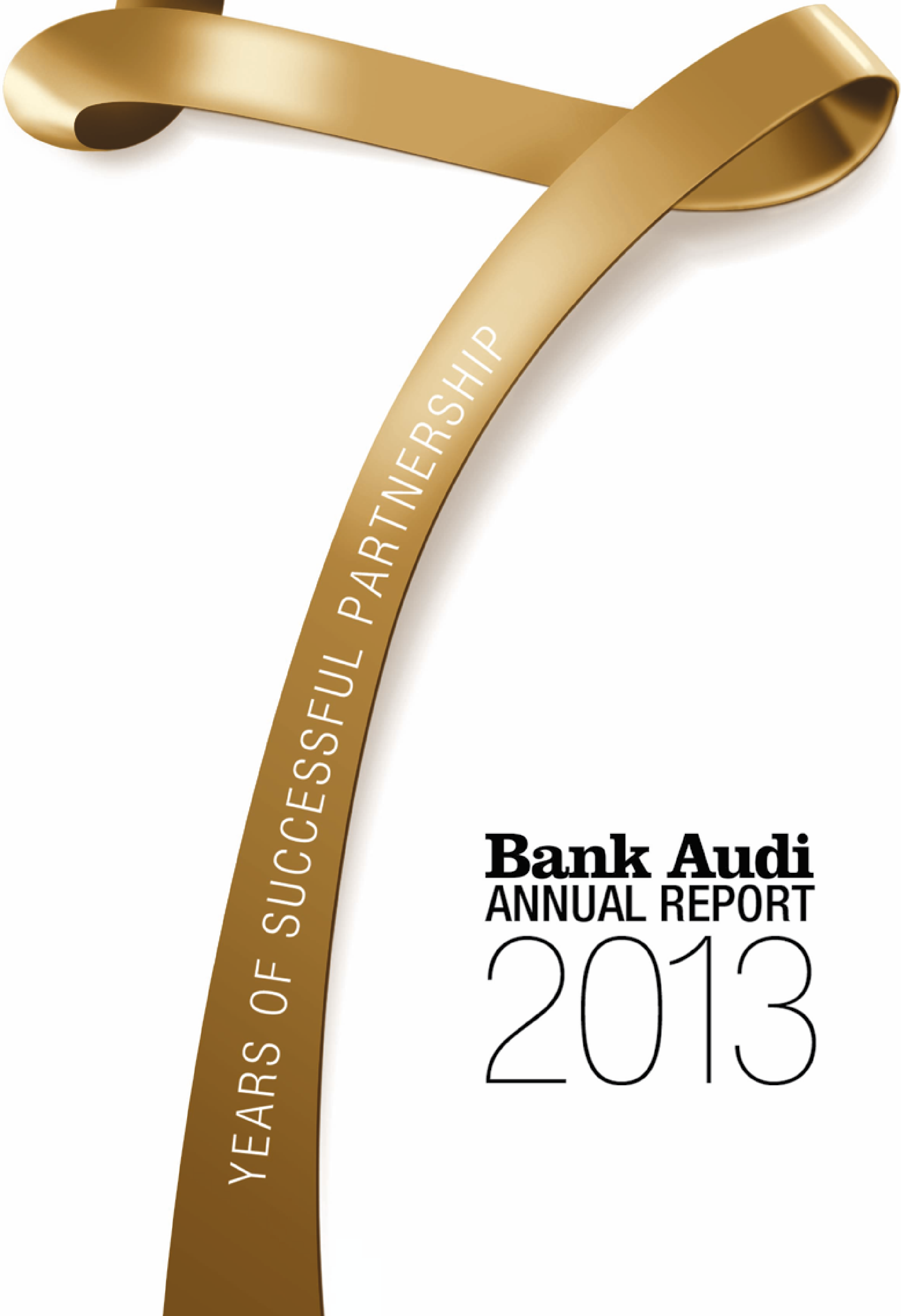


Bank Audi
ANNUAL REPORT
2013

Bank Audi s.a.e
Annual Report
2013

''ONE STICK CAN BE BROKEN BUT A BUNDLE OF STICKS TIED TOGETHER HOLDS STRONG''

WE BELIEVE OUR RELATIONSHIP WITH YOU
IS TIED WITH A GOLDEN BOND, IT'S A BOND EARNED BY

TRUST, COMFORT AND SUCCESS

OVERVIEW

OVERVIEW

A. THE CHAIRMAN'S STATEMENT

In presenting this annual report of Bank Audi s.a.e, I am conscious at this time of not only the shifting sands that prevailed for Egypt in 2013, but of those continuing uncertainties and challenges that persist for every one of us.

I have pride in the manner and style in which over the past 8 years we have achieved so many of the Bank's original strategic objectives for the benefit of all our stakeholders. However, this is tinged with a mixture of caution and optimism for the future opportunities that lie ahead, as Egypt again tries to re-position itself politically, economically and socially. Nevertheless, our belief and motivation remains undiminished in continuing to 'Grow Beyond your Potential' and to help our like-minded customers and the community to do the same.

Our sustained performance rests on a proven formula of balancing the key ingredients of building business growth around strong customer relationships; continual operational enhancements and innovation; professionalism and service quality; and remaining a reliable and safe pair of hands when it comes to ensuring sound governance and risk management practices.

Despite the disruptions following the change in the country's regime in June 2013, Bank Audi s.a.e steered a careful and successful path towards achieving even higher performance. Our total assets at end 2013 climbed 20%, with loans to customers rising 15% to reach EGP 10.8 billion. Our deposit base broadened and diversified further as it rose 22% to EGP 19.8 billion with 84% consisting of term deposits and 39% representing deposits from Individuals. This trust in the safe hands of the bank, enabled us to manage our liquidity ratios in both EGP and Foreign Currencies and show strength and soundness when compared to Central Bank of Egypt minimum liquidity guidelines.

We again produced record returns with net profit before tax of EGP 551 million assisted by strong contributions from our corporate, retail and investment banking activities and another rise versus 2012 in non-interest income. While continuing to adopt a prudent approach regarding possible future risks, our annual impairment charges recorded EGP 69 million versus EGP 101 million in 2012, despite the market environment.

Our shareholders continued to show their corresponding belief and commitment by approving two capital increases totaling US$ 65 million during 2013 and a further increase of US$ 42 million was approved at our Extraordinary General Meeting on March 20, 2014.

At end 2013, our General Banking Risk Reserve rose to EGP 86.4 million and Legal Reserves, rose to EGP 31.7 million, providing us with further cushions for any future stresses or business growth. Our (Basel II) Capital Adequacy Ratio rose slightly to 13.4 and Earnings Per Share was 14.1 (vs. 11.1 in the previous year). So, in summation, our 2013 performance was highly credible and for this I must express my and the Board's gratitude to both our customers and our staff.

However, we do not intend to rest on our laurels, and our 2014 financial budget will be by far the most challenging in the history of Bank Audi s.a.e for a number of understandable reasons relating to the customer, environmental and transformational issues envisaged to impact our business drivers, financial assumptions and critical success factors. From a Strategic perspective, we are entering the final and transition year of our original 2010-2014 Strategic Plan. Accordingly, we are in the initial process of analyzing and detailing the next phase of our strategic development, which has to recognize the likelihood of a 'new world' environment, particularly in Egypt and the Region, if not the global banking market itself. This is not to say that we see significant deviation from our two longer term pillars of (i) maintaining strong growth that is well managed within the constraints of the exceptional market conditions prevailing since 2011 (through readiness to be a leading participant in any sustainable rebound in the Egyptian market) and (ii) the continued transformation into a full-fledged financial institution, validated by our client reputation and eventual financial status among the top five peer group private sector banks.

After three years of post-revolution constraint, our 2014 business plan and budget continues to be constructed around implementing further detailed changes aimed at differentiating our business franchise in the marketplace through segmentation, customization and affinity. This customer centric approach is essential in building that franchise, and necessitates the acceleration in the expansion of our branch and e-channel network, using the comprehensive branch model that we have been creating, together with introducing some further innovative products and services offerings matched to our well researched customer requirements.

In 2014, some of our newer Lines of Business such as Commercial and SME, Islamic and Affluent Banking, and Global Transactions Services and Mortgage Financing, are targeted to provide valuable payback and contribute to both sides of our balance sheet and non-interest revenues. 2014 will also see the commencement of the previously delayed Technology Transformation Plan that is essential to provide us with the envisaged longer term, reliable and flexible IT platform from which to optimize our Organizational and Human Capital. These are key elements in achieving our financial institution growth objectives such as a diversified customer footprint, tailored and innovative product range, and competitive and sustainable market share.

With the further push for well above average market growth plus the business driven Transformation Plan and branch expansion, our investment in skilled human resources along with our successful governance and risk management model, will be the essential cornerstones of the next phase of Bank Audi's successful development. With our emphasis on customer relationship management and service quality, our HR plan is naturally skewed towards adding front line services. In terms of Governance, Risk & Control, our plans for 2014 envisage maintaining portfolio concentration levels within predefined limits, with only small sectorial changes and only slight variations in the expected risk rating of our credit portfolios with continued high coverage ratio for existing and any arising non-performing loans.

In making and balancing these refinements and progressions to keep us on track towards achieving our Strategic Objectives, I remain confident that the Bank will remain externally and internally diligent and flexible to respond to the green shoots of recovery and rebound in the Egyptian economy, banking market, and environment. While the near-term outlook for the Egyptian economy is considerably below potential, there is a considerable amount of pent-up demand which should help boost consumption and investment once the political situation further stabilizes. It is currently forecasted that real GDP growth for Egypt which was 1.8% in FY2012/13 will be in the range of 2.5 – 2.8% in FY2013/14 and with stability could more than double that rate by FY2015/16. Over the next 10 years, the Egyptian economy is expected to see continuing modernization, with the private sector taking an increasingly dominant role and Foreign Direct Investment (FDI) continuing to flow accordingly. In the short term, the support from the Gulf States, that has provided some stimulation to GDP, will hopefully trigger further interest and assistance for Egypt from the broader international community as the developed economies begin to emerge from recession.

In conclusion, my message to all our stakeholders is one of continued partnership through mutual collaboration and understanding. Together we have built Bank Audi s.a.e and together we can make it even better and a shining light of what can be achieved for ourselves and our country through united endeavour.

Hatem Sadek
Chairman & Managing Director

B. BANK AUDI s.a.e - STRATEGIC DIRECTION & VALUES

During 2013, Bank Audi s.a.e continued the balanced expansion of its activities and platform to deliver our strategic objectives in line with our Vision, Mission and Values and as part of the Bank Audi sal – Audi Group.

OUR VISION

To be "The Egyptian partner of choice to bank with, work for and invest in".

OUR MISSION

To sustain & grow stakeholder interests by:

- Achieving customer satisfaction in our chosen markets through superior service, effective products and efficient delivery channels.
- Nurturing staff loyalty and a culture of success.
- Maximizing shareholder value and sustainable return.
- Being an active partner and good citizens in our community.

OUR VALUES

Creativity - Encourage innovation and continuous development.

Human Interaction - Promote diversity, provide equal opportunity, reward talent and value teamwork.

Integrity - Promote trust through transparency and open communications with all stakeholders.

Accountability - Accept responsibility for our decisions and actions to perpetuate our reputation and continue to embrace the challenges of change.

Citizenship - Be a good citizen in the community in which we live and work.

Quality - Strive for excellence and professionalism in everything we do.

C. THE AUDI GROUP

In 2013, the performance of Bank Audi sal – Audi Group underlined once again its capacity to adapt to the rapid changes in the regional operating environment. The Group's consolidated assets at end-December 2013 reached US$ 36.1 billion, registering an annual increase of US$ 4.8 billion (15.4%), sourced principally from Odeabank, the fully-owned subsidiary in Turkey. In parallel, the Group achieved net consolidated earnings of US$ 305 million, reflecting a US$ 79 million decline relative to the net operating profits of 2012, largely attributed to the expected first year costs of operations of Odeabank, whose network already grew to 31 branches and which succeeded in 14 months to rank 14th among the 33 operating commercial banks in Turkey with an assets' market share of close to 1%.

The Group's strategy continues to revolve around enhancing the efficiency of its Lebanese entities while developing its subsidiaries abroad in a way to ensure a significant contribution by them in the growth of the Group's consolidated assets and net earnings starting 2015.

Today, the Group enjoys a highly differentiated and innovative profile, characterized by:

- A universal banking profile with core businesses focusing on commercial and corporate banking, retail and individual banking and private banking,
- A wide regional footprint, present in 13 countries (namely in Lebanon, Syria, Jordan, Egypt, Sudan, Saudi Arabia, Qatar, France, Switzerland, Monaco, UAE, Turkey and shortly in Iraq) through 12 banks, 1 investment company, 1

brokerage company,1 asset management company and a representative office,

- A strong proven expertise in cross border expansion,
- a sustained strong growth track record, robust financial standing and large financial flexibility,
- Firm risk management philosophies combined with best corporate governance practices, thorough management vision and wise strategic planning systems,
- A diversified shareholders base gathering around its historical shareholders, large regional investors and international institutional investors.

Management remain committed to the expansion strategy while the objective is still focused on capitalizing on the important cross-border flows between the Near East, the Middle East, North Africa and Turkey, in the aim of developing a fully integrated pan regional group by business lines and countries of presence, ranking in the inner circle of large regional players. The strategy over the coming period is focused on shaping the Group as a large “Levant Bank” with Lebanon, Turkey and Egypt constituting the main development pillars.

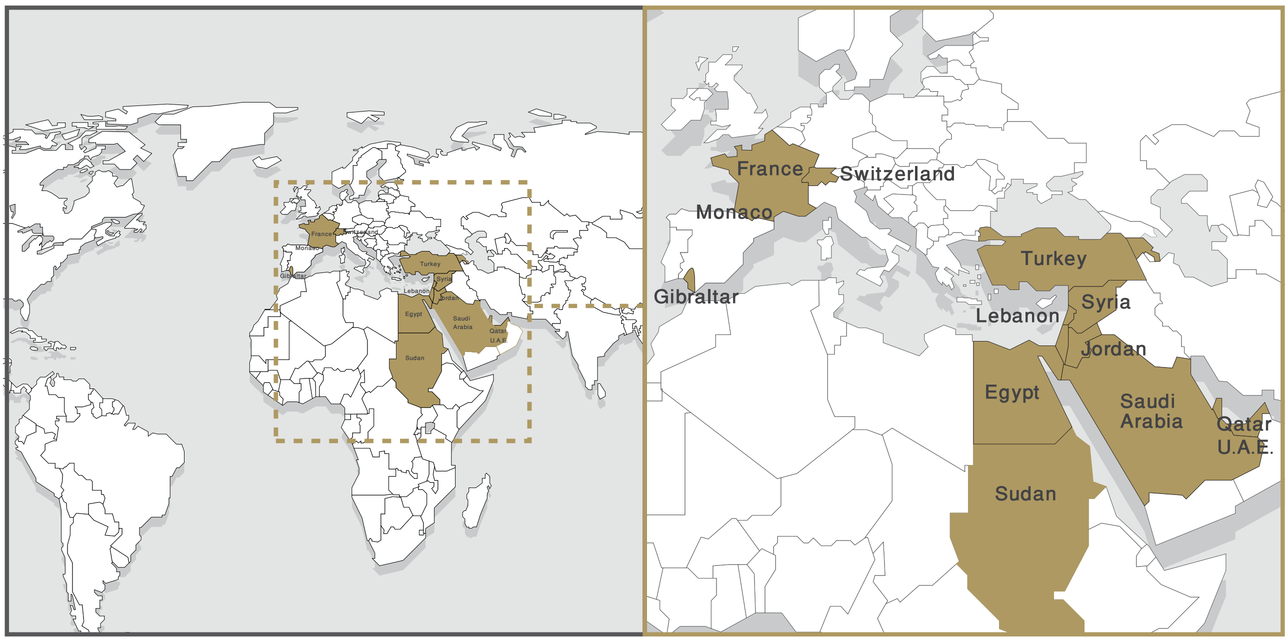
- Group Consolidated Activity Highlights (as at end December 2013):-

US$ 36.1 billion of assets

US$ 31.1 billion of total deposits

US$ 2.7 billion of shareholders’ equity

US$ 305 million of net profits 2013



D. KEY FINANCIAL HIGHLIGHTS

Bank Audi s.a.e is driven by an uncompromising mission to build lasting relationships with clients who share our aspiration for being partners by mutual choice.

We see a key part of our contribution to this affinity partnership being based around the value provided by our striving for professionalism, innovation, and quality of service and through the sharing of information, in applying our knowledge and capabilities to meet the changing financial service needs of our clients. In 2013, we have again delivered financial performance that should be considered above expectation, given the market environment that persisted.

In EGP mm as at December end	2009	2010	2011	2012	2013
Total Assets	11,491	15,677	17,796	18,889	22,650
Total Loans & Advances	4,878	7,111	7,916	9,395	10,784
Customer Deposits	9,467	13,715	15,697	16,218	19,773
Net income before tax & provisions	167	238	293	438	551
Net Profit IFRS	107,2	174,6	127,5	251	371
No. of Branches	29	32	30	32	33
No. of ATMs	79	67	72	80	91

- Total balance sheet growth of 20%.
- Customer deposits growth of 22%, primarily from increased individual deposits.
- Loans & advances growth rate of 15% with reduced impairments and provisions despite the economic climate and environment uncertainties.
- A growth of 48% to another record level of net profits of EGP 371 million.
- Maintaining a selective and steady market share positioning.

Bank Audi s.a.e Market Share Developments as December end	2010	2011	2012	2013
Total Assets	1.22%	1.36%	1.31%	1.34%
Total Loans & Advances	1.57%	1.60%	1.83%	1.96%
Total Deposits	1.45%	1.60%	1.49%	1.51%

E. EGYPT – MACROECONOMIC PERSPECTIVE

Egypt's second revolution in mid 2013 opened a fresh chapter in the country's troubled political transition and exacerbated the need for economic recovery after nearly three years of heavy losses. The new, military-led regime laid out a timetable for a return to democracy and polls suggest that the regime commands considerable popular support. A referendum on an amended constitution mid-January 2014 was widely backed by voters, and is set to pave the way for Parliamentary and Presidential elections.

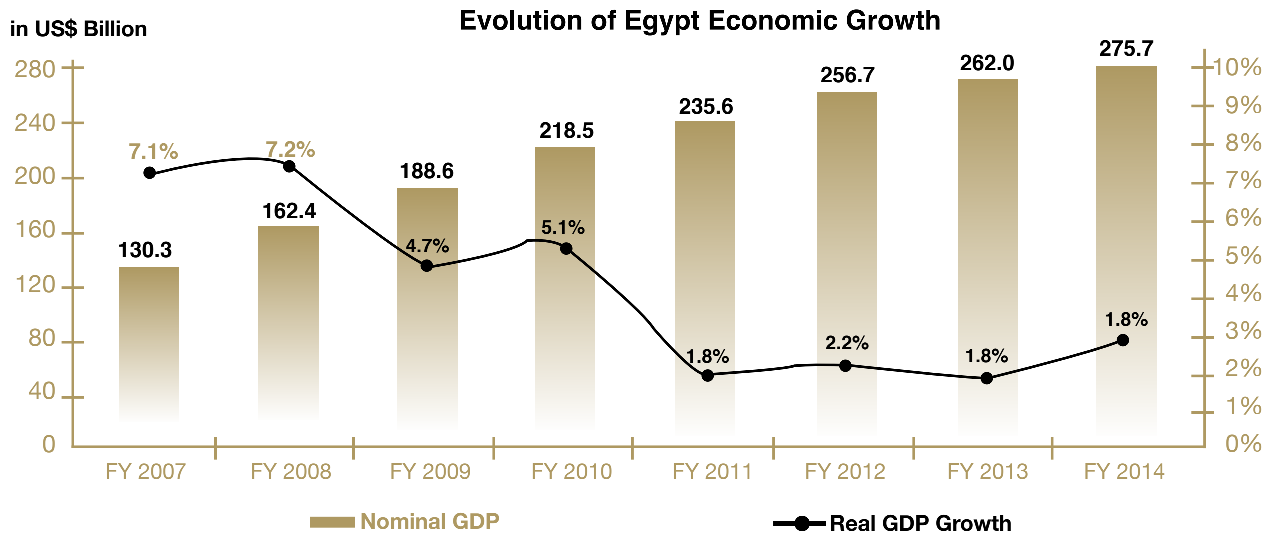
The grounds for economic optimism are easy to identify. The regime changeover triggered the release of aid from Gulf States that had appeared very cautious previously. This has led to some considerable financial stabilization. Egypt's foreign reserves reached US$ 17.0 billion at end-December 2013, up by US$ 2.0 billion since year-end 2012. The country has received US$ 7 billion out of US$ 13.9 billion pledged by Kuwait, Saudi Arabia and the UAE. The influx of Gulf aid and the resultant stabilization of the Egyptian Pound prompted the Central Bank to lower key interest rates three times during the second half of 2013 by a total of 150 bps in an attempt to boost growth. After depreciating by 10.4% during the first half of 2013, the Egyptian Pound slightly appreciated by 0.9% during the second half of 2013, on the back of the injection of confidence given by the pledge of US$ 13.9 billion in GCC aid. In parallel, Egypt's stock market rose by 42.7% in the second half of 2013, while its 5-year CDs spread contracted by 277 bps over the same period to close the year at 605 bps.

Having said that, the current interim government has adhered in economic terms to a limited mandate and followed a perceived populist policy stance, while deferring any action on fundamental economic reforms. The government is focusing on creating employment through the activation of projects in the public sector, on improving security, and on reducing policy uncertainty to help spur private sector investment. Recently, it announced a stimulus package of US$ 4.3 billion, equivalent to 1.6% of GDP. This is focused on accelerating construction in a low-cost housing program, reactivating infrastructure projects delayed by events or lack of finance, expanding public transport, and providing financial assistance to public enterprises to raise capacity utilization that had been reduced or shut down by shortages during the turmoil.

At the fiscal level, Egypt's fiscal deficit soared by 58% in local currency terms to reach the equivalent of US$ 38.5 billion in FY 2013, accounting for nearly 14.7% of GDP. Deficit financing has pushed general government debt to over 90% of GDP. The annual inflation reached a rate of 11.7% in December 2013, mainly reflecting rising food prices amidst disruptions in supply chains. An increase in the minimum wage of public sector employees from LE 730 (US$ 106) per month to LE 1.200 (US$ 171), a 64% rise, was announced in September 2013 to go into effect in January 2014. The announcement immediately put pressure on private sector employers to follow suit, especially given that the average wage in the private sector is only about two-thirds of that in the public sector.

At the external level, last year's performances were mixed. Exports increased by 3.6% in FY 2013 as price competitiveness improved amidst the depreciation of the Egyptian Pound. Despite fourth quarter gains, FDI into Egypt dropped by 25% in FY 2013. As to remittances, they were up by 3.9% in FY 2013, benefiting from transfers of expatriates mainly located in the GCC. Egypt's revenues from tourism were US$ 5.9 billion in 2013, versus US$ 10 billion in 2012, down by 41%, according to the Ministry of Tourism. Ernst & Young indicated a 16% decrease in hotel occupancy in Cairo in the first 11 months of 2013 to an average level of 24%.

Still, the recent developments have led international organizations to strengthen their growth estimates and forecasts for Egypt though at a relatively moderate pace because of the disruptions in the manufacturing and tourism sectors. Real GDP growth is expected to rise from 1.8% in FY 2013 to 2.8% in FY 2014, reflecting the impact of the Gulf-funded stimulus packages and the impact of recently announced fiscal stimulus packages. A return to pre-2011 levels of economic activity is likely to require full political normalization – which may remain a lengthy and challenging process given the inherent weakness that Egypt's political institutions have shown to date.



Sources: IMF, Bank Audi's Group Research Department

At the banking sector level, banking activity was favorable in 2013. Banks operating in Egypt posted an activity growth of 16.9% in EGP terms between end-2012 and end-2013. Deposits and loans were up by 20.6% and 6.5%, respectively. Deposits in foreign currency increased by 7.9% during 2013 compared to a growth of 14.1% in local currency deposits over the year, which shows that banks have been witnessing conversions in favor of local currency along with the appreciation in the Egyptian Pound. The aggregated net profits of eight listed banks of the sector rose by 19.8% in US$ terms during the first nine months of 2013, suggesting a reinforcement of banking sector profitability at large.

	2009	2010	2011	2012	2013
EGP mm **Banking Activity**					
Total Assets	1,151,695	1,282,910	1,308,026	1,441,188	1,684,343
Loan & Discount balances	432,597	458,081	489,729	516,842	550,303
Capital + Reserves	63,547	80,060	81,652	100,725	113,323
Total Customer Deposits	848,699	943,972	981,258	1,087,819	1,311,795
Growth Rate					
Total Assets	10.1%	11.4%	2.0%	10.2%	16.9%
Loan & Discount balances	0.8%	5.9%	6.9%	5.5%	6.5%
Capital + Reserves	15.6%	26.0%	2.0%	23.4%	12.5%
Total Customer Deposits	10.6%	11.2%	3.9%	10.9%	20.6%

Source : CBE Reports

GOVERNANCE

GOVERNANCE

A. BOARD OF DIRECTORS

The current members of the Board of Directors were elected by a resolution of the Ordinary General Assembly of shareholders held on March 19, 2012 for a three-year term expiring in 2015.

The Board of Directors currently comprises the following Directors:

Members	Status	Executive Committee	Corporate Governance, Nomination & Remuneration Committee	Risk Committee	High Credit Committee	Audit Committee
Mr. Hatem A. Sadek Chairman & Managing Director	Executive	4	4 (Invitee)	4	4	
Mrs. Fatma I. Lotfy Deputy Chairman & Managing Director	Executive	4		4	4	
Mr. Yehia K. Youssef Deputy Managing Director	Executive	4	4 (Invitee)			4 (Invitee)
Mr. Raymond W. Audi	Non-Executive					
Dr. Freddie C. Baz	Non-Executive		4	4		
Dr. Marwan M. Ghandour	Non-Executive		4			4
Mr. Samir N. Hanna	Non-Executive				4	
Mr. Abdullah I. Al-Hobayb	Independent			4		4
Mr. Maurice H. Saydé	Independent					4
Dr. Mohamed E. Taymour	Independent		4			
Dr. Ahmed F. Ibrahim	Secretary of the Board					

Chairperson

B. Biographies of Board Members

Mr. Hatem A. Sadek

Chairman & Managing Director since May 2006

Mr. Hatem Sadek graduated with a BSc in Economics & Political Science from Cairo University. He started work in 1964 as an assistant to the Chief Executive Officer in the Information Bureau of the President of Egypt.

Between 1968 and 1974 Mr. Sadek became Manager of the Research Center for Strategic Studies and editor at Al Ahram newspaper. He then joined the Bureau of the Secretary General of the League of Arab States for one year.

Mr. Sadek's banking career started in 1976 when he established Arab Bank PLC regional office and branches in Egypt and held the position of Senior Executive VP & Chief Country Manager; in addition to Chairman of the Strategic Planning Committee for the Arab Bank worldwide between 2000-2001.

Mr. Sadek then moved to Misr International Bank (MIBank) in 2001 where he held the position of Deputy Executive Chairman of MIBank as well as Deputy Chairman, Supervisory Board of MIBank Europe Gmbh, Frankfurt, Germany. From 2003 and 2005, he was MIBank's Executive Chairman where he launched and supervised MIBank's 5-year total restructuring program, until the bank was acquired by National Société Generale in September 2005. Mr. Sadek then became Consultant to Banque Misr's Board of Directors for Change and Restructuring Programs of Banque Misr before joining Bank Audi in 2006 as Chairman & Managing Director. He is also a Board Member of Odea Bank Turkey, a subsidiary of Bank Audi sal, as well as a member of its Board Credit Committee.

Mrs. Fatma I .Lotfy

Deputy Chairman & Managing Director since June 2011

Mrs. Fatma I. Lotfy started her banking carrier at Chase National Bank, Egypt, currently Commercial International Bank, where she spent 20 successful years, during which she acquired multi experiences in different key areas of banking business, as she was in charge of Corporate Banking, International Department, Treasury and Investment Banking.

In 1997, Mrs. Lotfy joined Egyptian American Bank (Affiliate of American Express) as Senior General Manager in charge of all the Bank's business activities and network. In 2000, Mrs. Lotfy was recruited to manage Alwatany Bank of Egypt as a Managing Director and Executive Board and Committee Member. Mrs. Lotfy carried out the complete restructure in AWB.

In 2002, Mrs. Lotfy was appointed as a Deputy Chairman of Bank of Alexandria (200 branches) with a mandate for the restructuring and privatization of the bank. After the successful acquisition by Intesa San Paolo, she was nominated as First Deputy Chairman & Managing Director in 2007 mandated by the international foreign division of Intesa San Paolo. Finally, Mrs. Lotfy joined Bank Audi s.a.e in April 2011.

Mr. Yehia Kamel

Deputy Managing Director since June 2011

Mr. Yehia Kamel has a track record in the Banking Sector for over 30 years.

In 1978, Mr. Kamel started his career in Misr Int'l Bank where he held leading positions across various banking activities. He played a major role in the restructuring of MIBank among other accomplishments covering all banking areas. Following 28 years of notable achievements at Misr Int'l Bank, Mr. Kamel joined Bank Audi s.a.e as COO in 2006 with a leading role in the start-up operation of the bank. Mr. Yehia continues to play a critical role at Bank Audi s.a.e holding a Deputy Managing Director post and in May 2011, Mr. Kamel was elected by the Board as Executive Board Member. Mr. Kamel is also representing The Group as a Board Member in National Bank of Sudan, as well as Head of Audit Committee.

Mr. Kamel holds a BA in accounting from Cairo University and has attended many conferences, seminars & trainings locally and internationally in diversified banking areas.

Mr. Raymond W. Audi

Board Member since April 2006

Mr. Raymond Audi acts as Chairman of the Board of Directors and General Manager of Bank Audi sal since December 2009. He had also served as Chairman of the Board of Directors and General Manager from 1998 through 2008, resigning from this position when he was appointed Minister of the Displaced in the Lebanese government. Mr. Audi resumed his position as Chairman of the Board of Directors effective December 22, 2009.

He started his banking career in 1962, when, together with his brothers and with prominent Kuwaiti businessmen, he founded Bank Audi sal building on a successful long-standing family business.

Mr. Raymond Audi has played an active role in leading Bank Audi through both prosperous and challenging times to its current status as a widely recognized leading Lebanese and regional bank. He served as President of the Association of Banks in Lebanon in 1994. Mr. Raymond Audi is the recipient of several honors and awards, including, in July 2007, an Honorary Doctorate in Humane Letters from the Lebanese American University.

Dr. Freddie C. Baz

Board Member since April 2006

Dr. Freddie Baz joined Bank Audi sal in 1991 as advisor to the Chairman and founded its Secretariat for Planning and Development . As the Group Chief Financial Officer and Strategy Director, he now has overall authority over the finance and accounting, MIS and budgeting functions throughout the Group, and is responsible for the development of the Group's strategy.

In addition to being a member of the Board of Directors of Bank Audi sal and the Group Chief Financial Officer and Strategy Director, he is also the Chairman of the Board of Directors of Bank Audi France sa, a fully owned subsidiary of Bank Audi, and a member of the Board of Directors of several affiliates of Bank Audi.

Furthermore, Dr. Freddie Baz is the General Manager of Bankdata Financial Services WLL which publishes Bilanbanques, the only reference in Lebanon that provides an extensive structural analysis of all banks located in Lebanon.

Dr. Freddie Baz holds a State PhD degree in Economics from the University of Paris I (Panthéon – Sorbonne).

Dr. Marwan M. Ghandour

Board Member since April 2006

Dr. Marwan Ghandour is an independent member of the Board of Directors of Bank Audi sal since March 2000 and its Vice-chairman since December 2009. He is a previous Vice-governor of the Central Bank of Lebanon. He held this position between January 1990 and August 1993, with primary responsibilities in the area of monetary policy.

During this period, he was also a member of the Higher Banking Commission and various other government committees involved in economic policy. In this capacity, he liaised with various international institutions such as the International Monetary Fund (IMF), the World Bank and the Bank for International Settlements (BIS). From 1995 until July 2011, Dr. Marwan Ghandour served as Chairman and General Manager of Lebanon Invest sal, a leading financial services group in the region whose holding company merged with Bank Audi in 2000. He also served as Chairman of the Board of Directors of Audi Investment Bank sal, a fully owned subsidiary of Bank Audi, from 2005 until December 2011. He was elected Chairman of the Board of Directors of Banque Audi (Suisse) sa in March 2011 and Vice-chairman of the Board of Directors of Odeabank A.Ş., Bank Audi's subsidiary in Turkey in June 2012. He also serves as member of the Board of Directors of several affiliates of Bank Audi.

Dr. Marwan Ghandour holds a PhD in Economics (Econometrics) from the University of Illinois (Post doctorate research at Stanford University).

Mr. Samir N. Hanna

Board Member since April 2006

Mr. Samir Hanna joined Bank Audi sal in January 1963. He held several managerial and executive positions across various departments of the Bank. He was appointed General Manager of Bank Audi in 1986 and member of its Board of Directors in 1990. In the early 1990s, he initiated and managed the restructuring and expansion strategy of Bank Audi, transforming it into a strong banking powerhouse offering universal banking products and services including Corporate, Commercial, Retail, Investment and Private Banking. He grew the Bank to its current position as the largest bank in Lebanon (and among the top 20 Arab banking groups), with presence in 13 countries, consolidated assets exceeding USD 36 billion, consolidated deposits exceeding USD 31 billion, and group staff headcount exceeding 5,000 employees. Mr. Samir Hanna is also the Chairman of Odeabank A.Ş., Bank Audi's subsidiary in Turkey and a member of the Board of Directors of several other affiliates of Bank Audi. He currently serves as the Group Chief Executive Officer of Bank Audi sal and the Chairman of its Group Executive Committee, and heads all aspects of the Bank's Executive Management.

Mr. Abdullah I. Al-Hobayb

Board Member since March 2008

Mr. Abdullah I. Al-Hobayb is a member of the Board of Bank Audi sal, the Chairman of Audi Capital (KSA) (an Investment Banking subsidiary of Bank Audi, incorporated in the Kingdom of Saudi Arabia) and a member of the Board of Directors of Odeabank A.S, Bank Audi's subsidiary in Turkey.

He was also an advisor to the previous Board of Directors of Bank Audi sal. He is the Chairman of several leading companies in Saudi Arabia, comprising ABB Saudi Arabia (a leader in power and automation technologies), General Lighting Company Ltd (one of the largest manufacturers in the Middle East lighting industry), Ink Products Company Ltd (manufacturer of industrial ink) and United Industrial Investments Company Ltd (a leading paint manufacturing company).

Mr. Abdullah Al-Hobayb holds a Master's degree in Electrical Engineering from Karlsruhe University in Germany.

Mr. Maurice H. Saydé

Board Member since June 2011

Mr. Maurice Saydé is a prominent Lebanese Banker, a previous member of the Lebanese Banking Control Commission and a previous member of the Higher Banking Commission of the Lebanese Central Bank.

Mr. Maurice Saydé started his banking career in 1962 at the Banque de Syrie et du Liban where he remained until 1966, when he joined the Banking Control Commission. He moved to Crédit Libanais sal in 1970 and was appointed its General Manager in 1985. He remained in this position until his appointment, in 1990, as member of the Banking Control Commission and member of the Higher Banking Commission of the Lebanese Central Bank.

He occupied these positions until 1998. Since then, he has acted as Group Advisor to the Audi Group notably on Corporate Risk Management and was elected member of the Board of Directors of Bank Audi sal and Chairman of its Group Audit Committee from June 2006 until July 2008.

Since then he has acted as Advisor to the Board of Directors of Bank Audi sal for Audit Committee matters.

Dr. Mohamed E. Taymour

Board Member since June 2011

Dr. Mohamed Taymour is Chairman of Pharos Holding an investment bank that includes brokerage, asset management, advisory activities, and private equity. Dr. Taymour was founder and Chairman of EFG Hermes, helping to transform it from a start-up into the largest nonbank financial services firm in the Middle East.

Dr. Taymour has worked as a consultant – for both the Egyptian government and private institutions – on a variety of assignments related to capital markets. He has held senior positions in investment banking and development banking institutions in Egypt and Kuwait.

Prior to establishing EFG, he was head of the Projects Division at the Arab Fund for Economic and Social Development in Kuwait.

Dr. Taymour has been a prominent member of the American Chamber of Commerce in Egypt since 1988, serving as chair of the Investment Committee from 1991 to 1997 and chair of the Stock Exchange Committee from 1998 to 2002. In 2003, and again in 2005, he was elected as a member of the AmCham board of governors.

He was the chairman of the Egyptian Center for Economic Studies from 2007-2009. The center is a think tank covering local developmental issues. In addition to his duties as Chairman at Pharos Holding, Dr. Taymour is Chairman of the Egyptian Capital Market Association. Dr. Taymour earned his undergraduate degree in industrial engineering from Cairo University and earned a Doctorate degree in system analysis from Thayer school of Engineering, Dartmouth College, USA, 1970.

C. Governance, Risk & Compliance (GRC)

I. Introduction

During the year 2013, the Board of Directors continued to give a particular importance to sound Governance practices especially in connection with Risk and Compliance matters. It reinforced its risk-based approach to oversight, which led to the integration of the Governance, Risk and Compliance ("GRC") practices within an enhanced and comprehensive framework articulated into clarified processes and structures and aligned with the dynamic local and international regulatory expectations. Under the strategic guidance of the Board, the Bank also enhanced its organization-wide alignment of business practices with GRC practices. As such, the Board exercises robust oversight to ensure the effectiveness of the GRC approach to reduce any significant fragmentation across risk, compliance and assurance activities at the operational level.

As expressed in the Chairman's statement, the Bank displayed a strong performance despite the volatile period the Egyptian financial market went through during the past three years. Throughout said period, the Board has set a strong tone at the top in connection with GRC matters that has been cascaded to the Bank's business activities and operations. Said approach has helped the Bank navigate safely in the volatile risk environment and addressing successfully related regulatory requirements.

II. Governance

Bank Audi's Governance framework encompasses a number of policies, charters, and terms of reference[1] that range over a wide number of issues including risk supervision, compliance, audit, remuneration, evaluation, succession planning, ethics and conduct, budgeting, and capital management. Clear lines of responsibility and accountability are in place throughout the organization with a continuous chain of supervision and effective channels of communication of the Board's guidance and strategy. Transparency, fairness, disclosure, and meritocracy are at the core of the Governance values.

The Governance Guidelines constitute a key building block of the Bank's governance framework. They are comprehensive and address matters such as the main tasks of the Board, its structure (composition and size) and functioning, Director's qualifications and independence, Director rights and duties, the Board's access to members of management and external experts, remuneration principles for Directors, and others. The Guidelines are in line with sound practices for Banks of the size and complexity of Bank Audi s.a.e. and conform with applicable regulations, notably those issued by the Egyptian regulatory authorities.

The Charters of the Board's Committees (notably that of the Audit Committee, the Risk Committee, the Corporate Governance, Nomination & Remuneration Committee and the Executive Committee) constitute another key element of the Governance framework. They are comprehensive and set out the responsibilities and authorities of each committee and the required qualifications of its members. Each committee regularly reviews its charter and reassesses its adequacy, in light of market or regulatory changes and of new strategic orientations, and recommends changes for approval by the Board, hence keeping the bank's governance practices constantly up-to-date.

The Board, and each committee also appraises its own performance and effectiveness on an annual basis to ensure that it has fulfilled its responsibilities as set out in its charter and addressed the matters on its annual agenda.

The Board is satisfied that it provides, with its committees, effective decision-making and oversight, matched to the Bank's activities and organizational structure. It is also satisfied that its members and those of its committees have a high level of experience, integrity, and independence and that they have, jointly, a superior mix of personal attributes, knowledge and experience (ranging over managerial and leadership skills in the banking industry, financial expertise, public policy and supervisory agency experience, business and market insight etc.). With this diverse set of qualifications, skills and experiences, the Board is optimized to set balanced strategic direction and to offer management a clear vision for implementing the aspired goals.

Finally, the Board is satisfied with the quality, stature, and expertise of the Bank's control functions, notably Risk Management, Compliance, Audit, Legal, and Information Security.

III. Risk

Risk governance remains among the Board's priorities and key focus areas. Our Board sets the risk policies and the risk appetite and constantly monitors the Bank's risk profile against said appetite hence maintaining tolerable levels of risk in pursuit of the Bank's performance objectives.

The Board relies, in its risk oversight, on the Risk Management department at Bank Audi which operates independently from the functional units yet supports them in making informed decisions by distinguishing among alternative courses of action in addition to providing decision makers with oversight on the Bank's risk management and controls. The Risk function is headed by the Chief Risk Officer who reports directly to the Chairman and to the Board of Directors through the Board Risk Committee.

IV. Compliance

Compliance is another key element of the Bank's control framework. During the past year, the Compliance Department embarked on enhancing the Bank's Regulatory Compliance Program by the use of tailor-made databases and establishing a fully-integrated process to ensure the Bank's compliance with regulations issued by the Central Bank of Egypt and other regulatory bodies. The Department has maintained its KPIs through the analysis of relevant regulations and laws, developing a new internal compliance bulletin issued on a monthly basis and carrying out the appropriate training programs.

With regards to Anti-Money Laundering and Counter Terrorism Financing, in an effort to consolidate its role and strengthen its capabilities, the Compliance Function adopted the Risk-Based Approach and upgraded its relevant procedures, IT Solutions, and Customer Risk Scoring systems to align with such approach.

D. Corporate Social Responsibility:

At Bank Audi s.a.e, we understand the increased responsibility that derives from being a key player in the Banking industry and believe that our good reputation is our most valued asset. We thus are aware of our great responsibility, not only to sustain a sound financial standing and performance, but also to be a role model for ethical behavior, for environmental awareness, for community engagement and support, and for the promotion of culture. We aim to provide best banking solutions to our customers and to preserve the common interests of all our stakeholders through sound risk management, controls, and governance practices, while striving to be an exemplary corporate citizen and to benchmark our corporate social responsibility practices against applicable International Standards.

[1] Corporate Governance Guideline; Board of Directors' working procedures; Board approved policies (including Risk policies, Whistleblower policy, Conflict of interest policy, Corporate Social Responsibility policy, Disclosure policies etc.); Risk management procedures; processes for anti-money laundering; Processes for internal controls; Bank's Code of Ethics and Conducts; and Others

ELEMENTS OF OUR SUCCESS

Mrs. Amany Shams
Chief Operating Officer
"Quality in service is not what you put into it, but what the customer gets out of it."

Mr. Assem Awaad
Head of Corporate and Commercial Banking
"Dedication and customer satisfaction are the real values of our business."

Mr. Mostafa Gamal
Head of Treasury & Capital Markets
"Understanding financial market variables is our way to perform and convey the best advice to our customers."

Mr. Mohamed Bedeir
Chief Financial Officer
"The art of planning, designing, building, analyzing financial statements to support our business growth."

Mr. Ihab Dorra
Head of Retail Banking
"We bring lifetime value to our customers."

Mr. Bassel Kelada
Head of Retail Credit
"Retail risk is like the brakes on the car; made to help you go faster safely."

PEOPLE

ELEMENTS OF OUR SUCCESS

A. PEOPLE

Bank Audi s.a.e strongly believes in its people as a major driver of success. A well-defined list of personal qualities and skills and professional qualifications have been established and aligned to each job description so that these can be used as part of the process of determining whether a candidate is suitable to join the Bank or move within the organization as part of career and management development. Our people are selected and developed in line with their proven track record of achievements and appraised performance, as well as their assessed affinity to our values, aspirations and culture. International techniques and standards have been tailored to enable the Bank to perform its own competency based assessments in addition to balanced scorecard based performance appraisals of managers at all levels and regular training needs analysis. The Bank prides itself on the resultant cadre of managers and staff that continue to form a key building block in managing our growth and change.

The Bank has been built on an amazing team work ethic, with managers and staff at all levels encouraged to be fully collaborative and supportive to each other in order to ensure the delivery of the Bank's values across all areas of its external and internal activities. The management team continue to demonstrate integrity, strong potential and an increasing range of qualifications and credibility. Accordingly, they are considered a real asset to the Bank. The team has the required mix of diversified experience and is recognized as such by their relationships with the Bank's local, regional and global stakeholders. Internally, this recognition is underpinned by their dedication, timely responses and problem solving facilitation.

During 2013, the following developments concerning our People should be noted:

- Product Managers trained branch staff on "how to present and explain to clients" Trade Finance, Cash management and Capital Markets products, in addition to training branch staff on the usage of E-Finance tools.
- The Quality Assurance department introduced the concept of a "Quality Representatives" in each branch and department of the Bank. These Quality Representatives are regularly updated, trained and coached in the Bank's quality standards and in turn promote and communicate these standards to their colleagues and conduct monthly quality self-assessments of the branch or department.
- Additionally, the branch and call center staff were provided with relevant information and well trained on all product characteristics in order to help customers identify how the Bank's products meet their needs and where required how to link them to the appropriate product advisors, experts and processors. When it comes to providing successful Islamic banking services, the Bank recognizes that our human capital is one of the most important factors.
  - The Bank's Islamic arm has hired a reputable and strict Shariaa board to assure that all the products offered are Shariaa compliant.
  - 22 candidates from different departments were selected to acquire either IFQ, CIPA, or equivalent certificates with the intention of making Bank Audi s.a.e among the best in Shariaa compliance among its market peers.
- In an effort to increase the staff loyalty and alignment with the Bank's Vision and Mission, our Communication team regularly issued in-

ternal communications encouraging staff to use their voice through different channels.

- Successful technical training took place to optimize the benefit of CAATS (Computerized Audit Assisted Tools) whereby full utilization of our Audit Management System could support the Bank's risk based methodology.
- Our HR team continued to excel in developing high staff competencies (Soft & Technical) through the Bank's own Training Needs Assessment information acquired as part of performance appraisals, in addition to continuous evaluation of training providers based on staff feedback.
- During 2013, the Bank provided 39,085 of training hours on 245 different training programs for our employees and of these 113 employees committed themselves to 12,000 hours of training to obtain certificates in 9 different areas of leadership, managerial and specialized competency skills.
- The Legal department staff by understanding the pace of growth of the Bank's products and services, have produced high quality legal documentation required for the Bank's constantly expanding range of new and innovative products, in addition to any required updates for all our traditional banking products and services.

Finally, our People are a fundamental part of delivering the Bank's commitment to Corporate Social Responsibility. In 2013 some of the examples of this were:

As financial literacy is a main engine for the prosperity of any economy, we played an initiative role in the "Shape the future program" organized by the Egyptian Banking Institute during March 2013. As the ultimate strategic goal for this program was to develop a "Sustained financial well-being for Egyptian citizens, who would impact positively on economic viability our people contributed through creating a children and youth theme based day, with activities, incentives, and cardboard games throughout the child and youth money week.

- In addition, our Retail Banking people worked on offering our credit cardholders the freedom to choose which organization they preferred to donate to all year round, from which the below listed charity organizations benefitted:

◦ Egyptian Food Bank

◦ Children's Cancer Hospital Foundation (57357)

◦ Dar El Orman Association

◦ Misr El Kheir Association

◦ Ressala Charity Organization

PERFORMANCE

B. PERFORMANCE

1. Lines of Business

I. Corporate Banking

I. Bank Audi s.a.e's Corporate Banking portfolio has been growing significantly and almost doubled during the last 4 years, and this growth was through the booking of high quality assets within the acceptable risk appetite.

II. Compared to the portfolio size of our private sector peer group banks in Egypt, the loan portfolio of Bank Audi s.a.e is ranked in the 7^{th} position.

III. The Bank became one of the effective players in corporate syndications during the last few years. Our syndication team was able to participate in most of the landmark syndicated tickets offered in the market by other banks with strong potential to play a bigger role in the near future.

2. Retail Banking

I. Positioning Bank Audi s.a.e with its peers in the Retail deposits market within the private banks sector, the Bank has steadily kept its 7^{th} position in terms of customers' deposits.

II. Bank Audi s.a.e recorded an 18% increase in its retail assets portfolio compared to a market increase of 12.4%, maintaining the same level of non-performing loans compared to the previous year.

3. Treasury

I. The Team managed the spreads while mitigating the risk and raised the bar all over different desks. The Fixed Income, Money Markets, and Equity desks witnessed an unprecedented activity in trading and maximizing the return on investment. Our Fixed Income Trading profits grew by 223%.

II. On the FX side, while having to deal with increasing restraints, the Bank was able to exceed the preset financial target, to comply with the CBE regulations and to maintain a high level of customer satisfaction. Our FX profits grew by 53.8%.

4. Financial Institutions

I. Although 2013 was a tough year in Egypt, the Correspondent Banking unit managed over a thousand trade finance transactions with 100% execution level, and additionally we fulfilled all the Bank's treasury requirements from FX to placement limits. The Non-Bank FI was newly introduced early 2013, and reached its targets showing strong potential for 2014.

5. SME Banking

I. SME team has been carefully observing and addressing the market segments that are less prone to market volatility. We were able to achieve the following:

a. Raising customers' loyalty and promoting Bank Audi s.a.e franchise.

b. Healthy and diversified credit portfolio that reflects low risk and potential growth.

II. Stemming from Bank Audi s.a.e conviction about the importance of forming affinity partnerships with 3rd parties to enhance our range of services to SME clients, the Bank is extending its activity with Social Fund for Development to provide loans available to small businesses with moderate risk profile.

6. Islamic Banking

I. Although the market share of Islamic banks in Egypt is only 6%, the Islamic banking industry is expanding in the Egyptian market, with 4 Islamic banks and 9 dual window banks. Bank Audi s.a.e succeeded to position itself as follows:-

a. Ranked 12th in (Europe, Middle East and Africa) EMEA Islamic League 2013

b. Ranked 3rd in total syndications book runners in Egypt, due to transactions closed by our Islamic Banking arm.

7. GTS

I. Despite the turmoil in the Egyptian stock market, the number of custody clients is growing year over year as a consequence of an increasing level of collaboration with Arabeya OnLine Brokerage Company, a subsidiary of Bank Audi Group, and the relationship with other brokerage firms.

II. Support Functions

I. Finance

I. The Bank's Management Information System (MIS) unit generates a huge number of reports and answers queries through transforming system data into user friendly reports with all requested information displayed in the format requested by the user.

II. The MIS unit provides highly accurate data to support the various divisions of the Bank to identify their current performance from all possible dimensions as well as to explore their opportunities and threats and to take the most successful decisions.

III. The Budgeting and Planning department also creates the means for evaluating the financial performance of various Lines of Business through providing segmented financial statements.

IV. The Budgeting and Planning unit also launches, challenges, and processes planning activities via supporting and providing all Lines of Business and Support Functions with the essential historical and forecasted financial data as well as banking market trends and statistics to support their budget engagement activities.

V. Through the various peer banks' comparisons and ratio analysis, the Budgeting and Planning unit monitors the Bank's steps towards desired market shares and different sets of goals.

VI. Financial statements are prepared and published on a quarterly basis in accordance with International Financial Reporting Standards (IFRS) and Central Bank of Egypt (CBE) standards as well as prevailing laws.

2. Operations

I. Business requirements and needs were documented for each operational function as a preliminary step of the new IT Platform Transformation Program.

II. In 2013, the Centralized Operations Department introduced key initiatives and worked closely with Lines of Business to enhance front-line operational processes and improve systems' efficiency through optimized reporting and automation.

III. Operational process focused on high quality, speedy performance, innovation, and was guided by a full library of procedures and internal Service Level Agreements.

3. Strategic Support

I. The Strategic Support unit also assures that the Bank's Strategic Non-Financial Objectives have been duly implemented across the year, in parallel to the Strategic Financial Targets.

II. Strategic Support unit of the Bank assists Executive Management on key macro external and internal market and performance indicators.

4. Marketing and Communication

I. In 2013, the Marketing and Communication department developed new units to improve performance and maximize the level of support and service provided to internal and external customers:

a. Interactive Media

b. CSR (Corporate Social Responsibility)

c. Channel Marketing

d. Graphic Designing

II. Additionally, Marketing and Communication have finalized the following campaigns with unique and differentiated marketing and communication edges:

a. Islamic Banking

b. World Credit Card

c. Affluent Banking

d. Ezdhar Fund

e. Credit Card Campaign

f. CDs Campaign & others

5. Project Management Office (PMO)

I. In 2013, the PMO continued its efforts to implement its agenda for improvement and standardization by following a proper approach of planning and continuous fine tuning process for all strategic change projects and providing any required analytical data or addressing project issues.

6. Market Research

I. The focus in 2013 was to increase the market research performance and efficiency by expanding our external resources and recruiting several reputable and skilled research agencies to cater for the Bank's needs within effective cost/time parameters and using the latest, innovative and state-of-art research tools and techniques.

II. The Bank values the importance of market research which helps in defining, classifying and understanding both market and targeted customers' needs, defining the available gaps in the market to use as business opportunities and assessing the peer competitors' performance which helps in the new banking products/services development and the way it should be delivered and communicated to the market and targeted customers.

7. Quality Assurance

I. An enhancement in the Bank's internal procedures was achieved by introducing standardized Service Level Agreements (SLAs) and clear Turn Around Time (TAT) along with an escalation matrix for complaints handling, and this was created and circulated among the interrelated departments and the branch staff.

8. IT

I. Throughout the year 2013, the Bank's IT department went through many major challenges, all focusing on preparing the Bank's IT portfolio to accommodate the major IT Platform Transformation Program planned during the year 2014 and 2015. This program aims at enhancing existing delivery channels and enabling the Lines of Business to:-

a. Diversify and offer new services to the Bank's customers.

b. Speed-up the process

c. Enhance the work process & procedures competencies.

INNOVATION

C. INNOVATION

I. Lines of Business

1. Corporate Banking

I. Our Corporate Banking team continued to offer well tailored and creative credit solutions that matched with each corporate customer needs and business cycle in different segments and industries.

2. Retail Banking

I. During 2013, Retail Banking launched several new products and services including:-

a. Adding the cash acceptance service to the Bank's ATMs network;

b. Fawry bill payment card-less and foreign exchange;

c. Debit and credit card chip migration processes;

d. In addition, Retail Banking continued working extensively on introducing new segment-based Branch Model structure and new E-channels (such as Mobile Banking) to improve service options for our clients and fulfill future demands for digitalization.

3. Financial Institutions

I. The Financial Institutions department created an automated report, extracted from the core banking system, to manage and control the Bank's foreign exposures arising from the activities of all Lines of Business and to comply with the countries capping regulations of the Central Bank of Egypt. This facilitated the foreign transactions approval process required by Treasury, Syndications and Trade Finance departments.

4. Islamic Banking

I. Speaking of innovation and creative products, Islamic Banking and Structured Finance teams continued to be seen as one of the market leaders by creating a range of products that cater for all banking needs from Syndications to off-Balance Sheet mutual funds.

II. Innovative solutions for business requirements included:

a. Leading first Islamic syndication project finance in Egypt;

b. Closing largest Islamic syndication as Mandate Lead Arranger;

c. Issuance of the balanced Islamic Fund "Izdehar" with over subscription reaching 250%;

d. Closing first Management Buy-Out transaction in Egypt.

III. The pace of new product introductions was continued with:

a. Full launch of Murabha, L/C Murabha, Mudarba, fully secured Mudarba and Islamic Syndications.

IV. Tailor made products for different client segments were arranged for:

a. Minority acquisitions;

b. Financing permanent level of working investment;

c. Developing structured Assets Conversion Cycle financing to cater for exporters and the technology sector;

d. Working on adopting Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards.

5. Mortgage

I. Introduced customized New-to-Market product (Cash Back).

6. GTS

I. Launched cash delivery new product enabling clients to request bank notes to be delivered from the bank account to their offices.

II. Launched with E-Finance the "Companies Payment Services" enabling clients to pay customs and taxes from their offices.

II. Support Functions

1. IT

I. As the primary focus, the Bank's customers were the main trigger to all IT department activities, including but not limited to, working closely with the Lines of Business to introduce Bank Audi s.a.e's first High Tech Branch of the future, planned to be operational during 2014, with a very ambitious plan to spread out high tech customer interfaces all over the Bank's existing and new branches.

2. Strategic Support

I. As the Strategic Support department links the financial Key Performance Indicators (KPIs) with the non-financial KPIs, a newly introduced quarterly review reports with a set of comprehensive KPIs is prepared and submitted to the Executive Management highlighting the achievements and progress of all departments regarding the realization of their Business Plans including their innovation activities.

3. Human Resources

I. Introducing new financial facilities for the staff including: new medical coverage and a saving scheme.

4. PMO

I. The PMO unified the process for the lifecycle of all projects, issuing a quarter follow-up reports for the Executive Management.

II. The PMO provided an innovative solution for meeting business requirements and played a vital part in designing and creating a Value Chain Database mechanism to be shared among all Lines of Business throughout the bank.

5. Marketing & Communication

I. During 2013, for Bank Audi's internal & external customers, we have developed the following new projects:

a. **"Corporate Social Responsibility (CSR)"** is a full fledge role in which we will pass through various phases taking CSR role to its maximum level through research and analysis of worldwide practices and United Nations guidelines. Bank Audi s.a.e values social responsibility and focuses on active involvement in the community in which it operates, and refrain from financing any activity or projects that could harm the environment.

b. **"Bank Audi Champions"** was developed to create a healthy competitive environment internally with continuous competitions and rewards to bring colleagues to work together as one team in becoming the Bank's champions.

c. **"Think Big"** by motivating all colleagues to think out of the box and beyond their areas in an effort to create a mutual benefit for the Bank and its employees.

6. Market Research

I. In 2013, the Market Research department played an important role on both strategic and business levels through the Geo-Market study initiated to help in the Bank's future expansion plan, and assessing its current network (Branches and ATMs).

7. Quality Assurance

I. Quality Assurance department succeeded to convert the qualitative measurements into quantitative ones for evaluation methodology of Service Quality, by setting Key Performance Indicators for employees and branches.

III. Control Functions

1. Risk

I. In a dynamic environment full of challenges and potentials, Credit Risk Management (CRM) had to introduce a new project for risk rating to calculate the Risk-Adjusted Return on Capital (RAROC) of each single credit profile which will give the decision makers a uniform measure of risk-return in relation to the Bank's portfolio of assets.

II. Moreover, CRM is currently working on an "Early Warning" system for the business industries through which any turbulence is predicted on the macro level.

III. Market Risk management succeeded to prepare a full Internal Capital Adequacy Assessment Process (ICAAP) document prior to the regulator's request.

IV. OpRisk is embedded with all new products and services before they are launched. OpRisk department is involved in the preparation of all new products through its participation as a key member in the product committee.

2. Audit

I. In 2013, Internal Audit department accomplished a comprehensive risk based audit plan across the Bank's branch network, the results of which were noticeable and positive indicators were realized; where high risk and medium risk findings decreased by 7%.

SERVICE QUALITY

D. Service Quality

I. Lines of Business

1. Corporate Banking

I. The relationship manager approach of Bank Audi s.a.e in corporate banking offers much understanding to the corporate customers' needs (Time, Credibility, Environment, Personal Interference, Professionalism, and Innovation), early handling for any complaints as well as efficient introduction to the entire range of the Bank's products.

2. Retail Banking

I. During the past year, one of our key priorities was to focus on customer-centric relationship management to improve service quality. Identifying the targeted retail segments to better master the customer's requirements and introduce their product of choice with the quality of service aspired through the appropriate channels. This has been achieved by introducing a new segmentation criteria based on the customer life cycle.

II. In turn, this life cycle analysis has enabled us to promote the use of direct channel services to the appropriate client segments.

3. Branches

I. The Bank is in process of introducing new Branch Model in both new and existing branches, covering new activities (Affluent, SMEs, Mortgage and Islamic) in addition to assigning special areas in some selected branches dedicated for affluent clients.

4. Financial Institutions

I. Despite the several downgrades in the international credit rating of Egypt, which would usually lead to either cancellation or tenor limitation of credit by most of the correspondent banks, FI managed to expand its list of relationships with banks, and succeeded in handling all the business requirements in terms of Trade Finance and Treasury needs.

II. Support Functions

1. Finance

I. The Financial Control unit performs, through its large number of reports, daily reviews to make sure that all interest, commissions, and value date transactions are being recorded in accordance with the Bank's procedures and agreements with clients to provide the highest level of quality.

2. Human Resources

I. As Bank Audi s.a.e strongly believes in the power of Human Capital for being one of our values and essential assets that affect the Bank's growth; we started "Building Effective Second Line" where the project will directly reflect on enhancing staff competencies, preparing qualified successors and maintaining business continuity.

II. We have focused on developing the competencies of potential employees through giving them the chance to participate in the Bank's Assessment Center where their competencies will be objectively evaluated and measured using different professional exercises and tools that will enable the assessors to generate an integrated report of staff competencies (Skill Gap) and how this gap could be further reduced.

III. In addition, staff quality assurance and complaints handling was facilitated through the HR "Talk to Us" process.

3. GTS

I. Quality was enhanced by increasing synergies with Arabeya OnLine Banking, and stressing on offering to the Bank's clients the possibility of engaging them at the Brokerage services level.

II. Trade Finance and Cash Management customer service closed 95% of complaints within one month and the remaining 5% within the following month.

4. IT

I. On the IT infrastructure front and to ensure the efficient support for the Bank growth, and to be prepared to host the upcoming transformation program platforms, new servers were acquired. Network and security infrastructure were also enhanced to secure all existing and expected IT infrastructure growth during the transformation program.

5. PMO

I. 'Quality is not an act, it is a habit' represents the focal point that PMO is working upon, to achieve 'Service Quality' aspects in all strategic change projects through 'standardized templates, timely responses, and a mentoring mechanism' and to ensure project results support the Bank's strategic goals.

6. Marketing & Communication

I. Measuring the quality of the marketing and communication of the Bank through the following:

a. **"Value Champion"** whereby we created a strong two way communication channel with colleagues for continuous feedback and improvement.

b. **"Internal Communication Satisfaction Survey"** which is a survey to test the level of satisfaction of colleagues from all types of activities.

c. **"External Satisfaction Focus Groups"** where we continuously hold focus group sessions before the commencement of any marketing and communication campaigns.

d. **"Mystery Calls"** for the Call Center to make sure that the Bank's products and services are well presented.

e. **"Branch Visits"** of the Bank's branches to ensure that the marketing and communication materials in branches are present and updated as well as up to the required standards.

7. Quality Assurance

I. The department's major role is to ensure customer satisfaction with the Bank's Staff, Services, and Products.

II. Customer complaints are crucial, where the appropriate and professional reactions are monitored and controlled through Quality Complaints Unit, ensuring that frustrated clients are satisfied and their problems/requests are solved/fulfilled in a timely manner and accordingly to the Bank's preset Turn Around Time.

III. Using consistent communications ('common language') among the staff is one of the Bank's main goals. Procedures execution in a "Communicated Turn Around Time" and a clear "Escalation Matrix for Deviations" was very important to standardize the communication among all parties. Accordingly, this was translated through the Service Level Agreements (SLAs) created, modified and reviewed through the Quality Assurance department.

III. Control Functions

1. Risk

I. Timely response:

a. Time management and punctuality are among the cornerstones of the Bank's philosophy. As a major supporting function, the Credit Risk Management (CRM) team seriously works on ensuring prompt feedback and technical support to other departments when needed.

b. CRM monitors their commitment to the Service Level Agreements (SLAs) agreed with other Lines of Business. Moreover, CRM is currently building its own database for all corporate clients which should further help achieving the target deliverables under the SLAs.

2. Internal Audit

I. Internal Audit department sturdily played an effective role to raise the audit perception and risk awareness as well as conducting three rounds of audit awareness sessions for branch staff during 2013. Also, audit methodology is conveyed to newcomers through concurrent induction sessions as a prime channel of communication.

SAFE HANDS

E. SAFE HANDS

I. Lines of Business

1. Corporate Banking

I. As a trusted lender, our Corporate Banking loan portfolio grew by just over EGP 1 billion reflecting a 13% growth rate and this was prudently spread across different economic sectors and fields of business.

II. Our clientele base of top tier corporates, includes major groups working in Egypt and the MENA region and enjoys outstanding risk rating and excellent performance.

III. The Bank has one of the most comprehensive and detailed credit policies, and although this credit policy offers much control over the credit process, it also offers flexible solutions to support the business in a safe and sound manner.

IV. The Bank conducts the most recent procedures for risk controls; each corporate relation is being rated according to the Central Bank of Egypt and international standards ensuring regular risk assessment and updates.

2. Retail Banking

I. The best indicator of our success as being a Bank that is considered a safe pair of hands has been the remarkable growth in customer liabilities by EGP 3.6 billion reflecting a 22% growth rate, out of which growth of EGP 1.6 billion was in individual deposits with growth rate of 27%. Steady growth in our deposits is due to the mutual trust based with our client base.

II. On the lending side, the Bank recorded 3rd position in term of Year to Date (YTD) portfolio percentage increase, exceeding 19.2% versus the average market norm of 11.16%. We also ranked 6th in terms of YTD portfolio volume growth with EGP 359 million.

III. The Bank's Consumer Loans portfolio size is the 2nd biggest portfolio across the peer banks with the same characteristics of low governmental sector lending, and was similar to previous years in its retail business mix.

3. Retail Credit

I. Retail Credit Risk function has established a rigorous set of controls to ensure that credit is given to well assessed and designated clients. Processes are in place for early detection of diversion from standards and benchmarks. Independent self testing checks are carried out to ensure the controls are implemented and are working, supplemented by a comprehensive and detailed reconciliation process. Overarching, the entire credit cycle is a strong analytics function that provides detailed MIS enabling objective decision making in a timely manner.

4. Branches

I. The best perception indicator is the ongoing and continuous steady growth in our deposits base through the last several years, which reflects our customers' trust.

5. Treasury

I. The Treasury department invests its entire portfolio in investment grade countries through a very well diversified risk profile of banks.

6. Financial Institutions

I. In 2013, despite the turbulent political and economic situation in Egypt, the Bank's FI maintained sufficient limits with its correspondent banks benefiting from our sound financials and reputation.

II. The FI applied prudent and proactive approaches to the placement of funds based on the Bank's risk and return requirements while respecting local and international compliance rules.

7. Islamic Banking

I. The Islamic Banking focus is on new to bank clients, a strategy that allows us to apply very strict control on new lines and maintain excellent ORR.

II. Loans to well established corporate and credible clients.

a. The Bank's portfolio of the Islamic and Structured Finance arm includes very reputable firms. We have been able to develop relations with market leader private equity firms, investment banks and penetrate export based agriculture business and technology.

III. Effective compliance rules:

a. The Islamic Banking transactions are based on establishment of platform structures that benefit various financing tools, and all structures had a full set of procedures that enabled us to act efficiently and in full compliance.

IV. Efficient and ongoing risk based audit review over all our activities and Islamic branches.

a. In place policies and procedures for all our Islamic Banking Operations.

V. Full implementation of Corporate Governance to international standards.

a. Before launching all products/structures must be reviewed by Shariaa Board.

b. All Shariaa compliant products are new and require full manuals and procedures.

c. Adoption of AAOIFI standards is on its way.

VI. Investments in secured Instruments.

a. Structured and Islamic finance has been able to secure facilities on fully secured basis that represents over 30% of the loan book.

VII. All financing is based on providing a multi-dimensional relationship and as of year end 2013 Islamic deposits were more than double our loan book.

II. Support Functions

1. Operations

I. The Bank has in place policies and procedures covering all the different operations units, which secures the Bank's business transactions.

2. IT

I. The Bank's IT department continued to build the farm of Cash Acceptance ATMs, increasing the geographical availability of such an important customer channel. The IT department also introduced the Bill Collection System with its great direct value for the Bank's operations, serving better our customers.

3. Strategic Support

I. A Performance Monitoring Report is issued quarterly to highlight key areas of concerns as well as Red Flag issues and recently, it is included in the yearly performance appraisal.

4. Marketing & Communication

I. The department provides oversight of the quality of our services and innovation in an effort to maintain our image and exceed customer's needs.

5. Market Research

I. The marketing research department is offering the highest service quality providing a high level of accuracy and valuable results for all types of surveys and researches.

6. Quality Assurance

I. Due to the current economical and political situation, a sustained credibility among our clients continues to be the most important factor in determining our QA activities.

II. Quality Assurance department remained keen to ensure that the products and services awareness of our customer facing staff was up to the mandated standards by our Executive Management.

7. PMO

I. *'Take the time to plan before digging into delivery'*, was the message that the Project Management Office aimed to deliver on a daily basis to all managerial levels. The second aim was to create a culture in which raising red flags is encouraged to help avoid unpleasant surprises.

III. Control Functions

1. Risk

I. In light of the prevailing economic conditions following the political turmoil in Egypt, the Bank took more restrictive risk-control measures in order to ensure the quality of assets while maintaining steady growth rates. In this regard, the following procedures have been taken:

a. Comprehensive portfolio reviews have been conducted aiming at revisiting the risk ratings to express the client's position in view of the current circumstances.

b. Stress test on the Bank's provisions (general and specific) have been adopted on the whole credit portfolio considering multiple scenarios with relatively pessimistic assumptions, which showed the good resilience of the portfolio as well as the sufficiency of provisions to cover any sudden hit in the business.

c. Initiated an "Early Warning" function aiming at closely monitoring the performance of each client in order to pro-actively alert the designated committee in case of any misbehavior or predicted deviation in credit performance by the borrowing client.

d. Full review over the Bank's security pool has been conducted including documentation, archiving, and other legal considerations.

II. Loans to well-established corporates, and credible clients:

a. In parallel to the Bank's growth strategy, a great focus has been directed to the lending criteria and the quality of credit profiles where the lending criteria are regularly updated with parameters of new credit and qualifications of targeted clients.

III. Updating policies and procedures for all our operations:

a. Seeking a well-structured organization and efficient workforce, Consolidated Risk Management regularly ensured the application of the Credit Policy Guide and immediately highlighted any deviation once occurred. Moreover, a regular update on the Credit Policy Guide is done to ensure its compatibility with the prevailing market conditions as well as the altered regulatory environment.

IV. Liquidity:

a. The Bank maintains a strong liquidity position in both Local and Foreign Currency compared to CBE liquidity ratio limits and to internal limits. In addition the Bank maintained a more than sufficient Capital Adequacy Ratio (BIS) above the minimum required by the Central Bank of Egypt.

2. Retail Credit

I. Retail Credit function endeavors to give the same decision, every time, to every customer, everywhere in a timely manner. Our relationship with our customers is governed by our desire to balance risk and reward without compromising on timeliness of the decision or our compliance to policies, laws, and regulations.

3. Compliance

I. We have put in place and tested the effectiveness and balanced decision making of our Board of Directors (BoD) structure and Board Committees and Management Committees and ensured the independence of our Compliance function.

II. We widened the Compliance scope by covering; AML, Regulatory Compliance, Corporate Governance, and transparency & disclosure standards.

III. The BoD adopted sound Governance policies and practices through;

a. Corporate Governance Guidelines

b. Code of ethics

c. Whistleblower policy

d. Conflict of interest policy

e. Corporate Social Responsibility policy

f. Disclosure policies

4. Audit

I. Our mission is to add value through providing independent, objective assurance and consultancy services that improves the Bank's control environment in accordance to the applied risk based audit approach whereby the Bank's strategic goals could be realized.

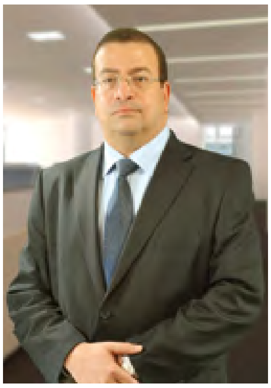
5. Corporate Information Security and Business Continuity (CISBC)

I. In its mission to protect the confidentiality, integrity and availability of client information; CISBC department is carrying out a risk based approach to ensure tighter controls over risks related to information security. This approach is governed by a complete set of documented policies and procedures.

FINANCIAL STATEMENTS

Mr. Hesham Ragab
Head of Legal Affairs
“Applying legal tools to support and protect business performance.”

Mr. Mohamed Latif
Head of Financial Institution
“Providing effective global solutions helping our customers beyond their borders.”



Mr. Mohamed Labib
Head of Branch Network
“We sow the seeds of success by meeting the needs of our customers wherever they may be.”

Mr. Afdal Nagib
Chief Risk Officer
"Striving to achieve the balance between sustainable growth and minimized risk."

Mr. Walid Hassouna
Head of Islamic Banking
"We provide Innovative and Tailor-made Shariaa complaint Solutions that serve all our customer needs."

Mrs. Doaa Zaki
Head of Affluent Services
"The customer's ultimate banking experience."

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
TOGETHER WITH AUDITORS' REPORT

Ernst &Young Allied for Accounting and Auditing

Public Accountants & Consultants

المتضامنون للمحاسبه والمراجعة

A. Member of Ernst & Young Global

KPMG Hazem Hassan

Public Accountants & Consultants

KPMG حـازم حسن

محاسبون قانونيون ومستشارون

Translation of Auditors' report

Allied for Accounting & Auditing E&Y
Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants & Consultants

AUDITORS' REPORT

To the Shareholders of Bank Audi (s.a.e)

Report on the Financial Statements

We have audited the accompanying financial statements of Bank Audi (s.a.e), represented in the balance sheet as of 31 december 2013, and the related statements of income, change in equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance to Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit 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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.

An audit 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 financial statements.

Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the balance sheet of the bank as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Central Bank of Egypt's rules relating to the preparation and presentation of the bank's financial statements and measurement and recognition bases approved by its Board of Directors on 16 December 2008 and the related applicable Egyptian laws and regulations relating to the preparation of those financial statements.

Report On Other Legal And Regulatory Requirements

Nothing came to our attention that during the year ended 31 December 2013, the bank was not in compliance with the laws and regulations of the Central Bank of Egypt, and banking and monetary institution no. 88 of 2003.

The bank maintains proper accounting records that comply with the laws and the bank's articles of association and the financial statements agree with the bank's records.

The financial information included in the Board of Directors' Report, prepared in accordance with Law no. 159 of 1981 and its executive regulation, is in agreement with the books of the bank insofar as such information is recorded therein.

Nabil Akram Istanbouli

Allied for Accounting & Auditing E&Y

Public Accountants & Consultants

المتضامنون للمحاسبة والمراجعة

A. Member of Ernst & Young Global

الطريق الدائري - القطامية - مبنى رايا

Hesham El-Afandy

KPMG Hazem Hassan

Public Accountants & Consultants

KPMG حـــازم حـَــسن

محاسبون قانونيون ومستشارون ⑪

Cairo: 30 January 2014

Auditors

BALANCE SHEET

For the Year Ended at 31 December, 2013

	Note no.	31 December 2013 EGP	31 December 2012 EGP
Assets			
Cash and balances with Central Bank of Egypt	(15)	1 017 010 048	951 583 682
Due from banks	(16)	1 930 474 772	1 824 014 633
Treasury bills and other governmental notes	(17)	4 784 755 964	3 480 676 749
Loans and facilities to banks	(18)	118 847 868	59 935 909
Loans and facilities to customers	(19)	10 784 314 683	9 395 097 357
Financial derivatives	(20)	599 185	3 876 503
Financial Investments			
Available for sale	(21)	3 355 646 656	2 542 663 045
Held to maturity	(21)	10 000 000	5 000 000
Intangible assets	(22)	7 859 438	6 302 105
Other assets	(23)	336 326 623	308 196 335
Fixed assets	(24)	303 936 090	311 444 416
Total assets		22 649 771 327	18 888 790 734
Liabilities and Equity			
Liabilities			
Due to banks	(25)	62 415 389	288 723 956
Customers' deposits	(26)	19 772 523 276	16 217 669 701
Financial derivatives	(20)	60 106	1 201 878
Other loans	(27)	208 158 000	189 570 000
Other liabilities	(28)	268 515 162	198 515 919
Other provisions	(29)	43 117 177	21 192 866
Current income tax liability		92 170 272	100 919 468
Deferred tax liability	(30)	8 749 317	10 812 943
Total liabilities		20 455 708 699	17 028 606 731
Equity			
Paid up capital	(31)	1 543 358 865	1 337 024 865
Reserves	(32)	279 495 558	246 861 109
Retained earnings	(32)	371 208 205	276 298 029
Total equity		2 194 062 628	1 860 184 003
Total Liabilities and Equity		22 649 771 327	18 888 790 734

The accompanying notes from page (62) to page (133) are an integral part of these financial statements and are to be read therewith.

Auditors' report attached.

Fatma Lotfy
Deputy Chairman & Managing Director

Hatem Sadek
Chairman & Managing Director

STATEMENT OF INCOME

For the Year Ended at 31 December, 2013

	Note no.	For the Year Ended 31 December2013 EGP	For the Year Ended 31 December2012 EGP
Interest income on loans and similar income	(6)	1969 815 491	1631 349 992
Interest expense on deposits and similar expense	(6)	(1 255 620 479)	(979 881 200)
Net interest Income		714 195 012	651 468 792
Fees and commissions income	(7)	173 449 465	151 950 974
Fees and commissions expense	(7)	(9 952 785)	(7 720 856)
Net income from fees and commissions		163 496 680	144 230 118
Dividends income	(8)	159 720	77 428
Net trading income	(9)	532 038	935 459
Gains from financial investments	(21)	51 576 158	15 320 547
Impairment charges on credit losses	(12,19)	(69 022 909)	(100 812 697)
Administrative expenses	(10)	(330 529 487)	(275 907 377)
Other operating income	(11)	20 431 089	2 222 269
Net profit before income taxes		550 838 301	437 534 539
Income tax expenses	(13)	(179 630 096)	(186 464 052)
Net profit for the year		371 208 205	251 070 487
Earning per share (pound/share)	**(14)**	**14.10**	**11.11**

The accompanying notes from page (62) to page (133) are an integral part of these financial statements and are to be read therewith.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

	Note .no	Issued & Paid up Capital EGP	Payment of increase in issued capital	Reserves EGP	Retained Earnings EGP	Total EGP
Balances as of 31 December 2011 (as issued previously)		1 123 437 365	-	118 738 711	133 226 949	1 375 403 025
Previous years adjustments	(37)	-	-	-	126 991 334	126 991 334
Balances as of 31 December 2011 (Restated)		1 123 437 365	-	118 738 711	260 218 283	1 502 394 359
Dividends for the year 2011 (Shareholders' share)	(32E)	-	-	-	(187 993 898)	(187 993 898)
Dividends for the year 2011 (Employees' share)	(32E)	-	-	-	(9 541 423)	(9 541 423)
Transferred to legal reserves	(32C)	-	-	6 374 567	(6 374 567)	-
Transferred to general banking risk reserves	(32B)	-	-	31 080 853	(31 080 853)	-
Payment of increase in issued capital		-	213 587 500	-	-	213 587 500
Increase in issued capital	(31)	213 587 500	(213 587 500)	-	-	-
Net Profit for the year ended 31 December 2012		-	-	-	251 070 487	251 070 487
Net Change in investments available for sale after deduct taxes	(32D)	-	-	90 666 978	-	90 666 978
Balances as of 31 December 2012		1 337 024 865	-	246 861 109	276 298 029	1 860 184 003
Dividends for the year 2012 (Shareholders' share)	(32E)	-	-	-	(216 996 247)	(216 996 247)
Dividends for the year 2012 (Employees' share)	(32E)	-	-	-	(24 110 694)	(24 110 694)
Transferred to legal reserves	(32C)	-	-	12 553 524	(12 553 524)	-
Transferred to general banking risk reserves	(32B)	-	-	22 637 564	(22 637 564)	-
Payment of increase in issued capital		-	206 334 000	-	-	206 334 000
Increase in issued capital	(31)	206 334 000	(206 334 000)	-	-	-
Net Profit for the year ended 31 December 2013		-	-	-	371 208 205	371 208 205
Net Change in investments available for sale after deduct taxes	(32D)	-	-	(2 556 639)	-	(2 556 639)
Balances as of 31 December 2013		1 543 358 865	-	279 495 558	371 208 205	2 194 062 628

The accompanying notes from page (62) to page (133) are an integral part of these financial statements and are to be read therewith.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Note no.	For the Year Ended 31 December2013 EGP	For the Year Ended 31 December2012 EGaP
Cash flows from operating activities			
Net profits for the year before taxes		550 838 301	437 534 539
Adjustments to reconcile net profits to cash flows provided from operating activities			
Depreciation and amortization		36 726 933	32 158 589
Impairment charges on credit losses		69 022 909	100 812 697
Other provisions charges		23 074 887	15 413 326
Provisions used - other than loan provision		(1 053 393)	(1 005 175)
Foreign currency provisions revaluation differences (other than loan provision)		98 310	42 938
Discount amortization of issuing held to maturity investments		-	(2 584 621)
(Losses) from sale of fixed assets		(228 521)	488 580
Profits from sale of trading financial investments		(532 038)	(935 459)
Provisions no longer required		(195 493)	(21 000)
Other loans revaluation differences		18 588 000	8 319 000
Profits from sale of other financial investments		(37 454 880)	(7 714 028)
Operating Profits before changes in assets and liabilities provided from operating activities		658 885 015	582 509 386
Net (increase) decrease in assets			
Balances with the Central Bank of Egypt within reserve percentage		(68 030 737)	110 839 669
Due from banks		(108 033 267)	910 507 411
Treasury bills and other governmental notes		(1 304 154 215)	1 112 317 439
Financial derivatives (net)		2 135 546	(3 916 674)
Trading financial assets		532 038	935 459
Available for sale financial investments		(778 085 370)	(1 653 088 659)
Loans and facilities to banks		(58 911 959)	(26 236 855)
Loans and facilities to customers		(1 458 240 236)	(1 613 304 825)
Other assets		(48 837 922)	(148 252 802)
Net (decrease) increase in liabilities			
Due to banks		(226 308 567)	(86 075 926)
Customers' deposits		3 554 853 575	520 629 304
Other liabilities		69 999 243	24 076 247
Paid income taxes		(190 442 918)	(111 471 697)
Net cash flows provided from (used in) operating activities		45 360 226	(380 532 523)
Cash flows from investing activities			
Payments to purchase of investments held to maturity		(5 000 000)	-
Proceeds from sale of fixed assets		425 449	320 400
Payments to acquire fixed assets and fixtures of branches		(5 061 224)	(18 465 580)
Payments to acquire intangible assets		(5 204 009)	(4 629 952)
Proceeds from recovery of investmnets held to maturity		-	92 600 000
Net cash flows (used in) provided from investing activities		(14 839 784)	69 824 868
Cash flows from Financing Activities			
Proceeds from increase in capital		206 334 000	213 587 500
Dividends paid		(241 106 941)	(197 535 321)
Proceeds from other loans		-	181 251 000
Net cash flows (used in) provided from financing activities		(34 772 941)	197 303 179
Net change in cash and cash equivalents during the year		(4 252 499)	(113 404 476)
Cash and cash equivalents at beginning of the year		157 626 336	271 030 812
Cash and cash equivalents at end of the year		153 373 837	157 626 336
Cash and cash equivalents are represented in :			
Cash and due from Central Bank		1 017 010 048	951 583 682
Due from banks		1 930 474 772	1 824 014 633
Treasury bills and other governmental notes		4 784 755 964	3 480 676 749
Balances with the Central Bank of Egypt within reserve percentage		(896 015 082)	(827 984 345)
Deposits with banks		(1 898 095 901)	(1 790 062 634)
Treasury bills and other governmental notes (with maturities of more than three months)		(4 784 755 964)	(3 480 601 749)
Cash and cash equivalents	(33)	153 373 837	157 626 336

Non - cash transactions presented as follows:

For the purpose of preparing cash flows statement the followings transactions were eliminated :-

- EGP 20 707 634 represents the transfer from down payment to acquire fixed assets -other assets to fixed assets and the balance was removed from payments to acquire fixed assets and change in other assets.

The accompanying notes from page (62) to page (133) are an integral part of these financial statements and are to be read therewith.

STATEMENT OF DIVIDENDS (PROPOSED)

For the year ended 31 December 2013

	For the Year Ended 31 December2013 EGP	For the Year Ended 31 December2012 EGP
Net profit for the year from the statement of income	371 208 205	251 070 487
General banking risk reserves	(97 926)	(22 637 564)
Add		
Retained earnings at the beginning of the year	-	25 227 542
Net profit for the year available to distribute	371 110 279	253 660 465
To be distributed as follows:		
Legal Reserve	18 560 410	12 553 524
Employees'' profits share	35 254 987	24 110 694
Shareholders' Dividends	317 294 882	216 996 247
Total	371 110 279	253 660 465

The accompanying notes from page (62) to page (133) are an integral part of these financial statements and are to be read therewith.

1. Background

Bank Audi (s.a.e) provides retail, corporate and investment banking services in the Arab Republic of Egypt and outside Egypt through 33 branches and served by 956 employees as of 31 december 2013.
Bank Audi (s.a.e) was established according to the law no. 43 For year 1974 and its executive regulation in the Arab Republic of Egypt and the head office is located in Giza city.

2. Summary of Significant Accounting Policies

The following are the significant accounting policies used in the preparation of financial statements.

2-A Basis of Preparation

The financial statements are prepared in accordance with the regulations for the preparation and presentation of the banks' financial statements and measurement and recognition basis as issued by the Central Bank of Egypt on 16 december 2008, and the historical cost basis as modified by the revaluation of the trading financial assets and liabilities, the financial assets and liabilities classified at initiation at fair value through profit or loss and the available for sale financial investments and all financial derivatives contracts.
These financial statements have been prepared according to the Egyptian laws and regulations.

2-B Subsidiaries and Associates

2-B/1 Subsidiary Firms
Subsidiaries are all companies (including special purpose entities) over which the bank has owned directly or indirectly the power to govern the financial and operating policies, generally the bank owns more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

2-B/2 Associate Firms
Associates are all companies over which the bank has owned directly or indirectly a major influence, but it doesn't control them, generally the bank owns between 20% and 50% of the voting rights.

The purchase method is used to account for the acquisition of subsidiaries by the bank. The cost of an acquisition is measured as the fair value or the consideration given by the bank of the assets and/or issued equity instruments and/or obligations incurred by the bank and/or obligations the bank accepted on behalf of the acquired company at the date of exchange, plus costs directly attributable to the acquisition process. Net assets including definable contingent liabilities are measured initially at their fair values on the acquisition date, irrespective of the non controlling interest. The excess of acquisition cost over the bank's share fair value in the net assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference is recognized directly in the income statement under the item "other operating income/(expenses)".

Accounting for subsidiaries and associate in the separate financial statements is recorded by using the cost method. According to this method, investments recorded at cost of acquisition including goodwill, if any, and deducting impairment losses. Dividends are recognized in the income statement when the distribution has been declared and affirming the bank's right in collecting them.

The bank has no investments in subsidiaries and associates as of 31 december 2013.

2-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, different from those of other business segments. A geographical segment is a segment in which, products or services within a particular economic environment are subject to risks and returns different from those of segments operating in other economic environments.

2-D Foreign Currency Translation

2- D/1 Functional and Presentation Currency

The financial statements are presented in Egyptian pound, which is the bank's functional and presentation currency.

2- D/2 Transactions and Balances in Foreign Currencies

The bank maintains its accounting records in Egyptian pound. Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the end of each period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognized in the income statement under the following items:

- Net trading income or net income of the financial instruments classified at initiation at fair value through profits and losses for assets / liabilities held for trading or those classified at initiation in fair value through profits and losses according to type.
- Financial derivatives of equity which are eligible for qualified hedge of cash flows or eligible for qualified hedge of net investment.
- Other operating income (expenses) for the other items.

Changes in the fair value of monetary financial instruments in foreign currencies classified as investments available for sale (debt instruments) are classified as valuation differences resulting from changes in amortized cost of the instrument and differences resulted from changes in applicable exchange rates and differences resulted from changes in the instrument fair value. Valuation differences relating to changes in amortized cost are recognized in the income statement under ''Interest income on loans and similar income" while differences relating to changes in exchange rates are recognized under "other operating income (expenses)". Differences resulting from changes in fair value are recognized under "fair value reserve – available for sale investments" in the equity caption.

Valuation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held at fair value through profits and losses, while valuation differences resulting from equity instruments classified as financial investments available for sale are recognized as "fair value reserve- available for sale investments" under the equity caption.

2-E Financial Assets

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

2-E/1 Financial Assets at Fair Value through Profit or Loss

This category consists of financial assets held for trading which are classified during initiation at fair value through profit or loss .

Financial instruments are classified as held for trading if they are acquired or incurred principally for the purpose of selling them in the short term or if they represent a part of specific financial instruments that are managed together and if evidence resulted from recent actual transaction indicates short-term profit can be recognized. Financial derivatives can be classified as held for trading unless they are allocated as hedging instruments.

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

- Doing so significantly reduces measurement inconstancies 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 issued debt securities.
- When some investments such as equity investments are managed and evaluated at the fair value basis in accordance with a risk management or investment strategy and preparing reports to top management on that basis are classified as fair value through profit and loss.
- Financial instruments such as debt instrument which contain one or more embedded financial derivatives which may significantly affect the cash flows are classified at fair value through profit and loss.

Gains and losses arising from changes in the fair value of financial derivatives that are managed in conjunction with financial assets or financial liabilities which are classified at initiation at fair value through profit or loss are recorded in the "net income from financial instruments classified at initiation at fair value though profit and loss"

It is not permitted to reclassify any financial derivative out of the financial instrument appraised at fair value through profit or loss category during its holding period, or during its validity period. It is Also not permitted to reclassify any financial instrument appraised at fair value through profit or loss category if it is initially recorded by the bank at fair value through profit or loss.

- In all cases the bank should not reclassify any financial instrument to financial instruments category which are measured at fair value through profit or loss or to held for trading investments.

2-E/2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable amount 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 recorded as at fair value through profit or loss.
- Those that the bank upon initial recognition classified as available for sale.
- Those for which the holder may not recover all of their initial investment; that which is not due of the to credit deterioration.

2-E/3 Financial Investments Held to Maturity

Held to maturity financial investments are non-derivative assets which carry fixed or determinable amount and where the bank has the intention and the ability to hold to maturity. Any sale of a significant amount, not close to the date of its maturity, would result in the reclassification of all held to maturity investments as available for sale except in emergency cases.

2-E/4 Financial Investments Available for Sale

Available for sale financial investments are non-derivatives financial assets that are intended to be held for an unspecified period and may be sold to provide liquidity or due to changes in shares prices, foreign exchange currencies or interest rate.

The following applies to Financial Assets:

Purchases or sales of financial assets at fair value through profit and loss, held to maturity financial investments, and available for sale financial investments are recognized at the trade date which is the date the bank is committed to purchase or sell the financial asset.

Financial assets that are not classified at fair value through profit and loss at initial recognition are recognized at fair value plus transaction cost, while the financial assets classified as at fair value through profit and loss are initially recognized at fair value only and the transaction cost is recognized in the profit and loss under "net trading income"

Disposal of financial assets are done when the contractual right to receive cash flows have expired or when the bank transfer most of the risks and rewards associated with ownership to another party, while a disposal of financial liabilities is are done when the obligation under the liability is discharged or cancelled or when the contractual period expires.

Available for sale financial investments and financial assets classified at fair value through profit and loss are subsequently measured at fair value. While loans and advances and held to maturity investments are measured subsequently at amortized cost.

Gains and losses arising from changes in fair value of financial assets classified at fair value through profit and loss are recorded in income statement during the period it occurred. Gains and losses arising from changes in fair value of available for sale financial investments are recognized in "fair value reserve for available for sale investments" in equity until the financial asset is sold, or impaired at which time, the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.

Interest income related to monetary assets classified as available for sale is recognized based on the amortized cost method in profit and loss. The foreign currency revaluation differences related to available for sale investments are recognized in the profit and loss. Dividends related to available for sale equity instruments are recognized in the profit and loss when they are declared.

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, 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 measured at cost after deducting any impairment.

Debt instruments can be reclassified from the available for sale investments to "loans and receivables" or" financial assets held to maturity" using fair value – in certain circumstances - when the bank has the intention and ability to hold the instrument for the foreseeable future or till maturity. Reclassifications are recorded at fair value at the date of reclassification. Any related profits or losses that have been previously recognized in equity are treated as follows:

1. Financial assets with fixed maturity date, the gains or losses are amortized over the remaining lifetime of the held to maturity investment using the effective interest rate method, any difference between the value based on the amortized cost and the value based on maturity date is to be amortized over the remaining lifetime of the financial asset

by using the effective interest rate method. In case of subsequent financial asset's impairment any profits or losses previously recognized in equity are recognized in profit and loss.

2. Profits and losses related to the financial assets without fixed maturity date are recorded in equity till selling or disposing it, and then they are recognized in profits and losses. In case of impairment, profits and losses that have been previously recognized directly in equity are recognized in the profit and loss.

If the bank changes its estimates regarding payments or proceeds, the book value of a financial asset (or group of financial assets) has to be settled to reflect the actual cash flows and the adjusted estimates, provided that the book value is to be recalculated by calculating the present value of estimated future cash flow using the effective interest rate of the financial instrument. This settlement is recognized as either income or expense in the profit and loss.

In all cases, if the bank re-classified financial asset in accordance with what is referred to above and the bank subsequently increase its future cash proceeds estimates resulted from an increase in the recoverable amount from its cash receipts, the impact of this increase is recognized as an settlement to the effective interest rate from the date of the change in estimate not as an adjustment in the book value of the asset at the date of change in estimate.

2-F Netting between Financial Instruments

Financial assets and liabilities are offset 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.

Treasury bills, repos and reverse repos agreements are netted on the balance sheet and disclosed under treasury bills and other governmental notes.

2-G Financial Derivative Instruments and Hedge Accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Embedded derivatives in a hybrid contract, such as the conversion option in a convertible bond, are treated as separate derivatives when they meet the definition criteria of a independent derivative, their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement as part of "net trading income".

Embedded derivatives are not split if the bank chooses to classify the entire hybrid contact as at fair value through profit or loss.

The treatment of change in fair value gain or loss depends on whether the derivative is designated as a hedging instrument. According to the hedged item, the bank designates certain financial derivatives as either of the following:

- Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedges of the expected future cash flow related to an asset or liability or to an expected transaction (cash flow hedge).

• Hedges of the net investment in foreign transactions. (Net investment hedge).

Hedge accounting is used for financial derivatives designated when certain criteria are met.

The bank performs the documentation of the relationship between the hedged items and the hedging instruments, at the initiation of the transaction, as well as its risk management objectives and strategy for undertaking various hedge transactions. The bank also documents its assessment, both at hedge initiation and on an ongoing basis, of whether the financial derivatives that are used in hedging transactions are effective in offsetting changes in fair values of hedged items.

2-G/1 Fair Value Hedging

Changes in the fair value of financial derivatives that are designated as hedging instrument and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Effective changes in fair value of interest rate swaps and related hedged items are reflected in ‘net interest income’ and effective changes in fair value of currency future contracts are reflected in ‘net trading income’.

Any ineffective changes in contacts and related hedged items mentioned in the previous paragraph are recorded in ‘net trading income’.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the book value of a hedged item for which is accounted for using the amortized cost method should be amortized by charging it to profit or loss over the year to maturity. The adjustments made to the book value of the hedged equity instrument are included among the equity until they are disposed.

2-G/2 Cash Flow Hedging

For designated and qualifying cash flow hedges, the effective portion of the fair value of the hedging instrument is initially recognized directly in equity. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in ‘net trading income’.

When the hedged cash flow affects the income statement, the gain or loss on the hedging instrument cumulated in the equity is recorded in the corresponding income or expense line of the income statement, the effective portion of the gain or loss on the forward exchange swap and options is recognized immediately in ‘net trading income’.

When a hedging instrument expires, or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the equity at that time remains in the equity and is recognized when the hedged forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the equity is immediately transferred to the income statement.

2-G/3 Hedge of Net Investments

Hedges of net investments are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in the equity while any gains or losses relating to the ineffective portion are recognized in the statement of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recognized in the equity is transferred to the income statement.

2-G/4 Financial Derivatives that do not qualify for Hedge Accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement under net trading income.

However, gains and losses arising from changes in the fair value of financial derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in “net income from financial instruments classified at initiation at fair value through profit or loss” in income statement under “net trading income”.

2-H Day 1’ Profit or Loss Recognition

The fair value for financial instruments traded in active markets at the date of transaction is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions). However, if it is inferred on the same date over the fair value of the instrument based on transaction prices in the published markets or by using valuation models. When the bank enters into transactions matures after long periods, the fair value is determined by using valuation models and may not all of its inputs are market prices or published markets rates and the initial recognition of these financial instruments at the transaction price, which is the best indicator of fair value, although the value that is obtained from the valuation model may be different, no immediate recognition of profit or loss from the difference between the transaction price and the amount of the output of the model, which is known as “day 1 profit and loss” and is included in other assets in case of loss or other liabilities in the case of profit.

The deferred profit or loss recognition is determined case by case, either by amortizing over transaction life time or by until be able to determine the fair value of the tool using the declared markets inputs, or recognizing it at the transaction settlement, the instrument is measured subsequently and the bank immediately recognizes the difference between the transaction price and fair value in the income statement.

2-I Interest Income and Expense

Interest income and expense are recognized in the income statement under “interest income on loans and similar income” item or “interest expense on deposits and similar expense” by using the effective interest rate method of all financial instruments bearing interest except those classified as held for trading or which have been classified at initiation at fair value through profit and loss.

The effective interest rate 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 related instrument lifetime. The effective interest rate is the rate that exactly discounts estimated future cash flows payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net book value 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 paid or received between parties of the contract that are an integral part of the effective interest rate, transaction costs includes any 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:

- When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and small loans for businesses.
- For loans granted to corporate, interest income is recognized on cash basis, the calculated interest is subsequently added to the loan

according to loans' scheduling contract terms until the payment of 25% of the scheduling installments and a minimum of one year of being regular. In case the client is continuing in performing the payment, the calculated interest is added to the loan's balance without the marginal interest not included in the income until after the full repayment of the loan's balance in the balance sheet before the reschedule.

2-J Fees and Commission Income

Fees and commissions related to loan or advances are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts are suspended and are carried off balance sheet and are recognized under income according to the cash basis when interest income is recognized in accordance with note (2 –i) above. Fees and commissions which represent an integral part of the financial asset's effective interest rate are recognized as adjustment to the effective interest rate in general.

Engagement fees on loans are to be postponed, if there is a probability that these loans will be withdrawn on the ground that these fees which the bank receives is a compensation for the constant intervention to acquire the financial instrument. Then they are recognized by amending the effective interest rate on the loan, when the period of engagement comes to end without the bank's issuance of the loan then these fees are recognized within income at the expiry of the engagement validity.

Fees and commissions related to debts instrument that are measured by its fair value are recognized as income at initial recognition. Fees and commissions related to promoting of syndicated loans are recognized as income when the promoting process is completed and the loan is fully used or the bank kept its share of the loan using the effective interest rate as used by the other participants.

Fees and commissions arising from negotiation, or participating in a negotiation to the favor of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognized as income when the transaction is completed. Commissions and fees related to management advisory and other services are recognized as income usually based on a timely proportion basis over rendering of the service, financial planning management fees and custody services fees, which are provided for long periods of time are recognized over the period in which the service is rendered.

2-K Dividend Income

Dividends are recognized in the profit and loss when the bank's right to receive those dividends is declared.

2-L Purchase and Resale Agreements, Sale and Repurchase Agreements

The financial instruments sold, by virtue of repurchase agreements, are shown under the assets by being added to the balance of treasury bills and other government notes in the balance sheet, while the liability (purchase and resale agreement) is shown in the balance sheet as being deducted from treasury bills and other government notes in the balance sheet. The difference between the sale price and repurchase price is recognized as a return due throughout the period of agreements, using the effective interest rate method.

2-M Impairment of Financial Assets

2-M/1 Financial Assets Recorded at Amortized Cost

At each balance sheet date, the bank assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognized (a "loss event") and whether that loss event has impacted the future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The bank considers the following indicators to determine the existence of objective evidence for impairment losses:

- Great financial troubles facing the borrower or debtor.
- Breach of the loan agreement, e.g. Default.
- Expected bankruptcy of borrower or subject to liquidation lawsuit or re-structuring the finance granted to him.
- Deterioration of competitive position of borrower.
- Granting privileges or assignments by the bank to the borrower, due to economic or legal reasons, which are not granted by the bank in the normal course of business.
- Impairment of guarantee.
- Deterioration of creditworthiness.

An objective evidence for impairment losses of group 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, for example, the increase in failure payment cases for one of the bank products.

The bank estimates the period between identifying the loss event and its occurrence ranges from three to twelve 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 consideration the following:

- In case there is no objective evidence that an impairment loss has been incurred on a financial asset considered individually, be it significant or not, the bank includes that financial asset in a group of financial assets having similar characteristics in terms of credit risk and tests the whole group for impairment according to historic default rates.
- A separate impairment test is made for a financial asset if there is objective evidence that this asset is impaired. If the impairment occurred then this asset will not included in the group of assets which impairment losses are assessed on a collectively basis.
- If the result of the previously test did not recognized impairment loss, then this asset will be added to the group.

Impairment losses are measured by the difference between the asset's book value and the present value of expected future cash flows, excluding future expected credit losses not charged yet, discounted at the financial assets' original effective interest rate. This impairment is booked in the income statement as "impairment loss" and the book value of the financial asset is reduced by the impairment amount using "impairment loss provision".

If there is evidence that loan or investment held to maturity carry variable rate, the discount rate will be the contract effective interest rate when there is objective evidence that an impairment loss has been incurred. For practical purposes, the bank may measure the impairment losses using the fair value of the instrument through its quoted market prices for guaranteed financial assets present value for expected futures cash flow has to be considered in addition to the proceeds from sale of guarantee after deducting selling cost.

For the purposes of an estimation of impairment on aggregate level, financial assets are grouped on the basis of similar credit risk characteristics according to the bank classification taking into consideration type of asset, industry, geographical location, collateral, past-dues and other relevant factors. Those characteristics are relevant to the estimation of future cash flows for those groups of assets as they are indicators of the debtors' ability to pay all amounts dues according to its contract terms for assets under study.

If historic default rates method is used for impairment estimation for a group of financial assets, future contractual cash flow will be used by the bank in future and the historical loss for a group of assets with similar credit risk characteristics are considered. Historical impairment loss rates are adjusted to reflect the effects of current circumstances that did not affect the period on which the historical impairment loss rates is based and to remove the effects of circumstances in the historical period that are not currently exist.

The bank has to ensure that the estimates of changes in future cash flows for groups of assets are in consistence with changes in relative data from period to period, such as , changes in unemployment rates, real estate prices, settlement status, or other factors that may indicates the probability and magnitude of losses in the group. The bank is conducting a periodic review of the methods and assumptions used to estimate future cash flows.

2-M/2 Available for Sale Financial Investments

At each balance sheet date, the bank estimates if there is objective evidence that impairment loss for an asset or a group of assets classified as available-for-sale or held to maturity is occurred. For listed equity instruments classified as available for sale investments, impairment is recognized if it's significant and a prolonged decline its price below its 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 extends for a period of more than 9 months. When a decline in the fair value of an available for sale financial asset has been recognized directly in equity under fair value reserve and subsequent objective evidence of impairment emerges, the bank recognizes the total accumulated loss previously recognized in equity will be recognized in profit and loss. Impairment losses recognized on equity instruments on income statement are not subsequently reversed. Impairment losses recognized through income statement on debt instruments classified as available for sale are reversed through income statement if the price subsequently increased and this increase can be objectively related to an event occurring after the recognition of impairment loss in income statement.

2-N Investment Property

Investment property represents land and buildings owned by the bank and used to earn rental income or a capital appreciation. Investment property doesn't include properties used by the bank during its normal course of operation or these assets reverted to the bank in settlement of debts. The accounting policy for investment property is the same as for fixed assets.

2-O Intangible Assets

2-O/1 Computer Software

The expenses, related to upgrading or maintenance of computer software, are to be recognized as expenses in income statement, when incurred. The expenses connected directly with specific software and which are subject 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 staff cost of 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 specifications 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 three years.

2-O/2 Other Intangible Assets

They represent the intangible assets other than the goodwill and the computer programs (such as, trademarks, patents and rental contracts returns).

The other intangible assets are recognized at its acquisition cost and amortized using the straight line method or according to the economic benefits expected to be gained by them over their usual lives. As for the assets with no determined useful lives, they are not to be amortized, but to be tested annually to determine whether there is impairment in its value. If there's impairment, it is charged to the income statement.

2-P Fixed Assets

They represent land and buildings related to head office, branches and offices, and all fixed assets are reported at historical cost minus depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of fixed assets 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. Maintenance and repair 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 and constructions	40 - 50 years
Leasehold improvements	10 years or over the period of the lease if it's lower
Office furniture and safes	4 - 20 years
Typewriters, calculators and air conditions	4 - 5 years
Motor vehicles	5 - 7 years
Computers/core systems	4 - 5 years
Fixtures and fittings	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation 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 or value in use.

Gains and losses on disposals are determined by comparing proceeds with asset carrying amount. These gains and (losses) are included in other operating income (expenses) in the income statement.

2-Q Impairment of Non-Financial Assets

Assets having no fixed useful life, except for goodwill, shall not be amortized, and their impairment shall be tested at least annually. The impairment of amortized assets is studied to determine if there are events or changes in the circumstances indicating that the book value may not be recoverable.

The impairment loss is recognized by the excess amount of book value over the realizable value. The recoverable value represents net realizable value of the asset or the usage amount whichever is higher. For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit. At each balance sheet date, non-financial assets with impairment has to be reviewed to determine if there is impairment reversal made to the income statement.

2-R Leases

The accounting treatment for the finance lease is in accordance with law 95 of year 1995, if the contract entitles the lessee to purchase the asset at a specified date and amount, and the contract term is more than 75% of the asset expected useful life, or the present value of the total lease payments represents at least 90% of the value of the asset then this lease is considered finance lease. Other than that the lease contracts has to be considered operating lease.

2-R/1 Leasing

Finance lease contracts recognize rent as expense in the period it occurred in profit and loss, including maintenance cost related to the leased assets. If the bank decides to exercise the rights to purchase the leased assets, the cost of this right will be capitalized over the fixed asset and depreciated over the assets' expected remaining useful life in accordance with similar assets.

Operating lease payments less any discounts granted to lessee is recognized as expenses in the income statement using the straight line method over the contract term.

2-R/2 Leasing Out

For assets leased financially, assets are recorded in the fixed assets in the balance sheet and depreciated over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease contracts in addition to an amount corresponding to the cost of depreciation for the period. The difference between the rental income recognized in the statement of income, and the total finance lease clients' accounts is transferred to the balance sheet until the expiration of the lease contract where it is used to offset with a net book value of the leased asset. Maintenance and insurance expenses are charged on the income statement when incurred to the extent they are not charged to the tenant.

In case there is objective evidence that the bank will not be able to collect all assets of financial lease debtors, it will be reduced to the recoverable amount.

Operating lease assets are accounted for at the fixed assets caption in the balance sheet and depreciated over the asset expected useful life using the same method applicable to similar assets. The lease rent income less any discount granted to the lessee will be recognized in the profit and loss using the straight line method over the contract term.

2-S Cash and Cash Equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition, cash and balances due from the central bank of Egypt other than the mandatory reserve, and current accounts at banks, treasury bills, and other governmental notes.

2-T 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 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 is required to settle an obligation is determine taking into consideration the group of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.

Provisions no longer required are reversed in other operating income (expense).

Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from balance sheet date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year the provision is booked using the present value unless time consideration has a significant effect.

2-U Financial Guarantees Contracts

The financial guarantees contracts are contracts issued by the bank as security for loans or overdrafts due from its customers to other entities, which require the bank to make certain payments to compensate the beneficiary for a loss incurred due to default of the debtor on maturity date and in accordance with debt instrument conditions. These financial guarantees are given to the banks, corporations and other entities on behalf of the bank's customers.

It's initially recognized at fair value including guarantee fees at the date of granting. Subsequently, the bank's obligation shall be measured by the value initially recognized less guarantee fees amortization which is recognized in the income statement on a straight line basis over the higher of the guarantee life term or over the best payment estimates required to settle the financial obligation resulted from the financial guarantee at the balance sheet date. These estimates are mainly based on management experience with similar transactions and historical losses.

Any increase in the obligations resulted from the financial guarantee, is recognized in "other operating income (expenses)" caption.

2-V/ Employees Benefits

2-V/1 Retirement Benefits Obligations

The bank manages a variety of retirement benefit plans are often funded through determined payments on the basis of periodical actuarial calculations and paid to insurance companies and other specialized funds. The bank has a defined benefit and defined contribution plans.

Defined Benefit Plans: these are retirement rules, which specify the amount of the retirement benefits that the employee will grant by the end of the period of service. This benefit normally depends on one factor or more such as age, years of services and income.

The recognized liability in the balance sheet with regards to defined benefit plans is represented in the present value of the defined benefits liabilities at the balance sheet's date after deducting the fair value of the retirement plans' assets and debiting (crediting) unrealized actuarial reconciliations of profits (losses) as well as the cost of additional benefits related to prior service terms.

The liability of the defined benefit plans (future cash flows expected to be paid) is calculated annually by an independent actuary who applies the projected unit credit method. The present value of the identified plans liability is determined through deducting these expected future cash flows to be paid by applying the rate of return of high quality corporate bonds or the rate of return of government bonds in the same currency to be used in payment of benefits and which have almost the same maturity period as the retirement benefits obligations related to them.

Calculated gains (losses) resulting from changes and adjustments in actuarial estimates and assumptions and the profits are to be deducted (the losses added) the income statement if they do not exceed 10% of the plan assets value or 10% of the defined benefits' liability whichever is higher. In case gains (losses) rise above mentioned percentage then the increase shall be deducted (added) in the income statements over the average of the remaining years of service.

Past service costs are immediately recognized in the income statement within administrative expenses unless the introduced changes on the retirements' plans are conditional on the remaining of employees in service for a specified period of time (vesting period). In such case, the past service costs is to be amortized by the straight-line method over the vesting period.

Defined contributions' plans: these are pension scheme to which the banks pays fixed contributions to a independent entity while there is no legal or constrictive commitment on the bank to pay further contributions if the entity has not established sufficient assets to pay all the employees' benefits related to their service whether in current or previous periods.

As regarding the defined contribution plans the bank pays contributions to the retirement's insurance regulations in the public and private sectors on a contractual basis either mandatory or voluntary and the bank has no further obligations following payment of contributions. Theseå are recognized in advance within assets to the extent where the advance payment reduces future payments or cash refund.

2-V/2 Liabilities of Other Post-Service's Benefits

The bank extends health care benefits to retirees after the end of service term. Usually such benefits are conditional on the stay of the employee in the service until retirement age and the completion of a minimum period of service. The expected costs of these benefits are to be matured (vested) over the period of employment by adopting an accounting method similar to the method adopted in the defined benefit plans previously explained in item 2-v/1.

2-X Income Tax

The income taxes on the year's profits or losses include the tax of the current year and the deferred tax and they are recognized in the income statement with the exception of the income tax on the items of equity which is directly recognized within equity.

The income tax is recognized on the basis of the net profit subject to tax through the application of enacted tax rates at the date of preparing the balance sheet in addition to the tax adjustments related to previous years.

Deferred taxes are recognized from temporary timing differences between the book value of assets and liabilities according to accounting bases and their values according to tax bases.

Deferred tax assets and liabilities are measured at the tax rates that expected to apply in the period in which the ability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting year.

The deferred tax assets are recognized when there is likelihood to achieve taxable profits in the future through which this asset can be utilized. The value of deferred tax assets is reduced by the portion which will not realize the expected taxable benefit in the coming years, in case of the increase in expected taxable benefits the deferred tax assets should be increased within the limit of previous reduction.

2-Y Borrowing

Loans obtained by the bank are recognized at initiation at fair value less the cost of obtaining the loan. Subsequently the loans are measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate is to be recognized to the income statement.

The fair value of the portion which represents a liability regarding, bonds convertible into shares is to be defined by applying the market equivalent rate of return of non- convertible bonds. This liability is recognized by the amortized cost method until conversion or maturity of bonds. The remaining proceeds are to be charged to the conversion option included within equity in net value after deduction of the income tax effect.

The preferred shares which either carry mandatory coupons, redeemed at a defined date or according to the shareholders' option are to be included within the financial liabilities and to be presented within the item of "other loans". The dividends of these preferred shares are recognized in the income statement under "interest expense on deposits and similar expenses" item, using the amortized cost method and by using the effective interest rate.

2-Z Capital

2-Z/1 Cost of Capital

Issuance cost directly related to issuing new shares or issuing shares related to acquisition or share options is charged to equity of total proceeds net of tax.

2-Z/2 Dividends

Dividends are charged when declared by the general assembly of shareholders. Those dividends include employees' share in the profits and the board of directors' remuneration as prescribed by the articles of association and law.

2-Z/3 Treasury Shares

When the bank purchases capital shares, the amount paid is deducted from the total equity representing the cost of the treasury shares until they are cancelled. In case these shares are sold or reissued in a subsequent period, the amounts collected are added to the equity.

2-Aa Custody Activities

The bank practices the custody activities that result in ownership or management of assets on behalf of individuals, trusts, and retirement benefit plans. These assets and related income are excluded from the bank's financial statements, as they are assets not owned by the bank.

2-Ab 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, as a result of the activities it exercises, is exposed to various financial risks. Since the basis of financial activity is to accept risks; some risks or group of risks are analyzed, evaluated and managed together. The bank aims to achieve an adequate balance between the risk and return and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates risk, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated systems. The bank regularly reviews the risk management policies and systems and amend them to they reflect the changes in market, products and services and the best updated applications.

Those risks are managed by risk department in the light of policies approved by board of directors. The risk department determines, evaluates and covers the financial risks, in collaboration with the bank's various operating units, and the board of directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, like credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non–derivative instruments. Moreover, the risk department is independently responsible for periodical review of risk management and control environment.

3-A Credit Risk

The bank is exposed to the credit risk which is the risk resulting from failure of one party to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risks for the bank. The bank set specific procedures to manage that risk. The credit risk is in the lending and investments activities which are represented bank's assets contain debt instruments. The credit risk is also found in off balance sheet financial instruments, like loan commitment. The managing and monitoring process on credit risk is centralized at credit risk team management at credit risk department that prepare reports to board of directors and head units on regular basis.

3-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, the bank examines the following three components:

- The 'probability of default' by the client or counterparty on its contractual obligations.
- Current position and its likely future development, from which the bank derive the 'exposure at default'
- The 'loss given default'.

These credit risk measurements, which reflect expected loss (the 'expected loss model') and are required by the basel committee on banking regulations and the supervisory practices (the basel committee), are embedded in the bank's daily operational management. The operational measurements can be contrasted with impairment allowances required under ias 26, which are based on losses that have been incurred at the balance sheet date (the 'incurred loss model') rather than expected losses (note 3-a/3).

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

Bank's Internal Ratings Scale

Bank's Rating	**Description of the Grade**
1	Performing loans
2	Regular watching
3	Watch list
4	Nonperforming loans

The amount of default represent the outstanding balances at the time when a late settlement occurred for example the loans expected amount of default represent its nominal value. For commitments, the default amount represents all actual withdrawals in addition to any withdrawals occurred till the date of the late payment if any.

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 instruments and other bills, external rating such as standard and poor's rating or their equivalents are used by the bank 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.

3-A/2 Risks Limitation 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 ongoing basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by borrower /group, product, industry sector and by country are approved quarterly by the board of directors.

Credit limits for any borrower including banks are divided 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 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.

The following are other controls used by the bank to limit the credit risk:

Collaterals

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
- Mortgage business assets as machines and goods.
- Mortgage financial instruments such as debt securities and equity instruments.

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 notes are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Derivatives

The bank maintains strict control limits on net open derivative positions (i.E., The difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the bank (i.E., Assets where their fair value is positive), which in relation to financial derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equity instruments is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the bank market transactions on any single day.

Master Netting Arrangements

The bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

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 shorter-term commitments.

3-A/3 Impairment and Provisioning Policies

The internal rating systems described in note (3-a/1) focus more on credit-quality at the inception of lending and investment activities. Otherwise, impairment recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below. Due to the different methodologies applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the expected amount determined by the expected loss models used at 31 December 2013 for Central Bank of Egypt's regulations (note 3-a/4).

The impairment provision appeared in the balance sheet at the end of the year is derived from the four internal rating grades. However, the majority of the impairment provision comes from the last two ratings. The table below shows the percentage of in-balance sheet items relating to loans and advances and the related impairment for each rating:

Bank's Rating	31 December 2013		31 December 2012	
	Loans and Advance	Impairment Provision	Loans and Advance	Impairment Provision
Performing loans	81%	24%	83%	19%
Regular watching	12%	5%	10%	3%
Watch list	4%	1%	4%	1%
Non-performing loans	3%	70%	3%	77%
	100%	100%	100%	100%

The bank's internal rating assists management to determine whether objective evidence of impairment exists under Egyptian accounting standard no. 26, Based on the following criteria set out by the bank:

- Great financial troubles facing the borrower or debtor.
- Breach of the loan agreement, e.g. Default.
- 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 privileges 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 policies require review of all financial assets (that exceed specific materiality) at least once a year or more when required, the impairment loss is determined on individual basis by determining case by case actual losses. These policies applied on all accounts have specific materiality on individual basis. Valuation usually includes the existing collateral, the related enforcements on these collaterals and the expected collections from those accounts.

Impairment loss provision is formed based on group of similar assets using the historical experience available, personal judgment and statistical methods.

3-A/4 Model of Measuring the General Banking Risks

In addition to the four categories of credit rating indicated in note (3-a/1), the management makes more detailed groups in accordance with the Central Bank of Egypt requirements. Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, it's activity, financial position and payment schedules.

The bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by central bank of Egypt. In case, the provision required for impairment losses as per Central Bank of Egypt regulations exceeds the provision required for financial statements preparation purposes according to the Egyptian accounting standards, this increase shall be debited from the retained earnings and credited to the "general banking risk reserve" under the equity caption. This reserve is regularly adjusted with this increase and decrease, to equal the amount of increase between the two provisions. This reserve is not distributable. Note (32-b) shows the "general banking risk reserve" movement during the financial year.

Below is a statement of credit rating for firms as per internal valuation basis compared to Central Bank of Egypt valuation basis and the percentages of provisions required for impairment of assets exposed to credit risk.

CBE Rating	Description	Required Provision %	Internal Rating	Internal Description
1	Low risk	0	1	good debts
2	Moderate risks	1%	1	good debts
3	Satisfactory risks	1%	1	good debts
4	Appropriate risks	2%	1	good debts
5	Acceptable risks	2%	1	good debts
6	Marginally acceptable risks	3%	2	regular follow-up
7	Risk needs special care	5%	3	special follow-up
8	Substandard	20%	4	non-performing loans
9	Doubtful debts	50%	4	non-performing loans
10	Bad debts	100%	4	non-performing loans

3-A/5 Maximum Limits for Credit Risk before Collaterals

	31 December 2013 EGP	31 December 2012 EGP
Balance Sheet items exposed to Credit Risks		
Treasury bills and other governmental notes	4 784 755 964	3 480 676 749
Loans and advances to customers Retail loans (net):		
• Credit cards	254 555 325	181 639 350
• Personal loans	1 773 531 279	1 463 076 451
• Debit current accounts	260 003 684	279 057 674
• Real estate loans	30 666 593	21 569 922
Corporate loans (net):		
• Debit current accounts	4 645 561 219	4 149 859 728
• Direct loans	1 477 792 554	1 467 486 795
• Syndicated loans	2 091 426 501	1 633 013 490
• Other loans	250 777 529	199 393 947
• Loans to banks	118 847 868	59 935 909
Financial investments:		
• Debt instruments	3 363 194 808	2 544 036 555
Total	19 051 113 324	15 479 746 570
Off-Balance Sheet items exposed to Credit Risk*		
Loan commitments and other irrevocable commitments related to credit	350 009 928	265 202 114
Letters of credit- import	246 689 682	142 773 641
Letters of guarantee	1 442 719 923	1 420 074 667
Accepted papers for suppliers facilities	112 052 053	109 536 915
Total	2 151 471 586	1 937 587 337

* Note (34-c).

- The above table represents the maximum limit of exposed credit risk as of 31 December 2013 and 31 December 2012, without taking into considerations any collateral. For on-balance-sheet items, amounts stated depend on net carrying amounts shown in the balance sheet.

  As shown in the preceding table, 57% of the total maximum limit exposed to credit risk resulted from loans and advances to customers and banks at 31 December 2013 against 61% at end of the comparative year while investment in debt instruments represents 18% against 16% at end of the comparative year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan and advances, and debt instruments as follows:

- 93% Of the loans and advances portfolio is classified at the highest two ratings in the internal rating at 31 December 2013 against 93% at end of the comparative year.
- 79% Of the loans and advances portfolio having no past dues or impairment indicators at 31 December 2013 against 75% at end of the comparative year.
- Loans and advances subject to impairment have been evaluated on an individual basis of total amount EGP 273 459 772 at 31 December 2013

against EGP 200 318 047 at the end of comparative year, there is an impairment less than 69% against 83% at the end of comparative year.

- As a result, the impairment loss charged to the statements of income by the amount of EGP 28 046 655 on an individual basis during the year against EGP 37 326 159 at the end of comparative year.
- The bank has applied more strict granting operations when granting loans and advances during the financial year ended as of 31 December 2013.
- Investments in debt instruments and treasury bills contain more than 92% at 31 December 2013 against 91% at the end of comparative year due from the Egyptian government.

3-A/6 Loans and Advances

Loans and Advances are summarized according to the credit worthiness as follows:

	31 December 2013 Loans and Advances to Customers EGP	31 December 2012 Loans and Advances to Customers EGP
Neither having past dues nor impairment	8 734 541 743	7 265 827 216
Having past due but not subject to impairment	1 987 710 452	2 098 013 269
Subject to impairment	358 320 058	268 816 352
Total	11 080 572 253	9 632 656 837
Less: impairment losses provision	(296 257 570)	(237 559 480)
Net	10 784 314 683	9 395 097 357

- The bank's total impairment loss for loans and advances amounted to EGP 69 022 909 at 31 December 2013 against to EGP 100 812 697 at comparative year of which EGP 22 797 066 against EGP 50 843 720 at comparative year representing impairment of individual loans and the remaining amounting to EGP 49 968 977 against EGP 49 968 977 at comparative year representing collective impairment on a group basis for the credit portfolio. Note (19) includes additional information regarding impairment loss on loans and advances to customers.
- The bank's portfolio increased by 15% during the year in comparison with the financial year ended as at 31 december 2012 due to expanding the granting activities, especially in Arab Republic of Egypt. To reduce the possible exposure to the credit risks, the bank concentrates on dealing with large institutions or banks or individuals of credit worthiness.

- **Loans and Advances neither having past dues nor subject to impairment**

The credit quality of the loans and advances portfolio that are neither having past dues nor subject to impairment are determined by the internal rating of the bank.

Loans and Advances to Customers (net)

31 December 2013

(EGP)
Corporate

Rating	Credit Cards	Retail Personal Loans	Debt Current Accounts	Real Estate Loans	Debit current Accounts and Direct Loans	Syndicated Loans	Other Loans	Total Loans and Advances to Customers
Performing loans	252 250 286	1 709 514 367	261 785 814	30 672 033	3 450 048 425	1 511 941 210	238 300 302	7 454 512 437
Regular watching	-	-	-	-	532 603 623	383 072 787	-	915 676 410
Watch list	-	-	-	-	131 528 361	217 824 535	15 000 000	364 352 896
Total	252 250 286	1 709 514 367	261 785 814	30 672 033	4 114 180 409	2 112 838 532	253 300 302	8 734 541 743

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

Loans and Advances to Customers (net)

31 December 2012

(EGP)
Corporate

Rating	Credit cards	Retail Personal loans	Debt current accounts	Real estate loans	Debit current accounts and direct loans	Syndicated loans	Other loans	Total loans and advances to customers
Performing loans	179 070 648	1 415 550 720	280 060 252	21 578 060	3 319 558 851	1 097 433 089	200 307 527	6 513 559 147
Regular watching	-	-	-	-	199 184 561	380 029 539	-	579 214 100
Watch list	-	-	-	-	5 153 044	167 900 925	-	173 053 969
Total	179 070 648	1 415 550 720	280 060 252	21 578 060	3 523 896 456	1 645 363 553	200 307 527	7 265 827 216

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

- **Loans and Advances having past dues and not subject to impairment**

Loans and advances having past due until 90 days but not considered subject to impairment, unless there is information to the contrary. Loans and advances having past due, and not subject to impairment are as follows:

31 December 2013	Corporate Debit Current Accounts and Direct Loans	Total
Past dues up to 30 days	1 227 675 003	1 227 675 003
Past dues more than 30 - 60 days	331 078 777	331 078 777
Past dues more than 60 - 90 days	428 956 672	428 956 672
Total	1 987 710 452	1 987 710 452
Fair value of collateral	391 004 706	391 004 706

In the initial recording of loans and advances, the fair value of guarantees is assessed based on valuation methods commonly used for similar assets. In subsequent periods, fair value is updated to reflect its market price or price of similar assets.

31 December 2012	Corporate Debit Current Accounts and Direct Loans	Total
Past dues up to 30 days	1 790 925 930	1 790 925 930
Past dues more than 30 - 60 days	189 308 252	189 308 252
Past dues more than 60 - 90 days	117 779 087	117 779 087
Total	2 098 013 269	2 098 013 269
Fair value of collateral	458 174 061	458 174 061

Loans and Advances subject to individual impairment

* **Loans and Advances to customers**

Loans and Advances subject to individual impairment before taking into consideration cash flows from guarantees amounted to EGP 273 455 772 at 31 December 2013 against EGP 200 318 047 at the end of comparative year.

The breakdown of the total loans and advances subject to individual impairment including fair value of collateral obtained by the bank are as follows:

Valuation	Corporate Debit Current Accounts and Direct Loans	Total
31 December 2013		
Individual loans subject to impairment	273 455 772	273 455 772
Fair value of collateral	12 018 750	12 018 750
31 December 2012		
Individual loans subject to impairment	200 318 047	200 318 047
Fair value of collateral	5 000 000	5 000 000

- Re-Structured Loans and Advances

Restructuring activities include renegotiating in terms of payments terms extension, restructure of mandatory management policies, and adjusting and postpone repayment terms. Restructuring policies depend on indicators or standards in addition to the management personal judgment to show that regular payments are of high probability. These policies are subject to regular review. Long-term loans, especially loans to customers are usually subject to restructuring. The renegotiated loans amounted to EGP 178 201 718 as of 31 December 2013 against EGP 154 848 376 as of 31 December 2012.

	31 December 2013 EGP	31 December 2012 EGP
Loans and Advances to customers		
Corporate		
- Direct loans	178 201 718	154 848 376
Total	178 201 718	154 848 376

3-A/7 Debt Instruments, Treasury Bills and Other Governmental Notes

The table below shows an analysis of debt instruments, treasury bills and other governmental notes according to the rating agencies Standard & Poor's and similar at the end of financial year.

	Treasury Bills and Other Governmental Notes EGP	Investments in Securities EGP	Total EGP
AAA to AA-	4 784 755 964	2 966 692 078	7 751 448 042
A-to A+	--	312 971 919	312 971 919
Less than A-	--	41 298 547	41 298 547
Non classified	--	42 232 264	42 232 264
Total	4 784 755 964	3 363 194 808	8 147 950 772

3-A/8 The Concentration of Financial Asses Risks Exposed to Credit Risk

Geographical segment:

The following table represents an analysis of the most important credit risk exposure for the bank at book value, distributed according to the geographic segment at the end of the financial year, upon preparing this table, risk exposures have been distributed on the geographic segments according to the areas related to the bank customers.

(EGP)

31 December 2013	Egypt		Total	Gulf Countries	Other Countries	Total
	Cairo	Alexandria, Delta and Sinai				
Financial Asset						
Treasury bills and other governmental notes	4 784 755 964	--	4 784 755 964	--	--	4 784 755 964
Loans and advances to banks	69 386 000	--	69 386 000	2 310 795	47 151 073	118 847 868
Loans and Advances to Customers						
Retail Loans						
Debit current account	214 369 204	47 416 610	261 785 814	--	--	261 785 814
Credit cards	217 292 187	41 168 659	258 460 846	--	--	258 460 846
Personals loans	1 491 085 983	297 082 109	1 788 168 092	--	--	1 788 168 092
Real estate loans	30 672 033	--	30 672 033			30 672 033
Loans to Corporate						
Debit current account	3 827 700 208	763 244 560	4 590 944 768	--	216 219 487	4 807 164 255
Direct loans	1 437 175 920	131 006 458	1 568 182 378	--	--	1 568 182 378
Syndicated loans	1 617 767 535	--	1 617 767 535	430 548 262	64 522 736	2 112 838 533
Other loans	188 133 633	--	188 133 633	--	65 166 669	253 300 302
Financial derivatives	599 185	--	599 185	--	--	599 185
Financial Investments						
Debt instruments	2 778 125 281	--	2 778 125 281	507 848 807	77 220 720	3 363 194 808
Other assets	317 260 378	5 676 798	322 937 176	7 543 625	5 845 822	336 326 623
Total at end of the current year	16 974 323 511	1 285 595 194	18 259 918 705	948 251 489	476 126 507	19 684 296 701
Total at end of the comparative year	14 260 767 206	1 132 142 558	15 392 909 764	406 638 732	229 830 392	16 029 378 888

(EGP)

31 December 2012	Egypt		Total	Gulf Countries	Other Countries	Total
	Cairo	Alexandria, Delta and Sinai				
Financial Asset						
Treasury bills and other governmental notes	3 480 676 749	--	3 480 676 749	--	--	3 480 676 749
Loans and advances to banks	--	--	--	--	59 935 909	59 935 909
Loans and Advances to Customers						
Retail Loans						
Debit current account	221 493 001	58 566 251	280 060 252	--	--	280 060 252
Credit cards	152 254 093	32 184 227	184 438 320	--	--	184 438 320
Personals loans	1 228 920 585	249 764 768	1 478 685 353	--	--	1 478 685 353
Real estate loans	21 578 060	--	21 578 060	--	--	21 578 060
Loans to Corporate						
Debit current account	3 549 672 514	658 123 280	4 207 795 794	--	63 190 000	4 270 985 794
Direct loans	1 423 100 559	128 137 419	1 551 237 978	--	--	1 551 237 978
Syndicated loans	1 645 363 553	--	1 645 363 553	--	--	1 645 363 553
Other loans	128 744 445	--	128 744 445	--	71 563 082	200 307 527
Financial derivatives	3 876 503	--	3 876 503	--	--	3 876 503
Financial Investments						
Debt instruments	2 107 089 581	--	2 107 089 581	402 812 368	34 134 606	2 544 036 555
Other assets	297 996 563	5 366 613	303 363 176	3 826 364	1 006 795	308 196 335
Total at end of the current year	14 260 767 206	1 132 142 558	15 392 909 764	406 638 732	229 830 392	16 029 378 888
Total at end of the comparative year	12 486 669 683	988 057 252	13 474 726 935	304 796 992	65 489 912	13 845 013 839

Business Segment

The following table represents a analysis of the most important credit risk exposure limit for the bank at book value distributed according to the business segment for the bank customers.

(EGP)

31 December 2013	Financial Institutions	Industrial Institutions	Real Estate Activity	Whole Sale and Retail Trade	Governmental Sector	Other Activities	Lndividuals	Total
Financial Asset								
Treasury bills and other governmental notes	--	--	--	--	4 784 755 964	--	--	4 784 755 964
Loans and advances to banks	49 461 868	--	--	--	69 386 000	--	--	118 847 868
Loans and Advances to Customers								
Retail Loans								
Debit current account	--	--	--	--	--	--	261 785 814	261 785 814
Credit cards	--	--	--	--	--	--	258 460 846	258 460 846
Personals loans	--	--	--	--	--	--	1 788 168 092	1 788 168 092
Real estate loans	--	--	--	--	--	--	30 672 033	30 672 033
Loans to Corporate								
Debit current account	169 950 728	2 120 542 892	1 090 598 441	1 017 053 150	168 549 161	240 469 883	--	4 807 164 255
Direct loans	226 786 525	683 226 552	243 959 776	79 711 801	119 251 772	215 245 952	--	1 568 182 378
Syndicated loans	164 254 797	786 422 031	245 361 224	252 894 315	406 414 678	257 491 488	--	2 112 838 533
Other loans	64 037 750	22 817 687	--	132 518 489	29 012 994	4 913 382	--	253 300 302
Financial derivatives	71 597	527 588	--	--	--	--	--	599 185
Financial Investments								
Debt instruments	346 686 995	28 350 553	--	--	2 761 214 191	226 943 069	--	3 363 194 808
Other assets	6 837 395	19 548 583	8 166 599	7 661 372	133 431 555	144 027 687	16 653 432	336 326 623
Total at end of the current year	1 028 087 655	3 661 435 886	1 588 086 040	1 489 839 127	8 472 016 315	1 089 091 461	2 355 740 217	19 684 296 701
Total at end of the comparative year	1 192 996 195	3 369 499 815	1 230 022 467	1 207 761 859	6 048 578 684	1 002 151 041	1 978 368 827	16 029 378 888

(EGP)

31 December 2012	Financial Institutions	Industrial Institutions	Real Estate Activity	Whole Sale and Retail Trade	Governmental Sector	Other Activities	Individuals	Total
Financial Asset								
Treasury bills and other governmental notes	--	--	--	--	3 480 676 749	--	--	3 480 676 749
Loans and Advances to Banks	59 935 909	--	--	--	--	--	--	59 935 909
Loans and Advances to Customers								
Retail loans								
Debit current account	--	--	--	--	--	--	280 060 252	280 060 252
Credit cards	--	--	--	--	--	--	184 438 320	184 438 320
Personals loans	--	--	--	--	--	--	1 478 685 353	1 478 685 353
Real estate loans	--	--	--	--	--	--	21 578 060	21 578 060
Loans to Corporate								
Debit current account	306 823 145	1 888 265 941	910 131 390	938 918 697	53 581 771	173 264 850	--	4 270 985 794
Direct loans	311 770 830	697 678 327	171 411 170	84 971 874	135 830 704	149 575 073	--	1 551 237 978
Syndicated loans	150 334 169	698 230 159	139 286 055	71 174 918	162 967 241	423 371 011	--	1 645 363 553
Other loans	71 735 394	--	1 870 941	105 505 987	11 769 341	9 425 864	--	200 307 527
Financial derivatives	3 606 899	--	--	--	--	269 604	--	3 876 503
Financial Investments								
Debt instruments	280 938 023	64 022 566	--	--	2 081 163 612	117 912 354	--	2 544 036 555
Other assets	7 851 826	21 302 822	7 322 911	7 190 383	122 589 266	128 332 285	13 606 842	308 196 335
Total at end of the current year	1 192 996 195	3 369 499 815	1 230 022 467	1 207 761 859	6 048 578 684	1 002 151 041	1 978 368 827	16 029 378 888
Total at end of the comparative year	853 563 380	2 830 732 216	44 315 998	886 574 406	5 191 829 794	2 477 294 681	1 560 703 364	13 845 013 839

3-B Market Risk

The bank exposed to market risks which is the risk that the fair value or future cash flow fluctuation resulted from changes in market prices. Market risks arise from open positions related to interest rate, currency, and equity products of which each is exposed to the general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instruments prices. The bank separates its exposure to market risk into trading and non-trading portfolios.

Bank risk division is responsible for managing the market risks arising from trading and non-trading activities of which monitored by two separate teams. Regular reports are submitted to the board of directors and each business unit head.

Trading portfolios include transactions where the bank deals direct with clients or with the market; non-trading portfolios primarily arise from managing assets and liabilities interest rate relating to retail transactions. These non-trading portfolios include foreign exchange risk and equity instruments risks arising from the bank's held-to-maturity and available-for-sale investments portfolios.

3-B/1 Market Risk Measurement Techniques

As part of market risk management, the bank undertakes various hedging strategies (note 2/g) and enters into swaps to match the interest rate risk associated with the fixed-rate long-term loans if the fair value option been applied. The major measurement techniques used to measure and control market risk are outlined below:

Value at Risk

The bank applies a 'value at risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk of positions held and the maximum expected losses based on a number of assumptions for various changes in market conditions. The board of directors sets limits for the value at risk that may be accepted by the bank for trading and non-trading portfolios separately and monitored by the bank's management.

VAR is a statistical estimation of the expected losses on the current portfolio from adverse market movements in which it represents the 'maximum' amount the bank expect to lose using confidence level (98%). Therefore there is statistical probability of (2%) that actual losses could be greater than the VAR estimation. The var module assumes that the holding period is ten days before closing the opening positions. It also assumes that market movements during the holding period will be the same as ten days before. The bank's assessment of past movements is based on data for the past five years. The bank applies these historical changes in rates prices indicators. Directly to its current positions - this approach called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The use of this approach does not prevent losses from exceeding these limits if there are significant market movements.

As VAR considered a primary part of the bank's market risk control technique, VAR limits are established by the board of directors annually for all trading and non-trading transactions and allocated to business units. Actual values exposed to market risk are compared to the limits established by the bank and reviewed by the bank risk division. The average daily VAR for the bank during the current year was EGP

397 thousands against EGP 754 thousands during 31 December 2012.

The quality of the VAR model is continuously monitored through examining the VAR results for trading portfolio and results are reported to the top management and Board of Directors.

Stress Testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. Stress testing are designed to match business using standard analysis for specific scenarios. The stress testing carried out by the bank risk division. Stress testing include: risk factor stress testing where sharp movements are applied to each risk category and test emerging market stress, as emerging market portfolios are subject to sharp movements; and subject to special stress including possible stress events to specific positions or regions - for example the stress outcome to a region applying a free currency rate. The results of the stress testing are reviewed by top management and Board of Directors.

3-B/2 Value at Risk Summary

Total Value at Risk According to Risk Type

EGP (000)

	12 Months till 31 December 2013			12 Months till 31 December 2012		
	Average	High	Low	Average	High	Low
Foreign exchange risk	181	333	70	556	1 386	86
Equity instruments risk	--	--	--	198	259	161
Total value at risk	181	333	70	754	1645	247

Trading Portfolio Value at Risk by Risk Type

EGP (000)

	12 Months till 31 December 2013			12 Months till 31 December 2012		
	Average	High	Low	Average	High	Low
Foreign exchange risk	181	333	70	556	1 386	86
Total value at risk	181	333	70	556	1 386	86

Non- Trading Portfolio Value at Risk by Risk Type

EGP (000)

	12 Months till 31 December 2013			12 Months till 31 December 2012		
	Average	High	Low	Average	High	Low
Foreign exchange risk	--	--	--	198	259	161
Total value at risk	--	--	--	198	259	161

The increase in VAR especially the interest rate risk is related to the increase in market interest rates volatility in the global financial markets.

The above three VAR results are calculated independently from the underlying positions and historical market movements. The aggregate of the trading and non-trading VAR results does not represent the bank's VAR due to correlations of risk types and portfolio types and their effect.

3-B/3 Foreign Exchange Fluctuations Risk

The bank is exposed to foreign exchange rate fluctuations risk in terms of the financial position and cash flows. The Board of Directors set limits for foreign exchange with the aggregate value for each position at the end of the day, and during the day which is controlled on timely basis. The following table summarizes the bank's exposure to foreign exchange fluctuations risk at the end of the financial year. The following table includes the carrying amounts of the financial instruments in their currencies:

31 December 2013	EGP	USD	EURO	GBP	Other Currencies	Total
Financial Asset						
Cash and balances with central bank	964 553 667	40 505 396	7 644 893	2 398 470	1 907 622	1 017 010 048
Due from banks	15 529 630	1 777 429 067	97 093 798	26 444 474	13 977 803	1 930 474 772
Treasury bills and other governmental notes	4 784 755 964	--	--	--	--	4 784 755 964
Loans and advances to banks	--	71 696 795	47 151 073	--	--	118 847 868
Loans and advances to customers	7 960 502 054	2 727 227 064	95 800 424	780 370	4 771	10 784 314 683
Financial derivatives	599 185	--	--	--	--	599 185
Financial investments:						
-Available for sale	2 769 328 180	552 685 201	33 633 275	--	--	3 355 646 656
-Held to maturity	10 000 000	--	--	--	--	10 000 000
Other financial assets	200 432 456	25 723 993	986 792	345	92	227 143 678
Total Financial Assets	16 705 701 136	5 195 267 516	282 310 255	29 623 659	15 890 288	22 228 792 854
Financial Liabilities						
Due to banks	248 314	61 621 582	529 516	--	15 977	62 415 389
Customer deposits	14 988 677 641	4 439 240 642	292 878 144	39 759 102	11 967 747	19 772 523 276
Other loans	--	208 158 000	--	--	--	208 158 000
Financial derivatives	60 106	--	--	--	--	60 106
Other financial liabilities	229 622 192	11 741 793	199 034	30 026	5 554	241 598 599
Total Financial Liabilities	15 218 608 253	4 720 762 017	293 606 694	39 789 128	11 989 278	20 284 755 370
Net on Financial Position	1 487 092 883	474 505 499	(11 296 439)	(10 165 469)	3 901 010	1 944 037 484
Commitments Related to Credit	210 496 909	139 513 019	--	--	--	350 009 928
31 December 2012						
Total Financial Assets	13 718 456 915	4 346 612 688	378 718 052	6 237 631	15 516 845	18 465 542 131
Total Financial Liabilities	12 167 715 258	4 293 506 545	372 849 029	29 735 393	13 890 563	16 877 696 788
Net Financial Position	1 550 741 657	53 106 143	5 869 023	(23 497 762)	1 626 282	1 587 845 343

3-B/4 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. Interest margins may increase as a result of such changes but may profit decrease in the event that unexpected movements arise. The board sets limits on the level of mismatch of interest rate reprising that may be undertaken which is monitored daily by bank risk division.

The table below summarizes the bank's exposure to interest rate risks. It includes the bank's financial instruments at carrying amounts categorized by the earlier of re-pricing or maturity dates:

31 December 2013	Up to One Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Interest Free	(EGP) Total
Financial Asset							
Cash and balances with central bank	--	--	--	--	--	1 017 010 048	1 017 010 048
Due from banks	991 565 115	906 530 785	--	--	--	32 378 872	1 930 474 772
Treasury bills and other governmental notes	30 055 090	1 742 671 428	3 012 029 446	--	--	--	4 784 755 964
Loans and advances to customers	1 892 336 403	4 373 419 319	1 612 920 196	2 600 583 560	293 277 332	11 777 873	10 784 314 683
Loans and advances to banks	48 830 180	70 682 676	--	--	--	*(664 988)	118 847 868
Financial derivatives	114 914	219 914	264 357	--	--	--	599 185
Financial investments:							
-Available for sale	32 347 782	--	194 404 697	2 942 144 567	175 100 406	11 649 204	3 355 646 656
-Held to maturity	--	--	--	--	--	10 000 000	10 000 000
Other financial assets	--	--	--	--	--	227 143 678	227 143 678
Total Financial Assets	2 995 249 484	7 093 524 122	4 819 618 696	5 542 728 127	468 377 738	1 309 294 678	22 228 792 854
Financial Liabilities							
Due to banks	--	--	--	--	--	62 415 389	62 415 389
Customer deposits	4 552 060 822	3 472 362 590	5 042 491 897	4 819 743 242	10 288 000	1 875 576 725	19 772 523 276
Financial derivatives	60 106	--	--	--	--	--	60 106
Other loans	208 158 000	--	--	--	--	--	208 158 000
Other financial liabilities	--	--	--	--	--	241 598 599	241 598 599
Total Financial Liabilities	4 760 278 928	3 472 362 590	5 042 491 897	4 819 743 242	10 288 000	2 179 590 713	20 284 755 370
Interest Re-Pricing gap	(1 765 029 444)	3 621 161 532	(222 873 201)	722 984 885	458 089 738	(870 296 026)	1 944 037 484
31 December 2012							
Total financial assets	839 222 480	4 390 651 320	7 007 600 472	4 647 651 164	270 954 694	1 309 462 001	18 465 542 131
Total financial liabilities	4 631 003 880	3 197 375 342	3 695 354 584	3 499 421 413	11 303 000	1 843 238 569	16 877 696 788
Interest Re-Pricing gap	(3 791 781 400)	1 193 275 978	3 312 245 888	1 148 229 751	259 651 694	(533 776 568)	1 587 845 343

*The amount EGP (664 988) representing the advanced commissions and interests amortized through loans to banks' life time.

3-C Liquidity Risk

Liquidity risk represents difficulty encountering the bank in meeting its financial commitments when they fall due and replace funds when they are withdrawn. This may results in failure in fulfilling the bank obligation to repay to the depositors and fulfilling lending commitments.

Liquidity Risk Management

The bank's liquidity management process carried out by the bank risk division includes:

- Daily funding managed by monitoring future cash flows to ensure that all requirements can be met when due. This includes availability of liquidity as they due or to be borrowed to customers. To ensure that the bank reaches its objective, the bank maintains an active presence in global money markets.
- The bank maintains a portfolio of highly marketable and diverse assets that assumed to be easily liquidated in the event of an unforeseen interruption of cash flow.
- Monitoring liquidity ratios compared to the internal requirements and Central Bank of Egypt requirements.
- Managing loans concentration and dues.

The main period for liquidity management is the next day, week and month. The bank calculates the expected cash flow for those periods for monitoring and reporting purposes. The starting point to calculate these expectations is analyzing the financial liabilities dues and expected financial assets collections.

Credit risk department monitors the mismatch between medium term assets, the level and nature of unused loans limits, overdraft utilizations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

Funding Approach

Sources of liquidity are regularly reviewed by bank risk division to maintain a wide diversification by currency, geography, source, products, and terms.

Non Derivative Cash Flows

The table below presents the cash flows payable by the bank under non-derivative financial liabilities by remaining contractual maturities at and the maturities assumption for non-contractual products on the basis of their behavior studies of balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the bank manages the inherent liquidity risk based on expected undiscounted and un-contractual cash inflows:

Non Derivative Cash Flows Table

31 December 2013	Up to 1 Month	Over than 1 Month to 3 Months	Over than 3 Months to 1 Year	Over than 1Year to 5 Years	More than 5 Years	(EGP) Total
Financial Liabilities						
Due to banks	62 415 389	--	--	--	--	62 415 389
Customers' deposits	6 394 142 849	3 787 968 320	4 756 847 587	4 823 119 578	10 444 942	19 772 523 276
Other loans	--	--	--	208 158 000	--	208 158 000
Other liabilities and financial derivatives	1 656 292	236 769 391	--	3 233 022	--	241 658 705
Total of Financial Liabilities According to Contractual Maturity Date	6 458 214 530	4 024 737 711	4 756 847 587	5 034 510 600	10 444 942	20 284 755 370
Total of Financial Assets According to Contractual Maturity Date	6 745 199 079	2 565 763 313	7 494 533 067	4 307 278 364	1 116 019 031	22 228 792 854

31 December 2012	Up to 1 Month	Over than 1 Month to 3 Months	Over than 3 Months to 1 Year	Over than 1Year to 5 Years	More than 5 Years	(EGP) Total
Financial Liabilities						
Due to banks	288 723 956	--	--	--	--	288 723 956
Customers' deposits	5 735 273 541	3 451 743 377	3 519 109 001	3 500 240 782	11 303 000	16 217 669 701
Other loans	--	--	--	189 570 000	--	189 570 000
Other liabilities and financial derivatives	32 658 908	82 156 922	23 649 434	43 227 501	40 366	181 733 131
Total of Financial Liabilities According to Contractual Maturity Date	6 056 656 405	3 533 900 299	3 542 758 435	3 733 038 283	11 343 366	16 877 696 788
Total of Financial Assets According to Contractual Maturity Date	4 802 390 879	77 487 146	9 283 753 554	2 628 956 759	1 672 953 793	18 465 542 131

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from Central Bank of Egypt and due from banks, treasury and other government notes, loans and facilities to banks, and loans and facilities to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

Derivatives Settled in Aggregate

The bank's financial derivatives that will be settled in gross basis include:

• Foreign exchange derivatives: future currency options, exchange trade currency options.

The table below analyses the bank's derivative financial liabilities that will be settled in aggregate into relevant maturity groupings based on the remaining period of contractual maturities at the balance sheet date. The amounts disclosed in the table are the undiscounted cash flows.

31 December 2013	Up to 1 Month	Over than 1 Month to 3 Months	Over than 3 Months to 1 Year	(EGP) Total
Derivatives Held for Trading:				
Foreign exchange derivatives:				
- Cash outflows	90 688 385	8 770 356	8 915 823	108 374 565
- Cash inflows	90 743 193	8 990 270	9 180 180	108 913 643
Total Cash Outflows*	90 688 385	8 770 356	8 915 823	108 374 565
Total Cash Inflows	90 743 193	8 990 270	9 180 180	108 913 643

*Note no. (20)

31 December 2012	Up to 1 Month	Over than 1 Month to 3 Months	Over than 3 Months to 1 Year	(EGP) Total
Derivatives Held for Trading:				
Foreign exchange derivatives:				
- Cash outflows	276 519 624	35 892 932	27 558 245	339 970 801
- Cash inflows	279 597 312	35 983 998	27 064 115	342 645 425
Total Cash Outflows*	276 519 624	35 892 932	27 558 245	339 970 801
Total Cash Inflows	279 597 312	35 983 998	27 064 115	342 645 425

*Note no. (20)

Off-Balance Sheet Items:

According to the table below and note no. (34)

At the end of 31 December 2013	Up to 1 Year	Over 1 Year and Less than 5 Years	Over than 5 Years	(EGP) Total
Loans commitments	--	350 009 928	--	350 009 928
Financial collaterals, accepted bills and other financial advances	1 472 476 529	176 653 277	33 869 205	1 682 999 011
Capital commitment resulting from fixed assets acquisition *	8 478 126	33 654	--	8 511 780
Total	1 480 954 655	526 696 859	33 869 205	2 041 520 719

At the end of 31 December 2012	Up to 1 Year	Over 1 Year and Less than 5 Years	Over than 5 Years	(EGP) Total
Loans commitments	179 333 139	85 868 975	--	265 202 114
Financial collaterals, accepted bills and other financial advances	1 374 948 334	137 639 851	98 003 071	1 610 591 256
Capital commitment resulting from fixed assets acquisition *	7 527 273	2 847 010	--	10 374 283
Total	1 561 808 746	226 355 836	98 003 071	1 886 167 653

*Note no. (34-B).

3-D Fair Value of Financial Assets and Liabilities

3-D/1 Financial Instruments Measured at Fair Value using a Valuation Method

The total amount of the change in estimated fair value using a valuation method during the financial year amounted to EGP (2 556 639) against EGP 90 666 978 as at 31 December 2012.

3-D/2 Financial Instruments not Measured at Fair Value

The table below summarizes the present value and fair values for those financial assets and liabilities not presented on the bank's balance sheet at their fair value:

	(EGP) Book Value		(EGP) Fair Value	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Financial Assets				
Financial investments:				
-Held to maturity	10 000 000	5 000 000	12 492 510	6 774 585

Due from Banks

Fair value of placements and deposits bearing variable interest rate for one day is its current value. The expected fair value for deposits bearing variable interest is based on the discounted cash flow using rate of similar asset of similar credit risk and due dates.

Loans and Advances to Banks

Loans and banking advances represented in loans not from deposits at banks. The expected fair value of the loans and facilities represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and Advances to Customers

Loans and advances are net of provisions for impairment losses. Fair value expected for loans and advances represents the discounted value of future cash flows expected to be collected and cash flows are discounted using the current market interest rate to determine fair value.

Investments in Financial Securities

Investments in financial securities shown in the previous schedule includes only held to maturity assets investments; as available for sale investments are measured at fair value except for equity instruments that its market value can't be reliably determined. Fair value of held-to-maturity investments is based on market prices or broker/ prices. Fair value is estimated using quoted market prices for financial paper with similar credit maturity and yield characteristics where information is not available.

Due to other Banks and Customers

The estimated fair value of deposits of indefinite maturity which includes interest-free deposits is the amount paid on call.

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

Debt Instruments in Issue

The aggregate fair values are calculated based on quoted market prices. For those notes which quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

3-E Capital Management

The bank's objectives behind managing capital include elements other than equity shown in the balance sheet are represented in the following:

- Compliance with capital legal requirements in Arab Republic of Egypt and the other countries the bank is operating in.
- Protecting the bank's ability to continue as a going concern and enabling it to generate

yield for shareholders and other parties dealing with the bank.

- Maintaining a strong capital base to enhance growth.

Capital adequacy and uses are reviewed on a daily basis according to the regulatory authority's requirements (Central Bank in Arab Republic of Egypt) by the bank's management through models based basel committee for banking control instructions, these data are submitted to Central Bank of Egypt on quarterly basis.

Central Bank of Egypt requires the following from the bank:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid up capital.
- Maintaining a ratio between capital elements and asset and contingent liability elements weighted by risk weights at 10 % or more.

Bank's branches which operate outside the Arab Republic of Egypt are subject to the banking business regulators' supervising rules in countries which they operate.

In accordance with the requirements of Basel 2, the numerator in capital adequacy comprises the following 2 tiers:

Tier 1:

A- The basic going concern capital which consist of the following:

Issued and paid up capital, the legal reserve, formal reserve, capital reserve, and retained earnings (carried forward losses) excluding the following:

- Treasury stocks.
- Goodwill.
- Bank' investment in financial institutions (banks and companies) and insurance companies (more than 10% of the issued capital of the company)
- The increase of the bank's investment in which each single investment is less than 10% of company's issued capital than 10% of basic going concern capital after regulatory adjustments (basic capital before excluding investments in financial intuitions and insurance companies).

The following elements is not considered:

- Fair value reserve balance of financial investments available for sale (if negative)
- Foreign currency translation differences reserve (if negative).

Where the above mentioned items deducted from basic capital if the balance is negative, while its negligible if positive

B- Additional basic capital which consists of the following:

- Permanent preferred noncumulative shares, quarterly interim gains (losses), minority interest and the difference between the nominal value and the present value of the subordinate loan /deposit.
- Interim profits is recognized only after being approved by the auditor and the approval of General Assembly of dividends, and the approval of the Central Bank, the interim losses is deducted unconditionally.

Tier 2:

- The subordinate capital which consists of the following:
- 45% Of the increase in the fair value of the carrying amount for financial investments (fair value reserve if positive, held to maturity investments, and investments in associates and subsidiaries.
- 45% Of the special reserve.
- 45% Of positive foreign currency translation differences reserve.
- Hybrid financial instruments.

- Subordinate loans(deposits).
- Loans and facilities and performing contingent liabilities provision for impairment loss (should not exceed 1.25% Of total assets and contingent liabilities total risk applying the risk weights.

Loans, facilities and nonperforming contingent liabilities provision for impairment loss should be adequate to meet the obligations the provision formed for.

Eliminations of 50% of tier 1 and 50% of tier 2:

- Investments in non-financial institutions – each company separately amounted to 15% or more of basic going concern capital of the bank before regulatory amendments.
- Total bank's investments in non-financial institutions – each company separately less than 15% more of basic going concern capital of the bank before regulatory adjustments provided that these investments combined exceed 60% of the basic capital by regulatory amendments.
- Securitization portfolio.
- What belong to the value of assets reverted to the bank as a debt settlement in the general banking risk reserve.

On calculating the total numerator of capital adequacy it is to be considered that subordinate loans /deposits should not be greater than 50% of basic capital after eliminations.

Assets and contingent liabilities are weighted by credit risk, market risk, and operational risk.

	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Capital		
Tier 1 (Basic Capital)		
Share capital (net of the treasury stocks)	1 543 359	1 337 025
Legal reserve	31 729	19 175
Other reserves	65	65
Retained earnings	--	25 228
Total Basic Capital	1 575 153	1 381 493
Tier 2 (Subordinated Capital)		
Equivalent to general risks provision	109 822	73 065
45% Of the increase in the fair value below its book value for available for sale investments	36 087	37 236
45% Of the increase in the fair value below its book value for HTM investments	1 122	799
Total Subordinate Capital	147 031	111 100
Total Capital	1 722 184	1 492 593
Risk Weighted Assets and Contingent Liabilities:	11 711 402	10 553 152
Capital requires for the opposites risks	--	5 078
Total Credit Risk	11 711 402	10 558 230
Capital requires for operations risks	1 124 670	911 080
Total Risk Weighted Assets and Contingent Liabilities *	12 836 072	11 469 310
Capital Adequacy Ratio (%)	% 13.42	% 13.01

*The is no capital requirements to meet market risk at 31 December 2013 as there is no trading position are retained, also total net foreign currencies positions amounted to less than 2% of the capital base of the bank.

4. Significant Accounting Estimates and Assumptions

The bank makes subjective estimates and judgments that affect the reported amounts of assets and liabilities with the next financial period consistently. Estimations and judgments are continually evaluated and based on historical experience and other factors including the expectations of future events that are believed to be reasonable.

4-A Impairment Losses for Loans and Advances

The bank reviews the portfolio of loans and advances for impairment at least quarterly. The bank uses discretionary judgment on determining whether it is necessary to record impairment loss in the income statement. The bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis. This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the bank or local or economic circumstances related to default. On scheduling future cash flows, the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to reduce any discrepancy between the estimated loss and actual loss based on experience.

If the variance of the net current value of the expected cash flows reaches +/- 5%, the impairment losses provision will be higher by EGP 4 217 337 or lower by EGP 4 217 337 than the formed provisions.

4-B Impairment of Available for Sale Equity Investments

The bank recognizes impairment loss relating to available for sale equity investments when there is a significant or prolonged decline in the fair value below its cost. A judgment is required to determine that the decline is significant or prolonged. In making this judgment, the bank evaluates among other factors the volatility in share price. In addition, impairment loss recognized when there is evidence of deterioration in the investee financial position or operating and finance cash flow or industry and sector performance or technology changes.

4-C Held-to-Maturity Investments

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This classification requires high degree of judgment; in return the bank tests the intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity except for certain circumstances like selling an insignificant amount of held-to-maturity investments near to maturity date, then all held to maturity investment portfolio should be reclassified as available for sale which will be measured at fair value instead of amortized cost. In addition the bank should suspend classifying investments as held to maturity caption.

If classification of investments as held to maturity is suspended the carrying amount shall increase or decrease the book value to reach its fair value by recording a counter entry in the valuation reserve available for sale within the equity caption.

4-D Income Tax

The bank is subject to income tax which requires the use of estimates to calculate the income tax provision. There are a number of processes and calculations which are so hard to determine the final income tax precisely. The bank records a liability related to the tax inspection estimated results. When there is a difference between the final result of the actual tax inspection and the amounts previously recorded by the bank, such differences will be recorded in the period where differences noted. Income tax and deferred tax will be recorder in that period.

5. Segment Analysis

(A) By Activity Segment

Activity segment include operations and assets used in providing banking services and managing related risks and yields which may differ from other activities. The segmentation analyses of operations according to the banking activities are as follows:

- **Large Enterprises, Medium and Small**

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

- **Investment**

Includes merging of companies, purchase of investments, financing company's restructure and financial instruments.

- **Individuals**

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

- **Other Activities**

Include other banking activities such as fund management.

Inter-segment transactions occur at the normal course of business of the bank. Assets and liabilities at the balance sheet include operating assets and liabilities.

31 December 2013	Corporate	Medium and Small Enterprises	Investment	Individuals	EGP Total
Income and Expenses according to the activity segment					
Income of activity segment	823 169 037	12 143 524	992 639 109	439 534 169	2 267 485 839
Expenses of activity segment	(673 877 868)	(9 679 450)	(689 753 074)	(343 337 146)	(1 716 647 538)
Segment result	149 291 169	2 464 074	302 886 035	96 197 023	550 838 301
Tax	(37 322 792)	(616 019)	(117 642 029)	(24 049 256)	(179 630 096)
Profit for the year	111 968 377	1 848 055	185 244 006	72 147 767	371 208 205
Assets and Liabilities according to activity segment					
Assets of activity segment	7 553 286 292	103 294 963	13 194 738 061	1 798 452 011	22 649 771 327
Other items of activity segment Depreciations	(7 291 247)	(1 839 767)	(22 330 457)	(5 265 462)	(36 726 933)
Impairment and effect of other provisions on income statements	(22 797 066)	--	--	--	(22 797 066)

31 December 2012	Corporate	Medium and Small Enterprises	Investment	Individuals	EGP Total
Income and Expenses according to the activity segment					
Income of activity segment	727 062 125	6 730 838	959 806 987	346 060 110	2 039 660 060
Expenses of activity segment	(253 325 557)	(7 839 462)	(1 067 277 675)	(273 682 827)	(1 602 125 521)
Segment result	473 736 568	(1 108 624)	(107 470 688)	72 377 283	437 534 539
Tax	(118 434 142)	--	(49 935 589)	(18 094 321)	(186 464 052)
Profit for the year	355 302 426	(1 108 624)	(157 406 277)	54 282 962	251 070 487
Assets and Liabilities according to activity segment					
Assets of activity segment	7 593 936 070	77 954 302	9 433 757 467	1 783 142 895	18 888 790 734
Other items of activity segment Depreciations	(6 484 766)	(1 461 111)	(20 012 062)	(4 200 650)	(32 158 589)
Impairment and effect of other provisions on income statements	(50 843 720)	--	--	--	(50 843 720)

(B) Analysis according to the Geographical Segment

31 December 2013	Egypt		Total	Gulf Countries	Other Countries	EGP Total
	Cairo	Alexandria, Delta and Sinai				
Income and Expenses according to the geographical segments						
Income of geographical segments	2 006 494 728	170 685 668	2 177 180 396	44 671 580	37 233 952	2 259 085 928
Expenses of geographical segments	(1 450 646 216)	(207 720 540)	(1 658 366 756)	--	(3 655 028)	(1 662 021 784)
Segment result	555 848 512	(37 034 872)	518 813 640	44 671 580	33 578 924	597 064 144
Expenses not clarified	--	--	--	--	--	(46 225 843)
Profit for the year before tax	--	--	--	--	--	550 838 301
Tax	--	--	--	--	--	(179 630 096)
Profit for the year	--	--	--	--	--	371 208 205
Assets and Liabilities according to the geographical segment						
Assets of geographical segments	18 608 779 145	1 335 083 843	19 943 862 988	1 353 413 767	1 459 643 104	22 756 919 859
Assets not clarified	--	--	--	--	--	(107 148 532)
Total Assets	--	--	--	--	--	22 649 771 327
Liabilities of geographical segments	17 215 555 305	2 958 075 127	20 173 630 432	590 432	271 955 239	20 446 176 103
Liabilities not clarified	--	--	--	--	--	9 532 596
Total Liabilities	--	--	--	--	--	20 455 708 699
Other items of geographical segment Depreciations	(32 736 589)	(3 990 344)	(36 726 933)	--	--	(36 726 933)
Impairment and effect of other provisions on income statements	(22 601 513)	(195 553)	(22 797 066)	--	--	(22 797 066)

31 December 2012	Egypt		Total	Gulf Countries	Other Countries	EGP Total
	Cairo	Alexandria, Delta and Sinai				
Income and Expenses according to the geographical segments						
Income of geographical segments	1 859 717 827	141 777 949	2 001 495 776	14 588 256	10 142 795	2 026 226 827
Expenses of geographical segments	(1 354 444 373)	(167 965 977)	(1 522 410 350)	(2 693 316)	(13 619 645)	(1 538 723 311)
Segment result	505 273 454	(26 188 028)	479 085 426	11 894 940	(3 476 850)	487 503 516
Expenses not clarified	--	--	--	--	--	(49 968 977)
Profit for the year before tax	--	--	--	--	--	437 534 539
Tax	--	--	--	--	--	(186 464 052)
Profit for the year	--	--	--	--	--	251 070 487
Assets and liabilities according to the geographical segment						
Assets of geographical segments	15 748 144 283	1 182 688 232	16 930 832 515	475 724 239	1 553 487 487	18 960 044 241
Assets not clarified	--	--	--	--	--	(71 253 507)
Total Assets	--	--	--	--	--	18 888 790 734
Liabilities of geographical segments	14 255 956 469	2 535 578 486	16 791 534 955	--	235 260 703	17 026 795 658
Liabilities not clarified	--	--	--	--	--	1 811 073
Total Liabilities	--	--	--	--	--	17 028 606 731
Other items of geographical segment	--	--	--	--	--	17 028 606 731
Depreciations	(28 144 673)	(4 013 916)	(32 158 589)	--	--	(32 158 589)
Impairment and effect of other provisions on income statements	(44 046 574)	(6 797 146)	(50 843 720)	--	--	(50 843 720)

6. Net Interest Income

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Interest Income on Loans and Similar Income:		
Loans and Advances to Customers	1 086 322 271	903 701 352
Loans and Advances to Banks	2 068 073	2 793 118
	1 088 390 344	906 494 470
Treasury Bills and Treasury Bonds	811 167 838	654 454 333
Deposits and Current Accounts	46 456 681	41 704 756
Investments in debt instruments held to maturity and available for sale	23 664 414	28 281 072
Other	136 214	415 361
Total	1 969 815 491	1 631 349 992
Interest Expense on Deposits and Similar Expense:		
Deposits and Current Accounts:		
Customers	1 223 787 047	941 251 169
Banks	27 876 120	32 265 607
	1 251 663 167	973 516 776
Other Loans	2 665 536	2 640 538
Other	1 291 776	3 723 886
Total	1 255 620 479	979 881 200
Net Interest Iincome	714 195 012	651 468 792

7. Net Fees and Commission Income

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Fees and Commission Income:		
Fees and commissions related to credit	73 106 866	64 469 573
Fees related to corporate financing services	11 575 996	7 853 280
Custody fees	3 472 990	2 321 784
Other fees	85 293 613	77 306 337
Total	173 449 465	151 950 974
Fees and Commission Expenses:		
Other commission paid	843 910	484 500
Other fees paid	9 108 875	7 236 356
Total	9 952 785	7 720 856
Net Fees and Commission Income	163 496 680	144 230 118

8. Dividends Income

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Available for Sale Investments	159 720	77 428
Total	159 720	77 428

9. Net Trading Income

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Debt instruments held for trading	532 038	935 459
Net Trading Income	532 038	935 459

10. Administrative Expenses

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Staff Costs		
Wages and salaries	170 920 920	144 625 269
Social insurance	5 224 885	4 278 110
Total Staff Costs	176 145 805	148 903 379
Depreciation and amortization	36 726 933	32 158 589
Other administrative expenses	749 117 656	94 845 409
Total Administrative Expenses	330 529 487	275 907 377

11. Other Operating Income

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Profits from revaluation of monetary assets and liabilities determined in foreign currency other than those classified for trading or initially classified at fair value through profits and losses	62 452 094	32 870 454
Losses on sale of property and equipment	228 521	(488 580)
Rentals	(20 465 091)	(15 640 222)
Other provisions charged *	(22 879 394)	(15 392 326)
Other income	1 094 959	872 943
	20 431 089	2 222 269

12. Impairment Charges on Credit Losses

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Loans and Advances to Customers (note. 19)	(69 022 909)	(100 812 697)
	(69 022 909)	(100 812 697)

13. Income Tax Expenses

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Current Taxes	181 693 722	181 520 801
Deferred Taxes	(2 063 626)	4 943 251
	179 630 096	186 464 052

Taxation Position

A- Corporate Tax

- Tax was fully settled till year 2004.
- Years 2005 and 2006 results tax losses according to inspection and transferred to appeal commission, and had been agreed on the tax losses for these years at the special internal committee.
- Years for 2007/2008 are under inspection.
- The bank has provided the tax returns for 2009 till 2012 and inspection has not took placed yet.

B- Salary Tax

- Tax was fully settled till year 2010.
- Tax for 2011 has been inspected and there was a protest against the inspection result in front of the appeal committee..
- Tax for 2012 has not been inspected yet.

C- Stamp Duty Tax

- Tax was fully settled till year 2002.
- Years 2003/2004 discusses in the appeal committee.
- Years from 2005 till 2006 were inspected according to law no. 111 For the year 1980 and there was a protest against the inspection result in front of the appeal committee.
- Years from 2006 till 2009 were inspected according to law no. 111 For the year 1980 and its amendments no. 143 For the year 2006 and there was a protest against the inspection result in front of the appeal committee.
- Years 2010 till 2012 have not been inspected yet.

14. Earnings Per Share

- Basic

Earnings per share calculated by dividing net profits related to the shareholders by the ordinary shares weighted average issued during the year.

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Net Profit Applied for Dstribute on Shareholders	371 110 279	253 660 465
Employee's Profit Share	(35 254 986)	(24 110 694)
	335 855 293	229 549 771
Ordinary Shares weighted average issued	23 828 767	20 661 644
Earnings per Share	14.10	11.11

15. Cash and Balances with The Central Bank of Egypt

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Cash	120 994 966	123 599 337
Balances at Central Bank within the required reserve percentage	896 015 082	827 984 345
Total	1 017 010 048	951 583 682
Interest Free Balances	1 017 010 048	951 583 682

16. Due from Banks

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Current Accounts	32 378 871	33 951 999
Deposits	1 898 095 901	1 790 062 634
	1 930 474 772	1 824 014 633
Due from Central Bank (other than the required reserve percentage)	472 813 226	422 109 200
Local Banks	70 231 619	9 857 921
Foreign Banks	1 387 429 927	1 392 047 512
	1 930 474 772	1 824 014 633
Interest Free Balances	32 378 871	33 951 999
Fixed Interest Rate Balances	1 898 095 901	1 790 062 634
	1 930 474 772	1 824 014 633
Current Balances	1 930 474 772	1 824 014 633

17. Treasury Bills and Other Governmental Notes

Treasury Bills represent the following:

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Treasury bills and other governmental notes	4 784 755 964	5 756 056 659
Sale for repurchase agreements	--	(2 275 379 910)
Net	4 784 755 964	3 480 676 749
Treasury Bills represent the following:-		
Treasury bills 91 days maturity	--	75 000
Treasury bills 182 days maturity	648 775 000	1 125 000
Treasury bills 273 days maturity	310 350 000	1 612 850 000
Treasury bills 364 days maturity	4 069 550 000	4 560 125 000
Unearned interest	(243 919 036)	(418 118 341)
Total (1)	4 784 755 964	5 756 056 659
Sale for Repurchase Agreements		
Sale for repurchase agreements within 1 month	--	(942 689 010)
Sale for repurchase agreements within 3 months	--	(454 773 109)
Sale for repurchase agreements within 6 months	--	(877 917 791)
Total (2)	--	(2 275 379 910)
Total (1) – (2)	4 784 755 964	3 480 676 749

18. Loans and Advances to Banks

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Forward Loans	118 847 868	59 935 909
Current Balances	118 847 868	59 935 909

19. Loans and Advances to Customers

	31 December 2013 EGP	31 December 2012 EGP
Retail		
Credit cards	258 460 846	184 438 320
Personal loans	1 788 168 092	1 478 685 353
Debit current accounts	261 785 814	280 060 252
Real estate loans	30 672 033	21 578 060
Total (1)	2 339 086 785	1 964 761 985
Corporate Loans Including Small Loans for Economic Activities		
Debit current accounts	4 807 164 255	4 270 985 794
Direct loans	1 568 182 378	1 551 237 978
Syndicated loans	2 112 838 533	1 645 363 553
Other loans	253 300 302	200 307 527
Total (2)	8 741 485 468	7 667 894 852
Total Loans and Advance to Customers (1+2)	11 080 572 253	9 632 656 837
Less: provision for impairment losses	(296 257 570)	(237 559 480)
Net Distributed to:	10 784 314 683	9 395 097 357
Current balances	7 174 517 506	6 584 248 578
Non-current balances	3 609 797 177	2 810 848 779
	10 784 314 683	9 395 097 357

The bank accepted trading securities for the year ended in 31 December 2013 of fair value amounted to EGP 3 397 003 623 against comparative date balance amounted to EGP 2 525 204 166 as a commercial loan guarantee.

Provision for Impairment Losses

Movement analysis of the impairment loss provision for loans and advances to customers according to types:

(EGP)

	Retail				
31 December 2013	Credit cards	Personal Loans	Retail Debit Current Account	Real Estate Loans	Total
Balance as of 1/1/2013	2 798 970	15 608 902	1 002 578	8 138	19 418 588
Impairment losses during the year	5 451 501	5 640 893	779 552	(2 698)	*11 869 248
Amounts written off during the year	(6 098 629)	(12 750 003)	--	--	(18 848 632)
Refundable amounts during the year	1 753 679	6 137 021	--	--	7 890 700
Balance as of 31 December 2013	3 905 521	14 636 813	1 782 130	5 440	** 20 329 904

*Note no. (12).

** Impairment losses of retail represents provision of groups have similar credit characteristic.

(EGP)

	Corporate				
31 December 2013	Debit Current Accounts	Direct Loans	Syndicated Loans	Other Loans	Total
Balance as of 31 December 2013	121 126 066	83 751 183	12 350 063	913 580	218 140 892
Impairment losses during the year	38 932 221	7 550 367	9 566 440	1 104 633	* 57 153 661
Refundable amounts during the year	--	6 000	--	--	6 000
Valuation difference of monetary assets dominated in foreign currencies	1 544 749	(917 726)	(504 471)	504 561	627 113
Balance as of 31 December 2013	161 603 036	90 389 824	21 412 032	2 522 774	** 275 927 666

*Note no. (12).

** Impairment losses of corporate amount of EGP 189 109 038 represents individual provision and amount of EGP 80 818 627 represents provision of groups have similar credit characteristic.

(EGP)

31 December 2012	Retail				
	Retail Credit Cards	Personal Loans	Debit Current Account	Real Estate Loans	Total
Balance as of 1/1/2012	2 204 219	47 556 251	226 811	3 748	49 991 029
Impairment losses during the year*	4 786 842	7 999 840	775 767	4 390	*13 566 839
Amounts written off during the year	(5 406 721)	(40 882 164)	--	--	(46 288 885)
Refundable amounts during the year	1 214 630	934 975	--	--	2 149 605
Balance as of 31 December 2012	2 798 970	15 608 902	1 002 578	8 138	** 19 418 588

*Note no. (12).

** Impairment losses of retail represents provision of groups have similar credit characteristic.

(EGP)

31 December 2012	Corporate				
	Debit Current Accounts	Direct Loans	Syndicated Loans	Other Loans	Total
Balance as of 31 December 2012	86 927 041	39 579 478	3 734 674	321 594	130 562 787
Impairment charges during the year	33 985 577	44 069 148	8 600 266	590 867	* 87 245 858
Amounts written off during the year	65 115	--	--	--	65 115
Valuation difference of monetary assets dominated in foreign currencies	148 333	102 557	15 123	1 119	267 132
Balance as of 31 December 2012	121 126 066	83 751 183	12 350 063	913 580	** 218 140 892

*Note no. (12).

*Impairment losses of corporate amount of EGP 166 305 973 represents individual provision and amount of EGP 51 834 919 represents provision of groups have similar credit characteristic.

20. Financial Derivatives Instruments

The bank uses the following financial derivatives for hedging and non-hedging purposes:

- The forward currency contracts represent commitments to buy foreign and local currencies, including unexecuted spot transactions. Foreign currency and /or interest rates future contracts are contractual obligations to receive or pay net amount based on the change in foreign exchange or interest rates, and/or buy or sell foreign currency or financial instrument in a future date at a contractual determined price in an active financial market. The bank's credit risk is considered minimal, forward interest rate contracts represent future interest rate contracts negotiated on case by case, these contracts require monetary settlements in a future date of the difference between agreed interest rates and prevailing market interest rate based on agreed contractual amount (nominal value).
- Currency and/or interest rate swaps represent commitments to exchange cash flows. As a result of these contracts, currencies or interest rates (e.g.; Fixed Rate Verses Variable Rate) or both (interest rate and currency swaps) are exchanged. Contractual amounts are not actually exchanged except for some currency swaps.

Credit risks are represented in the contingent cost to change swap contracts in case the counter parties failed to perform their commitments. This risk is continuously monitored through comparisons of fair value and with percentage of contractual amount, and to monitor the existing credit risk, the bank evaluates counter parties using the same methods used in lending activities.

- Foreign currency options and/or interest rates options represent contractual agreements whereby the seller (issuer) gives the buyer (holders) a right not an obligations , to buy (call option) or to sell (put option) on a certain day or within a certain year , a certain amount of foreign currency or financial instrument at a predetermined price . The seller receives commissions in compensation for his acceptance of the foreign currency risk or interest rate risk. Options contracts are either traded in the market or negotiated between the bank and one of its clients (over- the counter). The bank is exposed to credit risk for purchased options contracts only and to extent of its carrying values which represent its fair value.
- The contractual value of some financial instruments are considered a base to compare with the recognized financial instruments on the balance sheet, however it does not necessarily provide an indicator for future cash flows or the fair value of the instruments, thus, those amounts doesn't reflect the credit risk or interest rate risk.

Financial derivatives are considered in the favor of the bank (assets) or not in its favor (liabilities) as a result of changes in foreign exchange rates or interest rates related to these financial derivatives. Contractual /estimated amounts of financial derivatives can fluctuate from time to time, as well as, the range through which financial derivatives are considered in the favor of the bank (assets) or not in its favor (liabilities) and the total fair value of the financial assets and liabilities from derivative. The following are the fair values of the financial derivatives on hand:

31 December 2013	Contractual Amount/ Nominal Value	Fair Values Assets	Fair Values Liabilities
	EGP	EGP	EGP
A- Derivatives held for trading			
Foreign currency derivatives			
Currency forward contracts	108 374 565	599 185	60 106
Total Derivatives (over- the counter)	108 374 565	599 185	60 106
Total Assets (liabilities) of derivatives held for trading	108 374 565	599 185	60 106
Current Balances	108 374 565	599 185	60 106

31 December 2012	Contractual Amount/ Nominal Value	Fair Values Assets	Fair Values Liabilities
	EGP	EGP	EGP
A- Derivatives held for trading			
Foreign currency derivatives			
Currency forward contracts	339 970 801	3 876 503	1 201 878
Total Derivatives (over- the counter)	339 970 801	3 876 503	1 201 878
Total Assets (liabilities) of derivatives held for trading	339 970 801	3 876 503	1 201 878
Current Balances	339 970 801	3 876 503	1 201 878

21. Financial Investments

	31 December 2013 EGP	31 December 2012 EGP
Available for Sale Investments		
Debt instruments- fair value:		
- Listed	3 343 997 452	2 536 326 721
- Unlisted	9 197 356	2 709 834
Equity instruments- fair value:		
- Listed	--	1 728 500
- Unlisted	2 451 848	1 897 990
Total Available for Sale Investments (1)	3 355 646 656	2 542 663 045
Held to Maturity Investments		
Debt instruments at amortized cost:		
- Unlisted	10 000 000	5 000 000
Total Held to Maturity Investments (2)	10 000 000	5 000 000
Total Financial Investments (1+2)	3 365 646 656	2 547 663 045
Current Balances	2 918 234 884	11 336 324
Non-Current Balances	447 411 772	2 536 326 721
	3 365 646 656	2 547 663 045
Fixed Interest debt instruments	3 343 997 452	2 536 326 721
Variable Interest debt instruments	19 197 356	7 709 834
	3 363 194 808	2 544 036 555

	Available for Sale Investments	Held to Maturity Investments	(EGP) Total
Balance as of 1/1/2013	2 542 663 045	5 000 000	2 547 663 045
Additions	2 094 972 826	5 000 000	2 099 972 826
Disposals (sale /redemption)	(1 319 236 045)	--	(1 319 236 046)
Valuation difference of monetary assets dominated in foreign currencies	50 355 460	--	50 355 460
Gain from change in fair Market Value (note. 32-D)	(2 556 639)	--	(2 556 638)
Amortization	(10 551 991)	--	(10 551 991)
Balance as of 30/6/2013	3 355 646 656	10 000 000	3 365 646 656
Balance as of 1/1/2012	791 193 380	95 015 379	886 208 759
Additions	3 000 570 592	--	3 000 570 592
Disposals (sale / redemption)	(1 356 636 105)	(92 600 000)	(1 449 236 105)
Valuation difference of monetary assets dominated in foreign currencies	19 726 308	--	19 726 308
Gain from change in fair Market Value (note. 32-D)	90 666 978	--	90 666 978
Amortization	(2 858 108)	2 584 621	(273 487)
Balance as of 31/12/2012	2 542 663 045	5 000 000	2 547 663 045

Profits of Financial Investments

	For the Year Ended 31/12/2013 EGP	For the Year Ended 31/12/2012 EGP
Profits from sale financial assets available for sale (note. 32-D)	37 454 878	7 714 028
Profits from sale of treasury bills	14 121 280	7 606 519
	51 576 158	15 320 547

22. Intangible Assets

	31 December 2013 EGP	31 December 2012 EGP
- Computer software		
Net book value at beginning of the year	6 302 105	4 403 470
Additions	5 204 010	4 629 952
Accumulated amortization	(3 646 677)	(2 731 317)
	7 859 438	6 302 105

23. Other Assets

	31 December 2013 EGP	31 December 2012 EGP
Accrued revenues	199 172 090	185 947 084
Prepaid expenses	21 287 758	22 649 423
Down payment to purchase fixed assets	82 036 471	77 098 414
Assets reverted to the bank in settlement of debts	3 725 600	3 725 600
Security deposits and custody	2 133 116	2 028 645
Other	27 971 588	16 747 169
	336 326 623	308 196 335

24. Fixed Assets

	Land and Buildings EGP	Leasehold Lmprovement EGP	Machines and Equipments EGP	Other EGP	Total EGP
Balance as of 1/1/2012					
Cost	182 531 930	29 346 442	27 102 886	112 485 656	351 466 914
Accumulated depreciation	(16 648 357)	(8 253 422)	(12 870 113)	(52 361 902)	(90 133 794)
Net book value as of 1/1/2012	165 883 573	21 093 020	14 232 773	60 123 754	261 333 120
Additions during the year	30 814 706	9 010 165	5 371 768	35 175 676	80 372 315
Disposals during the year	--	(776 150)	--	(587 082)	(1 363 232)
Adjustments during the year	--	--	--	(24 767)	(24 767)
Depreciation during the year	(4 884 181)	(3 306 446)	(3 863 611)	(17 373 034)	(29 427 272)
Accumulated depreciation for disposals during the year	--	213 437	--	340 815	554 252
Net book value as of 31/12/2012	191 814 098	26 234 026	15 740 930	77 655 362	311 444 416
Balance as of 1/1/2013					
Cost	213 346 636	37 580 457	32 474 654	147 049 483	430 451 230
Accumulated depreciation	(21 532 538)	(11 346 431)	(16 733 724)	(69 394 121)	(119 006 814)
Net book value as of 1/1/2013	191 814 098	26 234 026	15 740 930	77 655 362	311 444 416
Additions during the year	11 301 657	1 127 136	1 935 084	11 466 940	25 830 817
Disposals during the year	--	--	(1 500)	(2 067 574)	(2 069 074)
Adjustments during the year	(61 959)	--	--	--	(61 959)
Depreciation during the year	(5 331 797)	(3 802 044)	(4 599 490)	(19 346 925)	(33 080 256)
Accumulated depreciation for disposals during the year	--	--	658	1 871 488	1 872 146
Net book value as of 31/12/2013	197 721 999	23 559 118	13 075 682	69 579 291	303 936 090
Balance as of 31/12/2013					
Cost	224 586 334	38 707 593	34 408 238	156 448 849	454 151 014
Accumulated depreciation	(26 864 335)	(15 148 475)	(21 332 556)	(86 869 558)	(150 214 924)
Net book value	197 721 999	23 559 118	13 075 682	69 579 291	303 936 090

- Fixed assets (after depreciation) include assets that are not registered yet in the name of the bank amounting EGP 102 Million at the balance sheet date, legal procedures are currently undertaken to register those assets.

25. Balances Due to Banks

	31 December 2013 EGP	31 December 2012 EGP
Current Accounts	62 415 389	45 680 396
Deposits	--	243 043 560
	62 415 389	288 723 956
Local Banks	173 997	243 043 560
Foreign Banks	62 241 392	45 680 396
	62 415 389	288 723 956
Interest free Balances	62 415 389	45 680 396
Fixed interest Balances	--	243 043 560
	62 415 389	288 723 956
Current Balances	62 415 389	288 723 956

26. Customers' Deposits

	31 December 2013 EGP	31 December 2012 EGP
Demand Deposits	3 123 934 433	2 429 199 100
Time deposits and Call Accounts	10 727 462 231	9 415 192 608
Certificates of Deposit	4 887 772 000	3 531 863 561
Savings Deposits	704 039 772	494 881 778
Other Deposits	329 314 840	346 532 654
	19 772 523 276	16 217 669 701
Corporate Deposits	12 159 079 416	10 230 365 849
Individual Deposits	7 613 443 860	5 987 303 852
	19 772 523 276	16 217 669 701
Interest free Balances	1 875 576 725	1 617 026 920
Variable interest Balances	2 270 656 818	1 694 939 675
Fixed interest Balances	15 626 289 733	12 905 703 106
	19 772 523 276	16 217 669 701
Current Balances	14 938 958 756	12 706 125 919
Non-current Balances	4 833 564 520	3 511 543 782
	19 772 523 276	16 217 669 701

27. Other Loans

	Interest Rate (%)	31 December 2013 EGP	31 December 2012 EGP
Bank Audi lebanon (s.a.l) loan for USD 30 Millions dated 11 January 2012, due date 10 January 2015	3 Month libor + 1 %		
Non - current balances		208 158 000	189 570 000
		208 158 000	189 570 000

28. Other Liabilities

	31 December 2013 EGP	31 December 2012 EGP
Accrued interest	182 067 351	138 322 835
Unearned revenue	2 802 836	1 835 798
Accrued expenses	24 113 727	16 148 868
Other credit balances	59 531 248	42 208 418
	268 515 162	198 515 919

29. Other Provisions

31 December 2013				
	Provision for probable Claims	Provision for Legal cases	Provision for contingent Liabilities **	Total
	EGP	EGP	EGP	EGP
Balance at the beginning of the year	11 013 504	1 404 498	8 774 864	21 192 866
Formed during the year*	22 219 970	--	854 917	23 074 887
Used during the year	(696 868)	(356 525)	--	(1 053 393)
Provisions no longer required*	--	--	(195 493)	(195 493)
Valuation differences of foreign currencies	--	--	98 310	98 310
Balance at the end of the year	32 536 606	1 047 973	9 532 598	43 117 177

During the current financial year, a provision was formed with the whole expected value, and it is expected to the full usage of this provision during the later periods.

* Note number (11).

** Contingent liabilities provision include EGP 6 859 852 individual provision and EGP 2 672 746 for groups of similar credit characteristics provision.

31 December 2012				
	Provision for probable Claims	Provision for Legal cases	Provision for contingent Liabilities **	Total
	EGP	EGP	EGP	EGP
Balance at the beginning of the year	3 823 766	1 378 097	1 560 914	6 762 777
Formed during the year*	8 181 691	60 623	7 171 012	15 413 326
Used during the year	(991 953)	(13 222)	--	(1 005 175)
Provisions no longer required**	--	(21 000)	--	(21 000)
Valuation differences of foreign currencies	--	--	42 938	42 938
Balance at the end of the year	11 013 504	1 404 498	8 774 864	21 192 866

During the current financial year, a provision was formed with the whole expected value, and it is expected to the full usage of this provision during the later periods.

* Note number (11).

** Contingent liabilities provision include EGP 6 963 791 individual provision and EGP 1 811 073 for collective provision.

30. Deferred Income Taxes

Deferred income taxes calculated entirely on the differences of deferred tax in accordance with liabilities method using the effective tax rate of 25% for the financial year.

Deferred tax assets resulting from carried forward tax losses are not recognized unless it is probable that there are future tax profits that can through it utilize the forward carried tax losses.

Offset between deferred tax assets and deferred tax liabilities if there is legal reason to offset current tax assets against current tax liabilities and also when the deferred income taxes belong to the same department of taxation.

Deferred Tax Assets and Liabilities

The movement of deferred tax assets and liabilities are as follows:

Deferred Tax Assets And Liabilities Balances

	Deferred Tax Assets		Deferred Tax Liabilities	
	31 December 2013 EGP	31 December 2012 EGP	31 December 2013 EGP	31 December 2012 EGP
Fixed assets	--	--	(17 256 107)	(16 121 608)
Provisions(other than losses of loans impairment)	8 506 790	5 308 665	--	--
Total tax assets (liabilities)	8 506 790	5 308 665	(17 256 107)	(16 121 608)
Net tax (liabilities	--	--	(8 749 317)	(10 812 943)

Deferred Tax Assets And Liabilities Balances

	Deferred Tax Assets		Deferred Tax Liabilities	
	31 December 2013 EGP	31 December 2012 EGP	31 December 2013 EGP	31 December 2012 EGP
Balance at beginning of year	5 308 665	1 691 018	(16 121 608)	(7 560 710)
Additions	3 198 125	3 617 647	(1 134 499)	(8 560 898)
Balance at end of year	8 506 790	5 308 665	(17 256 107)	(16 121 608)

31. Paid Up Capital

The authorized and issued capital was amounted to USD 200 million equivalent to EGP 1 123 437 365 at par value USD 10 each and all the issued shares are fully paid.

- According to the board of directors meeting that was held in 30 may 2013, the extraordinary general assembly in 21 June 2013 has approved to increase the authorized and issued capital by USD 35 million (thirty five million dollars) to be the authorized and issued capital usd 235 million (two hundred thirty five million dollars) equivalent to EGP 1 337 024 865 divided on 23 500 000 shares (twenty three millions five hundred thousand shares) valued by 10 USD per each and shareholders had paid the value of increase amounted to 35 million equivalent to EGP 213 286 500 on 16 July 2012 and had been registered on 23 October 2012 at commercial register.
- The extraordinary General Assembly on 23 April 2013 has approved to increase the authorized and issued capital by USD 30 million (thirty million dollars) equivalent to EGP 206 334 000 and shareholders had paid the value of increase to be the authorized and issued capital usd 265 million (two hundred sixty five million dollars) equivalent to EGP 1 543 358 865 divided on 26 500 000 shares (twenty six millions five hundred thousand shares) valued by 10 USD per each and had been registered on 21 November 2013 at commercial register.

- Shareholders as followings:

	Number of Shares	Book Value USD	Currency
Bank Audi “SAL” - Audi Group Saradar – Lebanon	26 499 998	264 999 980	
Bank Audi “SAL” – Private Services Saradar – Lebanon	1	10	**USD**
Bank Audi “SAL” - Business Saradar – Lebanon	1	10	**USD**
Total	26 500 000	265 000 000	**USD**

32. Reserves and Retained Earnings

	31 December 2013 EGP	31 December 2012 EGP
Reserves		
Special Reserve	81 099 789	81 099 789
General Banking risks reserve	86 407 835	63 770 271
Legal Reserve	31 728 638	19 175 114
Capital Reserve	64 906	64 906
Fair value reserve –investments available for sale	80 194 390	82 751 029
Total Reserves at the end of the financial year	279 495 558	246 861 109

Reserves movements are as follows:

A- Special Reserve

	31 December 2013 EGP	31 December 2012 EGP
Balance at the beginning of the year	81 099 789	81 099 789
Balance at the end of the year	81 099 789	81 099 789

In accordance with central bank of Egypt's rules relating to the preparation and presentation of the financial statements and measurement and recognition bases approved by its board of directors on 16 December 2008, the way of measurement the impairment of loans, facilities, and other debt instruments has been changed, as a result; the general provision for the loans and facilities has been deleted and replaced by total provisions include group of assets that bear credit risk and similar characteristics or individual provisions and the total increase in the current provisions has been posted on first of January 2009 in according to using the former basis of evaluation to the provisions as the new method to special reserve in the owners' equity. The distribution for this provision is prohibited except after obtaining the approval of the Central Bank of Egypt.

B- General Banking Risk Reserve

	31 December 2013 EGP	31 December 2012 EGP
Balance at the beginning of the year	63 770 271	32 689 418
Transferred from retained earnings	22 637 564	31 080 853
Balance at the end of the year	86 407 835	63 770 271

In accordance with the Central Bank of Egypt instructions general banking risk reserve is formed to meet unexpected risks; and this reserve is un-distributable except after obtaining the approval of the Central Bank of Egypt. In accordance with Central Bank of Egypt's rules relating to the preparation and presentation of the financial statements and measurement and recognition bases approved by its board of directors on 16 December 2008.

C- Legal Reserve

	31 December 2013 EGP	31 December 2012 EGP
Balance at the beginning of the year	19 175 114	12 800 547
Transferred from year's profits	12 553 524	6 374 567
Balance at the end of the year	31 728 638	19 175 114

According to the local laws, 5% of the net annual profits is retained for reserve not distributed to reach to 50% from the issued capital.

D- Fair Value Reserve –investments available for sale

	31 December 2013 EGP	31 December 2012 EGP
Balance at the beginning of the year	82 751 029	(7 915 949)
Net profits/(losses) of change in fair value (note 21)	34 898 239	98 381 006
Net transferred (profits) to income statement as a result of disposal (note 21)	(37 454 878)	(7 714 028)
Balance at the end of the year	80 194 390	82 751 029

This reserve is un-distributable except after obtaining the approval of the Central Bank of Egypt.

E- Retained Earnings

	31 December 2013 EGP	31 December 2012 EGP
Movement on retained earnings		
Balance at the beginning of the year	276 298 029	260 218 283
Net profit for the year	371 208 205	251 070 487
Shareholders share for previous year's profits	(216 996 247)	(187 993 898)
Staff share for previous year's profits	(24 110 694)	(9 541 423)
Transferred to general banking risks reserve	(22 637 564)	(31 080 853)
Transferred to legal reserve	(12 553 524)	(6 374 567)
Balance at the end of the year	371 208 205	276 298 029

33. Cash and Cash Equivalents

For the purpose of preparing the statement of cash flow, the cash and cash equivalent includes the following balances of maturity dates within less than three months from the date of acquisition:

	31 December 2013 EGP	31 December 2012 EGP
Cash and due from Central Bank of Egypt (included in note. 15)	120 994 966	123 599 337
Due from banks (included in note. 16)	32 378 871	33 951 999
Treasury bills and other governmental notes (included in note. 17)	--	75 000
	153 373 837	157 626 336

34. Commitment and Contingent Liabilities

A- Legal Claims

There are lawsuits filed against the bank as of 31 December 2013 and provision amounted to EGP 1 047 973 has been formed for these lawsuits.

B- Capital Commitment

The bank's total capital commitments amounted to EGP 8.5 Million as of 31 december 2013 against EGP 10.4 Million comparative represented in purchasing fixed assets and the management is confident that net profit will be recognized, will be used to pay these commitments.

C- Commitments for Loans Guarantees and Facilities *

Bank commitments for loans guarantees and facilities are represented as follows:

	31 December 2013 EGP	31 December 2012 EGP
Commitments for loans and other irrevocable liabilities related to credit	350 009 928	265 202 114
Accepted papers	61 560 588	81 187 156
Letters of guarantee	1 366 170 911	1 357 433 655
Letter of credit-import	235 585 431	130 618 728
Letter of credit-export	19 682 081	41 351 717
	2 033 008 939	1 875 793 370

*Accounting policy number (3-a/5)

35. Related Party Transactions

The bank is a subsidiary of parent Audi (s.a.l) Serdar Group (Lebanon) which owns 99.99999% of ordinary shares. The remaining percentage (0.00001%) is owned by other shareholders.

Related parties transactions and balances at the end of the financial year ended at 31 December 2013 are as follows:

A- Loans and Advances from Related Parties

	Parent	
	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Existing loans at the beginning of the year	189 570	--
Collected loans during the year	--	181 251
Currency evaluation differences	18 588	8 319
Existing loans at the end of the year	208 158	189 570

- Loans granted from parent company are non-secured, with variable interest rate as they are recoverable at the end of contract.

B- Loans and Facilities to Related Parties

	Top Management Members and Close Family Members	
	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Existing loans at the beginning of the year	10 839	8 828
Issued loans during the year	12 347	19 289
Collected loans during the year	(10 608)	(17 278)
Existing loans at the end of the year	12 578	10 839

C- Deposits from Related Parties

	Top Management Members		Other Related Parties	
	31 December 2013 EGP(000)	31 December 2012 EGP(000)	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Due to customers				
Deposits at the beginning of the year	8 576	10 306	105 584	44 135
Deposits tied during the year	140 022	89 137	1 164 837	855 340
Deposits redeemed during the year	(134 864)	(87 304)	(1 227 831)	(795 930)
Foreign currency evaluation	108	(3 563)	875	2 039
Deposits at the end of the year	13 842	8 576	43 465	105 584
Deposits cost and similar costs	773	686	2 841	1 962

The preceding deposits are unsecured, with variable interest rate and recoverable on call.

D- Other Related Party Transactions

	Other Parties	
	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Due from banks	226 869	129 293
Due to banks	1 961	12 569
Letter of guarantees	62 523	109 914
Letter of credit-export	70	551
Letter of credit-import	522	7 587
Paid accepted papers	3 443	3 001

E- Board of Directors (non-executives) and Top Management Benefits

	31 December 2013 EGP(000)	31 December 2012 EGP(000)
Salaries and short-term benefits	1 900	1 760
	1 900	1 760

F- The monthly average for the total net annual income received by the twenty employees with the highest salaries and remunerations at the bank is amounted to EGP 2 868 465 for the financial year ended 31 December 2013 against EGP 2 356 307 for the financial year ended 31 December 2012 .

36. Mutual Funds

The Mutual Fund is an activity authorized for the Bank by virtue of capital market law no.95 For the year 1992 and its executive regulation.

A) Bank Audi Monetary Mutual Fund in EGP (With Accumulated Daily Interest)

The fund is managed by E.F.G- Hermes for Fund Management .The certificates of the fund reached 10 million certificates with an amount of EGP 100 million of which 500 thousands certificates (with nominal value of EGP 5 million) were allocated to the bank to undertake the funds' activity.

The bank holds as at 31 December 2013 a number of 500 thousands certificates of total amount of EGP 5 million and with a redeemable value amounted to EGP 7 492 510 and the redeemable value of the certificate amounted to EGP 14.98502 As at 31 December 2013 and the outstanding certificates at that date reached 53 369 209 certificate.

On 18 July 2013 the Central Bank of Egypt approved to increase the size of the fund to become 80 million certificate by value of EGP 800 million, as well as increase the value of the bank's contribution to the capital of this fund to be egp 16 million by according to article no. (150) of the executive regulation under virtue of capital market law no.95 of 1992, which stipulates that " the maximum of investments in fund invested in the fund shouldn't exceed about fifty times of its capital, which must not be less than five million pounds paid in cash" the bank's contribution as of 31 December 2013 was 2.09% of the total issued certificates at that date.

According to the Fund's Management contract and its prospectus, Bank Aaudi (s.a.e) shall obtain fee and commission for supervision on the fund and other managerial services rendered by the bank. Total Commission amounted to EGP 1 627 247 for the year ended 31 December 2013 under the item of fees and commission income/other fees caption in the Income Statement.

B) Bank Audi Monetary Mutual Fund (Ezdhar) in EGP with accumulated daily interest and variable periodical interest

The fund is managed by Acumen Company for Configure and Manage Securities Portfolios and Fund Management. The certificates of the fund reached 250 thousands certificates with an amount of EGP 25 million of which 50 thousands certificates (with nominal value of EGP 5 million) were allocated to the bank to undertake the funds' activity.

According to the Fund's Management contract and its prospectus, Bank Audi (s.a.e) shall obtain fee and commission for supervision on the fund and other managerial services rendered by the Bank by 0.5% yearly of fund net assets should be calculated daily and then avoid to be paid at end of month.

37. Previous Years' Adjustments

The additional provisions formed at the end of the financial year ended in 31 December 2011 have been recovered as an adjustment for the balance of retained earnings at the beginning of the financial year 2012 as presented on statement of equity for the year ended 31 December 2012 as follows:

	Balance as of 31 December 2011 after adjustment	The Adjustment Value	Balance as of 31 December 2011 before adjustment
	EGP	EGP	EGP
Other provisions-general provision	133 754 111	(126 991 334)	6 762 777
Retained earnings	133 226 949	126 991 334	260 218 283

PEOPLE

Mr. Amr El-gueziry
Head of Internal Audit
“Control efficiency and effectiveness are our targets to safeguard our bank and customers.”

Mr. Maroun Aouad
Head of Global Transaction Services
“We make your Cash, Trade and Securities experience easier.”

Mr. Hazem El Shaarawy
Head of Marketing Research
“Knowing our customers’ needs is our target; we aim to reach it.”

Mr. Walid ElWatany
Head of Human Resources
"Providing equal opportunity, rewarding talent, valuing teamwork & building a culture of success are the keys to having satisfied internal customers."

Mr. Khaled El-Dafrawy
Head of Small & Medium Enterprises (SMEs)
"Quality service is our driving force to be the SMEs Bank of choice."

Ms. Heba Gaballa
Head of Marketing & Communication
"We serve as the channel that connects the Bank's products and services with the proper customers using all possible marketing and communication tools in an efficient and effective way."

PEOPLE

EXECUTIVE MANAGEMENT

Mr. Hatem Sadek	Chairman & Managing Director
Mrs. Fatma Lotfy	Deputy Chairman & Managing Director
Mr. Yehia Kamel	Deputy Managing Director

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Chief Risk Officer

Mr. Karim Hesni
General Manager
Deputy Chief Risk Officer

Mr. Mohamed Talaat
Assistant General Manager
Head of Operations Risk

Mr. Moataz Mounir
Executive Manager
Head of Market Risk

Mr. Bassel Kelada
General Manager
Head of Retail Credit

Mr. Ihab El Dahaby
Assistant General Manager
Deputy Head of Retail Credit

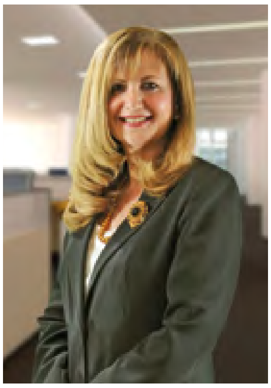
SUPPORT FUNCTIONS

Mr. Mohamed Bedeir	Senior General Manager Chief Financial Officer
Mrs. Amany Shams-Eldin	Senior General Manager Chief Operating Officer
Mr. Walid El-Watany	General Manager Head of Human Resources
Mr. Hesham Mabrouk	General Manager Head of Information Technology
Mr. Ahmed Fouad	General Manager Head of Strategic Support
Ms. Heba Gaballa	Deputy General Manager Head of Marketing & Communication
Mr. Mohamed Shalaby	Executive Manager Head of Projects Management Office
Mrs. Rana Mostafa	Senior Manager Head of Quality Assurance
Mr. Hazem El-Shaarawy	Senior Manager Head of Market Research

CONTROL FUNCTIONS

Mr. Hesham Ragab	Senior General Counsel Head of Legal Affairs
Mr. Amr El-Gueziry	General Manager Head of Internal Audit
Mr. Ali Amer	Assistant General Manager Head of Compliance
Mr. Ahmed M. Fouad	Executive Manager Head of Corporate Information Security and Business Continuity

NETWORK



Mrs. Maha Hassan
Head of Mortgage Finance
“Tailor-made services & products to meet customers’ aspirations.”

Mr. Ahmed Fouad Ibrahim
Head of Strategic Support
“Expert analysis is the key for good decision making & performance success.”

Mr. Ahmed Fouad
Head of Corporate Information Security and Business Continuitiy (CISBC)
“Protecting confidentiality, integrity and availability of information.”

Mrs. Rana Mostafa
Head of Quality Assurance
"Our target is to provide "Tremendous, Unified, and Innovative" customer services."

Mr. Ali Amer
Head of Compliance
"Compliance is our passion, Customer satisfaction is our ambition."

Mr. Mohamed Shalaby
Head of Projects Management Office (PMO)
"Innovation is the cause of any great change and a fundamental tool in customer driven project management."

NETWORK

Branches' Network locations by Governorate

CAIRO GOVERNORATE

Abbassia Branch
109 Abbassia Street
Tel: (20-2) 24664455
Fax: (20-2) 24664453

Abbass El-Akkad
70 Abbass El-Akkad Street , Nasr City
Tel: (20-2) 22708790
Fax: (20-2) 22708757

Abd El-Khalek Tharwat Branch
42 Abdel Khalek Tharwat Street , Downtown
Tel: (20-2) 23904866
Fax: (20-2) 23904162

Beirut Branch
54 Demeshk Street , Heliopolis
Tel: (20-2) 24567600
Fax: (20-2) 24508653

El-Manial Branch
90 El Manial Street
Tel: (20-2) 23629935
Fax: (20-2) 23630099

El-Obour City Branch
Golf City , Obour City , Shops 43,44,45
Tel: (20-2) 46104325
Fax: (20-2) 46104324

Garden City Branch
1 Aisha El-Taymoreya Street , Garden City
Tel: (20-2) 27928976
Fax: (20-2) 27928977

Makram Ebeid Branch
1 Makram Ebeid Street , Nasr City
Tel: (20-2) 26731300
Fax: (20-2) 22726755

Masaken Sheraton Branch
11 Khaled Ebn El Waleed Street; Masaken Sheraton
Tel: (20-2) 22683381
Fax: (20-2) 22683433

Mokattam Branch
Plot # 6034; Street 9 , Mokattam
Tel: (20-2) 25057040
Fax: (20-2) 25057566

Nady El Shams Branch
17 Abdel Hamid Badawy Street
Tel: (20-2) 26210943
Fax: (20-2) 26210945

Salah Salem Branch
Bldg. 15 Salah Salem Street - Heliopolis
Tel: (20-2) 24006400
Fax: (20-2) 22607168

Shoubra Branch
128 Shoubra Street , Shoubra
Tel: (20-2) 22075767
Fax: (20-2) 22075779

Triumph Branch
No. 8, Plot 740, Othman Ibn Affan Street. with Mohamed Adly Kafafi
Tel: (20-2) 26352220
Fax: (20-2) 26424900

GIZA GOVERNORATE

Dokki Branch - Main
104 El Nile Street, Dokki
Tel: (20-2) 33337100
Fax: (20-2) 37483818

El-Batal Ahmed Abdel-Aziz Branch
44 El-Batal Ahmed Abdel-Aziz Street , Mohandessin
Tel: (20-2) 33332000
Fax: (20-2) 37480599

Haram Islamic Branch
42 El-Haram Street , El-Haram
Tel: (20-2) 33865056
Fax: (20-2) 33865103

Lebanon Branch
60 Lebanon Street (Lebanon Tower); Lebanon Square; Mohandessin
Tel: (2-02) 33006400
Fax: (2-02) 33026454

Mosaddak Islamic Branch
56 Mosaddak Street, Dokki
Tel: (20-2) 37480241
Fax: (20-2) 37480242

Tahrir Street Branch
94 Tahrir Street, Dokki
Tel: (20-2) 33319500

6th OF OCTOBER GOVERNORATE

Pyramids Heights Branch
Pyramids Heights Office Park, Km 22 Cairo-Alexandria Desert Road
Tel: (20-2) 35343660
Fax: (20-2) 35362053

6th of October Branch
Plot # 2/23 - Central District , 6th of October
Tel: (2-02) 38353783
Fax: (20-2) 38353780

HELWAN GOVERNORATE

Degla Branch – Maadi
1-B 256 Street; Degla
Tel: (20-2) 25195238
Fax: (20-2) 25162017

Maadi Branch
Plot 1/2 , 5 Taksim El-Laselky , New Maadi
Tel: (20-2) 25197901
Fax: (20-2) 25197921

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El Sultan Hussein Branch
33 El Sultan Hussein Street
Tel: (20-3) 4855791
Fax: (20-3) 4877198

Gleem Branch
1 Mostafa Fahmy Street, Gleem
Tel: (20-3) 5816000
Fax: (20-3) 5825866

Miami Branch
4 street, 489 - Montazah division
Tel: (20-3) 5505212
Fax: (20-3) 5505136

Smouha Branch
35 (Repeated) Victor Emmanuel Square
Tel: (20-3) 24193700
Fax: (20-3) 4244510

DAQAHLIA GOVERNORATE

Mansoura Branch
26 Saad Zaghloul Street Toreil
Tel: (20-50) 2281600
Fax: (20-50) 2309782

GHARBIA GOVERNORATE

Tanta Branch
Intersection of El-Geish Street & El-Nahda Street
Tel: (20-40) 3389600
Fax: (20-40) 3403100

RED SEA GOVERNORATE

Gouna Branch
Service Area # Fba-12e; “El Balad” District
Tel: (20-65) 3580096
Fax: (20-65) 3580095

Sheraton Road Branch - Hurghada
23 Taksim El Hadaba El Shamaleya, 167 Sheraton Road
Tel: (20-65) 3452020
Fax: (20-65) 3452015

SOUTH SINAI GOVERNORATE

Naeema Bay Branch - Sharm El-Sheikh
207 Rabwet Khaleeg Naeema
Tel: (20-69) 3604515
Fax: (20-69) 3604520

CALL CENTRE 16555

ATM Locations By Governorate

CAIRO GOVERNORATE

Abbas El Akkad Branch
70 Abbass el Akkad Street

Abbassia Branch
109 Abbassia Street

Al-Ahram Newspaper
Al Galaa Street, Downtown

Beirut Branch
54 Demeshk Street, Heliopolis

City Stars
City Stars Mall, Gate 1, after security entrance

El-Obour City Branch
Golf City, Obour City, Shops 43, 44, 45

El-Sawamea (off site)
1 El-Sawah Square, Saraya El-Kouba

El Shams Club Branch
17 Abdel Hamid Badawi Street

El Tahrir Branch
94 Tahrir Street, Dokki

Exxon Mobil – Autostrade Nasr City – FBI
Exxon Mobil – FBI -Autostrade Road

Exxon Mobil – El-Tagamoa El-Khames
Exxon Mobil – El-Tagamoa El-Khames -behind Mogamah Al Mahakam Al Gedida - New Cairo

Exxon Mobil – Gesr El Suez
Exxon Mobil – Gesr El Suez 19, start of Cairo Ismailia Road, CAIRO, facing El Herafyeen

Garden City
1 Aisha El-Taymoria Street, Garden City

Katamiya heights
Katamiya Heights Compound inside club house fifth district

Khair Zaman Market – Hegaz
El-Hegaz Street, Merriyland, Heliopolis

Khair Zaman Market – Nasr City
Plot # 14 Block # 6, District 11, Nasr City

Makram Ebeid Branch
1 Makram Ebeid Street – Nasr City

Makram Ebeid Branch 2
1 Makram Ebeid Street – Nasr City

Masaken Sheraton Branch
11 Khaled Ibn El-Waleed Street, Masaken Sheraton

Mobil El Zamalek
26th of July Street Cairo

Mobil Farid Semeka
Farid Semeka St. Heliopolis near to Shams club.

Mobil Hassan El Ma'moun
6th Hassan El Sherif (Hassan El Ma'moun) Street.

Mobil Tagamoa 90th street.
90th Street, Tagamoa.

Mokattam Branch
Plot # 6034, Street 9, Mokattam

On the Run – EL-Rehab
El-Rehab City - Entrance No. 13

On the Run – JW Marriot
JW Marriot – Katamiya

On the Run – Mobil El-Nozha
Exxon Mobil El- Nozha

On the Run – Roxy
72 EL-Khalifa Ma'moun

Salah Salem
15 Salah Salem Street

Shoubra Branch
128 Shoubra Street, Shoubra

Spinney's City stars
City Stars Ground Floor

Tharwat Branch
42 Abd El Khalek Tharwat

Triumph Branch
Othman Ibn Affan Street with Mohamed Adly Kafafi

Ventitrie café
23 El Sheikh Ali Abdel Razek – El Hegaz – El Nozha

Wadi Degla Club
Zahra El Maadi, Wadi Degla Club

GIZA GOVERNORATE

Dokki Main Branch
104 El Nile Street, Dokki, Giza

El-Batal Branch
44 El-Batal Ahmed Abdel-Aziz Street, Mohandessin

El Shorouk Hospital
Ahmed Orabi Street, Mohandessin

Exxon Mobil - El-Manial
59 EL-Manial Street

Haram Branch
42 Haram Street

Manial Branch
90 El Manial Street

Mosaddak Islamic Branch
56 Mosaddak Street, Dokki, Giza

Mossadak Branch 2
56 Mosaddak Street, Dokki, Giza

On the Run – Dokki
50 EL-Giza Street, in front of Sheraton Al-Qahera, Dokki

On the Run – Gameet El-Dowal El-Arabia
63 Gameet EL-Dowal El-Arabia

Lebanon Branch – 1
60 Lebanon Street, Lebanon Square, Mohandessin

Lebanon Branch – 2
60 Lebanon Street, Lebanon Square, Mohandessin

Samcrete - EL-Haram
8 El Mansoura Road, El Haram, next to Koki Park

6th OF OCTOBER DISTRICT

6th of October Branch
Plot # 2/23 - Central District

Arkan Mall
El-Sheikh Zayed, 6th of October beside Americana Plaza.

Dar El Mona
Cairo –Alex. Desert Road, KM 15

Haram City
Haram City – 6th of October beside Tamr Henna

Hazem Hassan Co.
Km 22 Cairo-Alex Desert Road, Pyramids Heights office park

Hyper One
Hyper One Mall - El-Sheikh Zayed

Pyramids Heights 1
Pyramids Heights Office Park, Km 22 Cairo-Alexandria Desert Road

Pyramids Heights 2
Pyramids Heights Office Park, Km 22 Cairo-Alexandria Desert Road

Seasons Country Club
Cairo –Alex. Desert Road, KM 17

Seoudi Market - 6th of October
Seoudi Market - El-Sheikh Zayed, 6th of October

Sheraton Dreamland
Sheraton Dreamland - 6th of October

Spinney's City Scape
Inside city Scape Mall after El Hosary Mosque.

Spinney's Mall of Arabia
Inside Mall of Arabia, 6th of October

Union Air 1
6th Oct 3rd Industrial Zone - Piece no. 609

Union Air 2
6th Oct 3rd Industrial Zone - Piece no. 609

Union Air 3
6th Oct 3rd Industrial Zone - Piece no. 609

HELWAN GOVERNORATE

Maadi Branch
1-B, 256 Street, Degla

New Maadi Branch
Plot no. 1 & 2 D/5 Taksim El-Laselky, intersection of El-Nasr & El-Laselky

ALEXANDRIA GOVERNORATE

City Center Alexandria
City Center Alex -Gate 3 after security entrance on the right

El Sultan Hussein Branch
33 Sultan Hussein Street

Four Seasons – San Stefano
Old Residence Zone in the Lobby

Gleem Branch
1 Mostafa Fahmy Street, Gleem

Metro Market - Loran
25, 27 Serhank Pasha, Loran

Bank Audi

Metro Roshdy
Roshdy

Miami Branch
4 street, 489 - Montazah Division

Mobil - Merghem
14 May in front of Alex Medical Center - Smouha

Smouha Branch
35 Victor Emmanuel Square

Smouha Branch 2
35 Victor Emmanuel Square

DAQAHLIA GOVERNORATE

El-Mansoura Branch
26 Saad Zaghloul street Toreil

Khair Zaman Market - Mansoura
Suez Canal Street with El-Shaheed Mahmoud Abdel Maksoud - Borg El-Nour, Mansoura

GHARBIA GOVERNORATE

Metro Tanta
32 Said St., Kitchener Square

Tanta Branch
Intersection of El-Geish & El-Nahda Streets

RED SEA GOVERNORATE

Bostan Mall – El Gouna
Al Bostan Mall, Gouna

Gouna Branch
Service Area # Fba-12e, El-Balad District, Gouna

Sheraton Road Branch
23 Taksim El Hadaba El Shamaleya, 167 Sheraton Road, Hurghada

Spinney's Senzo Mall
Senzo Mall, Hurghada

SOUTH SINAI GOVERNORATE

Hadabet Om El-Seed – Sharm El-Sheikh
Plot 28 – Hadabet Om El-Sid – Pyramids Mall

Neama Bay Branch – Sharm Branch
207 Rabwet Khaleeg Neama

SHARKEYA GOVERNORATE

El-Nasagoon El Sharkyon 1
Oriental Weaver Factory (10^{th} of Ramadan)

El-Nasagoon El Sharkyon 2
Oriental Weaver Factory (10^{th} of Ramadan)

MONOFIA GOVERNORATE

Almatex - Sadat City
Almatex - Sadat City

Egyptian Spinning Company - Sadat
Egyptian Spinning Company - Sadat

Horizon - Sadat
Granite prima company Sadat