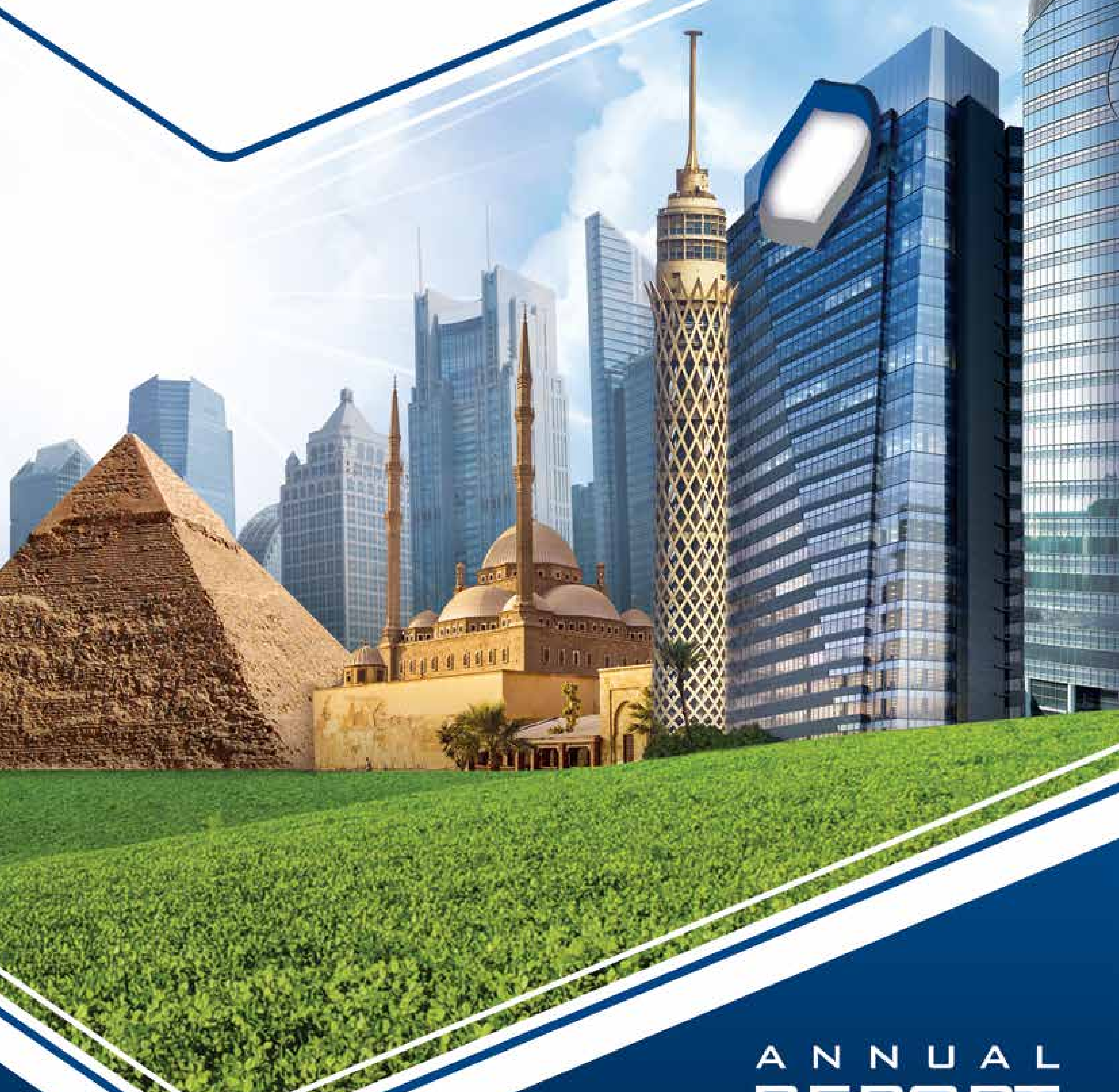
SAIBANK

since 1976



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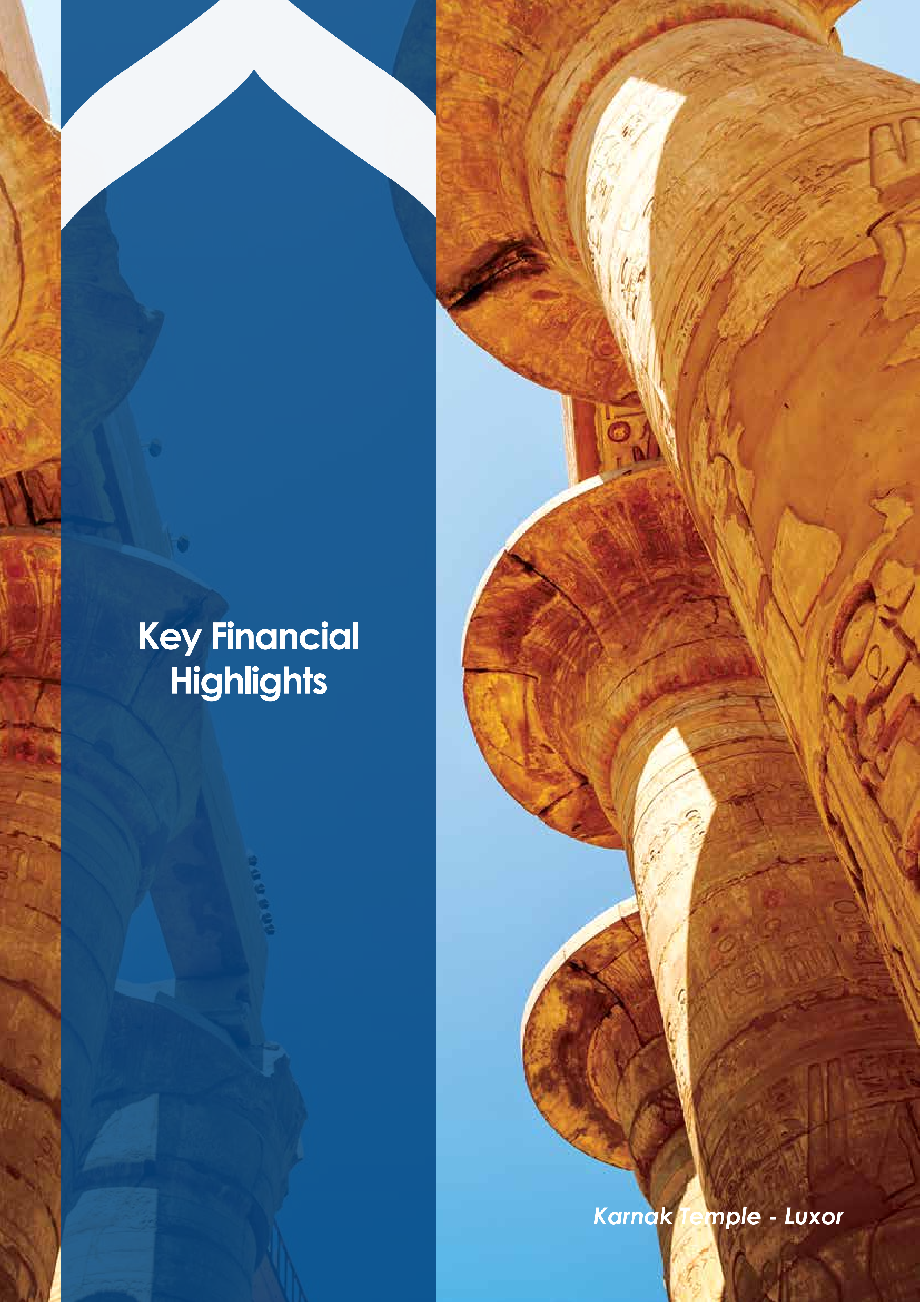
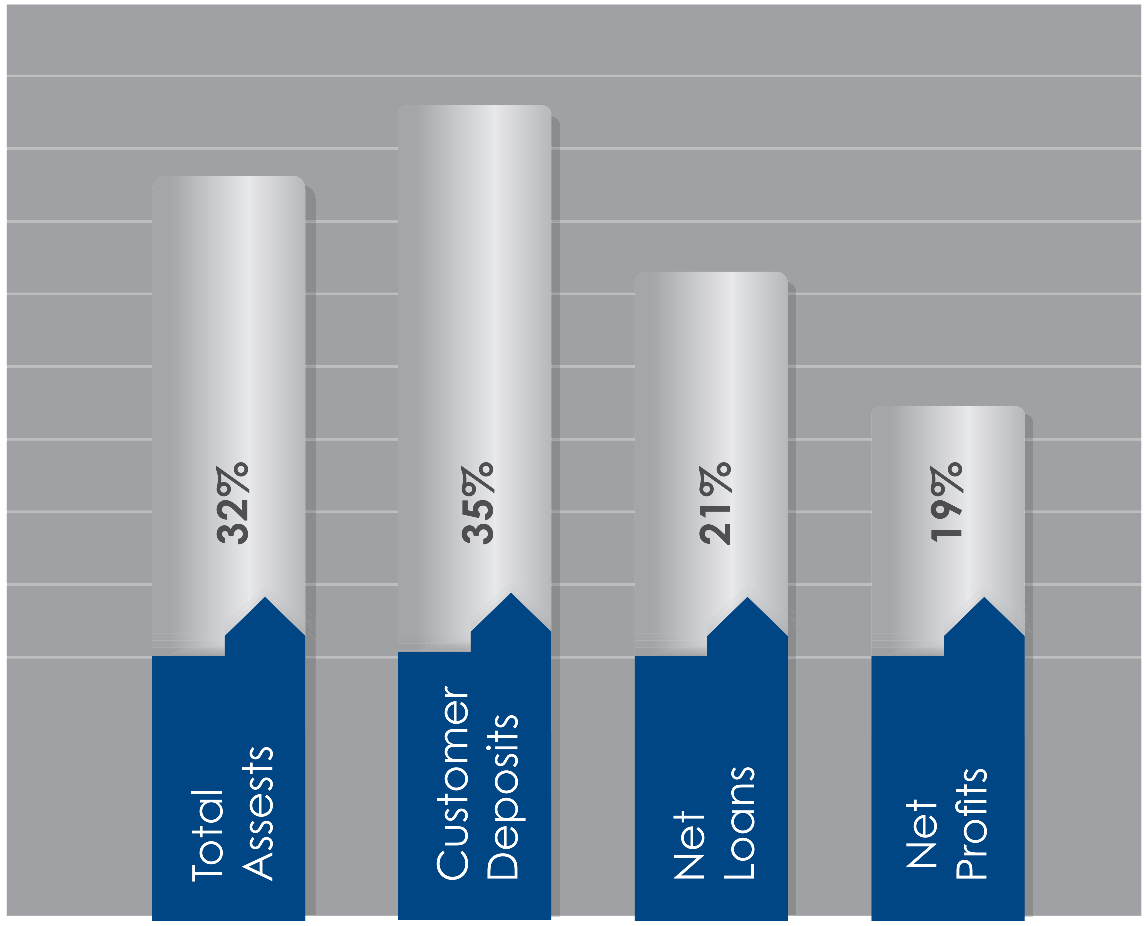


SAIB CAGR*
from 2011 to 2014



* Compounded annual growth rate

Opera House- Cairo

I

Management Letter

I Management Letter

Chairman's Message

Sustaining Double Digit Growth for the 3rd Year

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of Societe Arabe Internationale De Banque (SAIB) for the year ending 31st of December 2014.

Another good year for SAIB; with financial results that reinforce our confidence in the strategy we are pursuing. The core businesses of the Bank continued to show strong growth and all of us – the board of directors, our employees and our customers – are optimistic about the year ahead.

I would like to acknowledge, on your behalf, the efforts of the senior management team and the excellent leadership of our Managing Director Hassan Abdel Maguid.

Together, they have set clear strategic priorities of the Bank and delivered against them – doubling our Bank size in three years and generating substantial returns to our shareholders.

Achieving success in the current economic and financial environment is challenging since the industry is highly competitive and fast changing – and uncertainty is inherent. New risks are beginning to materialize while the global economy continues to improve. Yet, as we continue to grow and strengthen the Bank, we remain confident that our calculated approach and strong processes will allow us to make the most from the opportunities ahead.

I seize the opportunity of being your representative to thank all our shareholders for their continuous support, trust and confidence in SAIB and the direction we are heading to.

It is a privilege to be at your service.

Mohamed Naguib
Chairman & Managing Director

Managing Director's Message

It gives me great pleasure to report another year of delivering strong results at SAIB. Our business delivered strong performance despite the challenges facing the Egyptian economy. We continued to deliver exceptional performance in 2014 in terms of volume in all our business lines and profitability; we also produced excellent returns for our shareholders and outperformed peer competitors.

Our success reflects the efforts of our board members, executive management team and employees.

The bank's figures in 2014 reflect the ongoing success of our growth strategic plan starting 2011 that resulted in doubling the bank's size throughout the plan derived by: strengthening our brand, attracting new customers with innovative products, improving customer experience by increasing our delivery channels and customer reach, and maintaining adequate risk and governance controls.

Our revenue growth strategy based on expanding revenue opportunities resulted in the following financial figures in Y2014: Net profit growth of +12 % reaching $ 43.6 Million, Total assets growth of +34 % reaching $ 4.7 Billion, deposits growth of +46.1 % reaching $ 4.0 Billion, net loans growth of +60.5 % reaching $ 1.2 Billion.

We expanded our revenue opportunities by:

- Growing our target customer base that resulted in a significant increase in our business.
- Building our franchise around our customers' needs by introducing new products and services.
- Improving our customer Banking experiences in our branches through branch renovation.

We are strengthening our brand through different promotional activities in selective channels with adequate frequency.
We continue executing our plan towards centralization of Banking operations. We moved to a new level of refining our policies and standards operating procedures to achieve operational excellence.

Our governance and risk management practices enable us to make our loan loss experience in personal and commercial Banking to be one of the lowest among our peers.

Our performance was reflected in an increase in our contribution in activities towards Corporate Social Responsibilities.

We believe that our human capital is our competitive advantage in the market, we are investing in attracting, developing and retaining our good personnel through well-defined programs and initiatives.

Outlook and Priorities of 2015 - Set Big Goals - Keep Aiming High

The Egyptian economy is recovering on a fast pace; above analysts' expectations. We continue to pursue our growth strategy and will take advantage of future economic improvements to capitalize on value-added opportunities for our shareholders and to contribute to the Egyptian economy as a whole.

We are very optimistic about the future of the Egyptian economy and we are committed to contribute to the development of the Egyptian Banking sector as well as the economy by participating in national projects and providing financial services to small, medium and large enterprises as well as individuals.

I would like to thank our valued customers for their trust in SAIB, our management team for their commitment and our valuable employees for their hard work and dedication.

Hassan Abdel Meguid
Vice Chairman & Managing Director

Temple of Hatshepsut - Luxor

II

Egypt Economic Environment

II Egypt Economic Environment

The Egyptian Government implemented a series of structural economic reforms in various fields to bolster economic activity in 2014. Notable reforms include tax reforms and reduction of energy subsidies while addressing shortfalls in electricity and arrears to foreign oil companies; thus encouraging new investments, production and exploration.

The previously mentioned reforms were reflected in Fitch's upgrading Egypt's credit ratings from B- to B stable in December 2014. The upgrade is a positive step towards boosting investor confidence in the Egyptian economy.

Recent economic development show an increase in the overall budget deficit recording EGP 132.01 Billion in H1-FY 2014/2015 (5.7 % of GDP) compared to EGP 89.43 Billion (4.5 % of GDP) in the previous H1-FY 2013/2014. However, there is a positive vision of Egypt as a promising market regarding its economic indicators that are forecasting a gradual decline in the budget deficit over the coming years to reach 7 % of GDP in 2018.

Egypt Macro-Economic Indicators

EGYPT	2014	2015F	2016F	2017F	2018F
Real GDP Growth	2.2 %	4.2 %	4.3 %	4.5 %	4.9 %
GDP per Capita US $	3,436	3,613	3,762	4,051	4,327
Budget Balance % of GDP	-12.7 %	-10.3 %	-8.6 %	-7.5 %	-6.7 %
Current Account Balance (US $ Billion)	-4.3	3.8	3.7	4.5	5.6
External Debt (US $ Billion)	41.5	52.2	55.6	58.2	59.8
Exports of Goods & Services (US $ Billion)	43.8	43.7	47.1	50.9	54.5
Inflation Ave.	10.1 %	11.0 %	9.0 %	7.5 %	6.0 %
Exchange rate EGP/ USD (Ave.)	7.14	7.58	8.10	8.30	8.50
Unemployment	13.0 %	15.8 %	15.6 %	14.8 %	14.5 %
Foreign Reserve (ex. Gold) US $ Billion	15.3	23.0	26.0	27.5	30.2
Lending Rate % ave.	9.8 %	9.9 %	9.8 %	10.1 %	10.3 %
FDI - Inflow US $ Billion	2.5	3.8	5.0	6.0	6.6

Source: Business Monitor International - Economist Intelligence Unit

Global Economy Forecast

The table below shows a pick up growth in the Euro zone, which will have a positive effect on the Egyptian net exports over the coming years since the Euro zone is Egypt's main trading partner

	2014	2015F	2016F	2017F	2018F
Economic Growth (%)					
US GDP	2.4	3.2	2.5	2.4	2.6
EU28 GDP Growth	1.3	1.8	1.9	1.9	1.9
World GDP	2.3	2.7	2.8	2.8	2.9
World Trade Growth	3.4	5.1	5.3	5.4	5.5
Inflation Indicators (%)					
US CPI	1.6	0.4	2.2	2.3	2.5
EU28 CPI	0.6	0.0	1.0	1.5	1.7

Source: Economist Intelligence Unit

Sultan Hassan and Al Rifai Mosques - Cairo

III

Corporate Governance

III Introduction

SAIB approaches Corporate Governance as the integrated discipline under which we operate and exist. Our solid belief that Corporate Governance is the sole road to creating and maximizing value for all stakeholders affected by our existence as a business entity, provides the helm directing and controlling the way we do business.

SAIB's Board of Directors promotes integrity and ethical behavior via leading by example and plays the key role in endorsing our Bank strategy, developing directional policy, appointing, supervising and remunerating Senior Executives and ensuring Bank's accountability to its investors and authorities.

Our comprehensive code of conduct asserts and provides a guide to sustaining and having an ethics-driven community.

SAIB respects shareholders' rights and assists them in exercising those rights by communicating understandable and accessible information for effective participation in general meetings.

Accountability is the key to Corporate Governance practices; thus, holding those in power to account. The Board composition should ensure diversity to safeguard accountability. Duties of both the Chairman and CEO are separated to ensure dispersion of authority and foster a culture of full disclosure to build trust.

SAIB's CG framework rests on solid pillars represented by our prominent Board of Directors and Senior Management, Internal Audit Matrix (Compliance, Risk and Internal Audit) and finally our commitment to transparency and disclosure.

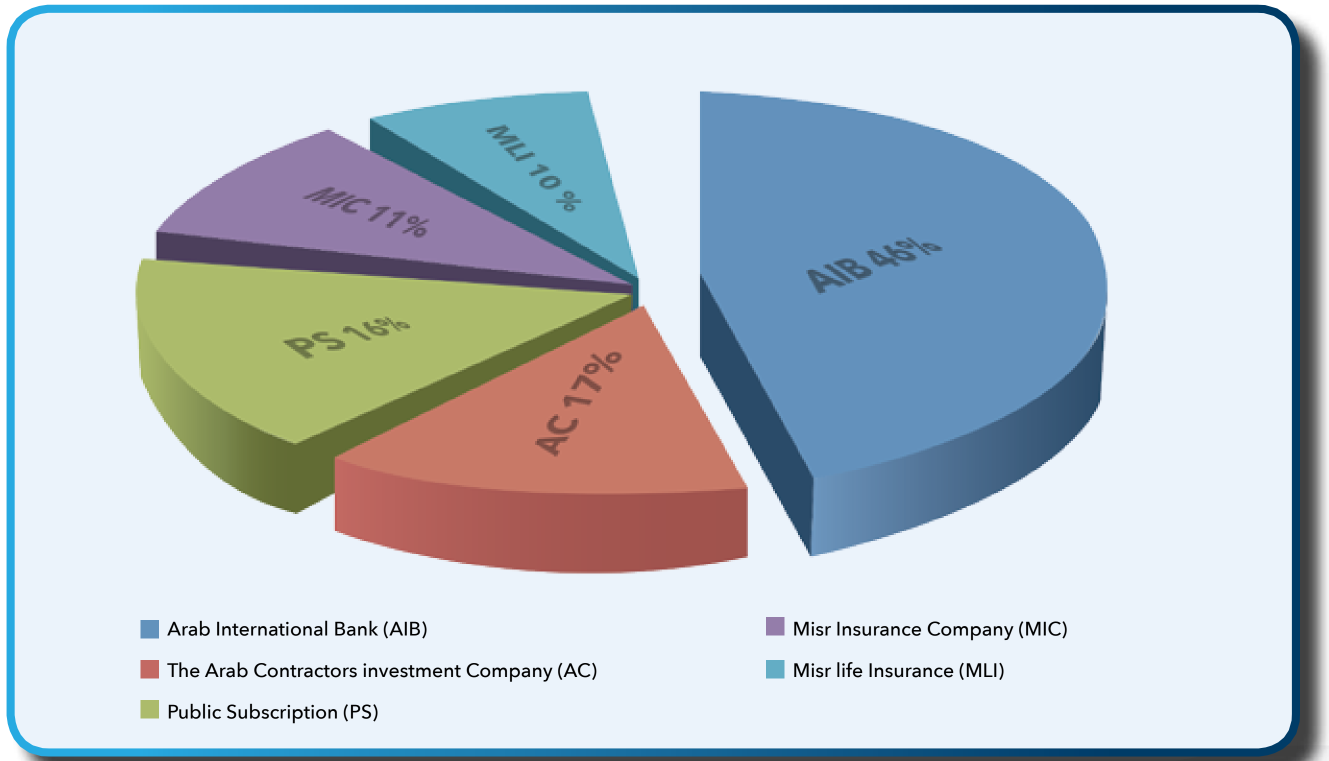
SAIB adheres to the Central Bank of Egypt guidance and regulations to effective Corporate Governance practices so as to ensure the well-being of the Banking sector and the Egyptian society as a whole.

Shareholders Structure

Societe Arabe Internationale de Banque "SAIB" was established as an Egyptian Joint Stock Company in accordance with the provisions of the laws enforced in the Arab Republic of Egypt and within the scope of Arab and foreign investments and Free Zone and issued by Law No. 43 of the year 1974 and its statute.

SAIB issued and paid-up capital increased from $ 4 Million in 1978, to currently reaching $ 150 Million distributed to $ 15 Million shares, with a par value of $ 10 per share whereby the authorized capital is $ 200 Million.

Shares are distributed as follows:



Board of Directors 2014

Mr. Mohamed Naguib Ibrahim

Chairman & Managing Director

Mr. Naguib has more than 35 years of extensive experience in the banking & finance industry at both operational & managerial levels; during which he assumed several senior leadership positions. Mr. Naguib was Vice Chairman of Banque Misr, Board Member & Head of Risk Management at National Bank of Egypt, Managing Director of International Company for Leasing (Incolease) and General Manager of Credit & Risk Management at MIBank. Mr. Naguib currently is a Board Member of various distinguished institutions in Egypt. Simultaneously, Mr. Naguib 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 and further introducing its provisions at the economic committee of the Egyptian Parliament.

Mr. Hassan Ibrahim Abdel Meguid

Vice Chairman & Managing Director

Mr. Abdel Meguid is the Vice Chairman & Managing Director responsible for fulfilling the bank's strategy through the development of executive plans that ensure efficient resources management.
He has over 35 years of experience in the banking sector 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. Mr. Abdel Meguid then joined MIBank (1981-1999). Prior to joining SAIB Bank as the Executive General Manager in 2004, he was the General Manager of Credit and Marketing at 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 of International Company for Leasing "Incolease". In 2009; Mr. Abdel Meguid was appointed as Board member at the Egyptian Competition Authority representing the Banking sector.

Dr. Mahmoud Ibrahim Abu El-Oyoun

Independent member
Arab International Bank

Dr. Abou El Oyoun holds a Ph.D. degree of Philosophy in Economics. He is the Economic Advisor for the Arab Fund on Economic and Social Development and founder and CEO of Guardian Security System Company since 2012. Dr. Abou El Oyoun was the CEO for Kuwait International Bank (2010-2011) and Advisor to the Kuwaiti Minister of Finance (2006-2010). Dr. Abou El Oyoun was appointed the Governor of the Central Bank of Egypt (CBE) (2001-2003) after playing different leading positions at the CBE. He successfully established the Egyptian Money Laundering Combating Unit (EMLCU).

Dr. Abou El Oyoun was also the Egyptian Governor of Arab Monetary Fund (2001-2003) as well as the Egyptian Governor of the African Development Bank. He was the economic and financial advisor for several ministers and economic and financial institutions in Egypt and abroad. He is a member of board of directors in several entities. Dr. Abou El Oyoun is the author of numerous books as well as academic papers and researches, he is also a professor of economics at the University of zaqaziq

Mr. Mohamed Gamal Moharam

Independent member
Arab International Bank

Mr. Moharam is Country Head El-Futtaim Group, the Chairman of MGM Banking & Financial Consultants and the Egyptian Company for Mutual Funds Management and Cairo Factors Company. Mr. Moharam was CEO and Managing Director of Piraeus Bank Egypt (formerly Egyptian Commercial Bank) (2002-2008) and Chairman of the American Chamber of Commerce in Egypt (2006-2008). Since Graduating from the commerce department of Cairo University in 1974, Mr. Moharam has focused in his career on the banking industry, from credit and marketing officer at Citibank, to assistant Vice President of Fleet National Bank and Chief Representative of the Bank of New York in Cairo, to his position in Piraeus Bank.

Mr. Moharam is a member of various business chambers and federations and board officer for a number of prominent socially responsible institutes. He has been a board member of several organizations.

Mr. Essam Eldin Mohamed El-Wakeel

Independent member
Arab International Bank

Mr. El Wakil has long years of diversified experience in the financial sector including treasury, capital markets, Islamic banking and investment banking. He was a board member and Managing Director at the Arab International Bank (AIB) in 2014. Mr. El Wakil held several managerial and executive positions at the Commercial International Bank (CIB) (2008-2013) till he was appointed member of its board of directors.

Previously, Mr. El Wakil held several executive positions at the ABC Islamic Bank across several countries until he was appointed the Director and a member of its board in 2005. He was also a board member at the Federation of Egyptian Banks.

Mr. Atef Ali Ibrahim El-Sayed

Independent member
Arab International Bank

Mr. Ibrahim was the Managing Director of Banque du Caire and member of its board and the Executive Committee and Head of the Asset Liability Committee. He was the first sub Governor of the Central Bank of Egypt in charge of foreign exchange interbank, monetary policy implementation, reserve management and external debt. Mr. Ibrahim has gained an extensive experience in the banking industry in both local and international markets. He acted as the General Manager and Senior Investment Officer of Arab International Bank in Cairo; Vice President and Investment Consultant at Merrill Lynch in both London and Bahrain as well as Investment Consultant at Lehman Brothers in Bahrain.

He also served as Head of Treasury at Gulf Riyad Bank in Bahrain as well as Arab African International Bank in Cairo. Mr. Atef holds an MBA from the American University in Cairo in Business Finance and completed his Investment Certification with the (NYSE), the (NASD) and the (CBOT).

Mr. Mohamed Mohsen Salah El-Din

The Arab Contractors for Investments Company
President and CEO

Mr. Mohsen held several managerial positions at Arab Contractors Company (Osman Ahmed Osman & Co.) until he was appointed the company's Chairman and CEO. Prior to that, he was the Head of the National Authority for Drinking Water and Sanitation. He also was the Chairman of the Arab Contractors Employees Insurance Fund, Chairman of Elite Company for Tourism Development and a board member of Metrco Company for Touristic Buildings.

He is also a member of several business councils and chamber of commerce.

Mr. Adel Ahmed Mousa

Misr Insurance Company
Chairman and CEO

Mr. Mousa is a successful leader and has played an active role in leading Misr Insurance Company through both prosperous and challenging times among other accomplishments covering many areas in the insurance field. Mr. Mousa holds a Ph.D in economics and foreign trade from Helwan University and has attended many local and international conferences, seminars and trainings in diversified business areas.

Mr. Mohamed Ghazy Saber Ibrahim

Misr Life Insurance Company
Chairman

Mr. Ghazy holds a Ph.D in insurance philosophy and currently the head of the Mathematics and Insurance Department at the faculty of Commerce-Cairo University. He served as an advisor to several ministers in Egypt and abroad.

He was a member of the committee on insurance at Kuwaiti Ministry of Trade and Industry (2003-2005) and participated in drafting laws and regulations for the insurance sector as well as setting regulations for establishing new insurance companies in the Kuawiti market.

Mr. Mohamed Mahmoud Ali El-Khatib
The Arab Contractors for Investments Company
Assistant CEO

Mr. El Khateeb has more than 35 years of experience in the financial sector and has held several senior managerial positions at the Arab Contractors Company. He was appointed the financial manager in the company's branches in different countries where he was the Financial Project Manager in Egypt, Saudi Arabia, Mauritania & Algeria. Currently he is the assistant CEO.

Mrs. Nagwa Ibrahim Mansour
Former Investment Sector Head
Misr Insurance Company

Mrs. Ibrahim has more than 25 years of vast experience in diversified business and investment areas. She holds an MBA from Arab Academy for Science Technology and Maritime Transport.

She received and attended various business courses from reputable institution that all qualified her to be appointed the Head of Investment Sector at Misr Insurance Company, one of the largest insurance companies in Egypt.

Changes to the Board´s Composition in 2014

Mr. Mohamed Mohsen Salah El-Din
was appointed as a member of the Board effective January 21, 2014

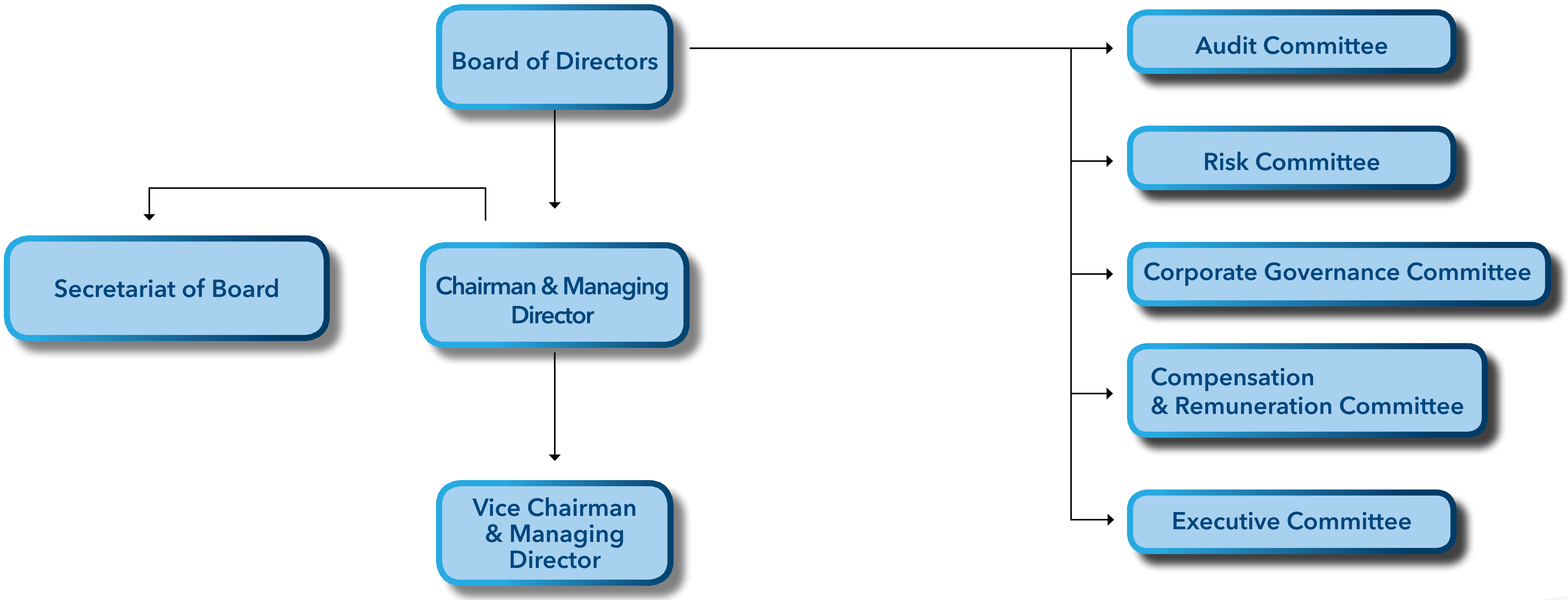
Mr. Atef Ali Ibrahim El-Sayed
was appointed as a member of the Board effective May 20, 2014

Mr. Mahmoud Ibrahim Abu El-Oyoun
as an independent member of the Board effective May 20, 2014

Mr. Mohamed Gamal Moharam
as an independent member of the Board effective June 3, 2014

Mr. Essam Eldin Mohamed El-Wakeel
as an independent member of the board effective November 11, 2014

Board and Committees



Committees

Audit Committee

The Committee supervises the Bank's regulatory functions and Internal Audit (in accordance with article 82 of Law 88 for the year 2003).

The committee is constituted according to Article No.(82) of the Law No.(88) for the year 2003 and is formed of three non-executive board members who have the experience, knowledge and expertise in the financial and accounting fields.

The Committee members are:

Name	Title	Position
Mr. Mahmoud Ibrahim Abu El eyoun	SAIB Board Member	Committee Head
Mr. Adel Ahmed Moussa	SAIB Board Member	Member
Mr. Mohammed Mahmoud Ali El-Khateeb	SAIB Board Member	Member

Risk Committee

The Committee controls and follow up the Bank's risk management functions and it's compliance with strategies and policies adopted to manage risk.

The Committee is constituted of three non-executive members:

Name	Title	Position
Mr. Mohammed Mohsen Salah El-Din	SAIB Board Member	Committee Head
Ms. Nagwa Ibrahim Mansour	SAIB Board Member	Member
Mr. Saeed Saad Gabr	SAIB Board Member	Member

Corporate Governance Committee

- The Committee ensures the application of the Bank's Corporate Governance Rules.

The committee is constituted of three non-executive members:

Name	Title	Position
Mr. Atef Ali Ibrahim El-Sayed	SAIB Board Member	Committee Head
Mr. Mohammed Gamal Moharram Mahmoud Moharram	SAIB Board Member	Member
Ms. Nagwa Ibrahim Mansour	SAIB Board Member	Member

Compensation and Remuneration Committee

The committee is constituted of three non-executive members, members are as follows:

Name	Title	Position
Mr. Mohammed Gamal Moharram Mahmoud Moharram	SAIB Board Member	Committee Head
Mr. Mohammed Mohsen Salah El-Din	SAIB Board Member	Member
Mr. Adel Ahmed Moussa	SAIB Board Member	Member

Executive Committee

SAIB Executive Committee is formed in accordance with the provisions of Article (82) of the Law No.(88) For the year 2003. The committee is constituted of nine members and is presided by the chairman or his deputy. The main duties of the committee are stated under Article No. (29) Of the Executive Statute of the aforementioned law.

The Executive Committee members are:

Name	Title	Position
Mr. Mohammed Naguib Ibrahim	Chairman	Committee Head
Mr. Hassan Ibrahim Abdel Meguid	Vice-Chairman	Member
Mr. Hassan Mohammed Sherif	Senior General Manager Supervision & Control	Member
Mr. Magdy El-Dakroury	Senior General Manager Marketing & Investment	Member
Mr. Alaa Mohammed Amin	Senior General Manager for Corporate Banking	Member
Mr. Ashraf Negm	Senior General Manager for Treausry & Foreign Relations	Member
Mr. Khaled Abdel Moniem Setouhi	Head of Legal Sector	Member
Mr. Khaled Gad	Head of Information & Technology Sector	Member
Mr. Mohammed Hisham Nour	Head of SMEs	Member

Corporate Governance Framework

Legal Environment:

SAIB is established according to Ministerial Decree for the year 1976 under Law 45/1976, bearing Commercial Registration No.97328-Giza and Tax Registration No.204-896-096.

Application of Internal Control Process:

The internal control process is conducted through continous monitoring and review of all Banking activities and operations by the Board of Directors, Senior Management, all Bank committees and all employees-as part of the Bank's internal control system.

The Board of Directors and Senior Management are responsible for preparing and communicating required standards to enforce the culture of internal control and establish a regulatory environment upon various administrative levels of the Bank which in turn will make all employees at all levels aware of the nature and role of their responsibilities in accordance to SAIB certified policy.
Policies and code of conduct and ethics reflect the Bank's moral values; in order to prevent the staff from committing any breaches or violations that may cause financial or moral losses.

The Bank's internal control system is based on three main aspects demonstrated in the Audit, Compliance and Risk Sectors.

Risk Management:

- Assess and analyze the various types of risks that the Bank may be exposed to, such as: Credit Risk, Retail Risk, Market Risk and Operational Risk. Ensure that risk analysis is conducted in an accurate manner and at early stages.
- Risk Management Policies include stress testing scenarios as one of the tools implemented by SAIB Risk Management Function.

Compliance to Rules of Disclosure:

SAIB clearly discloses at the proper time all its important operations anything with respect to their volume and complexity according to its ownership structure and its accepted risk limits. It is essential that all shareholders and stakeholders are aware of the Bank's strategies and capable of assessing its performance.

Furthermore, SAIB provides several ways and communication channels to circulate information through annual reports, reports addressed to regulators, SAIB website.

Relations with Shareholders:

- The board is responsible for opening communication channels with the shareholders. The Chairman of the Board of Directors ensures that shareholders'opinions (especially regarding SAIB strategies and corporate governance) reach all members of the board. This is done through publishing on SAIB website.
- Shareholders are provided with sufficient information in the proper time regarding the date, place and agenda of the General Assembly as well as all information on issues that require decision making when discussed in meetings.
- The board provide an opportunity and allow shareholders to address their questions either verbally or written in accordance with the provisions of the Companies Act No. 159/1981.
- Important Banking operations such as transactions done with related parties must be disclosed to the General Assembly and submitted to the shareholders for their information.

Auditors:

Members of the Board and Senior management work together to reinforce the role of external auditors and they ensure that financial statements reflect the efficiency of the Bank's performance in all important aspects and display the actual financial position.

The Board and senior management support the role of the external auditor through the following:

- Ensure the compliance of external auditors to the professional practices and standards currently applied.
- The audit review should verify the Bank's internal control systems with regards to the disclosure of the financial systems.
- Ensure that external auditors are aware of their obligations towards the Bank and carefully performing their audit review.
- A meeting is to be held at least once a year between non-executive Board Members with the External Auditors in the presence of the Heads of the Internal Audit and Compliance Sectors without the presence of Senior Management.

SAIB recognizes that it has legal and other obligations to all legitimate stakeholders.

Ethical and responsible decision making is not only important for public relations, but it is also a necessary element in risk management and avoiding lawsuits.

SAIB developed a code of conduct for their directors and executives that promotes ethical and responsible decision making.

We understand the reliance by a company on the integrity and ethics of individuals is bound to eventual failure and that is why we establish Compliance and Ethics Programs to minimize the risk.

Taxes:

SAIB regularly pays all taxes in a timely manner in light of the laws, regulations and ministerial decrees.

The Bank is finalizing all existing tax disputes in accordance with the methods used by both internal committees or through settlement and appeal committees.

The Bank then pays the taxes based on the committees' results.

IV
Risk Management

Khan El Khalili - Cairo

IV Risk Managment

Core risk management responsibilities are embedded in the Board of directors and carried out by senior risk management committee responsible for execution and oversee. The Supervisory Board regularly monitors the risk and capital profile.

We manage risks through a three-line of defense risk management model whereby front office functions, risk management oversight and assurance roles are played by functions independent of one another.

Risk strategy is approved by the management and is defined based on the Group Strategic and Capital Plan and Risk Appetite in order to align risk, capital and performance targets.

All major risk classes are managed via risk management processes, including: credit risk, market risk, operational risk, liquidity risk, business risk and reputational risk. Modeling and measurement approaches for quantifying risk and capital demand are implemented across the major risk classes.

Systems, processes and policies are critical components of our risk management capability.

Moreover, we have strengthened our capital adequacy in line with Basel 2 requirements, currently standing at 12.4%.

El Moez Street - Cairo

V

Our People

V Our People

Employees' Indicators:

Total Workforce	1033
Women Recruitment %	20 %
Total Workforce Turnover %	2,8 %
Percentage of Trained Employees:	69 %
Summer Trainees	223
Total No. of Training Hours	17688

Numbers presented in the above table are for the year 2014

Developing Our People

SAIB believes in the development of human capital which is the main pillar that enhances the Bank growth and success. SAIB invests in its employees by providing the best training which improves the overall Bank performance and enhances and develops the skills and experience of its employees.

The education, experience and skills of SAIB employees have an economic value for SAIB and for the Banking sector as a whole.

By developing our employees through encouraging higher education and training, SAIB believes that we can improve our service quality by providing our customer with the best Banking service in a professional and efficient manner.

Needless to mention that the real value of our country is its people; therefore, we are committed into our people and their success.

Balance In Employees' Lives

At SAIB, we are keen to maintain the balance between employees' personal lives and their work, we believe that this will strengthen their loyalty and feeling of belonging. Our internal social services team handles a range of activities for the welfare of our employees. Some of which are organizing trips for staff and their families, as well as managing the Bank's internal football team in various tournaments.

Keeping Our People Informed

SAIB is constantly working on developing and maintaining internal communications as it believes in the importance of keeping a two-way communication between management and employees.

This is implemented by conducting regular meetings between top management and young employees who represent the future of the Bank. These meetings create opportunities to discuss ways of developing and enhancing the operation and services of the Bank with fresh blood from potential leaders.

Management also believes in the importance of keeping the employees well informed considering that they are representatives of the Bank in various aspects. Hence, several internal communications channels are being developed, maintained and updated regularly.

Executive Team

Mr. Mohamed Naguib
Chairman & Managing Director

Mr. Hassan Abdel Meguid
Vice Chairman
& Managing Director

Mr. Hassan Sherif
Senior General Manager
Supervision and Control

Mr. Magdy El Dakroury
Senior General Manager
Marketing and Investment

Mr. Alaa Amin
Senior General Manager
for Corporate Banking

Mr. Ashraf Negm
Senior General Manager
for Treausry & Foreign Relations

Mr. Wael Badr
Head of Risk

Mr. Mohamed Hisham Nour
Head of SMEs

Mr. Khaled Gad
Chief Information Officer

Mrs. Nevine Salah
Head of Investment

Mr. Mohamed Amiri
Head of Marketing

Dr. Omaima El Dorghamy
Head of Branches Network

Mrs. Heba El Alfy
Head of HR & Corporate Communications

Mr. Walid Saafan
Head of Strategy

Mr. Ahmed Abo El Fatah
Head of Credit Administration & NPL

Mr. Khaled Setouhi
Head of Legal

Mrs. Mahie Saleh
Acting Head of Retail

Mr. Ibrahim Taha
Head of Central Operations

Mr. Abd El Rahman Ghazy
Head of Internal Audit

Mr. Abd El Aziz El Seaidi
Head of Documentary Audit

Mrs. Hala El Talawy
Head of Compliance

Mr. Hesham Wafik
Head of Adminstartion

Mr. Ramadan Ibrahim
Area Manager
Upper Egypt

Mr. Fouad El Daly
Area Manager
Delta & Alexandria

Mr. Youssef Ashour
Area Manager
Canal

Mr. Yasser Ayoub
Area Manager
East Cairo

Coptic Church - Sinai

VI

Key Performance Indicators

VI Key Performance Indicators

	2011	2012	2013	2014	Growth 2013/2014 %
Balance Sheet ('000$)					
Total Assets	2,013,284	2,572,044	3,470,553	4,655,475	34.14 %
Net Customers' Loans	667,504	656,139	734,141	1,178,725	60.56 %
Customers' Deposits	1,608,038	2,028,901	2,725,151	3,980,706	46.07 %
Net Interest Income	52,733	65,929	77,181	91,747	18.87 %
Income Statement ('000$)					
Gross Income	67,256	81,871	95,132	114,156	20.00 %
Pre-Tax & Provision Profit	30,693	51,022	60,750	76,989	26.73 %
Profit from continuing operations	28,531	43,963	59,448	72,547	22.03 %
Net Profit	20,866	28,152	30,839	34,646	12.34 %

	2011	2012	2013	2014	Growth 2013/2014 %
Ratios (%)					
ROE	10.15 %	13.43 %	14.33 %	15.65 %	9.25 %
ROA	1.06 %	1.23 %	1.02 %	0.85 %	(16.40 %)
ROC	13.91 %	18.77 %	20.56 %	23.10 %	12.34 %
Tier I ('000 EGP)	N/A	924,542	1,518,000	1,590,845	4.80 %
Capital Adequacy (Basel II Ratio)	N/A	10.25 %	15.39 %	12.40 %	(19.43 %)
Net Loans -to - Deposits	41.51 %	32.34 %	26.94 %	29.61 %	9.92 %
Non-performing Loan (NPL) ratio	6.85 %	7.28 %	3.92 %	2.27 %	(42.14 %)
NPL Coverage	86.50 %	83.40 %	73.70 %	77.36 %	4.97 %
Other Figures					
Regular Workforce Headcount	919	956	988	1033	4.55 %
Number of Branches	22	21	22	25	13.64 %

Total Assets (US Dollar Million)

The fastest growing Bank among the top 20 Banks in the market in terms of 'Total Assets'

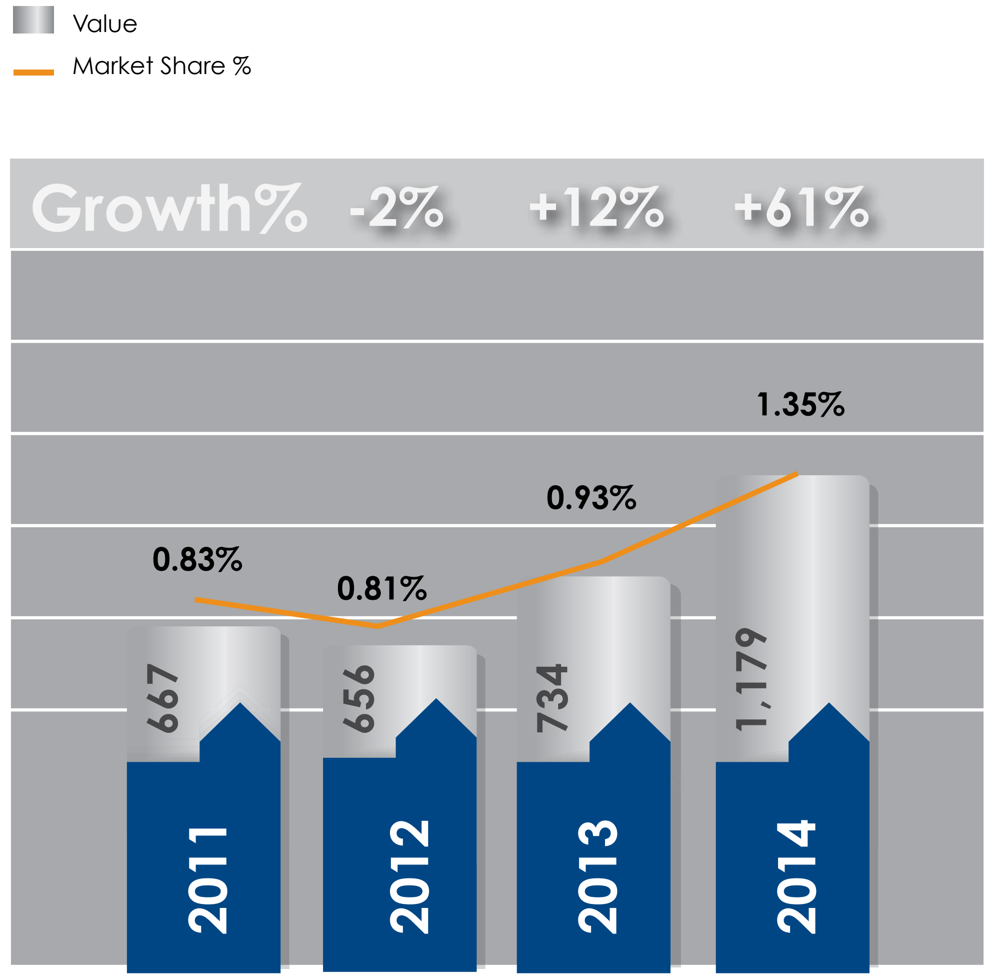
- ✓ +34 % growth rate in 2014 vs 2013.
- ✓ Improved Market share from 1.43 % in 2013 to 1.69 % 2014 (+0.26 % points).
- ✓ Improved market rank from the 12th position in 2013 to the 10th position in 2014.

Customer Deposits (US Dollar Million)

The fastest growing Bank among the top 20 Banks in the market in terms of 'Customer Deposits'

- ✓ +46 % growth rate in 2014 vs 2013.
- ✓ Improved Market Share from 1.44 % in 2013 to 1.82 % 2014 (+0.38 % points).
- ✓ Improved market rank from the 13th position in 2013 to the 11th position in 2014.

Net Loans (US Dollar Million)



The fastest growing Bank in the total market in terms of 'Net Loans'

- ✓ +61 % growth rate in 2014 vs 2013.
- ✓ Improved Market Share from 0.93 % in 2013 to 1.35 % 2014 (+0.42 % points).

Net Profits (US Dollar Million)

Sustained double digits growth in the Net Profit for the 3rd year.

Medinat Habu - Luxor

VII

Financial Statements and Auditors Report for The Year Ended December 31, 2014

VII Auditors' Report

MAZARS

MAZARS Mostafa Shawki
Accountants & Auditors

BAKER TILLY

Wahid Abdel Ghaffar & Co.
Accountants & Consultants

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 compromises the balance sheet as of December 31, 2014 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 according to rules of the preparation and presentation of the financial statements and measurement and recognition bases approved by its board of directors on December 16, 2008 and in view 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 performing the accounting estimates that are reasonable to the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards of Auditing and in the light of prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit 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, 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.

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, 2014 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 bases approved by its board 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, 2014 no contravention of the central Bank, Banking and monetary institution law No.88 of 2003.

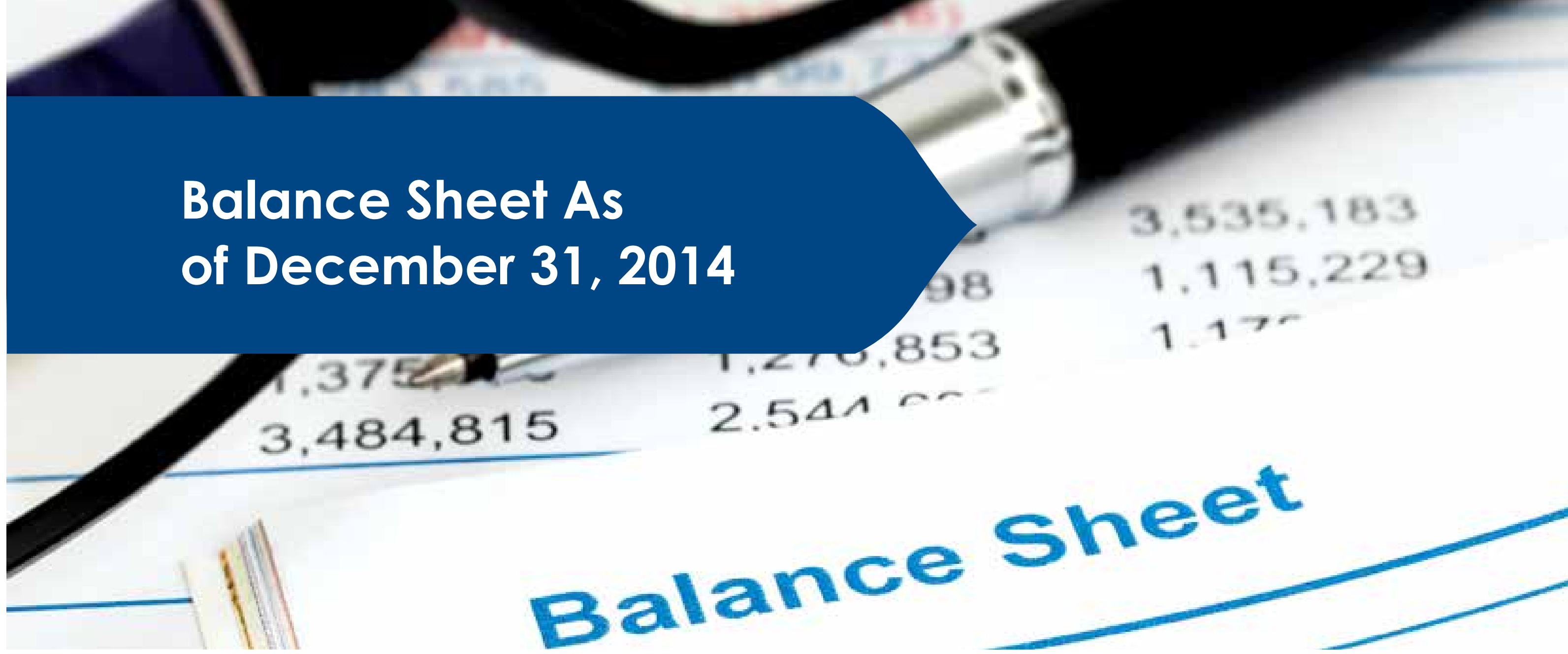
The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Cairo: February 1, 2015

Auditors

Tarek Elmenshawy
MAZARS Mostafa Shawki
Accountants & Auditors

MOHAMED MAHMOUD EL SAYED
BAKER TILLY Wahid Abdel Ghaffar & Co.
Public Accountants & Consultants



Balance Sheet As of December 31, 2014

All Amounts are Expressed in US Dollars

	Note No.	31/12/2014	31/12/2013
ASSETS			
Cash and due from Central Bank of Egypt	(15)	163,926,878	136,142,008
Due from Banks	(16)	161,205,778	139,919,473
Treasury bills	(17)	646,483,864	928,293,679
Loans and credit facilities to customers	(18)	1,178,724,871	734,141,485
Financial Investments:			
-Available for sale	(19)	2,340,715,831	1,388,875,577
-Held to maturity	(19)	43,162,341	71,842,162
Investments in associated companies	(20)	753,681	732,724
Intangible assets	(21)	78,570	88,004
Other assets	(22)	100,724,070	53,434,011
Deferred tax assets	(29)	--	162,890
Fixed assets	(23)	19,699,085	16,921,262
Total Assets		**4,655,474,969**	**3,470,553,275**
LIABILITIES and SHAREHOLDERS EQUITY			
LIABILITIES			
Due to Banks	(24)	220,693,018	236,819,677
Customers' deposits	(25)	3,980,705,617	2,725,151,499
Other loans	(26)	66,950,832	59,221,840

Other liabilities	(27)	96,968,468	180,799,829
Other provisions	(28)	5,778,539	6,478,254
Deferred tax liability	(29)	548,216	--
Total Liabilities		**4,371,644,690**	**3,208,471,099**
SHAREHOLDERS EQUITY			
Paid-up capital	(30)	150,000,000	150,000,000
Reserves	(31)	94,598,142	76,757,972
Retained earnings	(31)	39,232,137	35,324,204
Total Shareholders' Equity		**283,830,279**	**262,082,176**
Total Liabilities and Shareholders' Equity		**4,655,474,969**	**3,470,553,275**

- Auditors' Report attached.
- The accompanying notes from (1) to (37) are an integral part of these financial statements.

Auditors

Tarek El Menshawy MAZARS Mostafa Shawki	***Mohamed Mahmoud El Sayed*** Baker Tilly Wahid Abdel Ghaffar & Co.	Chief financial officer ***Hamdy Ghazy Ibrahim***	Vice Chairman and Managing Director ***Hassan Abdel Meguid***	Chairman and Managing Director ***Mohammed Naguib Ibrahim***

Income Statement For The Year Ended December 31, 2014

All Amounts are Expressed in US Dollars

	Note No.	31/12/2014	31/12/2013
Loans interest and similar income	(6)	329,693,781	261,979,286
Cost of deposits and similar expenses	(6)	(237,947,257)	(184,798,302)
Net interest income		**91,746,524**	**77,180,984**
Fees and commissions income	(7)	23,925,897	18,770,548
Fees and commissions expenses	(7)	(1,516,836)	(906,501)
Net Fees and Commissions Income		**22,409,061**	**17,864,047**
Dividends income	(8)	1,771,614	1,251,351
Net trading income	(9)	1,836,106	2,141,398
Gain from Financial Investments	(19)	14,850,172	6,975,783
Impairment (expenses) from credit losses	(12)	(4,255,582)	(1,130,089)
Administrative expenses	(10)	(54,929,931)	(44,270,627)
Other operating (expenses)	(11)	(922,423)	(574,496)
Income from Investments in associate companies	(20)	41,781	9,362
Profit before income taxes		**72,547,322**	**59,447,713**
Income taxes (expenses)	(13)	(37,901,644)	(28,608,890)
Net profit for the year		**34,645,678**	**30,838,823**
Earnings per basic share (US Dollar/Share)	(14)	**1.65**	**1.41**

- The accompanying notes from (1) to (37) are an integral part of these financial statements.

Chief financial officer ***Hamdy Ghazy Ibrahim***	Vice Chairman and Managing Director ***Hassan Abdel Meguid***	Chairman and Managing Director ***Mohammed Naguib Ibrahim***

Statement of Cash Flows for The Year Ended December 31, 2014

All Amounts are Expressed in US Dollars

	Note No.	31/12/2014	31/12/2013
Cash Flows from Operating Activities			
Profit before income tax		72,547,322	59,447,713
Adjustments to Reconcile Net Profit to Net Cash Flows from Operating Activities			
Depreciation and amortization	(10)	2,646,286	2,439,455
Impairment expenses of assets	(12)	4,255,582	1,130,089
Impairment expenses of other provisions	(11)	185,887	172,582
(Used) from provisions other than loan provision	(28)	(697,827)	(1,642,385)
Dividends income	(8)	(1,771,614)	(1,251,351)
Premium of held to maturity bonds	(19)	2,992,463	3,802,081
Discount of held to maturity bonds	(19)	(1,007,007)	(459,720)
(Profits) from sale of financial investments	(19)	(14,850,172)	(6,975,783)
Income From investments in associates companies	(20)	(41,781)	(9,362)
(Gains) from sale of fixed assets	(11)	(146,973)	(266,999)
Operating profit before changes in assets and liabilities provided from operating activities		**64,112,166**	**56,386,320**
Net Decrease (Increase) in Assets & Liabilities			
Due from Banks		(25,254,193)	(81,958,299)
Treasury bills		281,809,815	(318,583,018)
Trading financial assets		--	--
Loans and credit facilities for customers		(448,198,019)	(76,247,087)
Other assets		(46,745,731)	(7,078,662)
Due to Banks		(16,126,660)	83,679,552
Customers' deposits		1,255,554,118	696,250,784
Other liabilities		(87,288,405)	33,692,237
Paid income tax		(33,733,493)	(22,249,498)
Translation differences		30,687,543	71,215,793
Net cash flows Provided From operating activities		**974,817,141**	**435,108,122**
Cash Flows from Investing Activities			
(Payments) for purchase of fixed assets and branches preparation		(6,389,660)	(5,956,786)
Proceeds from sale of fixed assets		147,588	267,005
Proceeds from sale of financial investments other than financial assets held for trading investments		523,152,029	147,560,988
Purchase of financial investments other than financial assets held for trading investments		(1,453,436,684)	(602,297,730)
Payments for investments in associates		-	(569,468)
Dividends income received		1,771,614	1,251,351
Net Cash Flows (used in) investing activities		**(934,755,113)**	**(459,744,640)**
Cash Flows from Financing Activities			
Collected from other loans		11,048,844	52,914,136
Payments for from other loans		(3,042,475)	(2,185,787)
Dividends paid		(24,251,415)	(20,785,000)
Net cash flows provided from (used in) financing activities		**(16,245,046)**	**29,943,349**
Net increase (decrease) in cash and cash equivalents during the year		23,816,982	5,306,831
Cash and cash equivalents at the beginning of the year		**121,988,115**	**116,681,284**
Cash and cash equivalents at the end of the year		**145,805,097**	**121,988,115**
Cash and Cash Equivalents at Year-End are Represented as follows			
Cash and due from Central Bank of Egypt	(15)	163,926,878	136,142,008
Due from Banks	(16)	161,205,778	139,919,473
Treasury bills	(17)	646,483,864	928,293,679
Balances with Central Bank of Egypt (m andatory reserve)	(15)	(129,327,559)	(102,750,166)
Balances due from Banks maturing more than three months		(50,000,000)	(51,323,200)
Treasury bills maturing more than three months	(17)	(646,483,864)	(928,293,679)
Cash and cash equivalents at year-end	**(33)**	**145,805,097**	**121,988,115**

- The accompanying notes from (1) to (37) are an integral part of these financial statements.

Chief financial officer
Hamdy Ghazy Ibrahim

Vice Chairman and Managing Director
Hassan Abdel Meguid

Chairman and Managing Director
Mohammed Naguib Ibrahim

Statement of Changes In Shareholders' Equity for The Year Ended December 31, 2014

All Amounts are Expressed in US Dollars

	Paid up Capital	Legal Reserve	General Banking Risk Reserve	Special Reserve	General Reserve	Capital Reserve	Fair Value Reserve-available for sale financial investments	Retained Earnings	Total
31/12/2013									
Balance as of 1/01/2013	**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**
Transferred to general Banking risk reserve (Note 31/a)	-	-	81,125	-	-	-	-	(81,125)	-
Transferred to legal reserves (Note 31/b)	-	2,815,188	-	-	-	-	-	(2,815,188)	-
Transferred to general reserve (Note 31/e)	-	-	-	-	2,500,000	-	-	(2,500,000)	-
Dividends paid for year 2012	-	-	-	-	-	-	-	(20,785,000)	(20,785,000)
Net change in financial investments available for sale (Note 31/c)	-	-	-	-	-	-	19,744,001	-	19,744,001
Translation differences (Note 31/c)	-	-	-	-	-	-	744,429	-	744,429
Net profit for the year 2013	-	-	-	-	-	-	-	30,838,823	30,838,823
Balance as of 31/12/2013	**150,000,000**	**52,365,714**	**3,793,456**	**3,337,162**	**11,291,493**	**713,920**	**5,256,227**	**35,324,204**	**262,082,176**

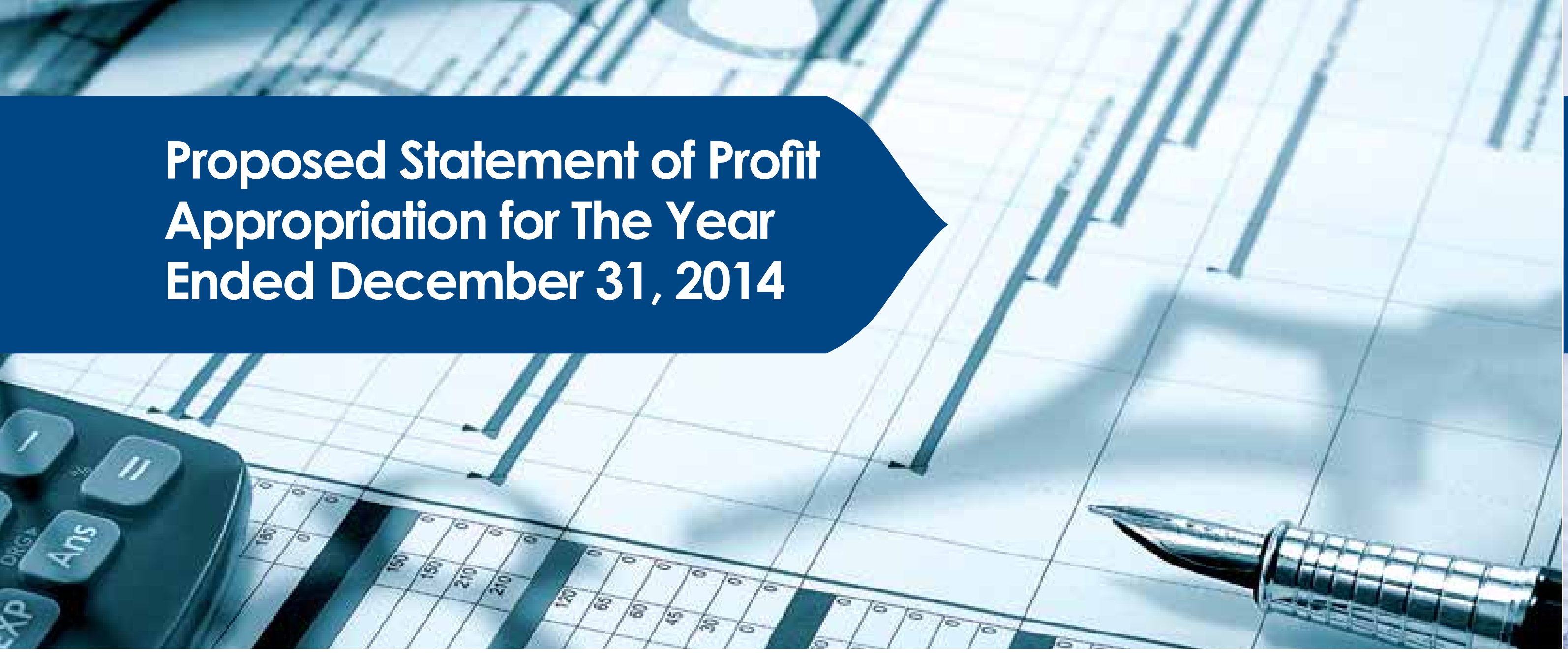
	Paid up Capital	Legal Reserve	General Banking Risk Reserve	Special Reserve	General Reserve	Capital Reserve	Fair Value Reserve-available for sale financial investments	Retained Earnings	Total
31/12/2014									
Balance as of 1/1/2014	**150,000,000**	**52,365,714**	**3,793,456**	**3,337,162**	**11,291,493**	**713,920**	**5,256,227**	**35,324,204**	**262,082,176**
Transferred to Banking risk reserve (Note 31/a)	-	-	1,662,149	-	-	-	-	(1,662,149)	-
Transferred to general legal reserves (Note 31/b)	-	3,057,182	-	-	-	-	-	(3,057,182)	-
Transferred to general reserve (Note 31/e)	-	-	-	-	1,500,000	-	-	(1,500,000)	-
Transferred to capital reserve (Note 31/e)	-	-	-	-	-	266,999	-	(266,999)	-
Dividends paid for year 2013	-	-	-	-	-	-	-	(23,690,000)	(23,690,000)
Slums development project donations (Note 31/e)	-	-	-	-	-	-	-	(561,415)	(561,415)
Net change in financial investments available for sale (Note 31/c)	-	-	-	-	-	-	11,470,151	-	11,470,151
Translation differences (Note 31/c)	-	-	-	-	-	-	(116,311)	-	(116,311)
Net profit for the year 2014	-	-	-	-	-	-	-	34,645,678	34,645,678
Balance as of 31/12/2014	**150,000,000**	**55,422,896**	**5,455,605**	**3,337,162**	**12,791,493**	**980,919**	**16,610,067**	**39,232,137**	**283,830,279**

- The accompanying notes from (1) to (37) are an integral part of these financial statements.

Chief financial officer
Hamdy Ghazy Ibrahim

Vice Chairman and Managing Director
Hassan Abdel Meguid

Chairman and Managing Director
Mohammed Naguib Ibrahim



Proposed Statement of Profit Appropriation for The Year Ended December 31, 2014

All Amounts are Expressed in US Dollars

	31/12/2014	31/12/2013
Net profit for the year	34,645,678	30,838,823
Less		
Gain from sale of fixed assets transferred to capital reserve according to the law	(146,973)	(266,999)
General Banking Risk Reserve	(3,430,350)	(1,662,149)
Net profit for the year available for appropriation	**31,068,355**	**28,909,675**
Add		
Retained earnings at beginning of the year	4,586,459	4,485,381
Total	**35,654,814**	**33,395,056**
Appropriated as follows		
Legal reserve	3,449,871	3,057,182
General reserve	1,500,000	1,500,000
Shareholders' dividends	16,000,000	14,000,000
Employees' profit share	8,460,000	8,250,000
Board of Directors' remuneration	1,440,000	1,440,000
Slums development project donations	--	561,415
Retained earnings at end of the year	4,804,943	4,586,459
Total	**35,654,814**	**33,395,056**

Vice Chairman and Managing Director
Hassan Abdel Meguid

Chairman and Managing Director
Mohammed Naguib Ibrahim

Notes to The Financial Statements for The Year Ended December 31, 2014

1. General Information

Societe Arabe Internationale de Banque (SAIB) provides retail, corporate banking and investment banking services in Egypt through 25 branches and employs 1033 people in the balance sheet 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 listing on the Cairo & Alex stock exchange.

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 Accounting Standards 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 Foreign 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 stated exchange rates at that date. Balances shown in Egyptian pounds are translated to US Dollars using the official exchange rates of the central Bank of Egypt. 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 advances; 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.
  - 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 reclassified in the periods that begin form 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 Advances

Loans and advances 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 re-classified as available for sale except for force-majority circumstances

e.4. Available for Sale Financial Assets

- Available-for-sale investments are those non-derivative financial assets intended 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 are applied in respect of all 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 expired.
- Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and advances 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 is 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 the definition of loans and debts (bonds or loans), quoting a set of tools available for sale to the group of loans and advances 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-classified, 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 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 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.
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 and 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 (Repos and Reverse Repos)

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 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.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- 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 re-structuring 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:

- 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 are 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.
- 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.

l. Intangible Assets

l.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. Goodwill relevant to either subsidiary or sister companies is to be considered in determining profit/loss on the sale of such companies (note 2/b).

Goodwill is to be distributed on monetary generating funds' units for impairment test purpose; such units represent the main Bank's segments (note 2/c).

l.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.

l.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:

Buildings	20 years
Computers and Core Systems	5 years
Vehicles	5 years
Fixtures and fittings	5 years
Equipment	5 years
Furniture	5 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 / income 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 financial statement's 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 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 reflect current market assessment 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 expenses.

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.

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 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 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 to Banks and customers

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 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 categories	
Bank’s rating	**Description of the grade**
1	**Performing loans**
2	**Regular watching**
3	**Watch list**
4	**Non-performing loans**

The credit center exposed to failure depend on the amounts which the Bank expect to be stand upon the delay, for example, the loans this center is nominal value, for other links, the Bank include 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 instruments, 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 (Note1/a) 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:

	31/12/2014		31/12/2013	
Bank's rating	**Loans and advances (%)**	**Impairment provision (%)**	**Loans and advances (%)**	**Impairment provision (%)**
1. Performing loans	72.15	30.85	67.07	18.54
2. Reular watching	25.24	9.69	26.62	7.95
3. Watch list	0.34	0.14	2.39	0.70
4. Non performing loans	2.27	59.32	3.92	72.81
	100	**100**	**100**	**100**

The internal rating tool assists management to determine whether objective evidence of impairment exists under EAS 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 re-structuring 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.

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 General Banking Risk

In addition to the four categories of the Bank's credit ratings indicated in note (a/1), 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/a) 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:

CBE Rating	Categorization	Provision %	Internal Rating	Internal Categorization
1	Low Risk	0	1	Performing loans
2	Moderate Risk	1 %	1	Performing loans
3	Satisfactory Risk	1 %	1	Performing loans
4	Reasonable Risk	2 %	1	Performing loans
5	Acceptable Risk	2 %	1	Performing loans
6	Marginally Acceptable Risk	3 %	2	Regular watching
7	Watch list	5 %	3	Watch list
8	Substandard debt	20 %	4	Non Performing loans
9	Doubtful debt	50 %	4	Non Performing loans
10	Bad Debt	100 %	4	Non Performing loans

a.5. Maximum Exposure to Credit Risk Before Collateral

	31/12/2014 US Dollar	31/12/2013 US Dollar
Balance sheet items exposed to credit risks		
Treasury bills	646,483,864	928,293,679
Loans and credit facilities to customers:		
Individuals		
- Debit current accounts	61,649,013	54,521,724
- Credit cards	5,271,447	4,445,580
- Personal loans	34,071,639	27,199,634
- Real estate loans	710,631	923,830
Corporate		
- Debit current accounts	418,740,433	265,865,776
- Direct loans	193,261,944	89,956,182
- Syndicated loans	460,289,157	288,653,217
- Other loans	4,730,607	2,575,542
Financial investments		
- Debt instrument	2,365,256,058	1,442,554,011
Other assets	100,724,070	53,434,011
Total	**4,291,188,863**	**3,158,423,186**
Off Balance sheet items exposed to credit risk		
Letter of Credit	59,896,518	65,684,469
Letter of guarantee	121,262,449	91,174,417
Total	**181,158,967**	**156,858,886**

The above table represents the worst-case scenario of credit risk exposure to the Bank at 31 December 2014 and at 31 December 2013, 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, 27.47 % of the maximum limit exposed to credit risk results from loans and credit facilities to customers at 31 December 2014 against 23.24 % at 31 December 2013 while investments in debt instruments represent 55.12 % at 31 December 2014 against 45.67 % at 31 December 2013.

- 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:
- 97.39 % of the loans and advances portfolio is categorized in the top two grades of the internal rating system against 93.69 % at 31 December 2013.
- 96.16 % of the loans and advances portfolio are considered neither past due nor impaired against 95.61 % at 31 December 2013.
- The Bank has introduced a more stringent selection process upon granting loans and advances during the financial year ended at 31 December 2014.
- More than 97.63 % at 31 December 2014 against 93.40 % at 31 December 2013 from investments in debt instruments and treasury bills represent debt instruments on the Egyptian Government.

a.6. Loans and Credit Facilities to Customers

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

	31/12/2014 US Dollar	31/12/2013 US Dollar
Loans and credit facilities		
Neither past due nor impaired	1,172,688,833	735,330,994
Past due but not impaired	19,146,444	3,605,517
Individually impaired	27,659,577	30,161,645
Gross	**1,219,494,854**	**769,098,156**
Less		
Provision for Impairment losses	(38,598,199)	(32,339,482)
Reserved interest	(4,971,193)	(4,161,220)
Advanced interest	(7,345,107)	(5,377,087)
Net	**1,168,580,355**	**727,220,367**

- Total impairment expenses for loans and credit facilities to customers amounted to US Dollar 28,453,683 at 31 December 2014 against US Dollar 25,418,364 at 31 December 2013. Note (18) include additional information on the provision for impairment losses for loans and credit facilities to customers.
- During the year, an increase in the Bank's portfolio of loans and overdrafts increased by 58.56 % as a result of the expansion in lending activities, particularly in the Arab Republic of Egypt, the Bank is focusing on dealing with large institutions or individuals with the solvency of credit.

Loans and Credit Facilities Neither Past Due Nor Impaired

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

Loans and credit facilities to customers 31/12/2014 (US Dollar)

	Individual				Corporate				
Evaluation	**Debit current accounts**	**Credit cards**	**Personal loans**	**Real estate loans**	**Debit current accounts**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total Loans and facilities to customers**
I. Performing loans	7,927,777	-	-	808,796	323,393,814	133,512,768	412,784,533	926,362	879,354,050
2. Reular watching	53,561,194	5,121,665	38,352,963	-	98,914,179	46,101,946	42,988,048	4,172,795	289,212,790
3. Watch list	-	-	-	-	94,349	-	4,011,568	16,076	4,121,993
	61,488,971	**5,121,665**	**38,352,963**	**808,796**	**422,402,342**	**179,614,714**	**459,784,149**	**5,115,233**	**1,172,688,833**

31/12/2013 (US Dollar)

Evaluation	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total Loans and facilities to customers
I. Performing loans	22,909,718	3,092	-	1,026,930	184,584,929	74,677,538	230,808,302	205,930	514,216,439
2. Reular watching	31,379,199	3,894,201	29,391,356	-	76,652,144	15,670,365	43,500,000	2,231,464	202,718,729
3. Watch list	-	-	-	-	4,646,811	700,838	13.048,177	-	18,395,826
	54,288,917	**3,897,293**	**29,391,356**	**1,026,930**	**265,883,884**	**91,048,741**	**287,356,479**	**2,437,394**	**735,330,994**

- Guaranteed loans are not considered subject to impairment for non-performing category after taking into consideration the collectability of the guarantee.

Loans and Credit Facilities Past Due But Not Impaired

These are loans and credit facilities less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. Loans and credit facilities to customers which past due but are not subject to impairment are as follows:

31/12/2014 (US Dollar)					
			Individual		
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	83,277	186,153	1,812,986	83,258	2,165,674
Past due 30- 60 days	-	-	162,385	6,309	168,694
Past due 60-90 days	-	-	19,070	-	19,070
Total	**83,277**	**186,153**	**1,994,441**	**89,567**	**2,353,438**
			Corporate		
	Debit current accounts	Direct Loans	Syndicated loans	Other loans	Total
Past due up to 30 days	1,223	16,791,783	-	-	16,793,006
Total	**1,223**	**16,791,783**	**-**	**-**	**16,793,006**

On initial recognition of loans and credit facilities. The fair value of guarantees is assessed based on valuation methods used for similar assets. In subsequent period, fair value is updated to reflect market price or prices of similar assets.

31/12/2013 (US Dollar)					
			Individual		
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	-	443,910	1,382,289	93,485	1,919,684
Past due 30- 60 days	-	-	123,230	-	123,230
Past due 60-90 days	-	-	1,913	-	1,913
Past due 150-180 days	-	-	5,315	-	5,315
Past due180-211 days	-	-	2,627	-	2,627
Total	**-**	**443,910**	**1,515,374**	**93,485**	**2,052,769**

			Corporate		
	Debit current accounts	Direct Loans	Syndicated loans	Other loans	Total
Past due up to 30 days	1,249,603	223,472	-	-	1,473,075
Past due 30- 60 days	-	79,673	-	-	79,673
Total	**1,249,603**	**303,145**	**-**	**-**	**1,552,748**

Loans and Credit Facilities Individually Impaired

- Balance of loans and credit facilities subject to individual impairment before taking into consideration cash flow from guarantees amounted to US Dollar 27,659,577 at 31 December 2014 against US Dollar 30,161,645 at 31 December 2013.
- Below is a breakdown in total value of the loans and credit facilities subject to individual impairment:

31/12/2014 (US Dollar)									
	Individual				Corporate				
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total Loans and facilities to customers
Individually impaired loans and credit facilities	101,407	621,449	5,109,386	60,807	472,079	67,316	8,159,927	13,067,206	27,659,577

31/12/2013 (US Dollar)									
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total Loans and facilities to customers
Individually impaired loans and credit facilities	311,147	1,436,579	7,223,453	133,871	1,750,925	338,273	5,696,680	13,270,717	30,161,645

a.7. Debt Instruments and Treasury Bills

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 St andard & Poor's ratings or their equivalent:

	Tre asury bills US Dollar	Investment securities US Dollar	Total US Dollar
AA- to AA+	-	10,480,560	10,480,560
A- to A+	-	248,096	248,096
Lower than A-	646,483,864	2,354,527,402	3,001,011,266
Total	**646,483,864**	**2,365,256,058**	**3,011,739,922**

a.8 Concentration of Risks of Financial Assets with Credit Risk Exposure

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 2014. When this table was prepared, the risk was distributed on the geographical sectors according to the areas related to the Bank's clients.

	Greater Cairo	Alex, Delta & Sinai	Upper Egypt	Others	Total
Treasury bills	646,483,864	-	-	-	**646,483,864**
Loans and facilities to customers					
Individuals:					
Debit current accounts	43,636,800	17,834,309	86,739	115,807	**61,673,655**
Credit cards	4,535,219	1,327,344	52,778	13,926	**5,929267**
Personal loans	22,937,562	21,880,285	637,012	1,931	**45,456,790**
Real estate loans	545,853	355,308	58,009	-	**959,170**
Corporate:					
Debit current accounts	326,234,972	96,640,548	103	21	**422,875,644**
Direct loans	168,816,541	22,476,866	5,180,406	-	**196,473,813**
Syndicated loans	416,171,404	51,772,672	-	-	**467,944,076**
Other loans	11,589,579	6,592,860	-	-	**18,182,429**
Financial investments					
Debt instruments	2,147,515,560	-	-	217,740,498	**2,365,256,058**
Total in 31/12/2014	**3,788,467,354**	**218,880,192**	**6,015,047**	**217,872,183**	**4,231,234,776**
Total in 31/12/2013	**2,726,260,228**	**165,229,271**	**2,128,274**	**246,328,073**	**3,139,945,846**

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:

	Financial institutions	Manufacturing	Real estate	Commercial	Governmental	Other industries	Individuals	Total
Treasury bills	-	-	-	-	646,483,864	-	-	**646,483,864**
Loans and credit facilities to customers								
Individuals								
- Debit current accounts	-	-	-	-	-	-	61,673,655	**61,673,655**
- Credit cards	-	-	-	-	-	-	5,929,267	**5,929,267**
- Personal loans	-	-	-	-	-	-	45,456,790	**45,456,790**
- Real estate loans	-	-	-	-	-	-	959,170	**959,170**
Corporate		.						
- Debit current accounts	38,265,540	221,880,992	3,879,545	126,425,677	-	32,423,890	-	**422,875,644**
- Direct loans	117,966,498	48,590,896	2,441,837	9,602,132	-	17,872,450	-	**196,473,813**
- Syndicated loans	-	135,301,195	31,636,358	78,411,195	-	222,595,328	-	**467,944,076**
- Other loans		8,102,551	2,089,513	2,908,783	-	5,081,592	-	**18,182,439**
Derivative financial instruments								
Financial investments								
Debt instrument	71,450,430	-	-	-	2,293,805,628	-	-	**2,365,256,058**
Total in 31/12/2014	**227,682,468**	**413,875,634**	**40,047,253**	**217,347,787**	**2,940,289,492**	**277,973,260**	**114,018,882**	**4,231,234,776**
Total in 31/12/2013	**230,890,780**	**260,379,742**	**20,196,116**	**82,475,718**	**2,214,463,130**	**231,778,045**	**99,762,315**	**3,139,945.846**

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 Volatility 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.

(Equivalent to US Dollar)

	EGP	USD	GBP	Euro	JPY	CHF	SAR	Other	Total
Balance at 31-12 - 2014									
Financial Assest									
Cash and due from Central Bank of Egypt	141,199,517	19,082,361	286,511	3,099,665	--	2,679	245,530	10,615	163,926,878
Due from Banks	34,776	140,169,057	9,615,437	9,679,091	126,845	431,752	836,575	312,245	161,205,778
Treasury bills	169,046,454	403,090,795	--	74,346,615	--	--	--	--	646,483,864
Loans and credit Facilities for customers	770,937,639	394,582,852	18	13,204,323	--	--	27	12	1,178,724,871
Financial Investments									
Available for sale investments	2,161,300,851	179,414,980	--	--	--	--	--	--	2,340,715,831
Held to maturity investments	3,850,218	39,312,123	--	--	--	--	--	--	43,162,341
Other assets	91,688,220	8,919,659	3,556	108,436	1,633	2,566	--	--	100,724,070
Total financial Assets	3,338,057,675	1,184,571,827	9,905,522	100,438,130	128,478	436,997	1,082,132	322,872	4,634,943,633
Financial liabilities									
Due to Banks	87,607,946	117,641,030	1,252,077	14,181,971	2,563	6,947	--	484	220,693,018
Customers' deposits	3,145,680,158	727,323,891	8,782,482	97,119,171	146,583	372,064	1,163,408	117,860	3,980,705,617
Other loans	16,950,832	50,000,000	--	--	--	--	--	--	66,950,832
Other liabilities	85,577,572	10,363,814	15,411	996,986	1,633	2,573	10,437	42	96,968,468
Total financial Liabilities	3,335,816,508	905,328,735	10,049,970	112,298,128	150,779	381,584	1,173,845	118,386	4,365,317,935
Net Financial Position at 31-12-2014	2,241,167	279,243,092	(144,448)	(11,859,998)	(22,301)	55,413	(91,713)	204,486	269,625,698
Balance at 31-12-2013									
Total financial assets	2,329,365,425	1,039,196,044	10,093,554	71,950,677	470,862	581,408	778,312	212,113	3,452,648,395
Total financial liabilities	2,320,935,213	792,897,114	10,153,205	76,155,863	466,838	545,739	819,818	19,055	3,201,992,845
Net Financial Position at 31-12-2013	**8,430,212**	**246,298,930**	**(59,651)**	**(4,205,186)**	**4,024**	**35,669**	**(41,506)**	**193,058**	**250,655,550**

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 undrawn 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 Credit Facilities to Customers

Loans and credit facilities are net of provisions for impairment. The estimated fair value of loans and credit 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.

Financial Investment

Financial 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 going 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.

Capital Management

The objective of the Bank for capital management purposes, the Bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital, as following:

- Compliance with the legally imposed capital requirement in Egypt.
- Protecting the Bank's ability to continue as going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintain a strong capital base to enhance growth of the Bank's operations.
- Capital adequacy and users are reviewed by the Bank's management in accordance with the requirement of the regulatory authority (central Bank of Egypt) by Bank management; by form relying on basil committee regulations for Banking control data are submitted and filed with CBE on quarterly basis.

The Bank CBE Requires the Bank to Comply with the Following:

- Maintaining EGP 500 million as a minimum requirement for the issue and paid in capital.
- Maintaining a minimum level of capital ratio of 10 % calculated as the ratio between total value of the capital element and the risk – weighted average of the Bank's assets and contingent liabilities.

The Numerator in the Capital Adequacy Ratio Comprises the Following 2 Tiers

Tier 1: basic capital, which comprises paid in capital (net of treasury stock), plus retained earnings and reserves resulting from profit appropriations (other than general reserve for Banking risk & special reserve), less any goodwill previously recognized and any carried forward losses.

Tier 2: subordinate capital which comprises an amount equal to the loan general provision calculated in accordance with the credit rating bases issued by the CBE provided it does not exceed 1.25 % from the total risk – weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans /deposit maturing over more than 5 years (provided that such carrying amount shall be reduced 20 % of its value in each of last five years of their maturity), plus 45 % of the increase in fair value above the carrying amount of available for sale investment, held to maturity investment and investments in subsidiaries and associated and 45 % from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of tier 2 should not exceed total value of tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of tier 1.

Assets are risk weighted at a range of 0 to 200 % risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals the same treatment in applied for the off –balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy standard has been prepared base on Basel II requirements and central Bank of Egypt Board of directors has approved in its meeting held on December 18, 2012, which has been issued on December 24, 2012 .

The table below summarizes the composition of tier 1, tier 2 and capital adequacy ratio based on Basel II.

	31/12/2014 In thous and EGP	31/12/2013 In thous and EGP
Tier 1 after exclusions		
Capital issued and paid up*	1,071,015	1,040,790
Reserves *	494.061	446,646
Retained earnings *	32,748	31,122
Total deductions from Basic capital	(6,979)	(558)
Total Tier 1 capital after exclusions	**1,590,845**	**1,518,000**
Tier 2 after exclusions		
45 % from the Special Reserve *	443	430
45 % of the increase in the fair value above its carrying amount of financial investments	65,816	16,412
Subordinated loans	285,604	346,930
Provision for impairment losses for regular loans , facilities and contingent liabilities	96,960	58,204
Total Tier 2 capital after exclusions	**448,823**	**421,976**
Total capital after exclusions	**2,039,668**	**1,939,976**
Risk weighted assets and contingent liabilities		
credit risks	15,405,098	11,773,126
operational risks	1,038,079	833,888
Total risk weighted assets and contingent liabilities	**16,443,177**	**12,607,014**
Capital adequacy Ratio	**12.40 %**	**15.39 %**

- Value of the Egyptian pound on the basis of the closing rate of the dollar at the balance sheet date.

4. Significant Accounting Estimates and Judgments

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 Credit 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 Instruments

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 increase the book value of US Dollars 3,873,838 to fair value by recording an entry in the fair value reserve within the equity.

5. 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.

Assets and Liabilities According to the Sectorial Activity

	31/12/2014			(US Dollar)
	Corporate	Individual	Other	Total
Assets				
Cash and due from Central Bank of Egypt	-	-	163,926,878	**163,926,878**
Due from Banks	77,927,866	-	83,277,912	**161,205,778**
Treasury bills	-	-	646,483,864	**646,483,864**
Loans and facilities for customers (After deducting the provision)	1,077,022,141	101,702,730	-	**1,178,724,871**
Available for sale financial investments	82,216,427	-	2,258,499,404	**2,340,715,831**
Held to maturity financial investments	7,856,117	-	35,306,224	**43,162,341**
Investments at associates companies	753,681	-	-	**753,681**
Unclassified Assets				
Intangible assets	-	-	78,570	**78,570**
Other assets	-	-	100,724,070	**100,724,070**
Fixed Assets (After deducting accumulated depreciation)	-	-	19,699,085	**19,699,085**
Total Assets	**1,245,776,232**	**101,702,730**	**3,307,996,007**	**4,655,474,969**
Liabilities				
Due to Banks	220,693,018	-	-	**220,693,018**
Customers' deposits	1,943,395,092	2,037,310,525	-	**3,980,705,617**
Other loans	66,950,832	-	-	**66,950,832**
Other liabilities	-	-	96,968,468	**96,968,468**
Other provisions	-	-	5,778,539	**5,778,539**
Deferred tax liabilities	-	-	548,216	**548,216**
Total Liabilities	**2,231,038,942**	**2,037,310,525**	**103,295,223**	**4,371,644,690**
Total Equity			**283,830,279**	**283,830,279**

Assets and Liabilities According to the Sectorial Activity

	31/12/2013			(US Dollar)
	Corporate	Individual	Other	Total
Assets				
Cash and due from Central Bank of Egypt	-	-	136,142,008	**136,142,008**
Due from Banks	65,684,440	-	74,235,033	**139,919,473**
Treasury bills	-	-	928,293,679	**928,293,679**
Loans and facilities for customers (After deducting the provision)	647,050,717	87,090,768	-	**734,141,485**
Available for sale financial investments	167,291,839	-	1,221,583,738	**1,388,875,577**
Held to maturity financial investments	7,256,450	-	64,585,712	**71,842,162**
Investments at associates companies	732,724	-	-	**732,724**
Unclassified Assets				
Intangible assets	-	-	88,004	88,004
Other assets	-	-	53,434,011	53,434,011
Deferred tax assets	-	-	162,890	162,890
Fixed Assets (After deducting accumulated depreciation)	-	-	16,921,262	16,921,262
Total Assets	**888,016,170**	**87,090,768**	**2,495,446,337**	**3,470,553,275**
Liabilities				
Due to Banks	236,819,677	-	-	**236,819,677**
Customers' deposits	1,581,898,795	1,143,252,704	-	**2,725,151,499**
Other loans	59,221,840	-	-	**59,221,840**
Other liabilities	-	-	180,799,829	**180,799,829**
Other provisions	-	-	6,478,254	**6,478,254**
Deferred tax liabilities	-	-	-	**--**
Total Liabilities	**1,877,940,312**	**1,143,252,704**	**187,278,083**	**3,208,471,099**
Total Equity	**-**	**-**	**262,082,176**	**262,082,176**

6. Net Interest Income

	31/12/2014 US Dollar	31/12/2013 US Dollar
Loans Interest and similar income		
Loans and facilities to clients	93,639,535	66,698,665
Treasury Bonds	235,101,547	193,960,386
Deposits and current accounts	1,043,699	1,320,235
	329,693,781	**261,979,286**
Cost of deposits and similar expenses		
Deposits and current accounts:		
-Banks	(12,054,714)	(12,756,870)
-Clients	(224,860,985)	(169,911,087)
Operations of financial instruments with repurchase commitment	-	(1,365,686)
Other loans	(1,031,558)	(764,659)
	(237,947,257)	**(184,798,302)**
Net	**91,746,524**	**77,180,984**

7. Net Fees and Commissions Income

	31/12/2014 US Dollar	31/12/2013 US Dollar
Fees & Commissions Income		
Fees & Commissions Related to Credit	17,622,412	14,690,020
Custody Fees	465,264	285,064
Other Fees	5,838,221	3,795,464
	23,925,897	**18,770,548**
Fees & Commissions expenses		
Other Fees Paid	(1,516,836)	(906,501)
	(1,516,836)	(906,501)
Net	**22,409,061**	**17,864,047**

8. Dividends Income

	31/12/2014 US Dollar	31/12/2013 US Dollar
Available for sale investments	1,617,483	1,092,595
Investments fund held to maturity	154,131	158,756
	1,771,614	**1.251,351**

9. Net Trading Income

	31/12/2014 US Dollar	31/12/2013 US Dollar
Foreign exchange transactions		
Profit From Foreign exchange	1,836,106	2,141,398
Net	**1,836,106**	**2,141,398**

10. Administrative Expenses

	31/12/2014 US Dollar	31/12/2013 US Dollar
Staff Costs		
Wages & salaries	31,891,234	27,645,182
Social insurance	877,472	790,762
	32,768,706	**28,435,944**
Depreciation and amortization	2,646,286	2,439,455
Other administrative expenses	19,514,939	13,395,228
	54,929,931	**44,270,627**

- The average monthly that is earned by the twenty ones with the largest bonuses and salaries at the Bank all combined is US Dollars 299,166; for the financial year ended December 31, 2014 against US Dollars 263,264 for the financial year ended December 31, 2013.

11. Other Operating Revenue (Expenses)

	31/12/2014 US Dollar	31/12/2013 US Dollar
Profits from selling Fixed Assets	146,973	266,999
Operating lease	(475,957)	(320,087)
Capital lease	(397,907)	(355,370)
(Expenses) other provisions (Note 28)	(185,887)	(172,582)
Other	(9,645)	6,544
	(992,423)	**(574,496)**

12. Impairment (Expenses) from Credit Losses

	31/12/2014 US Dollar	31/12/2013 US Dollar
Loans and facilities for clients	(4,255,582)	(1,130,089)
	(4,255,582)	**(1,130,089)**

13. Income Taxes (Expenses)

	31/12/2014 US Dollar	31/12/2013 US Dollar
Current tax*	(37,190,538)	(28,957,623)
Deferred tax (Note 29)	(711,106)	348,733
	(37,901,644)	**(28,608,890)**

- The value of the tax due on the return of treasury bonds and bills for the financial year ended on that date.

14. Earnings Per Share

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

	31/12/2014 US Dollar	31/12/2013 US Dollar
Net Profit Available for Distribution on shareholders(1)	24,745,678	21,148,823
Weighted average of ordinary issued shares (2)	15,000,000	15,000,000
Basic Earnings Per Share (US Dollar) (1/2)	**1,65**	**1,41**

15. Cash and Due from Central Bank of Egypt

	31/12/2014 US Dollar	31/12/2013 US Dollar
Cash	34,599,319	33,391,842
Balances with Central Bank of Egypt (mandatory reserve)	129,327,559	102,750,166
	163,926,878	**136,142,008**
Balances without interest	163,926,878	136,142,008
	163,926,878	**136,142,008**

16. Due from Banks

	31/12/2014 US Dollar	31/12/2013 US Dollar
Current Accounts	4,180,358	6,555,773
Deposits	157,025,420	133,363,700
	161,205,778	**139,919,473**
Central Banks (Except Obligatory Reserve)	83,277,912	74,235,033
Local Banks	61,042,495	52,289,054
Foreign Banks	16,885,371	13,395,386
	161,205,778	**139,919,473**
Balances without interest	3,072,717	3,713,451
Balances with variable interest	1,107,641	2,842,322
Balances with fixed interest	157,025,420	133,363,700
	161,205,778	**139,919,473**
Current Balances	161,205,778	139,919,473
	161,205,778	**139,919,473**

17. Treasury Bills

	31/12/2014 US Dollar	31/12/2013 US Dollar
Treasury bills	646,483,864	928,293,679
Egyptian Treasury bills	646,483,864	928,293,679
The Treasury bills are represented in the following		
266 Days maturity	-	55,324,564
273 Days maturity	28,010,820	55,865,019
302 Days maturity	-	7,000,000
309 Days maturity	-	12,000,000
314 Days maturity	-	10,000,000
330 Days maturity	-	5,000,000
357 Days maturity	70,027,050	158,533,430
363 Days maturity	-	10,000,000
364 Days maturity	567,893,460	642,910,537
	665,931,330	**956,633,550**
Unearned Interest	(19,447,466)	(28,339,871)
	646,483,864	**928,293,679**

18. Loans and Credit Facilities for Customers

	31/12/2014 US Dollar	31/12/2013 US Dollar
Individuals		
Debit current accounts	61,673,655	54,600,064
Credit cards	5,929,267	5,777,782
Personal loans	45,456,790	38,130,183
Real estate loans	959,170	1,254,286
Total (1)	**114,018,882**	**99,762,315**
Corporate		
Debit current accounts	422,875,644	268,884,412
Direct loans	196,473,813	91,690,159
Syndicated loans	467,944,076	293,053,159
Other loans	18,182,439	15,708,111
Total (2)	**1,105,475,972**	**669,335,841**
Loans and credit facilities to customers (1+2)	**1,219,494,854**	**769,098,156**
Less		
Provision for impairment losses	(28,453,683)	(25,418,364)

Reserved interest	(4,971,193)	(4,161,220)
Advanced interest	(7,345,107)	(5,377,087)
Net loans and credit facilities to customers, distributed to	**1,178,724,781**	**734,141,485**
Current Balances	506,521,914	322,793,240
Non-current Balances	672,202,957	411,348,245
	1,178,724,871	**734,141,485**

Provision for Impairment Losses

Analysis of the Provision for Impairment Losses for Customers

31/12/2014 Individual	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total US Dollar
Balance At Beginning Of The year	**35,852**	**723,338**	**6,015,160**	**32,937**	**6,807,287**
Impairment expenses (recovery)	(10,192)	(23,200)	(992,639)	(83,765)	(1,109,796)
Write off during the period	-	(356,483)	(12,162)	-	(368,645)
Recovery during the period	-	11,776	-	67,582	79,358
Translation differences	(1,018)	(23,511)	(159,921)	(2,580)	(187,030)
Balance At The End Of The year	**24,642**	**331,920**	**4,850,438**	**14,174**	**5,221,174**

Corporate	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total US Dollar
Balance At Beginning Of The year	**2,934,752**	**1,033,370**	**3,916,306**	**10,726,649**	**18,611,077**
Impairment expenses (recovery)	1,309,543	957,673	2,191,621	906,541	5,365,378
Write off during the period	-	-	-	(300,748)	(300,748)
Recovery during the period	-	-	-	3,472	3,472
Adjustments	(24,444)	24,444	-	-	-
Translation differences	(91,684)	(21,777)	(91,361)	(241,848)	(446,670)
Balance At The End Of The year	**4,128,167**	**1,993,710**	**6,016,566**	**11,094,066**	**23,232,509**

31/12/2013 Individual	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total US Dollar
Balance At Beginning Of The year	**22,239**	**689,603**	**7,085,514**	**201,158**	**7,998,514**
Impairment expenses (recovery)	15,378	99,735	(424,303)	(17,272)	(326,462)
Write off during the period	-	(3,236)	(8,079)	(131,274)	(142,589)
Translation differences	(1,765)	(62,764)	(637,972)	(19,675)	(722,176)
Balance At The End Of The year	**35,852**	**723,338**	**6,015,160**	**32,937**	**6,807,287**

Corporate	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total US Dollar
Balance At Beginning Of The year	**2,604,785**	**748,221**	**3,567,981**	**28,304,134**	**35,225,121**
Impairment expenses (recovery)	677,003	316,890	578,431	(115,773)	1,456,551
Write off during the period	-	-	-	(15,932,333)	(15,932,333)
Translation differences	(347,036)	(31,741)	(230,106)	(1,529,379)	(2,138,262)
Balance At The End Of The year	**2,934,752**	**1,033,370**	**3,916,306**	**10,726,649**	**18,611,077**

19. Financial Investments

	31/12/2014 US Dollar	31/12/2013 US Dollar
Available for sale financial investments:		
Debt instruments-fair value		
- listed	2,325,943,934	1,373,953,270
Equity instruments-cost		
- listed	5,694,041	5,859,397
- unlisted	9,077,856	9,062,910
Total available for sale financial investments (1)	**2,340,715,831**	**1,388,875,577**
Held to maturity financial investment:		
Debt instruments-amortized cost		
- listed	39,312,124	68,600,741
Equity instruments-cost		
- unlisted	4,261,159	3,664,297
Less :impairment provision	(410,942)	(422,876)
Total held to maturity financial investment (2)	**43,162,341**	**71,842,162**
Total financial investment(1+2)	**2,383,878,172**	**1,460,717,739**
Current balances	2,340,715,831	1,418,147,729
Non-current balances	43,162,341	42,570,010
	2,383,878,172	**1,460,717,739**
Fixed Interest Debt Instruments	2,363,878,142	1,433,934,819
Variable Interest Debt Instruments	1,382,916	8,619,192
	2,365,256,058	**1,442,554,011**

	31/12/2014		
	Available for sale financial investments US Dollar	**Held To Maturity Financial Investment US Dollar**	**Total US Dollar**
Opening Balance	**1,388,875,577**	**71,842,162**	**1,460,717,739**
Addition	1,452,728,343	708,341	**1,453,436,684**
Deduction (Selling - Redemption)	(479,954,805)	(28,347,052)	**(508,301,857)**
Translation differences	(31,078,487)	(380,602)	**(31,459,089)**
Profit from fair value difference (Note 31/c)	11,470,151	-	**11,470,151**
Discount	993,320	13,687	**1,007,007**
Premium	(2,318,268)	(674,195)	**(2,992,463)**
Ending balance	**2,340,715,831**	**43,162,341**	**2,383,878,172**

	31/12/2013		
	Available for sale financial investments US Dollar	**Held To Maturity Financial Investment US Dollar**	**Total US Dollar**
Opening Balance	**974,526,754**	**81,621,075**	**1,056,147,829**
Addition	602,297,730	-	**602,297,730**
Deduction (Selling - Redemption)	(135,291,629)	(5,293,576)	**(140,585,205)**
Translation differences	(69,770,775)	(3,773,480)	**(73,544,255)**
Profit from fair value difference (Note 31/c)	19,744,001	-	**19,744,001**
Discount	448,924	10,796	**459,720**
Premium	(3,079,428)	(722,653)	**(3,802,081)**
Ending balance	**1,388,875,577**	**71,842,162**	**1,460,717,739**

Profit from Financial Investment

	31/12/2014 US Dollar	31/12/2013 US Dollar
Profit From Selling Available For Sale Financial Instruments	14,850,172	6,975,783
	14,850,172	**6,975,783**

Adjustments for Impairment Losses Provision of Held to Maturity Financial Investments

	31/12/2014 US Dollar	31/12/2013 US Dollar
Opening Balance	**422,876**	**464,340**
Translation differences	(11,934)	(41,464)
Ending balance	**410,942**	**422,876**

20. Investments in Associates Companies

The Bank's Shareholding Percentage in Associates Companies are as Follows:

31/12/2014

	Assets US Dollar	Liability (without shareholders equity)	The company›s revenues US Dollar	Profit (loss) US Dollar	Company country	Balance as of 1/1/2014 US Dollar	Income from investments in Associates companies- equity method US Dollar	Additions during the year US Dollar	Translation differences US Dollar	Balance as of 31/12/2014 US Dollar	Shareholding %
Cairo National Co. for Trading Securities *	1,019,043	414,456	293,931	97,907	Egypt	156,239	41,781	-	(4,555)	193,465	**32**
Cairo factoring company**	-	-	-	-	Egypt	576,485	-	-	(16,269)	560,216	**40**
						732,724	**41,781**		**(20,824)**	**753,681**	

31/12/2013

	Assets US Dollar	Liability (without shareholders equity)	The company›s revenues US Dollar	Profit (loss) US Dollar	Company country	Balance as of 1/1/2013 US Dollar	Income from investments in Associates companies- equity method US Dollar	Additions during the year US Dollar	Translation differences US Dollar	Balance as of 31/12/2013 US Dollar	Shareholding %
Cairo National Co. for Trading Securities *	741,226	217,264	220,595	5,440	Egypt	161,576	9,362	-	(14,699)	156,239	**32**
Cairo factoring company**	-	-	-	-	Egypt	-	-	569,468	7,017	576,485	**40**
						161,576	**9,362**	**569,468**	**(7,682)**	**732,724**	

* Been relying on financial statements approved at September 30, 2014 for Cairo National Co. for Securities Trading in calculating investment income, assets and liabilities balances as well as its revenues and income.

** Cairo factoring Co. (S.A.E) was founded on May 20, 2014 according to Investments Guarantees and Incentives law No. 8 of 1997 and its executive regulations for the purpose of factoring and the company's financial statements are not issued till that date.

21. Intangible Assets

	31/12/2014 US Dollar	31/12/2013 US Dollar
a- Goodwill		
Net book value at the beginning of the year	**--**	**181,960**
Amortization	--	(166,316)
Translation Differences	--	(15,644)
Net book value at the ending of the year	**--**	**--**
b- Franchise		
Net book value at the beginning of the year	88,004	104,486
Amortization	(6,985)	(7,178)
Translation Differences	(2,449)	(9,304)
Net book value at the ending of the year	**78,570**	**88,004**
Total	**78,570**	**88,004**

- 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

22. Other Assets

	31/12/2014 US Dollar	31/12/2013 US Dollar
Accrued revenue	90,181,290	43,646,929
Prepaid expenses	1,701,334	864,895
Advance payments for purchasing fixed assets	7,271,644	6,720,068
Paid amounts for investments increasing (New/st anding)	700,271	851,624
Assets reverted to the Bank in settlement of debts (net of related impairment)	249,576	256,824
Imprest and insurance	58,894	60,044
Others (net of related impairment)	561,061	1,033,627
	100,724,070	**53,434,011**

23. 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 1/1/2013								
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 as of 1/1/2013	**572,888**	**10,579,327**	**1,268,363**	**7,716**	**1,291,695**	**1,166,148**	**163,021**	**15,049,158**
Additions	-	1,948,360	1,547,974	1,157	1,533,959	206,533	91,409	5,329,392
Disposals	-	-	-	(96,784)	-	-	-	(96,784)
Translation Differences (Assets balances)	(51,157)	(1,394,600)	(185,963)	(35,136)	(329,534)	(171,179)	(60,590)	(2,228,159)
Translation Differences (Accumulated depreciation)	-	456,294	165,458	34,484	218,020	116,530	46,052	1,036,838
Depreciation cost	-	(707,793)	(716,610)	(2,551)	(469,470)	(315,181)	(54,356)	(2,265,961)
Accumulated depreciation disposal	-	-	-	96,778	-	-	-	96,778
Net book value as of 31/12/2013	**521,731**	**10,881,588**	**2,079,222**	**5,664**	**2,244,670**	**1,002,851**	**185,536**	**16,921,262**
Balance as of 1/1/2014								
Cost	521,731	16,245,619	13,649,418	476,441	4,949,074	2,584,460	708,233	39,134,976
Accumulated Depreciation	-	(5,364,031)	(11,570,196)	(470,777)	(2,704,404)	(1,581,609)	(522,697)	(22,213,714)
Net book value as of 1/1/2014	**521,731**	**10,881,588**	**2,079,222**	**5,664**	**2,244,670**	**1,002,851**	**185,536**	**16,921,262**

Fixed Assets: Continue

	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 1/1/2014	**521,731**	**10,881,588**	**2,079,222**	**5,664**	**2,244,670**	**1,002,851**	**185,536**	**16,921,262**
Additions	--	2,167,626	646,123	--	2,557,171	355,711	111,452	5,838,083
Disposals	--	--	--	(880)	--	--	--	(880)
Translation Differences (Assets balances)	(14,724)	(461,950)	(65,545)	(13,730)	(148,760)	(57,807)	(20,066)	(782,582)
Translation Differences (Accumulated depreciation)	--	155,019	59,299	13,572	79,283	40,065	15,000	362,238
Depreciation cost	--	(801,946)	(580,924)	(1,302)	(860,722)	(333,532)	(60,875)	(2,639,301)
Accumulated depreciation of disposals	--	--	--	265	--	--	--	265
Net book value as of 31/12/2014	**507,007**	**11,940,337**	**2,138,175**	**3,589**	**3,871.642**	**1,007,288**	**231,047**	**19,699,085**
Balance as of 31/12/2014								
Cost	507,007	17,951,295	14,229,996	461,831	7,357,485	2,882,364	799,619	44,189,597
Accumulated depreciation	--	(6,010,958)	(12,091,821)	(458,242)	(3,485,843)	(1,875,076)	(568,572)	(24,490,512)
Net book value	**507,007**	**11,940,337**	**2,138,175**	**3,589**	**3,871,642**	**1,007,288**	**231,047**	**19,699,085**

24. Due to Banks

	31/12/2014 US Dollar	31/12/2013 US Dollar
Current Accounts	31,235,030	13,634,420
Deposits	189,457,988	223,185,257
	220,693,018	**236,819,677**
Local Banks	170,830,175	220,634,059
Foreign Banks	49,862,843	16,185,618
	220,693,018	**236,819,677**
Balances without interest	2,921,793	1,360,769
Balances with variable interest	27,960,251	11,338,469
Balances with fixed interest	189,810,974	224,120,439
	220,693,018	**236,819,677**
Current Balances	220,693,018	236,819,677
	220,693,018	**236,819,677**

25. Customers' Deposits

	31/12/2014 US Dollar	31/12/2013 US Dollar
Dem and Deposits	171,774,715	155,920,856
Time Deposits and call accounts	1,789,281,873	1,316,468,618
Certificates of savings and Deposit	1,765,063,326	1,073,976,166
Saving Deposits	163,754,971	118,134,885
Other Deposits	90,830,732	60,650,974
	3,980,705,617	**2,725,151,499**
Corporate Deposits	1,943,395,092	1,581,898,795
Individuals Deposits	2,037,310,525	1,143,252,704
	3,980,705,617	**2,725,151,499**
Balances without interest	207,885,437	182,751,000
Balances with variable interest	1,757,409,257	1,302,224,681
Balances with fixed interest	2,015,410,923	1,240,175,818
	3,980,705,617	**2,725,151,499**
Current Balances	2,215,642,291	1,651,175,333
Non-Current Balances	1,765,063,326	1,073,976,166
	3,980,705,617	**2,725,151,499**

26. Other Loans

	31/12/2014 US Dollar	31/12/2013 US Dollar
Loan from Social Fund for Development		
Development Project for Small Entities (New/ Standing)	7,138,089	4,667,607
Development project for Small and medium poultry entities (New/Standing)	5,329,059	4,554,233
Agricultural development loan – (Principal Bank/CIB)	4,204,284	-
Environment commitment loan -(Principal Bank /ENB)	279,400	-
Subordinated loan - Arab International Bank *	50,000,000	50,000,000
Total Other loans	**66,950,832**	**59,221,840**

- **Based on the approval of the Ordinary General Assembly of our Bank decisions held on February 19, 2014 has been the conclusion of a loan contract rests with the Arab International Bank (a major contributor to our Bank) on March 18, 2014 value of 50,000,000 USD to support the second tranche of base capital to our Bank when calculating the percentage rate capital adequacy according to Basel in order to maintain the prescribed percentage of the Central Bank of Egypt.*
- *The duration of this loan is five years starting from March 2014 and will end in February 2018 and pay off the loan total at the end of term at one and a maximum of February 28, 2018.*
- *Calculated on the amount of the loan rate of return by ¼ % (quarter percent) per annum over LIBOR for six months and be paid every six months.*

27. Other Liabilities

	31/12/2014 US Dollar	31/12/2013 US Dollar
Accrued interest	48,303,284	144,339,549
Unearned revenue	1,394,089	580,267
Accrued expenses	1,205,331	886,630
Dividends payable*	24,008	24,027
Sundry credit balances	46,041,756	34,969,356
	96,968,468	**180,799,829**

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

28. Other Provisions

	31/12/2014				
Description	**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	4,023,400	(115,987)	-	(697,827)	3,209,586
Provision for contingent liabilities	2,324,906	(68,121)	185,887	-	2,442,672
Litigations provision	129,948	(3,667)	-	-	126,281
	6,478,254	**(187,775)**	**185,887**	**(697,827)**	**5,778,539**

- *The provision was formed by the expected fully bearing value and it is expected that provision will be fully used during the subsequent periods.*

	31/12/2013				
Description	**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	6,241,621	(575,836)	-	(1,642,385)	4,023,400
Provision for contingent liabilities	2,299,675	(147,351)	172,582	-	2,324,906,
Litigations provision	142,690	(12,742)	-	-	129,948
	8,683,986	**(735,929)**	**172,582**	**(1,642,385)**	**6,478,254**

29. Deferred Tax Asset/(Liability)

	31/12/2014 US Dollar	**31/12/2013 US Dollar**
Balance at beginning of the year assets (liability)	**162,890**	**(185,843)**
Additions (Note 13)	-	348,733
Exclusions (Note 13)	(711,106)	-
Balance at the end of the year asset/(liability)	**(548 216)**	**162,890**

30. Capital

	No of Shares (Per million) US Dollar	**Nominal value per share** US Dollar	**Total** US Dollar
Balance as of 1/1/2014	**15**	**10**	**150,000,000**
Balance as of 31/12/2014	**15**	**10**	**150,000,000**

- The Authorized capital on 31 December 2014 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.

31. Reserves and Retained Earnings

	31/12/2014 US Dollar	**31/12/2013 US Dollar**
Reserves		
General Banking Risks Reserve (A)	5,455,605	3,793,456
Legal Reserve (B)	55,422,896	52,365,714
General Reserve	12,791,493	11,291,493
Capital Reserve	980,919	713,920
Fair Value Reserve-available for sale financial investments (C)	16,610,067	5,256,227
Special Reserve (D)	3,337,162	3,337,162
Total reserves at the end of the year	**94,598,142**	**76,757,972**

Reserves Movements are as Follow

	31/12/2014 US Dollar	**31/12/2013 US Dollar**
A- General Banking Risks Reserve		
Balance At Beginning Of The Year	3,793,456	3,712,331
Transferred from the Retained earning	1,662,149	81,125
Balance At the End Of The Year	**5,455,605**	**3,793,456**

- 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.

	31/12/2014 US Dollar	31/12/2013 US Dollar
B-Legal Reserve		
Balance At Beginning Of The Year	52,365,714	49,550,526
Transferred from profit of the year	3,057,182	2,815,188
Balance At Ending Of The Year	**55,422,896**	**52,365,714**

- 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.

	31/12/2014 US Dollar	31/12/2013 US Dollar
C-Fair value Reserve-available for sale financial investment		
Balance At Beginning Of The Year	5,256,227	(15,232,203)
Net profit resulting from change in fair value (Note 19)	11,470,151	19,744,001
Translation differences	(116,311)	744,429
Balance At Ending Of The Year	**16,610,067**	**5,256,227**

- 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.

	31/12/2014 US Dollar	31/12/2013 US Dollar
E -Retained Earnings		
Balance At Beginning Of The Year	35,324,204	30,666,694
Net profit of the financial year	34,645,678	30,838,823
Distributions for shareholders	(14,000,000)	(12,375,000)
Employees' share in profit	(8,250,000)	(7,210,000)
Board of directors' remuneration	(1,440,000)	(1,200,000)
Transferred to general Banking risks reserve (Note 31/a)	(1,662,149)	(81,125)
Transferred to legal reserve	(3,057,182)	(2,815,188)
Transferred to general reserve	(1,500,000)	(2,500,000)
Transferred to capital reserve	(266,999)	-
Donation for housing development charity project*	(561,415)	-
Balance At Ending Of The Year	**39,232,137**	**35,324,204**

*represents amount donated to housing development charity project as to 2 % of net income subject to distribution at 31 Dec. 2013 based on ordinary general assembly meeting resolution as at 27 Feb. 2014.

32. 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 March 1, 2015 to distribute US Dollar 1.06666 per share for the year 2014 with a total amount of US Dollar 16,000,000 (The actual distributions was US Dollar 0.93333 per share with a total amount of US Dollar 14,000,000 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 8,460,000 as Employees share in profit and US Dollar 1,440,000 as Board of directors remuneration (The actual dividends amounting US Dollar 8,250,000 for the employees and US Dollar 1,440,000 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 December 31, 2015

33. 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.

	31/12/2014 US Dollar	31/12/2013 US Dollar
Cash and balances with central Bank	34,599,319	33,391,842
Due from Banks	111,205,778	88,596,273
	145,805,097	**121,988,115**

34. Contingent Liabilities and Commitments

A. Capital Commitments

The Bank's contracts for capital commitments amounted to US Dollar 8,174,605 at 31 December 2014 representing purchase of fixed assets contracts, such as branches constructions and pormotions and the management have a sufficient confidence to achive net revenue and the availability to cover those commitments.

B. Commitments for Loans, Guarantees and Facilities

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

	31/12/2014 US Dollar	31/12/2013 US Dollar
Customers Acceptances	27,730,432	18,495,663
Letters Of Guarantee	121,262,449	91,174,417
Letters Of Credit (Import)	58,486,452	63,955,845
Letters Of Credit (Export)	1,410,066	1,728,624
	208,889,399	**175,354,549**

C. Leasing contracts Commitments

The total minimum lease payments for finance leases as follows

	31/12/2014 US Dollar	31/12/2013 US Dollar
Not more than one year	349,235	296,654
More than one year and less than five years	785,477	559,583
	1,134,712	**856,237**

35. 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:

	31/12/2014 US Dollar	31/12/2013 US Dollar
Nature of transactions		
Due from Banks	51,603,944	50,859,358
Loans and credit facilities to customers	4,178,712	29,358
Other assets	332,755	263,199
Due to Banks	30,527,893	31,092,756
Customers' deposits	171,804,116	170,071,739
Other loans	50,000,000	50,000,000
Other liabilities	555,326	8,351

36. Mutual Funds

The first fund-the first mutual fund for SAIB – accumulated fund

- The mutual fund is one of the Banking activities authorized for the Bank according to the law of the capital market stock 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 first mutual fund on february 28, 1996 with a nomianl 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 126,753 with a total value of US Dollar 1,775,228; the Bank's portion 19,000 certificates with a nominal value of US Dollar 266,103 to proceed the fund activity.
- The recoverable amount for the certificate reached LE 595.22 on the date of the balance sheet equivalent to US 83.36

The second fund – the second mutual fund for SAIB – accumulated interim return fund and free certificates

- The mutual fund is one of the Banking activities authorized for the Bank according to the law of the capital market stock 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 149,811 with a total value of US Dollar 2,098,164; the Bank's portion 26,000 certificates with a nominal value of US Dollar 364,141 to proceed the fund activity.
- The recoverable amount for the certificate reached LE 406.56 on the date of the balance sheet equivalent to US Dollar 56.94

The third fund (EL RABEH) – the third mutual fund for SAIB - interim return fund

- The mutual fund is one of the Banking activities authorized for the Bank according to the law of the capital market stock number 95 for the year 1992 and its regulation, the company that manage the fund is EFG Hermes Holding instead of Prime Investments for managing financial investments since its related management contract has been treminated as at 4th No. 2014.
- The Bank established the third mutual fund on Dec 31, 1998 through general finance controlling authority license no. (248) with a nominal value of LE 100 for each
- On Apr 22,2007 the name of the fund changed from the third fund to be (EL RABEH).
- The number of the certificates reached 988011 with a total value of US Dollar 13,837,499; the Bank's portion 50,000 certificates with a nominal value of US Dollar 700,271 to proceed the fund activity.
- The recoverable amount for the certificate reached LE 118.74 on the date of the balance sheet equivalent to US Dollar 16.63.

The fourth fund (Sanabel) – the fourth mutual fund for SAIB – accumulated interim return fund

- The mutual fund is one of the Banking activities authorized for the Bank according to the law of the capital market stock number 95 for the year 1992 and its regulation, the company that manage 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) Islamic rules based fund incorporation with Abo Dhabi Islamic Bank (National Bank for development) on December 20,2006 with a nominal value of LE 100 for each.
- The number of the certificates reached 585,958 with a total value of US Dollar 8,206,582; the Bank's portion 74,085 certificates with a nominal value of US Dollar 1,037,591 to proceed the fund activity.
- The recoverable amount for the certificate reached LE 104.51 on the date of the balance sheet equivalent to US Dollar 14.64.

The daily cash fund – the fifth mutual fund for SAIB – accumulated daily return fund

- The mutual fund is one of the Banking activities authorized for the Bank according to the law of the capital market stock number 95 for the year 1992 and its regulation, the company that manage the fund is Blton Mutual fund management.
- The Bank established the daily cash fund on June 4, 2014 through general finance controlling authority license no. (641) with a nomianl value of LE 10 for each.
- The number of the certificates reached 6,750,599 with a total value of US Dollar 9,454,491; the Bank's portion 500,000 certificates with a nominal value of US Dollar 700,271 to proceed the fund activity.
- The recoverable amount for the certificate reached LE 10.46 on the date of the balance sheet equivalent to US Dollar 1.46.

37. Tax Position

A. Societe Arabe Internationale de Banque

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 2000

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

Years from 2001 till 2004

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

Years from 2005 till 2006

- The Bank was inspected for these years and have been prepared and submitted in accordance with law no. (91) for the year 2005, The Bank objected to the claim and refer the dispute to the internal committees, The dispute with the Tax authority has finished and resulted in tax losses.

Years from 2007 till 2013

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

Second: Salary Tax

Years from the date of commencement of activities till 2004

- The Bank was inspected for these years until the year 2003 and the related due taxes were paid.
- The Bank was inspected for year 2004; The Bank objected to the claim and refer the dispute to the internal committees and still under process.

Years from 2005 till 2011

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

Years from 2012 till 2014

- 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.

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, 2014

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

B. The Position of SAIB - Port Said (Port Said National Bank for Development - Previously) that Has Been Merged on January 1, 2008 with Societe Arabe International De Banque (SAIB).

First: Corporate Tax

Years from the 1981 till 1997

- The Bank was inspected and the related due taxes were paid for corporate tax from the beginning of activity July 1981 to June 1997.

Years from 1998 till 2002

- 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 2003 till 2004

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

Years from 2005 till 2007

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

Second: Salary Tax

Years from the date of commencement of activities till 1994

- The Bank was inspected for these years and the related due taxes were paid till 1994.

Years from 1995 till 1998

- The Bank has to submit a request to the Tax authority to finish The dispute and re-inspect the dispute and payment of tax differences due..

Years from 1999 till 2004

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

Years from 2005 till 2007

- Those years were not inspected till now

Third: Stamp 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 till 1995.

Years from 1996 till 2005

- The dispute with the Tax authority has finished 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.

Chief financial officer ***Hamdy Ghazy Ibrahim***	Vice Chairman and Managing Director ***Hassan Abdel Meguid***	Chairman and Managing Director ***Mohammed Naguib Ibrahim***

VIII

Branches Network

Qaetbay Castle - Alexandria

VIII Branches Network

Head Office

Head Office	
Address	56 Gamaet El Dowal El Arabia St., Mohandessin
Tel.	(02) 333 250 00
Fax	(02) 333 632 44
Hotline	16668
E-mail address	customer.care@saib.com.eg

Branches

Greater Cairo & Giza Branches

Mohandessin	
Address	56 Gamaet El Dowal El Arabia Street
P.O. Box	124
Tel.	(02) 374 880 34
Fax	(02) 333 632 44

Dokki	
Address	26 Lotfi Hassouna Street
P.O. Box	240 Dokki
Tel.	(02) 374 813 65 (02) 374 813 85
Fax	(02) 374 817 90

Al Azhar	
Address	84/86, Al Azhar Street
P.O. Box	27 Al Azhar
Tel.	(02) 259 192 97 (02) 259 157 43
Fax	(02) 259 170 63 - (02) 259 312 63

Nasr City "Islamic Branch"	
Address	106 Abbas El Akkad Street
Tel.	(02) 267 054 08
Fax	(02) 267 054 36

Heliopolis	
Address	6 A El Hegaz Street
P.O. Box	5991 Heliopolis
Tel.	(02) 245 283 67 (02) 245 283 68 (02) 245 283 69
Fax	(02) 245 317 18

Merghany	
Address	12 Tawfeek Street
Tel.	(02) 241 897 11 (02) 241 897 13
Fax	(02) 241 897 14

Katameya	
Address	Canadian International College (CIC), Fifth Settlement
Tel.	(02) 253 750 09 (02) 253 750 21
Fax	(02) 253 750 11 (02) 253 750 12

El Tagamo El Khames	
Address	El Bonouk Street, off El Teseen St., Fifth settlement
Tel.	(02) 292 982 45
Fax	(02) 292 982 46

6th of October	
Address	7th District Service, Al Ordonia
Tel.	(02) 383 660 05 (02) 383 660 07 (02) 383 660 09
Fax	(02) 383 660 04

Greater Cairo & Giza Branches

Mall of Arabia	
Address	Block 8, North Tourism Area, Green Heights, Behind Mall of Arabia
P.O. Box	121
Tel.	(02) 382 114 01
Fax	(02) 382 114 02

Beverly Hills	
Address	The strip-Sodic, 6th of October City
P.O. Box	131
Tel.	(02) 385 728 95
Fax	(02) 385 728 93

10^{th} Of Ramadan	
Address	Dawar El Asher, Cairo-Ismailia Road
P.O. Box	1616 El Asher
Tel.	(015) 41 24 70 (015) 41 24 80
Fax	(015) 41 24 90

El Horreya	
Address	45, El Horreya road – El Attarein
Tel.	(03) 390 35 49 (03) 390 35 50
Fax	(03) 390 35 51

Semouha	
Address	74 Albert Al Awal St, Semouha, Sidi Gaber
P.O. Box	68 Sidi Gaber, Alex
Tel.	(03) 420 81 46 (03) 420 83 21 (03) 420 8263
Fax	(03) 420 83 48 (03) 420 83 69

Port Said

El Shohadaa	
Address	Oraby & El Negilah Street, El Shohadaa Square
Tel.	(066) 333 50 52 (066) 323 76 03 (066) 323 07 14
Fax	(066) 323 76 01

El Nouras	
Address	El Nouras Touristic Village, Tarh El Bahr Street
Tel.	(066) 335 90 54
Fax	(066) 335 90 54

Mansoura

Address	4 Toryel Street, Mansoura – Dakahleya
Tel.	(050) 230 40 30 (050) 230 40 32
Fax	(050) 230 40 31

Suez

Address	8 Hafez Ibrahim Street
P.O. Box	36 Suez
Tel.	(062) 322 30 41 (062) 322 30 72
Fax	(062) 322 30 70

Tanta

Address	2 El Ashraf Street
Tel.	(040) 327 23 56 (040) 327 23 57
Fax	(040) 327 23 58

Damietta

Address	El Shark Insurance Bldg., Kornish El Nile Street
Tel.	(057) 236 37 77
Fax	(057) 236 55 57

El Mahala El Kobra

Address	36 Shoukri El Koatli Street
P.O. Box	36
Tel.	(040) 224 35 13
Fax	(040) 224 35 09

Luxor

Address	El Fayrouz District behind the International Hospital
P.O. Box	39
Tel.	(095) 228 51 03
Fax	(095) 228 51 02

Assiut

Address	El Helaly and Cournich El Nile Street Intersection
P.O. Box	39
Tel.	(088) 228 37 84
Fax	(088) 228 37 85

Coming Soon

Maadi	
Address	22 El Nasr street, New Maadi
Tel.	(02) 251 730 48
Fax	(02) 251 730 47

Zayed	
Address	Twin Towers, Mehwar Road, 6th of October City
P.O. Box	125
Tel.	(02) 379 630 63
Fax	(02) 379 630 62