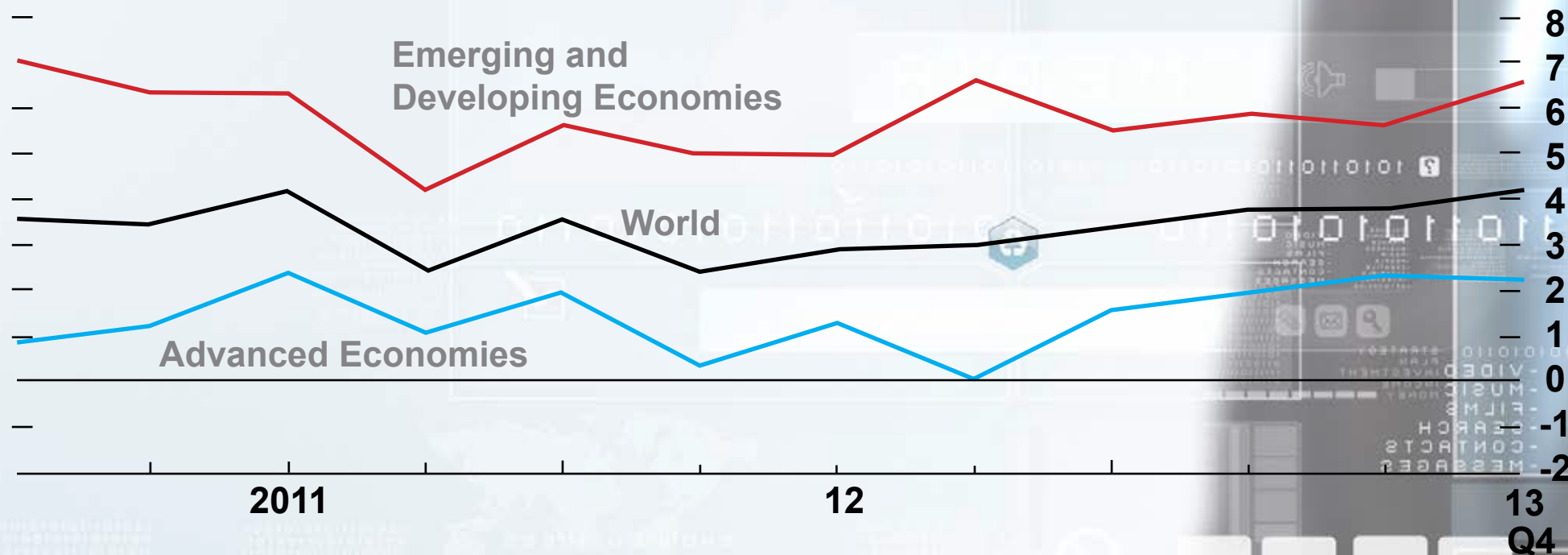
Developing and Emerging Markets grew by 5.5% in 2012.

Global Assumptions

Real GDP Growth (%)	2012	2013F	2014F	2015F	2016F	2017F	2018F
US	2.2	2.3	2.5	2.5	2.4	2.4	2.4
Euro zone	-0.6	0	1.2	1.5	1.7	1.8	1.8
Japan	0.5	0.9	1.1	1.1	1	1.1	1
China	7.7	7.5	6.7	6	5.8	5.8	5.8
World	2.6	2.9	3.3	3.4	3.4	3.5	3.5
Consumer Inflation(aver)	2012	2013F	2014F	2015F	2016F	2017F	2018F
US	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Euro zone	2.1	1.7	1.8	1.9	2.1	2.2	2
Japan	0	0	0.6	1.3	1.8	2.3	2.7
China	2.7	2.8	2.9	2.8	2.7	2.7	2.7
World	3.5	3.4	3.3	3.2	3.3	3.3	3.2
Interest	2012	2013F	2014F	2015F	2016F	2017F	2018F
Fed Funds Rate	0	0	0	0	1	2.25	3
ECB Refinancing Rate	0.75	0.75	0.75	0.75	1	1.5	2
Japan Overnight Call Rate	0.10	0.10	0.10	0.10	0.25	0.50	0.75

Global GDP Growth

(Percent; quarter over quarter, annualized)



Source: IMF staff estimates

Global GDP Growth

Recent Developments

Indicators of activity and unemployment show increasing and broad-based economic sluggishness in the first half of 2012 and no significant improvement in the third quarter. Global manufacturing has slowed sharply. The euro area periphery has seen a marked decline in activity, driven by financial difficulties evident in a sharp increase in sovereign rate spreads. Activity has disappointed in other economies too, notably the United States and United Kingdom. Spillovers from advanced economies and homegrown difficulties have held back activity in emerging market and developing economies. These spillovers have lowered commodity prices and weighed on

activity in many commodity exporters. The result of these developments is that growth has once again been weaker than projected, in significant part because the intensity of the euro area crisis has not abated as assumed. Other causes of disappointing growth include weak financial institutions and inadequate policies in key advanced economies. Furthermore, a significant part of the lower growth in emerging market and developing economies is related to domestic factors, notably constraints on the sustainability of the high pace of growth in these economies and building financial imbalances.

At Home

Monetary Developments

On the monetary side, total liquidity recorded a notable monthly growth of 1.7% to register 1167.2 Billion EGP in December 2012. Additionally, annual growth in total liquidity continued to pick up in December 2012 recording 12.3%. The increase in domestic credit – in particular the pick-up in credit to the private sector as well as the continuous increase in net claims on government – is the main driver behind growth in total liquidity from the assets side.

Overall Financial Position of Banks (other than the CBE)

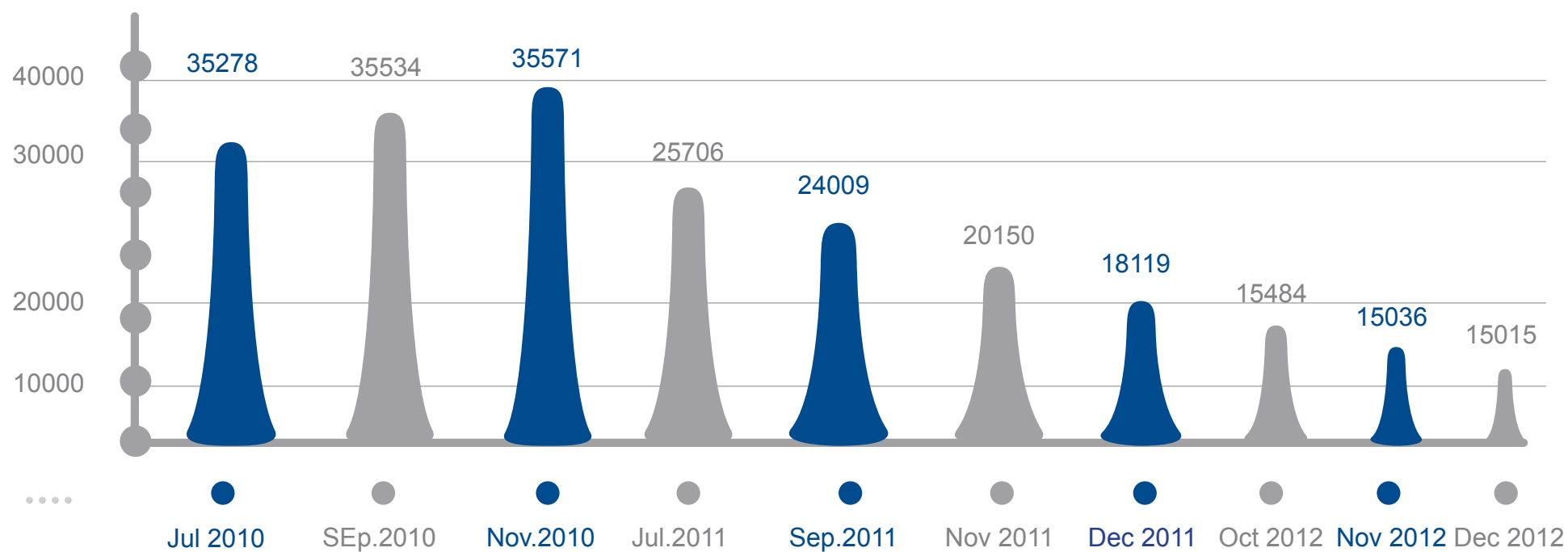
Annual growth rate in total lending by banking sector (excluding CBE) increased during the year ending December 2012 by 5.5% .where total loans amounts almost LE 516.8 billion at end of December 2012.

CBE net international reserves (**NIR**) reached \$15.015 Billion at end of December 2012

Annual growth in total deposits with the banking sector (excluding CBE) increased at the end of December 2012 recording 10.3%..

At Home

Foreign Reserve (Million \$)



At Home

Balance of Payments

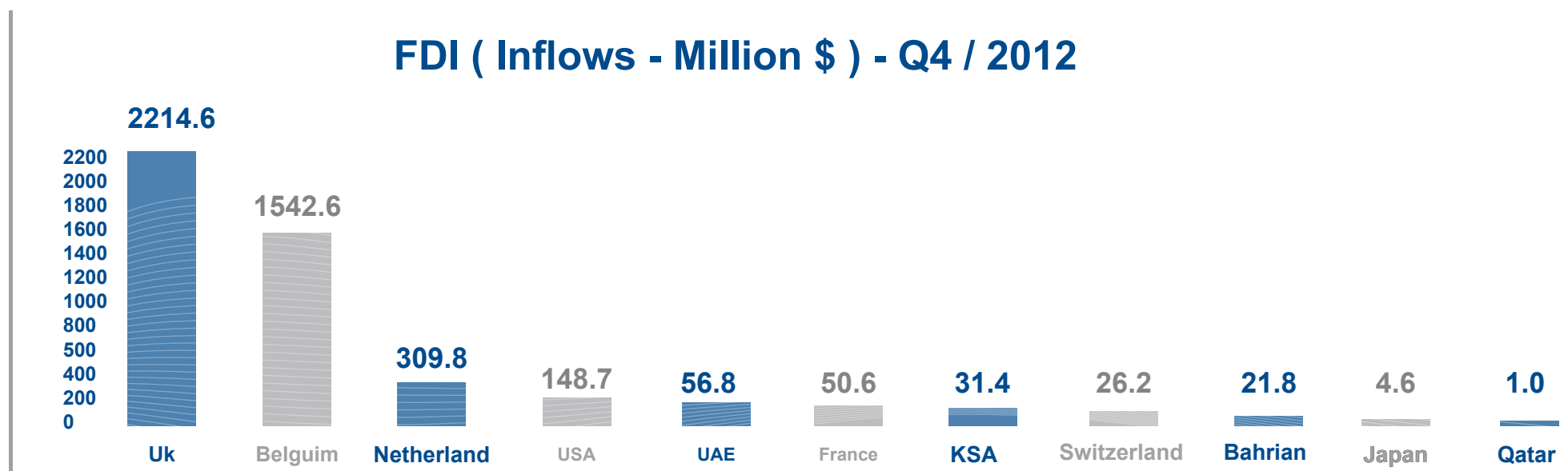
Balance of payments (BOP) statistics- published by the Central Bank- for the period July–December 2012 / 2013 registered a deficit of only \$ 0.6 Billion in the overall balance, decreasing by 93%. The recorded decrease in the overall deficit comes as a result of the 25% drop in the current account deficit (attributed basically to the notable increase in workers' remittances; and the noticeable improvement in the services surplus). Meanwhile, the capital and financial account recorded a net inflow of \$ 4.2 Billion, compared to a net outflow of \$ 2.4 Billion. Net errors and omissions recorded



At Home

Net Foreign Direct Investments

Net foreign direct investments (NFDI) in Egypt recorded a net inflow of \$ 0.3 Billion (0.1% of GDP) compared to a net outflow of \$ 0.4 Billion (0.2% of GDP) during July- December 2011/ 2012.



At Home

External debt:

External debt recorded \$38.8 Billion in December 2012, increasing by 15.2% (the highest growth since March 2008).

Public Budget Sector

According to FY 2011 / 2012 actual budget outcomes, the overall budget deficit to GDP ratio increased to 10.8%, reaching 166.7 Billion EGP.

Total Domestic Public Debt

The domestic budget sector debt increased to 72.8% of GDP as of end of December 2012 to some 1293.9 Billion EGP.

Production and output

GDP at market prices recorded a growth rate of 2.6% during the first quarter of 2012 / 2013.

Inflation rate: General and Core

General Inflation monthly rate rose by 0.15% in December 2012, where annual rate scored 4.66% in same period, while Core Inflation monthly rate rose by 0.44% in December 2012 (as prepared by the CBE), scoring an annual rate of 4.44% in same period.

At Home

Exports and Imports by Geographical Distribution (Jul/Sep 2012 / 2013)

Main Exports 6947.9 Million \$

Other Euro. Country 39.10%	USA 16.10%	Arab Country 19.40%	EU 39.10%	Asian Country 14.90%	Other 4.80%
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Main Imports 13827.5 Million \$

Other Euro. Country 9.40%	USA 6.60%	Arab Country 17.80%	EU 31.00%	Asian Country 20.00%	Other 15.20%
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BANK PERFORMANCE



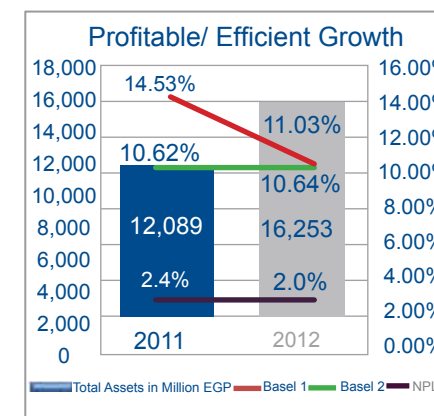
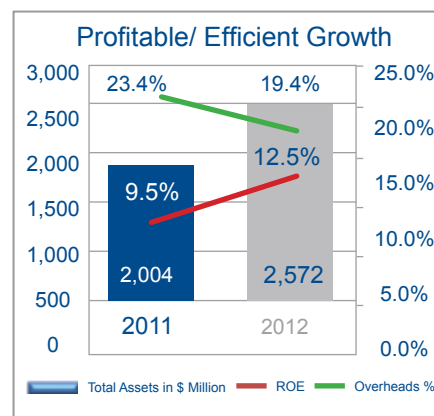
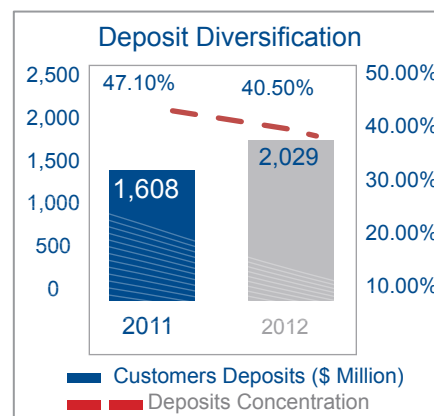
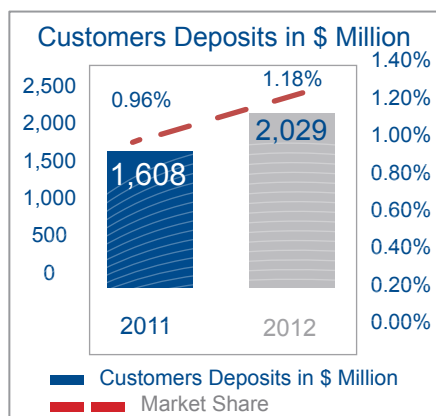
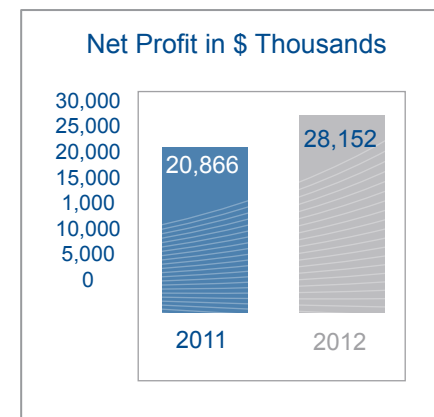
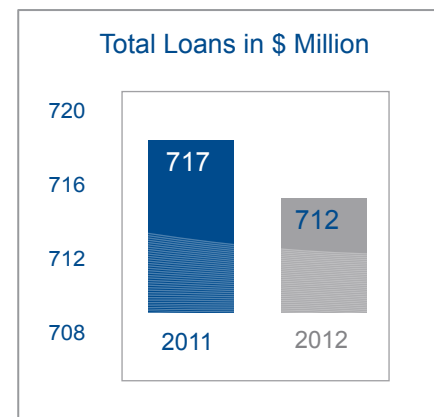
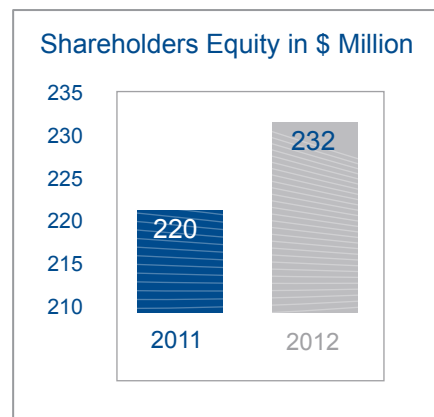
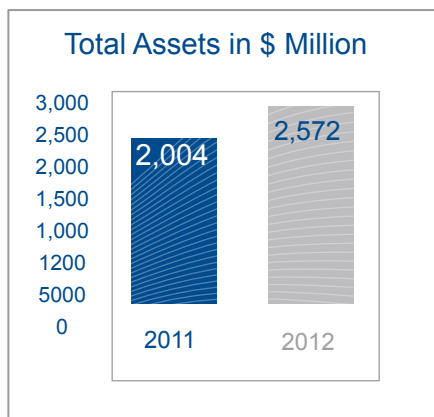
Bank Performance

Financially:

Key Financial Highlights/Performance Trend

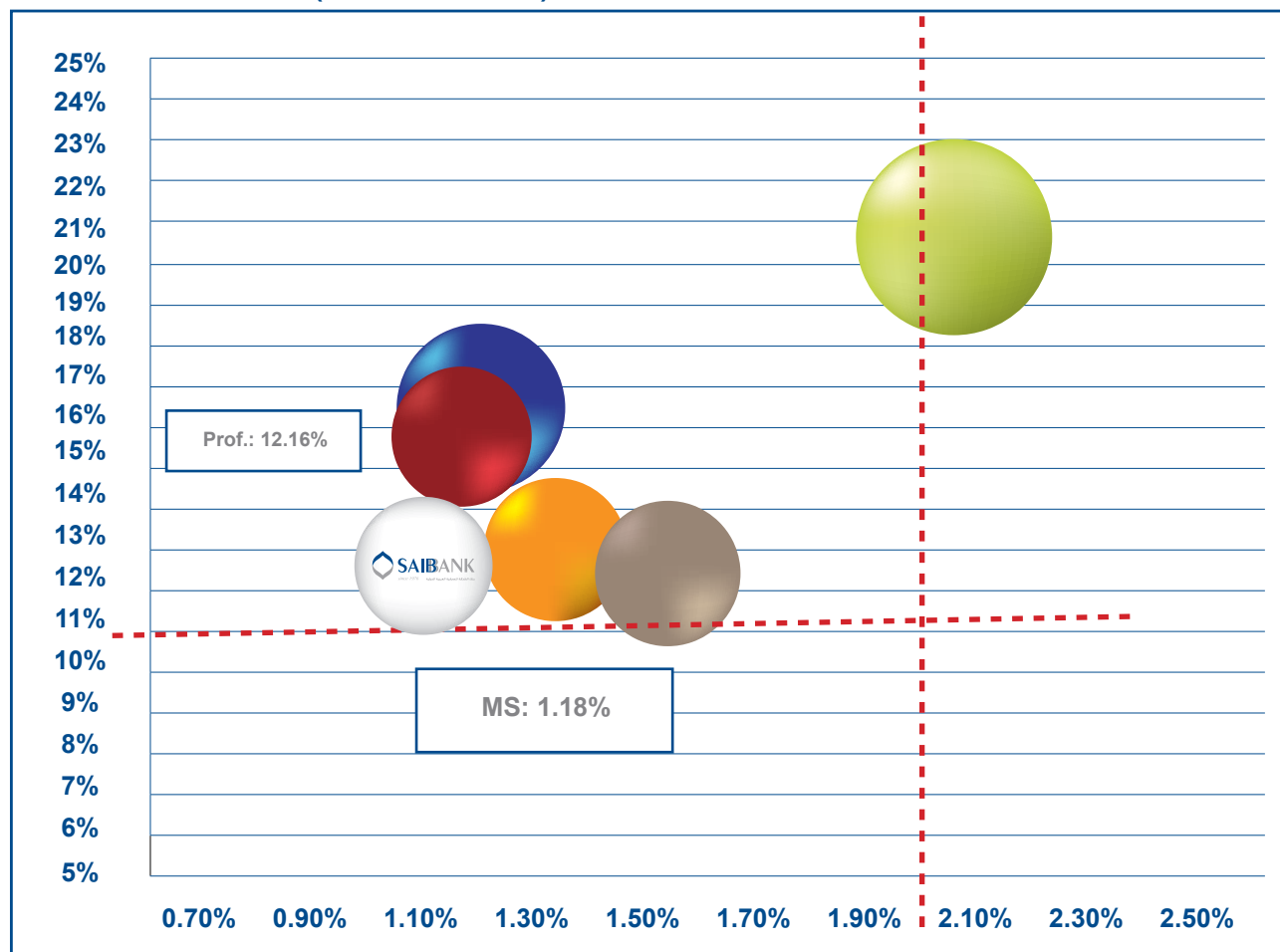
	2011	2012	Growth
EGP Deposits Concentration	61.3%	40.52%	-34%
USD Deposits Concentration	82.4%	58.94%	-28%
EGP Cost of funds	9.9%	10.03%	+1.3%
% Return per EGP	0.9%	0.86%	-4%
USD Cost of Funds	2.7%	3.12%	+16%
% Return per USD	1.16%	1.23%	+6%

SAIB BANK Financial Highlights



SAIB BANK Financial Highlights

Market Share (Dec. 2012)



Interview With a Shareholder Representative

Interview with Mr. Hamad Salem Kardous

Board Member, Arab International Bank Representative-Executive Director at Abu Dhabi Investment Authority (ADIA)

The Beginnings

The key developments of the bank in the last period and specifically during 2012 have been a period of remarkable change. I have served as a board member at SAIB since 2012, when Dr. Hassan Abbas Zaki was the Chairman at that time. The Egyptian economy was a ripe market for investment during this time period.

New Directions

The changing of the senior management team in the last time period has made it very clear that the current senior management has new ideas that they are implementing and changes in a very positive direction. Especially the focus on technology development and further training of the already well qualified employees. The new management team displays transparency to shareholders and a more experienced know how in investing the banks' capital as reflected in the decisions taken in this regard to date. SAIB is considered to be in an advantageous positioning comparison to other banks.

Market Conditions

In reference to external investments in the Egyptian market, I feel confident in the dynamics of the Egyptian market fundamentals due to the size of the market. Although I am not sure about the current market conditions, we are not planning to exit this market due to our confidence in the Egypt's ability to overcome the obstacles it has been going through. And we hope the market will go back to its previous position and Egypt is different than other countries because it's a market that is full of potential for investments and we hope the circumstances get better in the fastest time possible.



7 Interview With a Shareholder Representative

SAIB's Edge

SAIB's competitive advantage in the financial services market can be seen in the comparison between us and our peer banks, where we are in the lead. We are in a new phase of improvement with the new management philosophy guiding the way. Although profits in the last year were not extra ordinary, they were still very good bearing in mind the current market conditions. There is a lot of confidence in the management which is evidenced by the deposit growth and the fact that we have increased our market share/size faster than the market growth rate which is highly commendable and reflective of the senior management team's abilities and long term strategic plan.

It's also important to note the adherence of the senior management team to the stipulations and regulations of the Central Bank of Egypt. For example, although this is not the only one, the capital adequacy of USD currency and this is evident in a very strong relationship between SAIB and the Central Bank of Egypt which leads to open channels of communication.

In terms my outlook for SAIB with a view to a future acquisition of SAIB, as evidenced by the interest of foreign banks like QNB and others in the Egyptian market. This does not apply to SAIB because SAIB and Arab National Bank are firmly established banks that have the potential to acquire, not to be acquired.

Going Forward

My future vision for SAIB is optimistic and I have high expectations for the banks expansion both locally and internationally. This requires long term strategic planning and that the Bank would have branches in all governorates in Egypt. It is also necessary that the Bank transforms from a bank operating in only Arab countries to a bank with a strong international presence.

I would like to stress on the importance of the existing clients of the bank who are a value added, regardless of their size. The senior management views and deals with all clients as if they are part of one large family. I would also like to reiterate the strength of SAIB in handling personal banking relationships with a specialized touch and that the Bank is always open to hear complaints or suggestions since our clients are our partners. This leads to diversified distinguished services to SAIB clients.

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Customers

SAIB BANK provides different types of products that meet different customers' needs and expectations, which we display as follows:

Retail Banking

SAIB Retail Banking Sector aims at meeting the needs and funding requirements, for a large segment of community interests. This sector provides various kinds of products as: Car Loans, Personal Loans, Educational Loans, and Ahli Club Loans.

Card Center

SAIB card center aims at meeting the needs and funding requirements, for a large segment of community. This sector provides various kinds of products as in: Credit MasterCard; longest grace period 58 days, 100% of credit limit cash withdrawal, with almost 3 Million commercial shops and POS and ATMs around the world, also providing SAIB Star (Debit Card), as well as 20 bank ATM machines covering the country in addition to over 5000 other ATMs.

Certificates of Deposits (CDs)

SAIB provides different types of Certificates of Deposits (CDs) in order to meet the various customers' needs and requirements, in terms of Local and Foreign Currencies with fixed and accumulative interest rates

Islamic Banking Sector

SAIB Islamic Banking Sector aims at meeting the needs and funding requirements, for a large segment of community interested in dealing in accordance with Islamic law provisions.

This sector provides various kinds of legitimate sales as in: Murabaha, Mosawama, Mosharaka, Modaraba, Ijara, El Sellem and different kinds of Astesnaa, which all represent the most common dealing means under this section.

The investment policy of the Islamic transactions sector aims at applying general principles that govern and regulate funding provision in accordance with Islamic Sharia, and thereby achieve the following:

Customers

1. Safety placement and deployment of funds available for Islamic transactions.
2. Adequate return on Islamic banking transactions, with consideration of the cost of funds.
3. Contribution in supporting economy, through provision of necessary funds for various economic and state sectors.
4. Effective cooperation with institutions, non-profit organizations, and the so-called non-governmental civil society institutions.



SAIB BANK Web

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Interview With a VIP Customer

Interview with Dr. Ali Fahmy Tolba

Owner and Managing Director of Radio Shack.

How It Started

Since I began banking with SAIB they have been partners with me in growing my business into the successful organization it is today. And I am happy to say that all my banking needs have been fully realized by SAIB in comparison to any other bank that I have dealt with. This is why, I consider SAIB “my bank” and although the average time that any customer stays dealing with any bank ranges between 5 - 7 years, I have been banking with SAIB for the last quarter of a century. They have the ability and the talent to handle all of my banking needs as a client in the most efficient manner possible.

Although it is a local bank, it offers a level of world class global banking services based on SAIB's rich experience in the local market which allows them to be active partners with their clients based on their understanding of client needs and developing their products and services to meet these needs.

Client Focused

Worth mentioning, is the fact that “the client is the number one priority at SAIB”. The exemplary level of customer service shown to customers and their dedication in meeting client needs, evidenced by their consistent follow up for banking transactions as per the clients request in a timely fashion is noteworthy and distinguishes SAIB from other banks. This level of professionalism and intimate handling of the banking relationship led the bank to manage a problem I had in check collection within a specific time period, which was critical to my business needs.



Interview With a VIP Customer

Milestones

I see two major milestones in the bank's history in the previous years. The first is the centralization of bank operations which has led to processes' becoming more consistent and also is seen in the centralized credit decision making process. And in all honesty, I personally benefited from this change. The second point is the expansion of the bank and the opening of new branches. After the acquisition of the National Bank of Port Said, with its branches in the Canal Region, this allowed SAIB to reach new market segments and further diversify the Bank's portfolio.

In the last time period, I have noticed a visible positive change in the brand name of SAIB and the corporate identity of SAIB. I also can see the positive role of the new senior management as is reflected in the utilization and development of the existing human resources and the further advancement of their performance to reach maximum levels.

In addition to the recruitment of a new team of highly skilled professionals.

Future Directions

I am happy with the direction of the bank in an institutional manner and one of the advantages of the Bank is that it does not rely on individuals but rather it is concentrated on a whole institutional structure.

As I have previously mentioned, SAIB is my bank and I would like it to always aspire to being better. By offering e-banking services, whether view-only or actually implementing on-line transactions, because this is especially important for clients like me who have these kinds of need, SAIB could expand in this direction. I would like to also see wealth management activities and further expansion of the branches network to cover all geographic areas in all governorates or even to have customer service units in strategic locations or at least lengthening the hours of operation of the Bank. In addition to having a more unified and branded corporate identity in the Egyptian market.

Operations

Retail Banking

In spite of the Egyptian Political instability that consequently led to a state of Economic recession during the year 2012, the Retail banking activities managed to play a key role in the Banking sector as per the following:

In 2012 a granted increase that amounted to 179% growth rate in the Loan Portfolio (car, cash loan) compared to the year 2011.

A growth rate of 43% in the Credit Card Portfolio.

Launching of the Educational and Club membership loans, accompanied by a highly competitive features package in terms of Loan amount, tenor and pricing.

Targeting all clients segments through upgrading SAIB's Car Finance Scheme with five exceptional programs.

The individual deposits figure has fulfilled a remarkable increase of L.E. 1.463 bn.

Introduction of the newly upgraded 24 / 7 Call Center service to meet our clients' expectations.

Releasing the newly issued EGP CDs specified for corporate and achieving sales that reached up to L.E. 5, 185 bn.

In the prime of the year 2012 major modifications were undertaken on the interest rate of EGP CDs specified for individuals who led to achieving sales amounting to L.E. 1, 682 bn.



Operations

Corporate Banking

The corporate sector represents a vital link between SAIB and the business community through the provision of financing needs for the institutions and sectors of both the public and private sector in accordance with the strategies and goals set by the bank management.

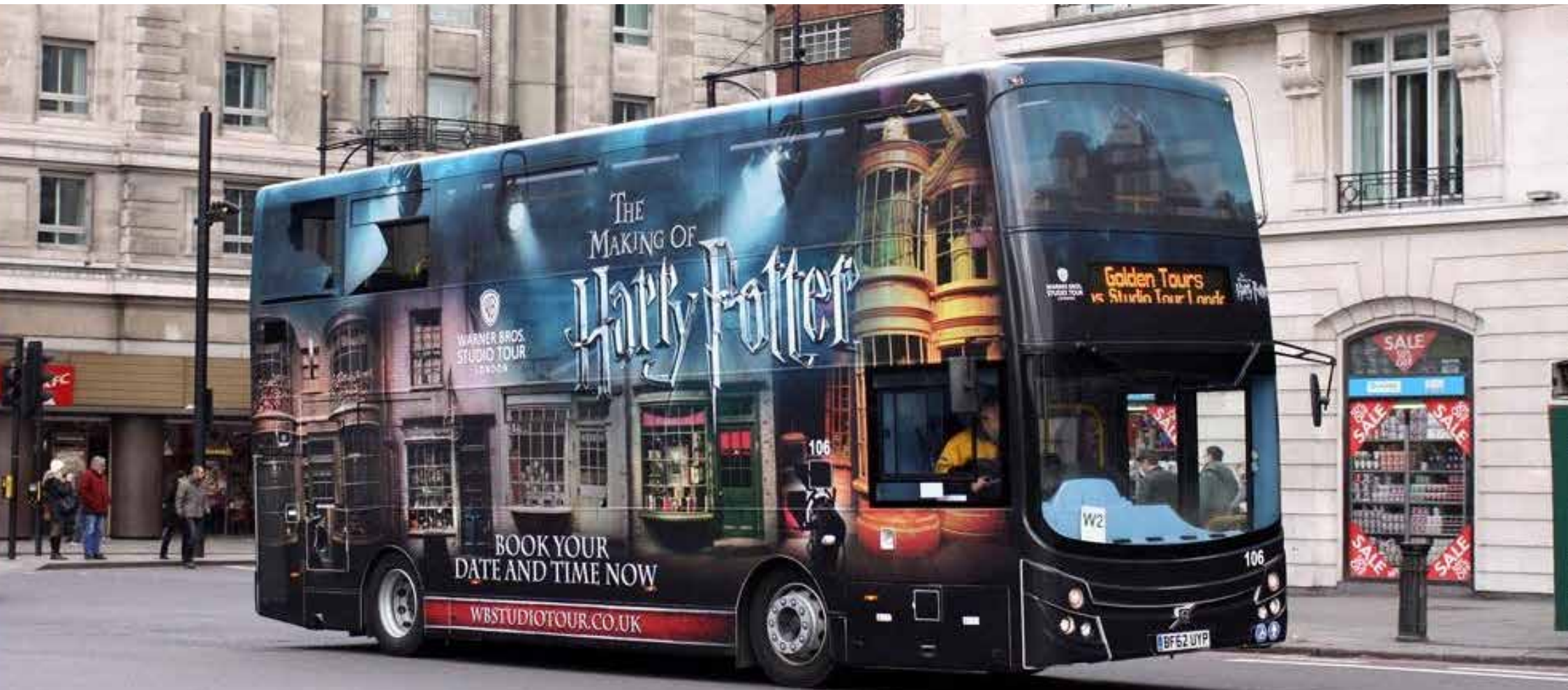
The corporate sector provides banking services to all industry sectors; Industrial, Commercial, Agricultural and introduces different banking products to meet the various financing client needs, in line with the overall plans and policies with respect to increasing the growth rates.

As of December 31, 2012 the sum of funds from institutions and agencies available for the sector's customers amounted to nearly L.E 3 bn, with a 5% increase above balance sheet compared to the previous year.



Operations

New Bus product by MCV at UK (Heliopolis Branch Client)



Operations

Resta Grand Hotel (Mars Allam) By Arab International Company for Hotels and Tourism (Mohandesseen Branch Client)



Operations

Syndicated Loans and Direct Investment Sector is specialized in three main areas of interest:

Syndicated loans:

It is the Bank's strategy to heighten its presence in the syndication loans market either through arrangement or participation for the goal of enhancing the bank's revenues.

Maintain a diversified and balanced loan portfolio to minimize lending risk.

Actual Syndication portfolio in 2012 reached EGP 683 million in addition to \$84 million translating 26% of the bank's total portfolio. .

Sectors financed by SAIB in 2012:

Petroleum & Gas (highest with 21%), Cement, Tourism & Hotels, Electricity, Petrochemicals, Real Estate Development, Steel, Aviation, Ports, and Garages.

Direct investment in Equities:

SAIB's strategy aims to achieve a lucrative rate of return on Direct investments in Equities, either through dividends or capital gains. This goal is realized through a strategy, cautious of minimizing potential capital losses arising from market changes or any other unforeseen incidences.

Actual Direct Equities portfolio in 2012 reached around 95 Million EGP, diversified in financial related and industrial companies.

Securitized Bonds:

Follow-up on the local financial market in both; private and public placements of bonds' securitization as well as private companies issuing bonds, to opt for investment opportunities of limited risk. Portfolio of private and securitized bonds amounted to EGP.270 million end of 2012 .



Operations

SMEs

The SMEs sector is considered the most important engine of growth for the Egyptian economy, with the potential to positively impact employment and to spearhead economic growth. During 2012, the SME portfolio increased by 30% and the number of customers increased by 133%. The sector is targeting reaching 500 Million EGP by the end of 2013. We are working in many sectors such as Food Products, Poultry, Textile industries, Leather industries, Pharmacies, Hospitals, Laboratories, Radiology's, Schools and Universities.



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Operations

Risk Management & Control

Risk Management:

Risk Management sector aims to achieve balance between risk and return, while maintaining the good reputation of the bank, and to protect the financial strength of the Bank through the control of all types of potential risks that are exposed, while controlling them in coordination with all other bank's departments. The sector focuses in refining and improving the measurement systems and mitigates risk not only to ensure compliance with the instructions regulations, but also to ensure the best returns by utilizing optimum capital, taking into account the strategic and operational objectives of the Bank.

Credit risk

The Risk Management Sector has started in July 2005 based on the first task assigned as the risk rating system to prepare and evaluate the customers' credit worthiness of credit institutions and companies (Corporate).

The Bank monitors continuously credit concentrations of its portfolio, according to the levels, the borrower, the economic sector and are tracking default levels in the portfolio levels at frequent intervals, with focus on the discovery of early warning signals, as analysis of key sectors in detail to give the possibility of preparing proposals for action strategies, taking into account all the risks and available opportunities.

Market risk

Market risk is the risk arising from unfavorable movements in market prices, which adversely affect the values of the trading portfolio, in addition to the exchange rate risk, which in turn reflected on the profit and loss and the bank's capital.

Operating risk

Operational Risk Management aimed to reduce losses that could result from negligence, work individuals inefficiency, systems weakness, weak oversight on the implementation of the operations or as a result of the occurrence of some external events through the development and modification of rules and regulations to minimize the recurrence and risk mitigation.

SAIB adopted a system for the classification of events and losses of operational risk to comply with the instructions of the Central Bank .



Operations

SAIB BANK's position regarding the implementation of Basel 2

The percentage of capital adequacy was about 10.2% at the end of December 2012 and this is better than the required regulatory rate of the Central Bank of Egypt which is 10%, SAIB BANK is keen to increase the value of the capital base and decrease the capital corresponding to the main types of risks (credit - market - operating) for the purpose of improving the ratio of capital adequacy.

Treasury Management

Pursuing a risk conscious and dynamic banking strategy in light of the overall economic indicators of Egypt in general and the banking sector in specific, has led to a successful year in terms of positive dividend yields and revenues for SAIB in fiscal year 2012. The impact of this strategy focusing on increasing shareholder value whilst simultaneously mitigating risks, can be seen in the positive impact in the portfolio in terms of revenues from FX transactions and growth compared to FY2011. SAIB's treasury communications, on both the domestic and international level has helped achieve the maximum results in the set strategy. The team's ability to handle all client's requests while delivering exemplary banking transaction services is noteworthy and has ensured that our customers were always satisfied, as reflected in the numbers in terms of ROE and ROI.



Operations

Central Operations

SAIB provides different kinds of services related to customer businesses and operations such as:

SWIFT management and Statistics:

Responsible for receiving incoming SWIFT messages per day and sending to the bank branch / competent central administration.

Coordinate with the computer unit for the preparation of Statistics requested by the administration / central bank related to payments.

Central transfers:

Implementation of the incoming and outgoing transfers through the receiving and sending of messages from the SWIFT system.

ACH and Government payments:

Responsible for the implementation of addition orders and payment through electronic payment network in addition to the electronic payment of government dues.

Electronic clearing:

Responsible for sending customers checks for collection through the clearing session of the Central Bank and its addition in customer accounts, in addition to the receipt of bounced checks and returning them to the branches.

Checks and promissory notes:

Responsible for the receipt of checks and of futures exchange bills from all bank branches, recording them on the system and sending them to the collection department at the maturity date.

Print customer checks:

Responsible for printing customer checkbooks / banking checkbooks.



Operations

Going Forward: 2013 and Beyond

On the Financials Side, SAIB intends to increase ROE exceeding the previous year's ratios, in addition to increasing Non-Interest Income/Overheads ratio.

On the Customers Side, SAIB intends to increase Deposits Market Share ratio exceeding the previous year's ratios, as well as increasing the Loan/ Deposit ratio above the stated ratios.

On the Operational aspect, SAIB intends to push Overheads percentage to reach minimum levels, in addition to decreasing Non-Performing Loans ratio to total assets to minimum level.

On the Learning and Growth side, SAIB intends to work on leveraging Information Technology and automation, as well as enhancing the Organizational Culture.







CORPORATE GOVERNANCE

Corporate Governance

Introduction

Corporate Governance has become a major issue in our increasingly global economy. To remain competitive in developing countries, attract capital, ensure sustainability, and combat corruption, companies need to put in place good governance institutions.

At its basic level, Corporate Governance sets up “rules of the game” to deal with issues related to separation of ownership and control.

Corporate Governance

Compliance

We are always working to strengthen our compliance systems in order to be able to fulfill our public mission and our role as corporate citizens as a financial institution. Our business ethics are reflected in our business activities at all times. In addition, we observe all laws and regulations and uphold the highest integrity standards in our business practices.

We strive to always be a financial institution that maintains fair, transparent and sound management based on the principle of self responsibility and contributes to the healthy development of society. Accordingly, along with earning the confidence of our shareholders, our customers and the general public we take a long term view of our business and operate it efficiently and actively disclose accurate business information.

We intend to be a financial institution that has complete trust and support of our customers. For this purpose, we will always provide services that meet the true needs of our customers to assure their satisfaction and earn their confidence.

We intend to be a financial institution for which all officers and employees work with commitment. For this purpose, we develop employees with extensive professional knowledge and capabilities, thereby creating active business.

We seek for prevention and combating of money laundering as well as protection of information, confidential customer data and protection of investors.

We stand for proper and law-abiding actions of all business units.

We communicate on regular basis with authorities to be up to date on the regulatory requirements.

Corporate Governance

Board of Directors



Executive Committee

Corporate Governance

Executive Committee

Executive decision-making within the terms of reference and the authorities delegated to it by the Board of Directors, which is established in accordance with Law 88 of 2003 and its regulations, which defines its authorities. Different subjects are to be presented to the committee from all banking sectors to take appropriate decisions.

Audit Committee

To supervise the Bank's regulatory functions and internal audit (in accordance with Article 82 of Law 88 of 2003).

Risk Committee

Controls the bank's management functions.

Governance Committee

Ensure the application of the Bank's Corporate Governance Rules.
Nomination for the Board of Directors membership.

Compensation & Nomination Committee

Study of salaries and bonuses, review policies and regulations related to salaries, allowances, bonuses, profit, incentives, promotions and sanctions, and regulations governing the of Board Members and employees advantages insight of the anticipated objectives to be achieved, and prepare and submit recommendations to the Board of Directors for approval.







FINANCIAL STATEMENTS

2002 98
9,678 70 98
7,400 73 100



MAZARS Mostafa Shawki
Accountants & Auditors



WAHID ABDEL GHAFFAR & CO.
Accountants & Consultants

SOCIETE ARABE INTERNATIONALE DE BANQUE (SAIB)
(S.A.E.)

FINANCIAL STATEMENTS TOGETHER WITH AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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MAZARS Mostafa Shawki
Accountants & Auditors



WAHID ABDEL GHAFAR & CO.
Accountants & Consultants

TRANSLATION OF AUDITORS' REPORT
ORIGINALLY ISSUED IN ARABIC

INDEPENDENT AUDITORS' REPORT

To the Shareholders of :
**Societe Arabe Internationale de Banque
(SAIB) - S.A.E.**

Report on the Financial Statements

We have audited the accompanying financial statements of Societe Arabe Internationale de Banque (SAIB) S.A.E. which comprises the balance sheet as of December 31, 2012, and the statements of income, cash flows and changes in equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Central Bank of Egypt's rules in accordance to rules of the preparation and presentation of the financial statements and measurement and recognition basis approved by its board of directors on December 16, 2008 and in light of prevailing Egyptian laws, Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, management responsibility also includes selecting and applying the appropriate accounting policies, and making the accounting estimates that are reasonable in the circumstances.

Perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An auditing process 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,

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in adherence to prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and 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 with circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, the audit process 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 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.



MAZARS Mostafa Shawki
Accountants & Auditors



WAHID ABDEL GHAFFAR & CO.
Accountants & Consultants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Societe Arabe Internationale de Banque (SAIB) - S.A.E. as of December 31, 2012, and of its financial performance, and its cash flows for the year then ended in accordance with Central Bank of Egypt's rules , according to the rules of the preparation and presentation of the financial statements and measurement and recognition basis approved by its boards of directors on December 16, 2008 and the Egyptian laws and regulations relating to the preparation of these financial statements .

Report on Legal and other Regulatory Requirements

The bank maintains proper books of account, which includes all that is required by law and by the statutes of the bank; the financial statements are in agreement thereto.

According to the information and explanations given to us during the financial year ended December 31, 2012 no contravention of the Central Bank, Banking and Monetary Institution Law No.88 of 2003.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Cairo, January 30, 2013

AUDITORS

MOHAMMED EL MOETAZ MAHMOUD

MAZARS Mostafa Shawki
Accountants & Auditors

TAMER MOHAMED NABARAWY

BAKER TILLY Wahid Abdel Ghaffar & Co.
Public Accountants & Consultants

BALANCE SHEET AS OF DECEMBER 31, 2012
(All Amounts are Expressed in US Dollars)

	Note No.	31 / 12 / 2012	31 / 12 / 2011
ASSETS			
Cash and due from Central Bank of Egypt	(15)	97,239,655	112,961,818
Due from banks	(16)	91,556,696	134,108,060
Treasury bills	(17)	609,710,661	169,647,050
Trading investments	(18)	--	391,892
Loans and Facilities for customers	(19)	656,138,866	658,464,516

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

	Note No.	31 / 12 / 2012	31 / 12 / 2011
Financial Investments:			
Available for sale investments	(20)	974,526,754	734,737,241
Held to maturity investments	(20)	81,621,075	153,291,261
Investments in subsidiaries companies	(21)	161,576	209,584
Intangible assets	(22)	286,446	498,928
Other assets	(23)	45,753,137	27,107,868
Fixed assets	(24)	15,049,158	12,826,008
Total Assets		2,572,044,024	2,004,244,226

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

	Note No.	31 / 12 / 2012	31 / 12 / 2011
Liabilities and Shareholders Equity			
LIABILITIES			
Due to banks	(25)	153,140,125	36,351,403
Customers deposits	(26)	2,028,900,715	1,608,038,292
Other loans	(27)	9,193,966	6,631,408
Other liabilities	(28)	140,399,466	125,522,770
Other provisions	(29)	8,683,986	7,490,418
Deferred tax liability	(30)	185,843	245,323
Total Liabilities		2,340,504,101	1,784,279,614

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

	Note No.	31 / 12 / 2012	31 / 12 / 2011
SHAREHOLDERS EQUITY			
Paid-up capital	(31)	150,000,000	150,000,000
Reserves	(32)	50,873,229	45,980,807
Retained earnings	(32)	30,666,694	23,983,805
Total Shareholders Equity		231,539,923	219,964,612
Total Liabilities and Shareholders' Equity		2,572,044,024	2,004,244,226

Auditors' Report attached.

The accompanying Notes from (1) to (38) are an Integral part of these financial statements.

AUDITORS

Mohammed El Moetaz
Mahmoud

Tamer Mohamed
Nabarawy

**Vice Chairman of the
Board
And Managing Director**
HASSAN ABDEL MEGUID

**Chairman of the
Board
And Managing Director**
MOHAMMED NAGUIB
IBRAHIM

Mazars Mostafa Shawki

Baker Tilly Wahid Abdel
Ghaffar & Co

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
 (All Amounts are Expressed in US Dollars)

	Note No.	For the Financial Period	For the Financial Period	For the Financial Period	For the Financial Period
		From 1 / 1 / 2012	From 1 / 1 / 2011	From 1 / 10 / 2012	From 1 / 10 / 2011
		To 31 / 12 / 2012	To 31 / 12 / 2011	To 31 / 12 / 2012	To 31 / 12 / 2011
Loans Interest and similar income	(6)	202,725,051	151,596,022	58,834,756	39,511,404
Deposits interest and similar expenses	(6)	(136,795,582)	(98,863,098)	(39,355,438)	(25,604,812)
Net interest income		65,929,469	52,732,924	19,479,318	13,906,592
Fees and commission income	(7)	16,266,340	14,785,083	4,160,535	3,585,066
Fees and commission expenses	(7)	(324,839)	(262,279)	(78,022)	(61,448)
Net Fees and Commission Income		15,941,501	14,522,804	4,082,513	3,523,618

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

Dividends income	(8)	1,185,548	1,432,429	105,370	24,825
Net Trading Income	(9)	4,383,313	2,868,919	1,640,001	719,849
Gain (loss) from Financial Investments	(20)	4,108,387	(472,384)	2,511,163	(1,358,234)
Impairment (expenses) recovery from credit losses	(12)	(3,083,820)	(2,084,380)	(691,968)	(275,513)
Administrative expenses	(10)	(44,273,160)	(40,017,049)	(11,575,064)	(10,514,032)
Other operating revenue (expenses)	(11)	(218,227)	(388,857)	(1,161,609)	161,127
Income (expenses) from Investments in associate companies	(21)	(9,730)	(63,813)	--	--
Net profit before income taxes		43,963,281	28,530,593	14,389,724	6,188,232
Income taxes (expenses)	(13)	(15,811,400)	(7,664,386)	(5,890,268)	(1,995,347)
Net profit for the year after taxes		28,151,881	20,866,207	8,499,456	4,192,885
Earnings per Basic share (US Dollar/ Share)	(14)	1.32	0.96		

The accompanying Notes from (1) to (38) are an Integral part of these financial statements.

**Vice Chairman of the Board
And Managing Director**
HASSAN ABDEL MEGUID

**Chairman of the Board
And Managing Director**
MOHAMMED NAGUIB
IBRAHIM

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

(All Amounts are Expressed in US Dollars)

	Note No.	31 / 12 / 2012	31 / 12 / 2011
Cash Flows from Operating Activities			
Net Profit before tax		43,963,281	28,530,593
Adjustments to Reconcile Net Profit to Net Cash Flows from Operating Activities			
Depreciation and amortization	(10)	2,419,267	2,340,140
Impairment expenses of assets	(12,20)	3,114,209	3,478,524
Impairment expenses (recovery) of other provisions	(11)	3,974,536	77,975
(Used) from provisions other than loan provision	(29)	(2,551,507)	(2,601,709)
Dividends	(8)	(1,185,548)	(1,432,429)
Net trading income from trading equity instruments	(9)	--	186,192
Premium of held to maturity bonds	(20)	2,687,147	2,886,583
Discount of held to maturity bonds	(20)	(347,561)	(250,285)
(Profits) from sale of financial investments	(20)	(4,138,776)	(921,760)
Losses From An Investments In associates	(21)	9,730	63,813
(Gains) from sale of fixed assets	(11)	--	(21,625)
Operating profit before changes in assets and liabilities used in the operating activities		47,944,778	32,336,016

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

	31 / 12 / 2012	31 / 12 / 2011
Net Decrease (Increase) in Assets		
Due from banks	21,721,053	(7,997,694)
Treasury bills	(440,063,611)	(169,647,050)
Trading Financial Assets	391,892	--
Loans and Facilities for customers	691,449	51,427,860
Other assets	(14,735,068)	573,321
Due to banks	116,788,723	23,583,357
Customer deposits	420,862,424	84,433,380
Other liabilities	9,807,694	12,620,534
Paid Income Tax	(10,801,880)	(7,303,494)
Currency Exchange difference	41,240,162	25,856,785
Net cash flows Provided From operating activities	193,847,616	45,882,011
Cash Flows from Investing Activities		
(Payments) for the purchase of fixed assets and branches preparation	(8,984,473)	(1,008,554)
Proceeds from sale of fixed assets	--	21,625
Proceeds from sale of financial investments other than financial assets held for trading	199,097,852	177,773,585
Purchase of investments other than financial assets held for trading	(405,183,257)	(194,090,445)
Dividends received	1,185,548	1,448,550
Net Cash Flows (used in) investing activities	(213,884,330)	(15,855,239)

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

(All Amounts are Expressed in US Dollars)

	Note No.	31 / 12 / 2012	31 / 12 / 2011
Cash Flows from Financing Activities			
Proceeds from other loans		--	6,631,408
Paid from other loans		(311,640)	--
Dividends paid		(16,204,120)	(21,250,030)
Net cash flows (used in) financing activities		(16,515,760)	(14,618,622)
Net increase (decrease) in cash and cash equivalents during the year		(36,552,474)	15,409,150
Cash and cash equivalents at the beginning of the year		153,233,758	137,824,608
Cash and cash equivalents at the end of the year		116,681,284	153,233,785
Cash and Cash Equivalents at Year-End are Represented as follows (Note 31)			
Cash and due from Central Bank of Egypt	(15)	97,239,655	112,961,818
Due from banks	(16)	91,556,696	134,108,060
Treasury bills	(17)	609,710,661	169,647,050
Due from Central Bank (mandatory reserve)	(15)	(72,115,067)	(93,836,120)
Treasury bills maturing after more than three months	(17)	(609,710,661)	(169,647,050)
Cash and cash equivalents at year-end	(34)	116,681,284	153,233,758

The accompanying Notes from (1) to (38) are an Integral part of these financial statements.

**Vice Chairman of the Board
And Managing Director**
HASSAN ABDEL MEGUID

**Chairman of the Board
And Managing Director**
MOHAMMED NAGUIB
IBRAHIM

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

(All Amounts are Expressed in US Dollars)

31 / 12 / 2011	Paid up Capital	Legal Reserve	Banking Risk Reserve	Private Reserve	General Reserve	Capital Reserve	Fair value / Financial investments available for sale	Retained Earnings	Total
Balance as of 1 / 1 / 2011	150,000,000	44,698,816	583,101	3,337,162	5,608,413	642,627	3,561,006	30,338,039	238,769,164
Net change in financial investments available for sale (Note 32/c)	--	--	--	--	--	--	(18,329,723)	--	(18,329,723)
Net profit for the year 2011	--	--	--	--	--	--	--	20,866,207	20,866,207
Dividends for year 2010	--	--	--	--	--	--	--	(21,250,000)	(21,250,000)
Transferred to banking risk reserve (Note 32/a)	--	--	2,470,441	--	--	--	--	(2,470,441)	--
Transferred to legal reserves (Note 32/b)	--	2,767,252	--	--	--	--	--	(2,767,252)	--
Translation differences (Note 32/c)	--	--	--	--	--	--	(91,036)	--	(91,036)
Transferred to general reserve (Note 32/e)	--	--	--	--	683,080	--	--	(683,080)	--
Transferred to capital reserve (Note 32/e)	--	--	--	--	--	49,668	--	(49,668)	--
Transferred to banking risk reserve during the year	--	--	--	--	--	--	--	--	--
Balance as of 31 / 12 / 2011	150,000,000	47,466,068	3,053,542	3,337,162	6,291,493	692,295	(14,859,753)	23,983,805	219,964,612

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.)

Financial Statements for the year ended December 31, 2012

Translation Of Financial Statements Originally Issued In Arabic

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

(All Amounts are Expressed in US Dollars)

31 / 12 / 2012	Paid up Capital	Legal Reserve	Banking Risk Reserve	Private Reserve	General Reserve	Capital Reserve	Fair value / Financial investments available for sale	Retained Earnings	Total
Balance as of 1 / 1 / 2012	150,000,000	47,466,068	3,053,542	3,337,162	6,291,493	692,295	(14,859,753)	23,983,805	219,964,612
Net change in financial investments available for sale (Note 32/c)	--	--	--	--	--	--	(1,261,304)	--	(1,261,304)
Net profit for the year 2012	--	--	--	--	--	--	--	28,151,881	28,151,881
Dividends for year 2011	--	--	--	--	--	--	--	(16,204,120)	(16,204,120)
Transferred to banking risk reserve (Note 32/a)	--	--	658,789	--	--	--	--	(658,789)	--
Transferred to legal reserves (Note 32/b)	--	2,084,458	--	--	--	--	--	(2,084,458)	--
Translation differences (Note 32/c)	--	--	--	--	--	--	888,854	--	888,854
Transferred to general reserve (Note 32/e)	--	--	--	--	2,500,000	--	--	(2,500,000)	--
Transferred to capital reserve (Note 32/e)	--	--	--	--	--	21,625	--	(21,625)	--
Transferred to banking risk reserve during the year	--	--	--	--	--	--	--	--	--
Balance as of 31 / 12 / 2012	150,000,000	49,550,526	3,712,331	3,337,162	8,791,493	713,920	(15,232,203)	30,666,694	231,539,923

The accompanying Notes from (1) to (38) are an Integral part of these financial statements.

Vice Chairman of the Board
And Managing Director
HASSAN ABDEL MEGUID

Chairman of the Board
And Managing Director
MOHAMMED NAGUIB
IBRAHIM

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Translation Of Financial Statements
Financial Statements for the year ended December 31, 2012 Originally Issued In Arabic

PROPOSED STATEMENT OF PROFIT APPROPRIATION FOR THE YEAR ENDED DECEMBER 31, 2012

(All Amounts are Expressed in US Dollars)

	31 / 12 / 2012	31 / 12 / 2011
Net profit for the year	28151881	20866207
Less		
Gain from sale of fixed assets transferred to capital reserve according to the law	--	(21,625)
General Banking Risk Reserve	(81,125)	(658,789)
Net profit for the year available for appropriation	28,070,756	20,185,793
Add		
Retained earnings at beginning of the year	2,514,813	3,117,598
Total	30,585,569	23,303,391
Appropriated as follows:		
Legal reserve	2,815,188	2,084,458
General reserve	2,500,000	2,500,000
Shareholders dividends	12,375,000	9,750,000
Employees profit share	7,210,000	5,500,000
Board of Directors remuneration	1,200,000	954,120
Retained earnings at end of the year	4,485,381	2,514,813
Total	30,585,569	23,303,391

**Vice Chairman of the
Board
And Managing Director**
HASSAN ABDEL MEGUID

**Chairman of the
Board
And Managing Director**
MOHAMMED NAGUIB
IBRAHIM

1. The Bank's Activity

Societe Arabe Internationale de Banque (SAIB) provides retail, corporate banking and investment banking services in Egypt through 21 branches and employs 956 people in the balance sheet to date.

The bank was established in accordance with Law No. 43 for 1974 and the Head Office is located in 56 Gamaet El Dewal El Arabeya St, Giza. The Bank is listed on the Cairo & Alex stock exchange.

The Board has approved the financial statements on January 29, 2013. (The General Assembly of the Shareholders has the right to modify these statements after issuing it).

2. Summary of significant accounting policies applied

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis for Preparation of Financial Statements

The financial statements were prepared in accordance with the Egyptian Financial Reporting issued in 2006 and its amendments in accordance with the instructions of the Central Bank of Egypt approved by the Board of Directors as of December 16, 2008 consistent with the standards referred to, and on the basis of historical cost as modified by the revaluation of financial assets and liabilities held for trading and the financial assets and liabilities at fair value through profit or loss and the financial investments available for sale.

b. Associates companies

Associates are all entities over which the Bank has direct or indirect significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The purchase method is used for the accounting of the acquisitions of the companies by the Bank. The acquisition cost is measured at fair value, or the assets offered by the bank as return for purchase and/or the tools of property rights issued and/or obligations incurred by the Bank and/or the obligations accepted on behalf of the company acquired at the date of exchange, plus any costs directly attributable to the acquisition process. The net assets are measured, including contingent liabilities identifiable acquired by fair value at the date of acquisition.

The investments are evaluated in the associates company, by the financial statements of the bank according to the equity method under which the investment in any company is proven initially in any associates company by the cost then the

balance of the investment increases or decreases to prove the Bank's share of profits or losses of the company invested in after the acquisition company. That share is proven under the note «Profit or loss of investments in associates companies» in the income statement during the preparation of the financial statements. The balance of the investment is decreased by the value of dividends gained from the company invested in.

c. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

d. Foreign currency translation **d-1 Functional and presentation currency**

Transactions are recorded during the year in their original currency. For reporting the financial statements of the bank in US Dollars, at the end of each fiscal period, all assets, liabilities, shareholders' equity and expenses and revenues recorded in a currency other than the US Dollar (except those recorded in Egyptian pounds), are translated to US Dollars using the average international exchange rates (buy – sell). Balances shown in Egyptian pounds are translated to US Dollars using the official exchange rates. This translation has no effect on the income statement.

e. Financial assets

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at the initial recognition.

e-1 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets are classified at fair value through profit or loss when:

Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortized cost for loans and advances to customers or banks and debt securities in issue.

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.) Financial Statements for the year ended December 31, 2012

Notes To The Financial Statements For The Year Ended December 31, 2012

Certain investments, such as equity investments, are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis are designated at fair value through profit and loss.

Financial instruments, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, and they are designated at fair value through profit and loss.

Profits and losses arising from changes in fair value of financial derivatives, which are managed in conjunction with the assets or financial liabilities classified at fair value through profit and loss and that in the income statement «item net income from financial instruments classified at fair value when recognition through profit and loss

Any financial derivative of a valued financial instruments at fair value is not reclassified through profit and loss during the retention

period . It also does not re-classify any financial instrument, quoting from a range of financial instruments at fair value». Through profit and loss if this tool has been customized by the bank at initial recognition as assessed at fair value through profit and loss.

According to the financial assets which are re-classified in the periods that begin from first of January 2009 it is reclassified according to the fair value in the date of reclassification.

Bank in all conditions does not reclassify any financial instrument moving to groups of financial instruments reclassified with fair value from profit and loss or to financial assets groups for trading.

e-2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

Those that the bank intends to sell immediately or in the short term, which is classified as held for trading, or those that the bank upon initial

recognition designates at fair value through profit or loss.

Those that the bank upon initial recognition designates as available for sale.

Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

e-3 Held to maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held to-maturity assets, the entire category would be reclassified as available for sale.

e- 4 Available-for-sale financial assets

Available-for-sale investments are those Non-derivative financial assets intended

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to be held for an indefinite period of time. Which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

The following is applied to financial assets

Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade-date – the date on which the Bank commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from the

financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost.

Gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired. At this time, the cumulative gain or loss previously recognized in equity is recognized in profit or loss.

Interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognized in the income statement. Dividends on available-for-sale equity instruments are recognized in the income statement when the bank’s right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset or bid prices are unavailable, the Bank establishes fair value using valuation techniques. These include the use of recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. If the bank could not assess the value of the equity classified as available for sale, these instruments should be valued at cost and will be subjected to impairment test.

The Bank reclassify the financial asset tabbed within the range of financial instruments available for sale, which left

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the definition of loans and debts (bonds or loans), quoting a set of tools available for sale to the group of loans and receivables or financial assets held to maturity – all as the case - when available Bank has the intent and ability to hold these financial assets in the foreseeable future or until maturity and are re-tab at fair value in the history of re-tab, and not process any profits or losses on those assets that have been recognized previously in equity and in the following manner:

1- In case of financial asset re-tab, which has a fixed maturity are amortized gains or losses over the remaining life of the investment retained until the maturity date in a manner effective yield is consumed any difference between the value on the basis of amortized cost and value on an accrual basis over the remaining life of the financial asset using the effective yield method, and in the case of the decay of the value of the financial asset is a later recognition of any gain or loss previously recognized directly in equity in the profits and losses.

2-In the case of financial asset which has no fixed maturity continue to profit or loss in equity until the sale of the asset or to dispose of it, then be recognized in the profit and loss In the case of erosion of the value of the financial asset is a later recognition of any gain or loss previously recognized directly within equity in the profits and losses.

If the Bank is to adjust its estimates of actual payments or receipts and amended estimates of the financial asset (or group of financial assets) to reflect the actual cash inflows and the adjusted estimates to be recalculated book value and then calculates the present value of estimated future cash flows at the effective yield of the financial instrument then it is recognized as income or expense in the profit and loss.

In all cases, if the bank re-tab financial asset in accordance with what is referred to the bank at a later date to increase its estimate of the proceeds of future cash result of the increase will be recovered from the cash

receipts, is the recognition of the impact of this increase in settlement of the interest rate effective from the date of change in the estimate and not in settlement of the balance of the original notebook in the history of change in the estimate.

f. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The agreements to buy treasury bills with a commitment to re-sale and agreements to sale treasury bills with a commitment to re-purchase on a net basis within the balance sheet included in treasury bills and other eligible bills.

g. Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for

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those classified as held for trading or designated at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized under revenues according to cash basis as per the following:

1-When it is collected and this is after redeeming all dues of consumer loans and personnel mortgages also small loans for economic activities discounts

2- For loans given to institutions it is related to the monetary base also, it raises the return after that, according to rescheduling conditions on the loan till paying 25% from rescheduling payments with a minimum one year without being late, if the customer is always paying at his due dates the interest calculated is added to the loan balance which makes revenues (interest on rescheduling without deficits) without interests aside before rescheduling which is avoiding revenues except after paying all the loan balance in the balance sheet before rescheduling.

h. Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) Where it is recorded in the records of marginal outside the financial statements, And are recognized as income in accordance with cash basis income is recognized when revenue for fees note no (2-g) that represent an integral part of the effective yield of the financial asset are generally treated as an amendment to the actual rate of return.

And postponement of fees is the link on the loans if there is a possibility that he will likely be the withdrawal of such loans and the fees on the grounds that the link obtained by the bank are considered compensation for the constant intervention for the acquisition of a financial instrument, Then be recognized by the amend the effective interest rate on the loan In the case of the end of the link without issuing

bank for the loan fees are recognized as income at the end of the period of validity of the link.

Fees are recognized on the debt instruments that are measured at fair value within the income on initial recognition & Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized on completion of the underlying transaction.

Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time- apportionate basis. Asset management fees related to investment funds are recognized ratably over the

period in which the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Performance linked fees or fee components are recognized when the performance criteria are fulfilled.

i. Dividend income

Dividends are recognized in the income statement when the bank's right to receive dividend is established.

j. Purchase and resale agreements and sale and repurchase agreements

Financial instruments are sold under agreements to repurchase it within the assets added to the balances of the treasury bills and other governmental papers in the balance sheet. The liability is displayed (purchase agreements and resale) deducted from the balances of the treasury bills and other governmental papers in the balance sheet. The difference

between the sale price and the repurchase price is recognized as income to be accrued throughout the duration of the agreements by using the actual rate of return method.

k. Impairment of financial assets k-1 Financial assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

- Great financial troubles facing the borrower or debtor.
- Breach of contract such as a default or delinquency in interest or principal payments.

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- Expected bankruptcy of borrower or upon being subject to liquidation lawsuit or to restructuring the finance granted to it.
- Deterioration of competitive position of borrower.
- Granting privilege or assignments by the bank to the borrower, due to economic or legal reasons related to the financial troubles, which are not granted by the bank in the normal course of business.
- Impairment of guarantee
- Deterioration of creditworthiness

A substantive evidence for impairment loss of the financial assets is the existence of clear information indicating a measurable decline in the expected future cash flows of such category since initial recognition though such decline is not identifiable for each individual asset.

The bank estimates the period between the loss event and identifying thereof for each specific portfolio. In general, the period used vary between three months and 12 months.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Taking into account the following following:

If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment based on historical loss rates.

Assets that are individually assessed for impairment and for which an impairment loss is continues to be recognized are not included in a collective assessment of impairment.

If the previous assessment resulted in the absence of impairment loss then the assets is included into the group.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

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For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the

effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

k-2 Available for sale financial Assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in

the fair value of the security below its cost is considered in determining whether the assets are impaired.

During the period starting from January 1, 2009 for listed equity instruments the need to book impairment is analyzed as soon as a significant and prolonged decline of their price below their acquisition cost is observed. The decline in value is considered significant for the equity instruments if it reaches 10% of the financial instrument's cost, and it is considered prolonged if it extended for a period of more than 9 months. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

I. Intangible assets

I-1 Goodwill

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the acquisition date. The extent of goodwill impairment is to be annually checked, while goodwill amortization of 20% or impairment amount, whichever is bigger, is to be charged to income.

I-2 Software (computer programs)

The expenses, related to upgrading or maintenance of computer programs, are to be recognized as expenses in income statement, upon being incurred. The expenses related directly with specific software and which are subjected to the bank's control and expected to produce economic benefits exceeding their cost for more than one year, are to be recognized as an intangible asset. The direct expenses include cost of staff in software upgrading teamwork, in addition to a suitable portion

of respective overhead expenses.

The expenses which lead to increase or expansion of computer software beyond their original specification are recognized as an upgrading cost and are added to the original software cost.

The computer software cost recognized, as an asset shall be amortized over the period expected useful life not more than 3 years.

I-3 Other intangible assets

The intangible assets other than goodwill and computer programs (for example, trademarks, licenses, benefits of rental contracts). Other intangible assets are stated at the cost of acquisition and depreciated on a straight-line method or on the basis of the economic benefits expected from it, and that over the estimated useful lives, and for assets that do not have a specific useful life, it is not depreciated, it is tested every year for any impairment (if any) it will be recognized on the income statement.

m. Fixed Assets

Land and buildings comprise mainly branches, offices and head offices. All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to other operating expenses during the financial period in which they are incurred. Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

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Buildings	20 years
Computers and Core Systems	20 years
Vehicles	20 years
Fixtures and fittings	20 years
Equipments	20 years
Furniture	20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating expenses in the income statement.

n. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization (except for goodwill) and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

o. Leases

The accounting treatment for the finance lease in accordance with law 95 of 1995, if the contract entitles the lessee to purchase the asset at a specified date and the value selected, or the current value of the total lease payments representing at least 90% of the value of the asset. The other leases contracts are considered operating leases contracts.

o-1 Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets, within the expenses in the income statement for the period in which they occurred. If the bank decided to exercise the rights to purchase the leased assets, the cost of the right to purchase it as an asset are capitalized and amortized over the useful life of the expected remaining life of the asset in the same manner as similar assets.

And recognition of payments under the operating lease expense minus any

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discounts obtained from the lesser under expenses in the income statement on a straight-line basis over the term of the contract

p. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills.

q. Other provisions

Provisions for restructuring costs and legal claims are recognized when: the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow

will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions which negated the purpose of wholly or partly repaid is allocated in the item of other operating income (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

r. Financial guarantees

The financial collateral contracts are contracts issued by the bank as security for loans or debit current accounts due from its clients to other entities which require the bank to make certain payments for

compensating the beneficiary for a loss incurred due to default :on the part of the debtor on maturity date, in accordance with conditions of the debt instruments. These financial guarantees are presented to the banks, corporation and other entities on behalf of the bank's clients.

The fair value shall be recognized initially in the financial statements , on date of granting the security. This fair value shall reflect the fee for this security. Consequently the bank's obligation shall be measured by virtue of the guarantee contract on the basis of the first measurement amount less amortization calculated for recognition of security fees in the income statement, according to the straight line method over the guarantee life term, or based on the best estimate for payments required for settlement of any financial obligation resulting from the financial guarantee on date of balance sheet. Whichever is higher, such estimates are made based on experience in similar transactions and the historical losses as confirmed by management judgment.

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Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (expenses) item.

s. Income tax

Income tax on the profit or loss for the year includes each of year tax and deferred tax and is recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the budget in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the budget.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

t. Borrowing

Loans, received by the bank, are recognized first by fair value less the cost of obtaining the loan. The loan is later measured by the amortized cost, and the income statement is charged with the difference between the net proceeds and the value that will be met over the period of borrowing using the actual return.

u. Capital

u-1 Capital issuance cost

Expenses directly attributed to the issuance of the new shares. Issuance of shares to

effect acquisition, or issuance of shares options are charged to equity net of tax.

u-2 Dividends

Dividends deducted from equity in the period, which the General Assembly of the shareholders acknowledges these distributions. These distributions include the share of workers in the profits and remuneration of the Board of Directors as prescribed by articles of association and law.

u-3 Treasury shares

In case the bank purchase capital's shares, the amount is deducted from the total equity as it represents the cost of treasury shares until it canceled, and in case of sale those shares or re-released in a subsequent period all collections is added to the equity.

v. Fiduciary activities

The bank practices the fiduciary activities that result in ownerships or management of assets on behalf of individuals, trust,

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and retirement benefit plans and other institution. These assets and income arising thereon are excluded from the bank's financial statements, as they are not assets of the bank.

w. Comparative figures

The comparative figures shall be re-classified, when necessary, to be in conformity with the changes to presentation used in the current year.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a central treasury department (Bank Treasury) under policies approved by the Board of Directors. Bank Treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

a. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team in Bank Treasury and reported to the Board of Directors and head of each business unit regularly.

a-1 Credit risk measurement

Loans and advances

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank reflects three components

- The probability of default' by the client or counterparty on its contractual obligations.
- Current exposures to the counterparty and

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its likely future development, from which the Bank derive the 'exposure at default.

- The likely recovery ratio on the defaulted obligations (the loss given default).

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Clients of the Bank are segmented into four rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale

Bank's rating	Performing loans
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

The credit position exposed to failure depends upon the payment expected to be delayed, for example, the loans in this position are nominal in value. For other facilities, the bank includes all the withdrawn amounts in addition to the other amounts that are expected to be drawn till the date of delay. if happened.

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

Debt securities, Treasury bills and other bills

For debt securities and other bills, external rating such as Standard & Poor's rating or their equivalents are used by bank Treasury for managing of the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

a-2 Risk limit control and mitigation policies

The bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are

monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, group, product, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored and compared daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

Collateral

The bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as inventory and equipments.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the bank will seek additional collateral from the counterparty as soon as impairment indicators are

noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than short-term commitments.

a-3 Impairment and provisioning policies

The internal systems described in Note 3.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based

on objective evidence of impairment.

The impairment provision shown in the balance sheet at year-end is derived from each of the four internal rating grades. However, the majority of the impairment provision comes from the bottom two grading. The table below shows the percentage of the Bank's on- and off-balance sheet items relating to loans and advances and the associated impairment provision for each of the Bank's internal rating categories

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 26, based on the following criteria set out by the Bank:

- Great financial troubles facing the borrower or debtor.

- Breach of contract such as a default or delinquency in interest or principal payments.

- Expected bankruptcy of borrower or upon being subject to liquidation lawsuit or to restructuring the finance granted to it.

- Deterioration of competitive position of

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	31 / 12 / 2012		31 / 12 / 2012	
Bank's rating	Loans and advances (%)	Impairment provision	Loans and advances (%)	Impairment provision
1-Performing loans	68.86	10.33	74.02	11.54
2-Regular watching	23.80	4.29	18.41	3.40
3-Watch list	0.06	0.01	0.72	0.12
4-Non performing loans	7.28	85.37	6.85	84.94
	100	100	100	100

borrower.

Granting privilege or assignments by the bank to the borrower, due to economic or legal reasons related to the financial troubles, which are not granted by the bank in the normal course of business.

Impairment of guarantee

Deterioration of creditworthiness

The Bank's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses

collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for portfolios of homogenous assets by using the available historical experience, experienced judgment and statistical techniques..

a-4 Pattern of measuring the danger of general banking activities

In addition to the four categories of measuring credit worthiness discussed in disclosure 1/a, the management makes small groups more detailed according to the CBE rules, assets facing credit risk are classified to detailed conditions relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The bank calculates the provisions needed for assets facing credit risk impairment in addition to credit regulations according

to special percentages .From CBE , in the case of increase of impairment loss provision needed according to CBE than that for purposes of making the financial statements according to the Egyptian Accounting Standards ,the risk of general banking reserve is included in owners equity deducted from the retained earning with this increase , this reserve is modified with periodic basis with the increase and decrease , which equals the increase in provisions and this reserve is not distributed , discloser no.(31) present the movement on the reserve account during the fiscal year.

And this is categories of institutional worthiness according to internal ratings according to CBE rules and rates of provisions needed for assets impairment related to credit risk:

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CBE Rating	Categorization	Provision %	Internal Rating	Internal Rating Indication
1	Low Risk	0	1	Good Loans
2	Average Risk	1%	1	Good Loans
3	Satisfactory Risk	1%	1	Good Loans
4	Reasonable Risk	2%	1	Good Loans
5	Acceptable Risk	2%	1	Good Loans
6	Marginally Acceptable Risk	3%	2	Normal Follow Up
7	Watch list	5%	3	Special Follow Up
8	Substandard	20%	4	Non Performing loans
9	Doubtful	50%	4	Non Performing loans
10	Bad Debt	100%	4	Non Performing loans

a-5 Maximum exposure to credit risk before collateral

Credit risk exposures relating to on-balance sheet assets are as follows:	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Treasury bills	609,710,661	169,647,050
Loans and facilities to customers:		
Loans to individuals		
Debit current accounts	48,249,882	37,365,596
Credit cards	3,681,177	2,886,594
Personal loans	32,568,792	39,441,507
Real estate loans	1,130,610	1,216,332
Loans to corporate:		
Debit current accounts	245,180,462	268,790,585
Direct loans	73,360,219	50,070,523
Syndicated loans	248,795,566	255,109,323
Other loans	3,172,158	3,584,056

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Credit risk exposures relating to on-balance sheet assets are as follows:	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Financial investments		
Debt instrument	1,037,110,868	865,208,360
Other assets	45,753,137	27,107,868
Total	2,348,713,532	1,720,427,794
Credit risk exposures relating to off-balance sheet assets are as follows:		
Letter of Credit	43,637,848	26,933,471
Letter of guarantee	77,415,552	88,964,505
Total	121,053,400	115,897,976

The above table represents the worst-case scenario of credit risk exposure to the Bank at 31 December 2012 and at 31 December 2011, without taking in consideration any guarantee for balance sheet items, amounts stated depend on the net carrying amounts shown in the balance sheet.

- As shown above, 27.94 % of the maximum limit exposed to credit risk results from loans and facilities to customers at 31 December 2012 against 38.27% at 31 December 2011 while investments in debt instruments represent 44.16% at 31 December 2012 against 50.29% at 31 December 2011.

- Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the bank resulting from both its loan and advances portfolio and debt securities based on the following:

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- 92.66% of the loans and advances portfolio is categorized in the top two grades of the internal rating system against 92.43% at 31 December 2011.
- 91.90% of the loans and advances portfolio are considered neither past due nor impaired against 92.69% at 31 December 2011.
- The bank has introduced a more stringent selection process upon granting loans and advances during the financial year ended at 31 December 2012.
- More than 91.94% at 31 December 2012 against 88.95% at 31 December 2011 from investments in debt instruments and treasury bills represent debt instruments on the Egyptian Government.

a-6 Loans and facilities

The status of balances of loans and facilities in terms of credit ratings as follow:

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Loans and facilities		
Neither past due nor impaired	654,112,432	664,948,969,
Past due but not impaired	5,786,066	3,322,529
Individually impaired	51,831,850	49,144,288
Gross	711,730,348	717,415,786
Less		
Provision for Impairment losses	(48,844,322)	(47,739,500)
Reserved interest	(6,737,036)	(8,000,198)
Advanced interest	(5,630,811)	(9,039,621)
Net	650,518,179	652,636,467

Total impairment expenses for loans and facilities amounted to US Dollar 43,223,635 at 31 December 2012 against US Dollar 41,911,451 at 31 December 2011. Note (19) include additional information on the provision for impairment losses for loans and facilities to customers.

Loans and facilities neither past due nor impaired

The credit quality of the portfolio of loans and facilities that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the bank.

Loans and facilities to customers

31 / 12 / 2012

(US Dollar)

	Individual (retail customers)				Corporate entities				Total Loans and facilities to customers
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
1-Performing loans	23,816,934	16,819	--	1,041,856	183,792,057	72,873,533	205,091,352	558,186	487,190,737
2-Regular watching	24,388,205	3,222,658	33,243,848	--	59,995,082	1,284,670	41,775,862	2,560,115	166,470,440
3-Watch list	--	--	--	--	451,255	--	--	--	451,255
	48,205,139	3,239,477	33,243,848	1,041,856	244,238,394	74,158,203	246,867,214	3,118,301	654,112,432

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Loans and facilities to customers

31 / 12 / 2011

(US Dollar)

	Individual (retail customers)				Corporate entities				Total Loans and facilities to customers
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
1-Performing loans	22,162,586	17,380	--	1,332,869	236,200,262	49,511,792	221,564,389	1,155	530,790,433
2-Regular watching	15,225,573	2,664,062	41,405,316	--	34,227,859	1,724,407	31,000,000	2,780,100	129,027,317
3-Watch list	--	--	--	--	9,423	--	5,121,796	--	5,131,219
	37,388,159	2,681,442	41,405,316	1,332,869	270,437,544	51,236,199	257,686,185	2,781,255	664,948,969

Mortgage loans in the sub-standard class were considered not to be impaired after taking into consideration the recoverability from collateral.

Loans and facilities past due but not impaired

Loans and facilities less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired and fair value for related guarantees were as follows:

31 / 12 / 2012					
(US Dollar)					
Individual (retail customers)					
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	--	451,111	1,843,337	218,753	2,513,201
Past due 30 - 60 days	--	--	252,885	--	252,885
Past due 60 - 90 days	--	--	40,508	--	40,508
Past due 90 - 120 days	--	--	23,863	--	23,863
Past due 211 days	--	--	11,400	--	11,400
Total	--	451,111	2,171,993	218,753	2,841,857

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Corporate entities

	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
Past due up to 30 days	2,882,827	61,382	--	--	2,944,209
Total	2,882,827	61,382	--	--	2,944,209

31 / 12 / 2011

(US Dollar)

Individual (retail customers)

	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	--	194,746	2,724,879	33,572	2,953,197
Past due 30 - 60 days	--	--	83,753	--	83,753
Past due 60 - 90 days	--	--	38,123	--	38,123
Past due 90 - 120 days	--	--	951	--	951
Total	--	194,746	2,847,706	33,572	3,076,024

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Corporate entities

	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
Past due up to 30 days	246,505	--	--	--	246,505
Total	246,505	--	--	--	246,505

On initial recording of loans and facilities .the fair value of guarantee is assessed based on valuation methods used for similar assets. In subsequent period, fair value is updated to reflect market price or price of similar assets.

Loans and facilities individually impaired

Balance of loans and facilities subject to individual impairment before taking into consideration cash flow from guarantee amounted to US Dollar 51,831,850 at 31 December 2012 against US Dollar 49,144,288 at 31 December 2011.

Below is a breakdown in total value of the loans and facilities subject to individual impairment :

31 / 12 / 2012

(US Dollar)

Individually impaired loans and facilities	Individual (retail customers)				Corporate entities				Total Loans and facilities to customers
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
	78,824	1,029,637	9,504,344	401,543	950,200	29,787	5,496,557	34,340,958	51,831,850

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31 / 12 / 2011

(US Dollar)

	Individual (retail customers)				Corporate entities				Total Loans and facilities to customers
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
Individually impaired loans and facilities	21,452	790,001	10,576,766	436,300	1,177,384	89,964	--	36,052,421	49,144,288

Debt Securities And Other Governmental Securities

The table below presents an analysis of debt securities and other governmental securities by rating agency designation at the end of the year, based on Standard & Poor's ratings or their equivalent:

	Treasury bills	Investment securities	Total
	US Dollar	US Dollar	US Dollar
AA- to AA+	--	25,984,173	25,984,173
A- to A+	--	14,875,579	14,875,579
Lower than A-	609,710,661	996,251,116	1,605,961,777
Total	609,710,661	1,037,110,868	1,646,821,529

Concentration Of Risks Of Financial Assets With Credit Risk

Geographical sectors

The following table breaks down the bank's main credit exposure at their carrying amounts, as categorized by geographical sector as of 31 December 2012. When this table was prepared, the risk was distributed on the geographical sectors according to the areas related to the bank's clients.

(US Dollar)

Treasury bills	Cairo	Alex, Delta & Sinai	Upper Egypt	Others	Total
	609,710,661	--	--	--	609,710,661

Loans and facilities to customers:

Loans to individuals					
Debit current accounts	38,664,389	9,609,825	332	9,417	48,283,963
Credit cards	3,597,742	1,095,123	12,727	14,634	4,720,225
Personal loans	27,063,089	17,704,161	152,935	--	44,920,185
Real estate loans	1,208,077	189,841	264,235	--	1,662,152
Loans to corporate					
Debit current accounts	176,349,485	71,721,841	53	40	248,071,421
Direct loans	59,317,704	13,544,704	1,386,963	--	74,249,372
Syndicated loans	232,730,777	19,632,994	--	--	252,363,771
Other loans	23,158,287	14,300,973	--	--	37,459,259

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Derivative financial instruments

Financial investments					
Debt instruments	817,185,224	--	--	219,925,644	1,037,110,868
Total in 31/12/2012	1988,985,435	147,799,462	1,817,245	219,949,735	2,358,551,877
Total in 31/12/2011	1,387,074,256	132,754,725	2,663,669	229,778,546	1,752,271,196

Business Sectors

The following table breaks down the bank's main credit exposure at their carrying amounts, as categorized by the business sectors of our business of the bank's clients:

(US Dollar)

	Financial institutions	Manufacturing	Real estate	Commercial	Governmental	Other industries	Individuals	Total
Treasury bills	--	--	--	--	609,710,661	--	--	609,710,661
Loans and facilities to customers								
Loans to individuals								
Debit current accounts	--	--	--	--	--	--	48,283,963	48,283,963
Credit cards	--	--	--	--	--	--	4,720,225	4,720,225
Personal loans	--	--	--	--	--	--	44,920,185	44,920,185
Real estate loans	--	--	--	--	--	--	1,662,152	1,662,152

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Loans to corporate								
Debit current accounts	19,520,913	139,441,425	3,336,489	70,158,418	--	15,614,176	--	248,071,421
Direct loans	43,265,650	22,147,106	4,520,105	1,162,015	--	3,154,496	--	74,249,372
Syndicated loans	--	82,263,676	13,563,189	4,260,862	--	152,276,044	--	252,363,771
Other loans	--	23,424,332	--	8,926,643	--	5,108,284	--	37,459,259

Derivative financial instruments

Financial investments

	Financial institutions	Manufacturing	Real estate	Commercial	Governmental	Other industries	Individuals	Total
Debt instrument	128,657,339	4,139,014	--	--	904,314,515	--	--	1,037,110,868
Total in 31 / 12 / 2012	191,443,902	271,415,553	21,419,783	84,507,938	1,514,025,176	176,153,000	99,586,525	2,358,551,877
Total in 31 / 12 / 2011	189,256,075	276,001,329	20,630,590	79,795,201	920,524,237	168,355,435	97,708,329	1,752,271,196

B. Market Risk

The bank takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in the Bank in the risk management department.

Trading portfolios include those positions arising from market-making transactions where the Bank acts directly as principal with clients or with the market, Non-trading portfolios primarily arise from the interest

rate management of the entity's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of foreign exchange and equity risks arising from the Bank's held-to-maturity and available-for-sale investments.

b-1 Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign currency exchange rate risk at end of the year. Included in the table are the Bank's financial instruments at carrying amounts, categorized by currency.

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B. Market Risk

(Equivalent to US Dollar)

Balance at 31 / 12 / 2012	LE	USD	GBP	Euro	JPY	CHF	SAR	Other	Total
Financial Assets									
Cash and due from Central Bank of Egypt	87,737,268	7,421,041	55,421	1,456,949	--	101,573	389,154	78,249	97,239,655
Due from banks	126,237	80,170,269	6,689,148	3,381,435	99,672	410,645	442,995	236,295	91,556,696
Treasury bills	252,965,432	315,375,281	--	41,369,948	--	--	--	--	609,710,661
Trading Financial Assets	--	--	--	--	--	--	--	--	--
Loans and Facilities for customers	483,428,851	164,285,901	49	8,423,893	--	172	--	--	656,138,866

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	LE	USD	GBP	Euro	JPY	CHF	SAR	Other	Total
Financial Investments									
Available for sale investments	792,958,898	181,567,856	--	--	--	--	--	--	974,526,754
Held to maturity investments	42,276,681	39,344,394	--	--	--	--	--	--	81,621,075
Other assets	41,993,143	3,697,683	(659)	62,974	(4)	--	--	--	45,753,137
Total financial Assets	1,701,486,510	791,862,425	6,743,959	54,695,199	99,668	512,390	832,149	314,544	2,556,546,844
Financial liabilities									
Due to banks	126,746,135	21,761,736	45,187	4,553,119	33,948	--	--	--	153,140,125
Customer deposits	1,443,641,980	527,217,539	6,614,230	49,630,560	435,011	435,594	809,736	116,065	2,028,900,715
Other loans	9,193,966	--	--	--	--	--	--	--	9,193,966
Other liabilities	136,460,263	3,717,780	4,597	206,803	60	--	9,963	--	140,399,466
Total financial Liabilities	1,716,042,344	552,697,055	6,664,014	54,390,482	469,019	435,594	819,699	116,065	2,331,634,272
Net Financial Position at 2012-12-31	(14,555,834)	239,165,370	79,945	304,717	(369,351)	76,796	12,450	198,479	224,912,572

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	LE	USD	GBP	Euro	JPY	CHF	SAR	Other	Total
Balance at 31 / 12 / 2011									
Total Financial Assets	1,346,752,088	599,984,053	5,196,882	33,430,030	418,498	1,037,745	693,466	3,196,944	1,990,709,706
Total Financial Liabilities	1,352,408,951	380,765,891	5,108,329	33,502,440	349,466	1,019,411	637,636	2,751,749	1,776,543,873
Net Financial Position at 31 / 12 / 2011	(5,656,863)	219,218,162	88,553	(72,410)	69,032	18,334	55,830	445,195	214,165,833

b-2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken, which is monitored daily by Assets & Liabilities Management Dept.

C. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity risk management process

The Bank's liquidity management process, as carried out within the Bank and monitored by a separate team in Assets & Liabilities Management Dept, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The Bank maintains an active presence in global money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

- Monitoring balance sheet liquidity ratios against internal and requirements of central bank of Egypt.

- Managing the concentration and profile of debt maturities.

- Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. Assets & Liabilities Management Dept. also monitors unmatched medium-term assets, the level and type of un-drawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Funding approach

Sources of liquidity are regularly reviewed by a separate jointly team in Bank Assets & Liabilities Management, liabilities Investments to maintain a wide diversification by currency, provider, product and term.

D. Fair Value Of Financial Assets And Liabilities

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Loans and facilities to customers

Loans and facilities are net of provisions for impairment. The estimated fair value of loans and facilities represents the discounted amount of estimated future cash flow expected to be received. Expected cash flow are discounted at current market rates to determine fair value.

Investment securities

Investment securities include only interest-bearing assets held to maturity; assets classified as available for sale are measured at fair value. Fair value for held-to-maturity assets is based on market prices or

broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

E. Capital Management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- Compliance with capital legal requirements in Egypt.
- To safeguard the Bank's ability to continue as a growing concern so that it can continue to provide returns for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth.
- Capital adequacy and uses are reviewed according to the regulatory authority's requirements (CBE) by the bank's management through guidelines developed by the Basel Committee; Data are submitted and filed at CBE on a quarterly basis.

The CBE requires each bank to:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital.

- Maintaining a ratio between capital elements, and assets and contingent liability elements weighted by risk weights at 10% or more.

The dominator of capital adequacy comprises the following 2 tiers:

The first tier:

It is the basic capital consisting of paid-up capital (after deducting the book value of treasury shares), and retained earnings and reserves resulting from the distribution of profits with the exception of general risk reserve banking and deducting there from previously recognized goodwill and any transferred loss.

The second tier:

It is the subordinate capital, which consists of the equivalent of the risk allocation year provision according to the principles of credit issued by the Central Bank of Egypt for not more than 1.25% of total assets and liabilities weighted with risk, loans / deposits support in excess of the schedule

of five years (with consumption of 20% of their value in each year of the last five years of the schedule) and 45% of the increase between the fair value and book value for each of the financial investments available for sale, held to maturity and investments in subsidiaries.

On calculating the total numerator of capital adequacy, it is to be considered that tier 2 should not be greater than tier 1, and subordinate loans (deposits) should not be greater than 50% of tier 1.

Assets are risk weighted ranging from zero to 100% classified by the relation of the debtor to all each asset to reflect the credit risk associated with it, taking the cash collateral account. These are used for the treatment of off balance sheet items after adjustments to reflect the nature of

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Contingency and the potential loss of those amounts.

The bank has committed to all of the domestic capital requirements over the past two years and the following table summarizes the composition of the basic and supporting capital, and capital adequacy ratios at the end of those two years (per thousand Egyptian pounds), which according to the balance sheet data at December 31, 2012 and sent to the Central Bank of Egypt :

Capital	31/12/2012 Value per thousand EGP	31/12/2011 Value per thousand EGP
Tier 1 capital (Basic Capital)		
Capital shares	718,132	716,983
General reserves	191,678	164,003
Retained earning	15,169	18,097
Total Basic capital	924,979	899,083
Tier 2 capital (Supporting Capital)		
The equivalent of the provision for general reserve		
45% of the increase in the fair value compared to the book value of available for sale investment, investments held to maturity, and investment in affiliates and subsidiaries.	52,369	50,391
Total Bookends capital	52,369	50,391
Total capital	977,348	949,474
Risk weighted assets and contingents liabilities		
Assets in the balance sheet	8,628,770	6,314,410
Contingent liabilities	228,687	220,075
Total risk weighted assets and contingent liabilities	8,857,457	6,534,485
Capital adequacy ratio (%)	11.03%	14.53%

Critical Accounting Estimates And Judgment

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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 info.

A) Impairment losses on loans and facilities
The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank make judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flow from a portfolio of loans before the decrease can be with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national economic conditions that correlate with defaults on

assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

B) Impairment of available for-sale equity investments
The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and

financing cash flows.

C) Held-to-maturity investments
The non-derivative financial assets with fixed or determinable payments and fixed maturity are being classified held to maturity. This classification requires significant judgment. There for the bank tests whether there is a genuine intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example an insignificant amount close to maturity it will be required to reclassify the entire category as available for sale. The investments would therefore be measured at fair value not amortized cost in addition to suspending the classification of any of the investments in that item.

If the use of the classification of the investments is suspended as held to maturity, it will (reduce) the book value of US Dollars 1,299,331 to fair value by recording an entry in the fair value reserve within the equity.

Sectorial Analysis

A – Sectorial Analysis for activities

Sectorial activity includes operations and assets used in providing banking services and managing risks surrounding it and the income associated with this activity that may differ from the rest of the other activities.

The sectorial analysis of operations includes, according to the received banking operations, the following:
The large, medium and small enterprises.

Activities include current accounts, deposits, and debit current accounts and loans and credit facilities and financial derivatives.

Investments

Activities include company mergers and purchase of investments and financing of corporate restructuring and financial instruments.

Individuals

Activities include current and savings accounts, deposits, credit cards, personal loans and mortgages.

Other Activities

Include other banking services, such as money management.

Transactions between sectorial activities are held in accordance with the standard cycle of activity of the bank. The assets and liabilities include operating assets and liabilities as displayed in the financial position of the bank.

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Assets and Liabilities according to the Sectorial Activity
(US Dollar)

31 / 12 / 2012

Assets	Entities	Individuals	Other	Total
Cash and due from Central Bank of Egypt	--	--	97,239,655	97,239,655
Due from banks	--	--	91,556,696	91,556,696
Treasury bills	--	--	609,710,661	609,710,661
Trading Financial Assets	--	--	--	--
Loans and Facilities for customers (After deducting the provision	85,630,461	570,508,405	--	656,138,866
Available for sale financial investments	146,418,866	--	828,107,888	974,526,754
Held to maturity financial investments	9,438,168	--	72,182,907	81,621,075
Investments at associates companies	161,576	--	--	161,576

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Assets and Liabilities according to the Sectorial Activity
(US Dollar)

31 / 12 / 2012

Unsorted Assets	Entities	Individuals	Other	Total
Intangible assets	--	--	286,446	286,446
Other assets	--	--	45,753,137	45,753,137
Fixed Assets (After deducting accumulated depreciation)	--	--	15,049,158	15,049,158
Total Assets	241,649,071	570,508,405	1,759,886,548	2,572,044,024
Liabilities				
Due to banks	153,140,125	--	--	153,140,125
Customer deposits	1,247,237,272	781,663,443	--	2,028,900,715
Other loans	--	--	9,193,966	9,193,966
Other liabilities	--	--	140,399,466	140,399,466
Other provisions	--	--	8,683,986	8,683,986
Deferred tax liabilities	--	--	185,843	185,843
Total Liabilities	1,400,377,397	781,663,443	158,463,261	2,340,504,101
Total Equity	--	--	--	231,539,923

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Assets and Liabilities according to the Sectorial Activity
(US Dollar)

31 / 12 / 2011

Assets	Entities	Individuals	Other	Total
Cash and due from Central Bank of Egypt	--	--	112,961,818	112,961,818
Due from banks	93,795,060	--	40,313,000	134,108,060
Treasury bills	--	--	169,647,050	169,647,050
Trading Financial Assets	391,892	--	--	391,892
Loans and Facilities for customers (After deducting the provision)	577,554,487	80,910,029	--	658,464,516
Available for sale financial investments	129,537,607	--	605,199,634	734,737,241
Held to maturity financial investments	11,960,624	--	141,330,637	153,291,261
Investments at associates companies	209,584	--	--	209,584
Unsorted Assets				
Intangible assets	--	--	498,928	498,928
Other assets	--	--	27,107,868	27,107,868
Fixed Assets (After deducting accumulated depreciation)	--	--	12,826,008	12,826,008
Total Assets	813,449,254	80,910,029	1,109,884,943	2,004,244,226

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Assets and Liabilities according to the Sectorial Activity
 (US Dollar)

31 / 12 / 2011

Liabilities	Entities	Individuals	Other	Total
Due to banks	36,351,403	--	--	36,351,403
Customers' deposits	955,140,391	652,897,901	--	1,608,038,292
Other loans	--	--	6,631,408	6,631,408
Other liabilities	--	--	125,522,770	125,522,770
Other provisions	--	--	7,490,418	7,490,418
Deferred tax liabilities	--	--	245,323	245,323
Total Liabilities	991,491,794	652,897,901	139,889,919	1,784,279,614
Total Equity	--	--	--	219,964,612

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Financial Statements for the year ended December 31, 2012

Notes To The Financial Statements For The Year Ended December 31, 2012

6. Net Interest Income

Loans Interest and similar income	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Loans and facilities to clients	67,702,754	63,460,942	17,043,087	16,319,990
Treasury Bonds	133,515,861	86,514,220	41,614,784	22,186,261
Deposits and current accounts	1,506,436	1,620,860	176,885	1,005,153
	202,725,051	151,596,022	58,834,756	39,511,404
Deposits cost and similar costs				
Deposits and current accounts:				
Banks	(5,070,680)	(4,763,721)	(3,019,832)	(99,775)
Clients	(130,470,647)	(93,912,157)	(35,639,680)	(25,398,709)
Operations of financial instruments with repurchase commitment	(795,159)	--	(576,964)	--
Other loans	(459,096)	(187,220)	(118,962)	(106,328)
	(136,795,582)	(98,863,098)	(39,355,438)	(25,604,812)
Net	65,929,469	52,732,924	19,479,318	13,906,592

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Notes To The Financial Statements
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7. Net Fees And Commission Income

Fees & Commissions In- come :	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Fees & Commissions Re- lated to Credit	12,313,444	11,101,613	3,169,894	2,742,722
Custody Fees	327,702	317,364	18,777	21,520
Other Fees	3,625,194	3,366,106	971,864	820,824
	16,266,340	14,785,083	4,160,535	3,585,066
Fees & Commissions expenses				
Other Fees Paid	(324,839)	(262,279)	(78,022)	(61,448)
	(324,839)	(262,279)	(78,022)	(61,448)
Net	15,941,501	14,522,804	4,082,513	3,523,618

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Financial Statements for the year ended December 31, 2012

Notes To The Financial Statements For The Year Ended December 31, 2012

8. Dividends

	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Available for sale securities	1,164,900	1,375,323	101,268	14,348
Investments fund held to maturity	20,648	57,106	4,102	10,477
	1,185,548	1,432,429	105,370	24,825

9. Net Trading Income

Foreign exchange transactions:	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Profit From Foreign exchange	4,254,174	3,055,111	1,640,001	744,203
Trading Equity Instruments	129,139	(186,192)	--	(24,354)
Net	4,383,313	2,868,919	1,640,001	719,849

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Financial Statements for the year ended December 31, 2012

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10. Administrative Expenses

Staff Costs	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Wages & Salaries	27,951,681	25,556,719	7,320,559	6,454,542
Social Insurance	749,083	678,446	196,685	175,362
	28,700,764	26,235,165	7,517,244	6,629,904
Depreciation and amortization	2,419,267	2,340,140	596,260	590,523
Other Administrative Expenses	13,153,129	11,441,744	3,461,560	3,293,605
	44,273,160	40,017,049	11,575,064	10,514,032

The average monthly that is earned by the twenty ones with the biggest bonuses and salaries at the bank all combined is US Dollars 258,664 ; for the financial year ended 31 December 2012.

11. Other Operating Revenue (Expenses)

	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Profits from selling Fixed Assets	--	21,625	--	21,625
Operating lease Expenses) recovery of)	(400,375)	(340,407)	(100,948)	(101,473)
(other provisions (Note 29	(3,974,536)	(77,975)	(5,217,330)	236,527
Other	4,156,684	7,900	4,156,669	4,448
	(218,227)	(388,857)	(1,161,609)	161,127

12. Impairment (expenses) recovery from credit losses

	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Loans and facilities for clients	(3,083,820)	(2,084,380)	(691,968)	(275,513)
	(3,083,820)	(2,084,380)	(691,968)	(275,513)

13. Income Taxes (Expenses)

	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar	For the Financial year from 1/10/2012 to 31/12/2012 US Dollar	For the Financial year from 1/10/2011 to 31/12/2011 US Dollar
Current tax	(15,870,880)	(7,704,523)	(5,949,748)	(2,035,484)
Deferred tax (Note 30)	59,480	40,137	59,480	40,137
	(15,811,400)	(7,664,386)	(5,890,268)	(1,995,347)

14. Earnings Per Share

Earnings Per share is calculated by dividing the net profit attributable to the shareholders of the Bank excluded the employees' and the reward of the Board of Directors from the net profit by the weighted average of ordinary shares issued during the year.

	For the Financial year from 1/1/2012 to 31/12/2012 US Dollar	For the Financial year from 1/1/2011 to 31/12/2011 US Dollar
Net Profit Available for Distribution on shareholders(1)	19,741,881	14,412,087
Weighted average of ordinary issued shares (2)	15,000,000	15,000,000
Basic Earnings Per Share (US Dollar) (1/2)	1.32	0.96

15. Cash And Due From Central Bank Of Egypt

	31/12/2012 US Dollar	31/12/2011 US Dollar
Cash	25,124,588	19,125,698
Balances with Central Bank (mandatory reserve)	72,115,067	93,836,120
	97,239,655	112,961,818
Balances without interest	97,239,655	112,961,818
	97,239,655	112,961,818

16. Due From Banks

	31/12/2012 US Dollar	31/12/2011 US Dollar
Current Accounts	11,026,541	9,221,645
Deposits	80,530,155	124,886,415
	91,556,696	134,108,060
Central Banks (Except Obligatory Reserve)	53,370,000	40,313,000
Local Banks	28,503,537	37,072,887
Foreign Banks	9,683,159	56,722,173
	91,556,696	134,108,060
Balances without interest	2,675,118	6,584,533
Balances with variable interest	8,351,423	2,637,112
Balances with fixed interest	80,530,155	124,886,415
	91,556,696	134,108,060
Current Balances	91,556,696	134,108,060
	91,556,696	134,108,060

17. Treasury Bills

	31/12/2012 US Dollar	31/12/2011 US Dollar
Treasury bills	654,337,979	169,647,050
Sale of Treasury bills with repurchase commitment	(44,627,318)	--
	609,710,661	169,647,050
Egyptian Treasury bills	609,710,661	169,647,050
	609,710,661	169,647,050

The Treasury bills are represented in the following:

182 Days maturity	9,495,174	--
222 Days maturity	15,000,000	--
232 Days maturity	10,000,000	--
254 Days maturity	14,832,253	--
257 Days maturity	15,000,000	--
264 Days maturity	2,000,000	--
266 Days maturity	106,452,769	16,578,520
273 Days maturity	63,301,160	--
292 Days maturity	3,955,500	--
299 Days maturity	7,000,000	--
301 Days maturity	3,955,500	--
316 Days maturity	5,000,000	--
323 Days maturity	17,000,000	--

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	31/12/2012 US Dollar	31/12/2011 US Dollar
341 Days maturity	7,911,000	--
348 Days maturity	--	5,000,000
350 Days maturity	--	26,578,520
357 Days maturity	94,951,740	24,867,780
358 Days maturity	15,000,000	--
362 Days maturity	--	35,000,000
363 Days maturity	82,370,000	50,000,000
364 Days maturity	211,650,580	24,573,511
	684,875,676	182,598,331
Unearned Income	(30,537,697)	(12,951,281)
Total (1)	654,337,979	169,647,050
Sale of Treasury bills with repurchase commitment:		
Treasury bills sold with the obligation to re purchase within a week	(44,627,318)	--
Total (2)	(44,627,318)	--
Total (1+2)	609,710,661	169,647,050

18. Trading Investments

	31/12/2012 US Dollar	31/12/2011 US Dollar
Equity Instruments not listed on the stock exchange		
Investments fund	--	391,892
Total equity instruments	--	391,892
Total trading financial assets	--	391,892

19. Loans and Facilities for customers

	31/12/2012 US Dollar	31/12/2011 US Dollar
Loans to individuals:		
Debit current accounts	48,283,963	37,409,611
Credit cards	4,720,225	3,666,189
Personal loans	44,920,185	54,829,788
Real estate loans	1,662,152	1,802,741
Total (1)	99,586,525	97,708,329
Loans to corporate		
Debit current accounts	248,071,421	271,861,433
Direct loans	74,249,372	51,326,163
Syndicated loans	252,363,771	257,686,185
Other loans	37,459,259	38,833,676
Total (2)	612,143,823	619,707,457

19. Loans and Facilities for customers

	31/12/2012 US Dollar	31/12/2011 US Dollar
Loans and facilities for customers (1+2)	711,730,348	717,415,786
Less		
Provision for impairment losses	(43,223,635)	(41,911,451)
Reserved interest	(6,737,036)	(8,000,198)
Provided interest	(5,630,811)	(9,039,621)
Net loans and facilities for customers, distributed to	656,138,866	658,464,516
Loans to corporate		
Current Balances	299,318,061	299,506,012
Non-current Balances	356,820,805	358,958,504
	656,138,866	658,464,516

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Provision for impairment losses

Analysis of the provision for impairment losses for Customers

31/12/2012 Individual (retail customers)	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total US Dollar
Balance At Beginning Of The year	35,856	708,531	6,628,069	208,868	7,581,324
Impairment expenses (recovery)	(9,068)	20,667	796,401	138	808,138
Write Off During The Period	--	(3,720)	(7,959)	--	(11,679)
Refundable Amounts During The Period	--	--	--	--	--
Foreign Currency Re- valuation Diff.	(4,549)	(35,875)	(330,997)	(7,848)	(379,269)
Balance At The End Of The year	22,239	689,603	7,085,514	201,158	7,998,514

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31/12/2012 Corporate entities	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total US Dollar
Balance At Beginning Of The year	2,482,636	853,390	2,576,862	28,417,239	34,330,127
Impairment expenses (recovery)	224,213	(87,314)	1,081,906	1,056,877	2,275,682
Write Off During The Period	--	--	--	(323,760)	(323,760)
Refundable Amounts During The Period	--	--	--	--	--
Foreign Currency Re- valuation Diff.	(102,064)	(17,855)	(90,787)	(846,222)	(1,056,928)
Balance At The End Of The year	2,604,785	748,221	3,567,981	28,304,134	35,225,121

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31/12/2011 Individual (retail customers)	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total US Dollar
Balance At Beginning Of The year	27,051	578,250	4,457,570	240,998	5,303,869
Impairment expenses (recovery)	9,478	157,640	2,363,110	(23,697)	2,506,531
Write Off During The Period	--	(4,435)	--	--	(4,435)
Refundable Amounts During The Period	--	--	--	--	--
Foreign Currency Re- valuation Diff.	(673)	(22,924)	(192,611)	(8,433)	(224,641)
Balance At The End Of The year	35,856	708,531	6,628,069	208,868	7,581,324

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31 / 12 / 2011 Corporate entities	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total US Dollar
Balance At Beginning Of The year	2,322,431	1,119,156	2,732,797	29,558,749	35,733,133
Impairment expenses (recovery)	234,435	(241,381)	(91,448)	(323,757)	(422,151)
Write Off During The Period	--	--	--	(101,900)	(101,900)
Refundable Amounts During The Period	--	--	--	1,393	1,393
Foreign Currency Re- valuation Diff.	(74,230)	(24,385)	(64,487)	(717,246)	(880,348)
Balance At The End Of The year	2,482,636	853,390	2,576,862	28,417,239	34,330,127

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20. Financial Investments

	31/12/2012 (US Dollar)	31/12/2011 (US Dollar)
Available for sale financial investments		
Debt instruments-fair value		
listed	959,049,048	715,645,762
Equity instruments-fair value		
unlisted	--	2,929,242
Equity instruments-cost		
listed	6,433,932	6,740,165
unlisted	9,043,774	9,422,072
Total available for sale financial investments (1)	974,526,754	734,737,241
Held To Maturity Financial Investment		
Debt instruments-amortized cost:		
listed	78,061,820	149,562,598
Equity instruments-cost		
unlisted	4,023,595	4,215,104
Less : impairment provision	(464,340)	(486,441)
Total Held To Maturity Financial Investment (2)	81,621,075	153,291,261
Total Financial Investment(1+2)	1,056,147,829	888,028,502
Current balances	974,526,754	734,737,241
Non-current balances	81,621,075	153,291,261
	1,056,147,829	888,028,502
Fixed Interest Debt Instruments	1,032,210,403	857,479,087
Variable Interest Debt Instruments	4,900,465	7,729,273
	1,037,110,868	865,208,360

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31 / 12 / 2012			
	Available for sale financial investments	Held To Maturity Financial Investment	Total
	US Dollar	US Dollar	US Dollar
Opening Balance	734,737,241	153,291,261	888,028,502
Addition	405,183,257	--	405,183,257
Deduction (Selling - Recovery)	(126,512,460)	(68,446,615)	(194,959,075)
Transferred from Investments at Associates Companies	30,391	--	30,391
Foreign Currency Revaluation Diff.	(35,785,253)	(2,718,714)	(38,503,967)
Profit From Fair Value Deference(note 31/c)	(1,261,304)	--	(1,261,304)
Discount	100,652	246,909	347,561
Premium	(1,935,381)	(751,766)	(2,687,147)
Impairment losses recovery	(30,389)	--	(30,389)
Ending balance	974,526,754	81,621,075	1,056,147,829

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31 / 12 / 2011			
	Available for sale financial investments	Held To Maturity Financial Investments	Total
	US Dollar	US Dollar	US Dollar
Opening Balance	681,076,497	238,970,322	920,046,819
Addition	154,731,520	39,358,925	194,090,445
Deduction (Selling - Recovery)	(59,292,549)	(117,559,277)	(176,851,826)
Transferred from Investments at Associates Companies	--	--	--
Foreign Currency Revaluation Diff.	(22,369,276)	(4,527,495)	(26,896,771)
Profit From Fair Value Deference(note 32/c)	(18,329,723)	--	(18,329,723)
Discount	--	250,280	250,285
Premium	--	(2,886,583)	(2,886,583)
Impairment losses recovery	(1,079,228)	(314,916)	(1,394,144)
Ending balance	734,737,241	153,291,261	888,028,502

- Profit from Financial Investment

	For the Financial year from 1 / 1 /2012 to 31 / 12 / 2012	For the Financial year from 1 / 1 /2011 to 31 / 12 / 2011	For the Financial year from 1 / 10 /2012 to 31 / 12 / 2012	For the Financial year from 1 / 10 /2011 to 31 / 12 / 2011
	US Dollar	US Dollar	US Dollar	
Profit From Selling Available For Sale Financial Instruments	4,138,776	921,760	2,511,163	35,910
Impairment (losses) of available for-sale equity investments	(30,389)	(1,079,228)	--	(1,079,228)
Impairment (losses) of Held-to-maturity investments	--	(314,916)	--	(314,916)
	4,108,387	(472,384)	2,511,163	(1,358,234)

Settlements on the provision of financial investments held to maturity

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Opening Balance	486,441	178,233
Impairment (losses) for credit losses during the year	--	314,916
Foreign Currency Revaluation Diff.	(22,101)	(6,708)
Ending balance	464,340	486,441

21. Investments in subsidiary companies

The bank's shareholding percentage in affiliates companies are as follows:

31 / 12 / 2012								
	Company country	Balance as of 1 / 1 / 2012 US Dollar	Adjustments (losses) of investments in Associates companies – equity method US Dollar	Dividends income US Dollar	Foreign Currency Exchange US Dollar	Transfer for financial investments available for sale (Note 20) US Dollar	Balance as of 31/2012/12/ US Dollar	Share holding
International Company for Information Technology A.C.Tech	Egypt	30,583	--	--	(192)	(30,391)	--	20
Cairo National Co. for Securities Trading	Egypt	179,001	(9,730)	--	(7,695)	--	161,576	32
	--	209,584	(9,730)	--	(7,887)	(30,391)	161,576	

Investment in the international information technology AC tech have been reclassified from investments in associates companies to financial investments available for sale due to the bank losing effective influence on them through the loss of the ability to participate in the financial and operating policies of the company as a result of being subject to the control of the liquidator of the company, and the income statement have been charged during the year end 31 December 2012 with the value of losses of impairment of that investment amounted to US Dollars 30,389.

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31 / 12 / 2011								
	Company country	Balance as of 1 / 1 / 2011 US Dollar	Adjustments (losses) of investments in Associates companies – equity method US Dollar	Dividends income US Dollar	Foreign Currency Exchange US Dollar	Transfer for financial investments available for sale US Dollar	Balance as of 31/12/2011/12/ US Dollar	Shareholding %
International Company for Information Technology A.C.Tech	Egypt	31,779	--	--	(1,196)	--	30,583	20
Cairo National Co. for Securities Trading	Egypt	267,672	(63,813)	(16,121)	(8,737)	--	179,001	32
		299,451	(63,813)	(16,121)	(9,933)	--	209,584	

22. Intangible Assets

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
a- Goodwill		
Net book value at the beginning of the year	381,241	594,225
Amortization	(188,688)	(193,053)
Foreign Currency Exchange	(10,593)	(19,931)
Net book value at the ending of the year	181,960	381,241
b- Franchise		
Net book value at the beginning of the year	117,687	130,838
Amortization	(8,144)	(8,332)
Foreign Currency Exchange	(5,057)	(4,819)
Net book value at the ending of the year	104,486	117,687
Total	286,446	498,928

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Goodwill is annually tested for impairment or if there is any indication of impairment losses.

According to the decision of the extraordinary General Assembly on 15 November 2007 for Societe Arabe Internationale de Banque «SAIB» (the merging bank) and Societe Arabe Internationale de Banque «SAIB» – Port Said (the merged bank) and applying the decision of the Central Bank of Egypt on January 8, 2008 by merging the above banks, this merger has been established in accordance with book value of the assets and liabilities of the two banks and the difference, between the purchase value and the shareholders of the merged bank, has been addressed as goodwill which amounted at 31 December 2012 US Dollar 181,960 against US Dollar 381,241 at 31 December 2011.

23. Other Assets

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Accrued revenue	35,864,037	21,318,976
Prepaid expenses	770,848	689,253
Advance payments for purchasing fixed assets	6,092,674	2,169,050
Paid amounts for investments increasing (New/standing)	1,587,922	1,519,915
Assets reverted to the bank in settlement of debts	282,007	295,429
Imprest and insurance	67,138	71,162
Others	1,088,511	1,044,083
	45,753,137	27,107,868

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24. Fixed Assets

	Land US Dollar	Buildings US Dollar	Computers & Core Systems US Dollar	Vehicles US Dollar	Fixtures & fittings US Dollar	Equipments US Dollar	Furniture US Dollar	Total US Dollar
Balance as of 1 / 1 / 2011								
Cost	623,625	12,981,507	11,754,270	691,936	2,750,274	1,409,096	556,147	30,766,855
Accumulated Depreciation	--	(4,203,973)	(9,073,874)	(677,120)	(2,140,360)	(1,143,473)	(468,501)	(17,707,301)
Net book value as of 1 / 1 / 2011	623,625	8,777,534	2,680,396	14,816	609,914	265,623	87,646	13,059,554
Additions	--	1,613,826	384,388	--	149,237	104,744	65,391	2,317,586
Disposals	--	--	--	(36,058)	--	--	--	(36,058)
Foreign Currency Exchange (Assets balances)	(23,469)	(507,780)	(82,367)	(26,040)	(104,357)	(53,563)	(19,737)	(817,313)
Foreign Currency Exchange(Accumulated depreciation)	--	165,992	67,797	25,585	83,090	44,388	18,084	404,936
Depreciation cost	--	(631,442)	(1,156,067)	(7,105)	(205,111)	(101,644)	(37,386)	(2,138,755)
Accumulated depreciation of disposals	--	--	--	36,058	--	--	--	36,058
Net book value as of 31 / 12 / 2011	600,156	9,418,130	1,894,147	7,256	532,773	259,548	113,998	12,826,008
Balance as of 1 / 1 / 2012								
Cost	600,156	14,087,553	12,056,291	629,838	2,795,154	1,460,277	601,801	32,231,070
Accumulated Depreciation	--	(4,669,423)	(10,162,144)	(622,582)	(2,262,381)	(1,200,729)	(487,803)	(19,405,062)
Net book value as of 1 / 1 / 2012	600,156	9,418,130	1,894,147	7,256	532,773	259,548	113,998	12,826,008

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	Land US Dollar	Buildings US Dollar	Computers & Core Systems US Dollar	Vehicles US Dollar	Fixtures & fittings US Dollar	Equipments US Dollar	Furniture US Dollar	Total US Dollar
Balance of the current financial year								
Net book value as of 1 / 1 / 2012	600,156	9,418,130	1,894,147	7,256	532,773	259,548	113,998	12,826,008
Additions	--	2,324,113	329,104	6,131	1,119,199	1,175,122	107,179	5,060,848
Disposals	--	--	--	--	--	--	--	--
Foreign Currency Exchange (Assets balances)	(27,268)	(719,807)	(97,988)	(28,765)	(169,704)	(86,293)	(31,566)	1,161,391
Foreign Currency Exchange (Accumulated depreciation)	--	235,945	85,215	28,473	112,989	59,584	23,922	546,128
Depreciation cost	--	(679,054)	(942,115)	(5,379)	(303,562)	(241,813)	(50,512)	(2,222,435)
Accumulated depreciation of disposals	--	--	--	--	--	--	--	--
Net book value as of 31 / 12 / 2012	572,888	10,579,327	1,268,363	7,716	1,291,695	1,166,148	163,021	15,049,158
Balance as of 31 / 12 / 2012								
Cost	572,888	15,691,859	12,287,407	607,204	3,744,649	2,549,106	677,414	36,130,527
Accumulated depreciation	--	(5,112,532)	(11,019,044)	(599,488)	(2,452,954)	(1,382,958)	(514,393)	(21,081,369)
Net book value	572,888	10,579,327	1,268,363	7,716	1,291,695	1,166,148	163,021	15,049,158

25. Due to banks

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Current Accounts	16,168,956	1,415,031
Deposits	136,971,169	34,936,372
	153,140,125	36,351,403
Local Banks	129,916,365	21,436,372
Foreign Banks	23,223,760	14,915,031
	153,140,125	36,351,403
Balances without interest	722,958	441,393
Balances with variable interest	15,445,997	973,638
Balances with fixed interest	136,971,170	34,936,372
	153,140,125	36,351,403
Current Balances	153,140,125	36,351,403
	153,140,125	36,351,403

26. Customer deposits

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Demand Deposits	130,246,177	128,285,992
Time Deposits and call accounts	1,007,392,484	726,184,377
Certificates of savings and Deposit	737,532,893	648,199,405
Saving Deposits	88,182,228	69,853,671
Other Deposits	65,546,933	35,514,847
	2,028,900,715	1,608,038,292
Corporate Deposits	1,247,237,272	955,140,391
Retail Deposits	781,663,443	652,897,901
	2,028,900,715	1,608,038,292
Balances without interest	178,142,888	153,070,623
Balances with variable interest	991,845,577	842,261,195
Balances with fixed interest	858,912,250	612,706,474
	2,028,900,715	1,608,038,292
Current Balances	1,274,517,910	953,863,940
Non-Current Balances	754,382,805	654,174,352
	2,028,900,715	1,608,038,292

27. Other loans

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Loan from Social Fund for Development		
Development Project for Small Entities (New/Standing)	2,863,850	3,315,704
Development project for Small and medium poultry entities (New/Standing)	6,330,116	3,315,704
	9,193,966	6,631,408

28. Other liabilities

	31 / 12 / 2012	31 / 12 / 2011
	US Dollar	US Dollar
Accrued interest	123,324,635	108,382,905
Unearned revenue	460,148	210,553
Accrued expenses	1,093,111	1,158,617
Dividends payable	24,092	24,127
Sundry credit balances	15,497,480	15,746,568
	140,399,466	125,522,770

This balance represents dividends of shareholders for prior years and the ones concerned did not come forth to cash them.

29. Other provisions

Description	31 / 12 / 2012				
	Balance at The Beginning of the year US Dollar	Translation Differences US Dollar	Charged to Income Statement Note (11) US Dollar	Used during the year US Dollar	Year-end balance US Dollar
Provision for potential claims	4,706,138	(143,738)	4,230,728	(2,551,507)	6,241,621
Provision for contingent liabilities	2,634,798	(78,931)	(256,192)	--	2,299,675
Litigations provision	149,482	(6,792)	--	--	142,690
	7,490,418	(229,461)	3,974,536	(2,551,507)	8,683,986

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Description	31 / 12 / 2011				
	Balance at The Beginning of the year US Dollar	Translation Differences US Dollar	Charged to Income Statement Note (11) US Dollar	Used during the year US Dollar	Year-end balance US Dollar
Provision for potential claims	7,545,927	(238,080)	--	(2,601,709)	4,706,138
Provision for contingent liabilities	2,623,766	(66,943)	77,975	--	2,634,798
Litigations provision	155,327	(5,845)	--	--	149,482
	10,325,020	(310,868)	77,975	(2,601,709)	7,490,418

30. Deferred tax liability

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
Balance At Beginning Of The year	245,323	285,460
Exclusions (Note 13)	(59,480)	(40,137)
Balance at the end of the year	185,843	245,323

31. Capital

	No of Shares (Per million) US Dollar	Nominal value per share US Dollar	Total US Dollar
Balance as of 1 / 12 / 2012	15	10	150,000,000
Balance as of 31 / 12 / 2012	15	10	150,000,000

The Authorized capital on 31 December 2012 amounting to US Dollar 200 million with a nominal value US Dollar 10 per share, the issued and fully paid capital before increasing amounting to US Dollar 150 million divided on 15,000,000 shares of nominal value US Dollar 10 per share.

32. Reserves and Retained Earnings

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
Reserves		
General Banking Risks Reserve (A)	3,712,331	3,053,542
Legal Reserve (B)	49,550,526	47,466,068
General Reserve	8,791,493	6,291,493
Capital Reserve	713,920	692,295
Fair value Reserve-available for sale financial investment (32/c)	(15,232,203)	(14,859,753)
Special Reserve	3,337,162	3,337,162
Total reserves at the end of the year	50,873,229	45,980,807

Reserves movements are as follow

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
A -General Banking Risks Reserve		
Balance At Beginning Of The Year	3,053,542	583,101
Transferred from the Retained earning	658,789	2,470,441
Balance At the End Of The Year	3,712,331	3,053,542

Under instructions of the Central Bank of Egypt to create bank risk reserve to encounter unforeseen risks, this reserve is distributed only after obtaining the approval of the Central Bank of Egypt.

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
B –Legal Reserve		
Balance At Beginning Of The Year	47,466,068	44,698,816
Transferred from profit of the year	2,084,458	2,767,252
Balance At Ending Of The Year	49,550,526	47,466,068

In accordance with the initial statute of the bank, 10% of the net profit of the year is retained to feed the legal reserve until the balance reaches 50% of the paid up capital, and the decrease of the reserve less than half specifies to return to truncation.

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	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
C -Fair value Reserve-available for sale financial investment		
Balance At Beginning Of The Year	(14,859,753)	3,561,006
Net profit resulting from change in fair value (Note 20)	(1,261,304)	(18,329,723)
Foreign Currency Exchange	888,854	(91,036)
Balance At Ending Of The Year	(15,232,203)	(14,859,753)

Application of the presentation rules of banks' financial statements and the basis of recognition and measurement basis approved by the Board of Directors of the Central Bank of Egypt in its session on 16 December 2008, that are recognized directly in equity with profits and losses arising from changes in fair value of available-for-sale financial investments for this item, and that until the asset is excluded or impaired its value, then it is recognized in the income statement as gains and losses previously recognized in equity.

D –Special Reserve

Requires the application of rules of preparation and presentation of financial statements and recognition and measurement basis approved by the Board of Directors of the Central Bank of Egypt in its session on 16 December 2008 amendments to the comparative figures for the first financial year to start the application which affects the balance sheet (Comparative figures) and income statement (previous financial year) for some items without the other, so that the net effects of adjustments which was exported through retained earnings to special reserve of equity which are used only with the approval of the Central Bank of Egypt.

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	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
E -Retained Earnings		
Balance At Beginning Of The Year	23,983,805	30,338,039
Net profit of the financial year	28,151,881	20,866,207
Distributions for shareholders	(9,750,000)	(11,250,000)
Employees share in profit	(5,500,000)	(8,700,000)
Board of directors remuneration	(954,120)	(1,300,000)
Transferred to general banking risks reserve (Note 32/a)	(658,789)	(2,470,441)
Transferred to legal reserve	(2,084,458)	(2,767,252)
Transferred to general reserve	(2,500,000)	(683,080)
Transferred to capital reserve	(21,625)	(49,668)
Balance At Ending Of The Year	30,666,694	23,983,805

33. Distribution for shareholders

Dividends are not recognized until the approval of the General Assembly of Shareholders. The Board of Directors proposes to the Assembly which will be held on February 19, 2013 to distribute to UD Dollar 0.825 per share for the year 2012 with a total amount of US Dollar 12,375,000 (The actual distributions was US Dollar 0.65 per share with a total amount of US Dollar 9,750,000 for the comparison year.) In addition to the dividend to shareholders, the Board of Directors proposed - in accordance with the Bank's Statute on the next General Assembly of shareholders to distribute US Dollar 7,210,000 as Employees share in profit and US Dollar 1,200,000 as Board of directors remuneration (The actual dividends amounting US Dollar 5,500,000 for the employees and US Dollar 954,120 as Board of directors remuneration for the comparison year) this decision is not recognized in these financial statements and the Distributions for shareholders, Employees share in profit and the board of directors remuneration will be recognized in the equity distributed from the retained earnings in the financial year ending 31 December 2013.

34. Cash and Cash Equivalent

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from the date of acquisition.

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
Cash and balances with central bank	25,124,588	19,125,698
Due from banks	91,556,696	134,108,060
	116,681,284	153,233,758

35. Contingent Liabilities and Commitments

A- Capital Commitments

The bank's contracts for capital commitments amounted to US Dollar 677,869 at 31 December 2012 representing purchase of fixed assets contracts, such as branches constructions, and the management have a sufficient confidence to achieve net revenue and the availability to cover those commitments.

B- Loans, Facilities and Guarantees Commitments

The bank's commitments for loans, guarantees and facilities are represented as follows :

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
Customers Acceptances	18,439,153	22,443,343
Letters Of Guarantee	77,415,552	88,964,505
Letters Of Credit (Import)	43,510,211	26,835,326
Letters Of Credit (Export)	127,637	98,145
	139,492,553	138,341,319

36. Transactions with Related Parties

The Bank deals with related parties on the same basis, which is dealing with others, and the nature of the most important transactions and balances in the balance sheet date are as follows:

	31 / 12 / 2012 US Dollar	31 / 12 / 2011 US Dollar
Nature of transactions		
Due from banks	267,959	1,151,849
Other assets	291,099	379,242
Due to banks	1,616,500	392,513
Customer deposits	55,882,010	36,087,968
Certificates of savings	1,582,529	1,657,852
Other liabilities	8,456	4,756

37. Mutual Funds

The First fund

The mutual fund is one of the banking activities authorized for the bank according to the law of the capital stock market number 95 for the year 1992 and its regulation, the company that manages the fund is Prime Investments for managing financial investments.

The bank established the first mutual fund on June 3, 1996 with a nominal value of LE 500 for each, on March 13, 2007 the General authority for capital market approved to divide the value of the certificate by 1:5 to become the nominal value of the certificate LE 100 instead of LE 500, article (6) of the Fund's prospectus was modified on March 29, 2007.

The number of the certificates reached 103,018 with a total value of US Dollar 1,630,290; the bank's portion 19,000 certificates with a nominal value of US Dollar 300.681 to proceed the fund activity.

The recoverable amount for the certificate reached LE 426.96 on the date of the balance sheet equivalent to US Dollar 67.57.

The Second fund

The mutual fund is one of the banking activities authorized for the bank according to the law of the capital stock market number 95 for the year 1992 and its regulation, the company that manage the fund is Prime Investments for managing financial investments.

The bank established the second mutual fund on September 20, 1997 with a nominal value of LE 100 for each.

The number of the certificates reached 116,975 with a total value of US Dollar 1,851,163; the bank's portion 26,000 certificates with a nominal value of US Dollar 411,458 to proceed the fund activity.

The recoverable amount for the certificate reached LE 291.54 on the date of the balance sheet equivalent to US Dollar 46.14

The Third fund (EL RABEH)

The mutual fund is one of the banking activities authorized for the bank according to the law of the capital stock market number 95 for the year 1992 and its regulation, the company that manages the fund is Prime Investments for managing financial investments.

The bank established the third mutual fund on February 21, 1999 with a nominal value of LE 100 for each. On March 29, 2007 the name of the fund changed from the third fund to be (EL RABEH).

The number of the certificates reached 132,702 with a total value of US Dollar 2,100,048; the bank's portion 50,000 certificates with a nominal value of US Dollar 791,264 to proceed the fund activity.

The recoverable amount for the certificate reached LE 105.98 on the date of the balance sheet equivalent to US Dollar 16.77.

The Fourth fund (Sanabel)

The mutual fund is one of the banking activities authorized for the bank according to the law of the capital stock market number 95 for the year 1992 and its regulation, the company that manages the fund is HC for securities instead of Prime Investments for managing financial investments since December 21, 2011.

The bank established the fourth mutual fund (Sanabel) on December 20, 2006 with a nominal value of LE 100 for each.

The number of the certificates reached 921,791 with a total value of US Dollar 14,587,610; the bank's portion 74,085 certificates with a nominal value of US Dollar 1,172,417 to proceed the fund activity.

The recoverable amount for the certificate reached LE 79.54 on the date of the balance sheet equivalent to US Dollar 12.59.

38 Tax Position

A- Societe Arabe Internationale de Banque

1- First: Corporate Tax

Years from the date of commencement of activities till 1995

The bank was inspected for these years and the related due taxes were paid.

Years from 1996 till 2004

The bank was inspected for these years and the disputed points are being solved with the Settlement Committee of large taxpayer center.

Years from 2005 till 2006

The tax returns of those years have been prepared and submitted on due dates in accordance with Law No. 91 for 2005, the bank was inspected for these years, and the notification of tax losses have been received.

Years from 2007 till 2011

The tax returns of those years have been prepared and submitted on due dates in accordance with Law No. 91 for 2005.

2- Second: Salary Tax

Years from the date of commencement of activities till 2004

The bank was inspected for these years until the year 2004 and the related due taxes were paid.

Years from 2005 till 2012

The Bank is calculating, deducting and paying the tax on due dates in accordance with Law No. 91 for 2005, and are currently under inspection by large taxpayer center.

3- Third: Stamp Tax

Years from the date of commencement of activities till 2005

The Tax Authority inspected the bank for these years and the bank paid the due tax differences.

Years from January 1, 2006 till July 31, 2006

The years from the beginning of year 2006 till July 2006 are currently inspected by the large taxpayer center.

Years from August 1, 2006 till December 31, 2012

Starting from August 1, 2006, the bank pays the accrued taxes every three months according to the law requirements.

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.)
Financial Statements for the year ended December 31, 2012

Notes To The Financial Statements
For The Year Ended December 31, 2012

B- The position of SAIB - Port Said bank (Port said national bank for development - previously) that have been merged on January 1, 2008 with Societe Arabe International De Banque (SAIB).

1- First: Corporate Tax

Years from the date of commencement of activities till June 30, 1997

The bank was inspected for these years and the related due taxes were paid.

Years from July 1, 1997 till June 30, 2004

The dispute with the Tax authority has finished, and the related due taxes were paid, the dispute on the portion of capital increase are transferred court.

Years from July 1, 2004 till merging date in December 31, 2007

The tax returns of those years have been prepared and submitted on due dates in accordance with Law No. 91 for 2005.

Was an appointment with the competent Tax Office to start checking those years.

2- Second: Salary Tax

Years from the date of commencement of activities till 2004

The bank was inspected for these years and the related due taxes were paid

Years from 2005 till 2007

The Bank is calculating, deducting and paying the tax on due dates in accordance with Law No. 91 for 2005, and are currently under inspection by large taxpayer center.

Those years were not inspected till now.

SOCIETE ARABE INTERNATIONALE DE BANQUE "SAIB" (S. A. E.)
Financial Statements for the year ended December 31, 2012

Notes To The Financial Statements
For The Year Ended December 31, 2012

1- Third: Stamp Tax

Years from the date of commencement of activities till 2005

The bank was inspected for these years and the related due taxes were paid.

Years from 2005 till 2007

The bank was inspected for these years. and the objection form was sent by the bank.

**Vice Chairman of the Board
And Managing Director**

HASSAN ABDEL MEGUID

**Chairman of the Board
And Managing Director**

MOHAMMED NAGUIB IBRAHIM





OUR PEOPLE

Our People

Our employee's drive, ability, insight and experience are keys to meeting the needs of our clients and building our businesses. We are committed to attracting, developing and retaining the best in their field of expertise and to furthering our reputation as a leading employer of choice. We promote a culture that is centered around the principles of client focus, excellence and sustainable performance. This helps maximize opportunities to create value for all of our stakeholders based on our employees development and success.

Employees Indicators

	2012
Total Workforce	956
Women recruitment	37%
Total workforce turnover	1.15%
Summer Trainees	99
Certified Branch Manager Course:	
No. of trainees	25
Average No. of Training Hours per trainee	265
Total No. of Training Hours	6601
Credit Course:	
No. of trainees	30
Average No. of Training Hours per trainee	275
Total No. of Training Hours	8601

Our People

Interview with a senior employee (Mrs. Naglaa El Sebaie)

Highlights working at SAIB

I can say i gained extensive knowledge within L/G area covering all aspects of the process and activities. i also had the opportunity to get training and development to grow my career and enhance my performance in this area. I am very satisfied with what i have had achieved at SAIB during my many years of service.

SAIB's Development

When SAIB started to implement major expansion plans, opening so many branches in different geographical areas, this helped in raising SAIB awareness in the Egyptian market.

Thoughts for colleagues

Young colleagues can work to achieve SAIB strategic objectives in the short and long term.

I can say to the young colleagues to strive for performance improvement through academic achievement as well as training and this can be done and spread if we all love each other and work for the fruitful future of our bank. Colleagues here are very professional and easy to work with, i can say i was lucky to belong to SAIB team and i want to seize this opportunity to thank all of them for everything they offered me through their support on the professional level as well as the personal level.



In one sentence, describe Dr. Hassan Abbas Zaki the founder & The EX-Chairman of SAIB BANK for more than 30 years?

It is difficult to answer this question in one sentence but by all means we can say he is the connoisseur of banking business and one of the corner stones of banking industry. Success of SAIB and success of Dr. Hassan Abbas Zaki are related to one another. He also had a good vision and knew how to capture the right business opportunities.

Our People

Interview with a newly hired employee (Miss Yasmine Moustafa)

Working at SAIB?

The human atmosphere is very welcoming for a fresh graduate just coming into the job force. The flexibility and transparency of communication between the employees and the senior management leads to the feeling of one team working together for a common goal. The operating system is also very helpful to access all the needed tasks very efficiently and with accuracy. The strategy of the branches network expansion all over the country will help in increasing the Banks' profits and reputation, which is a very good thing for all employees of the Bank.

People at SAIB

One of the best things about SAIB is its suitable working environment and presenting its services. As a matter of fact, the team work spirit between colleagues motivates them to produce more and deal with customers in the best way they can.

Educational Back ground...

Working at SAIB and in the Fifth Settlement Branch (to be more precise) has allowed me to deal with the highly educated and elite customer segment. In addition, I made use of my computer skills as an E-Commerce graduate.

Management Support

The top management always hold quarterly staff meeting in order to listen to new ideas and discuss their effects on our Banks' profitability. This gives a sense of inclusion to all employees that their opinion and perspective really does matter and is taken into consideration. There is also a high level of transparency between the management and the employees.

The future...

I am looking forward to being promoted and to have varied experiences in many different banking functions in order to get a firm grasp on all specialties in banking. This will help me grow into a well-rounded banker.

Our People



SAIB Bank Activities



SAIB Bank Activities



➤ Towards the community:

SAIB BANK's policy toward the community:

Interested in preserving the environment in its broad concept.

Exercise our work as responsible members of society, respect the traditions and cultures, and commit ourselves to abide by the laws and regulations of the country in which we operate and the provisions of Islamic Sharia law, also take into account the economic recovery and social development of the communities in which we operate.

Not provide any donations except as permitted by applicable laws and regulations in Egypt.

SAIB perceives Corporate Social Responsibility as a fundamental value and an indispensable bank practice. SAIB supports activities and programs, in line with core banking services, as means of developing social and economic growth in sectors such as environment, health, education and employment, thus seeking to achieve proper integration with the community in which SAIB functions

Our contributions impact our local society, and hence this nationwide footprint has a positive influence on countless associations.

Sports Initiatives and Activities:

SAIB has regularly supported sporting events or encouraged sporting activities as a means to promote a healthier and more active lifestyle. This year SAIB organized its 1st Annual Football event.



Sports Initiatives and Activities:



Sports Initiatives and Activities



Sports Initiatives and Activities



Towards Our Employees

Support of Employees

In line with its social responsibilities, SAIB continued its distinctive professional development programs, which aim to develop youth cadres and contribute to building a productive society. Such initiatives include:

Summer Training Program

Around 99 trainees underwent an intensive summer on-the-job training program.

SAIB BANK High Fliers Leadership Program



➤ Towards Our Employees

Healthcare Initiatives

Based on the keenness of the Bank's Management to improve the medical services provided to our employees, the resources allocated for medical treatment has increased by 66% in 2012.

In addition, the options available through Medical Service have varied by increasing the number of medical centers contracted with SAIB (Hospitals, Scan Laboratories and Pharmacies) to cover different geographical areas.

In the interests of bank employees to receive the best treatment available, there have been two critical cases treated abroad.

Education Initiatives

Employment Fair – Cairo University - 2012



▮ Conferences and Seminars



└ Honoring Staff

Honoring Mr. Kamel Suleiman upon retirement



7 Honoring Staff

Honoring Mrs. Bahiga Fatouh upon retirement





SAIBANK

SINCE 1976

بنك الشركة المصرفية العربية الدولية





BRANCHES NETWORK BY GOVERNORATES

└ Branches Network by Governorates



7 Branches Network by Governorates

Head Office

56 Gameat El Dowal El Arabia Street, Mohandessin, Giza.
P.O. Box: 54 Cairo.

Cairo

Mohandesseen

56 Gameat El Dowal El Arabia Street, Mohandessin, Giza.
P.O. Box: 124 El- Mohandesseen

Azhar

8486/ Azhar street P.O. Box: 27 Azhar.

Dokki

26 Lofty Hassouna street P.O. Box: 240 Dokki.

6th of October

Service Center District – Al Ordonia- Six of October City

Heliopolis

6A ElHegaz street P.O. Box: 5991 Heliopolis.

Merghany

12 Tawfeek Street of Ahmed Tayseer Street

Kattamiya

Fifth District –Canadian Institute

Nasr city

106 Abbas El Akkad street

New Cairo

Bank Street, Plot No. 101 behind Road 90 - Fifth District

Alasher

Dawwar El Asher – Cairo Ismailia Road

Alexandria

Somoha

74 Albert the First Street P.O. Box: 68 Sidi Gaber

Shalalat

21 Bany El Abbasy Street. P.O. Box: 2358 Alexandria

Portsaid

Estethmar

General Free Zone Investment Area

Shohada

Oraby & El-Negailah Street, El Shohada Square

Noras

El Noras Touristic Village , Tarh El Bahr Street.

Mansoura

4 Toryel Street ,
El Mansoura , Dakahlia

Suez

8 Hafez Ibrahim Street, intersection with Shohada
P.O. Box: 36 El Suez

Tanta

2 El Ashraf Street,
intersection with Saeed
Street, Tanta
P.O. Box: 19

Damietta

Kornish El Nile Street,
El Shark Insurance
Building - Damietta

Al Mahalla

36 Shokry El Kowelli
Street, El Mahalla El
Kobra City
P.O. Box: 36

Call Now 
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