ERNST & YOUNG

Allied for Accounting and Auditing
Public Accountants and Consultants

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

EGYPTIAN GULF BANK (S.A.E)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Translation of Separate financial statements
originally issued in Arabic

EGYPTIAN GULF BANK- (S,A,E),
SEPARATE STATEMENT OF BALANCE SHEET
For the year ended 31 DECEMBER 2013

	Note No.	31/12/2013 L.E.	31/12/2012 L.E.
Assets			
Cash and balances with the CBE	(15)	932,457,288	789,240,894
Due from banks	(16)	227,525,089	417,373,416
Treasury bills and other governemental bonds	(17)	1,868,850,375	1,847,083,412
Trading financial assets	(18)	1,403,945	8,052,580
Loans, advances and morabahat for customers	(19)	3,493,247,948	3,212,507,600
Financial investments:			
Available for sale	(20)	2,697,246,505	1,940,273,512
Held-to-maturity	(20)	12,514,700	10,014,700
Investments in subsidiaries and associates	(21)	313,510,684	168,134,388
Intangible assets	(22)	26,214,388	1,574,709
Other assets	(23)	249,475,706	167,384,109
Deferred tax assets	(30)	440,106	1,848,575
Fixed assets	(24)	60,776,697	52,507,615
Total assets		9,883,663,431	8,615,995,510
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(25)	50,251,276	114,473,887
Customers' deposits	(26)	8,206,269,229	7,082,284,055
Other loans	(27)	5,100,000	8.333,333
Other liabilities	(28)	111,046,967	107,162,692
Other provisions	(29)	72,064,286	77,029,741
Total liabilities		8,444,731,758	7,389,283,708
Shareholders' equity			
Issued and Paid-in capital	(31)	1,033,544,304	951,397,304
Reserves	(32)	214,276,134	113,908,331
Retained Earnings	(32)	191,111,235	161,406,167
Total shareholders equity		1,438,931,673	1,226,711,802
Total liabilities and shareholders' equity		9,883,663,431	8,615,995,510

Mohamed Mahmoud El Etreby

Ecxecutive Chairman & managing direetor

Mohamed Gamal El Din Mahmoud

Chairman

* The accompanying notes from (1) to (38) are an integral part of these Separate financial statements.

* Auditor's report attached

Translation of Separate financial statem

originally issued in Arabic

EGYPTIAN GULF BANK- (S.A.E.)
SEPARATE STATEMENT OF INCOME
For the year ended 31 DECEMBER 2013

	Note No.	31/12/2013 L.E.	31/12/2012 L.E.
Interest from loan and similar income	(6)	**856,817,147**	699,431,500
Interest on deposits and similar expenses	(6)	**(492,291,606)**	(411,553,331)
Net interest income		**364,525,541**	287,878,169
Fees and commissions income	(7)	**74,055,688**	49,889,697
Fees and commissions expenses	(7)	**(3,242,548)**	(2,660,856)
Net fees and commission Income		**70,813,140**	47,228,841
Dividends income	(8)	**6,410,942**	6,638,152
Net trading income	(9)	**10,448,832**	12,774,136
Profit (losses) from sale of financial investments	(20)	**1,188,198**	(2,348,148)
Impairment (charge) for credit losses	(12)	**(25,975,355)**	(16,664,770)
Administrative expenses	(10)	**(166,913,294)**	(151,061,113)
Other operating income (expenses)	(11)	**7,760,197**	(13,942,887)
Profits before in Income taxes		**268,258,201**	170,502,380
Income tax expense	(13)	**(78,166,641)**	(31,259,728)
Net profits for the year		**190,091,560**	139,242,652
Basic Earning per share (EGP/ share)	(14)	**0.77**	0.56

Mohamed Mahmoud El Etreby
Ecxecutive Chairman & managing director

Mohamed Gamal El Din Mahmoud
Chairman

* The accompanying notes from (1) to (38) are an integral part of these Separate financial statements.

Trauslation of Separate financial statements originally issued in Arabic

EGYPTIAN GULF BANK- S.A.E.
SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 DECEMBER 2013

		31/12/2013	31/12/2012
		L.E.	L.E.
Cash flows from operating activities			
Net Profits before income tax		268.258.201	170,502,380
Adjustments to reconcile net profit to net cash provided from operating activities			
Depreciation and amortization		12.140.378	11.282.637
Impairment of assets		25.975.355	16.664.770
Other provisions no longer required		(4.429.405)	14.985.569
Revaluation differences for other provision in foreign Currencies		(514.387)	117.958
Gain from sale of fixed assets		(89.109)	(80.450)
Dividends paid		(6.410.942)	(6.638.152)
Revaluation differences for trading investments		493.417	(475 528)
revaluation of assets transferred to the bank		--	361.300
Revaluation of investments in subsidiaries and associates		(1.155.616)	4.076.107
Operating profit before changes in assets and liabilities provided from operating activities		294.267.892	210.796.591
Net change in Assets and liabilities			
Due from banks		(189.848.327)	(37.782.062)
Treasury bills		(210.592.076)	(1.649.496.326)
Trading financial investments		6.155.218	4.611.605
Loans and advances and Morabahat to customers		(263.358.761)	(1 543 062)
Other assets		120.953.141	(61.547 050)
Due to banks		(64.222.611)	113.420.461
Customers' deposits		1.123.985.174	1.609.844.703
Other liabilities		(5.713.899)	41.385.590
Net cash flows provided from operating activities	(1)	811.625.751	229.690.450
Cash flows from Investing Activities			
Payments to purchases of fixed assets and branches improvement		(17.747.387)	(20.373.107)
Proceeds from sale of fixed assets		258.169	306.125
Payments for investments in subsidiaries and assoeiates		(170.000.000)	(29.970.000)
Payments for purehase of intangible assets		(1.900.420)	(1.075.028)
Proceeds from sale of fiuaneial investments other than trading investment		199.532.377	125.627.063
Payments for purehase of investment other than trading investment		(836.533.269)	(928.389.009)
Dividends received		6.410.942	6.638.152
Net cash flows (used in) investing activities	(2)	(819.979.588)	(847.235.804)
Cash flows from Financing Activities			
ehange in long Term loans		(3.233.333)	3.083.333
Dividends paid		(64.051.626)	(1 500.000)
Net cash flows (used in) Provided from financing activities	(3)	(67.284.959)	1.583.333
Net decresc in cash and cash equivalents during the year	(1+2+3)	(75.638.796)	(615.962.021)
Cash and cash equivalents at beginning of the year		369.300.039	985.262.060
Cash and cash equivalents at end of the year		293.661.243	369.300.039

Translation of Separate financial statements originally issued in Arabic

EGYPTIAN GULF BANK- S.A.E.
SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 DECEMBER 2013

	31/12/2013	31/12/2012
	L.E.	L.E.
Cash and cash equivalents are represented in (note33) :		
Cash and due from Central Bank	932.457.288	789.240.894
Due from banks	227.525.089	417.373.416
Treasury bills	1.925.714.200	2.151.756.276
Balance with CBE within the limit of statutory reserve	(866.321.134)	(852.764.271)
Treasury bills maturity more than 3 months	(1.925.714.200)	(2.136.306.276)
Cash and cash equivalents at the end of the year	293.661.243	369.300.039

* The accompanying notes from (1) to (38) are an integral part of these financial statements.

Translation of Separate financial statement originally issued in Arabic

EGYPTIAN GULF BANK-(S.A.E.)
SEPARATE STATEMENT OF CHANGES IN EQUITY
For the year ended 31 DECEMBER 2013

		Capital	Reserves	Retained earnings	Total
		L.E.	L.E.	L.E.	L.E.
Balance as of 1/1/2012		906,092,670	79,580,118	58,944,218	##########
Dividends paid for year 2011 (Employees profit share)		--	--	(1.500,000)	(1.500.000)
Dividends paid for year 2011 (Shareholders profit share) stock d		**45,304,634**	--	(45.304,634)	--
Transferred to legal reserves		--	5,197,754	(5.197,754)	--
Transferred to other reserves		--	727,897	(727,897)	--
Net change in Fair value of investment		--	44,352,144	--	44,352,144
Transferred from general banking risk reserves to retained earnin		--	(15,949.582)	15,949,582	--
Net profits for year		--	--	139,242,652	139,242,652
Balance as of 31/12/2012		**951,397,304**	**113,908,331**	**161,406,167**	**1,226,711,802**
Balance as of 1/1/2013		**951,397,304**	113,908,331	161,406,167	##########
Dividends paid for year 2012 (Shareholders profit share) st	(30)	**82,147,000**	--	(131.247.527)	(49.100.527)
Dividends paid for year 2012 (Employees profit share)		--	--	(11.650,206)	(11.650.206)
Board of directors remuneration		--	--	(3.300.893)	(3.300.893)
Transferred to legal reserves	(31)	--	13.924.266	(13.924.266)	--
Transferred to other reserves	(31)	--	80,450	(80.450)	--
Net change in Fair value of investment	(31)	--	86,179,937	--	86,179,937
Transferred from general banking risk reserves to retained e	(31)	--	183.150	(183.150)	--
Net profits for the year		--	--	190,091,560	190,091,560
Balance as of 31/12/2013		**1,033,544,304**	**214,276,134**	**191,111,235**	##########

* The accompanying notes from (1) to (38) are an integral part of these Separate financial statements.

EGYPTIAN GULF BANK- (S.A.E.)

Proposed Earnings Distribution for the year ended on December 31, 2013

	31/12/2013	31/12/2012
	L.E.	L.E.
Net profit after tax	**190,091,560**	139,242,652
Less		
Profit selling property, plant and equipment transferred to Capital reserve according reserve according to the law	**(89,109)**	(80,450)
Available net profit for distribution	**190,002,451**	139.162.202
Add		
Transferred from general banking risk reserves to retain	--	15.949.582
Retained earnings (losses) 1/1/2013	**1,019,674**	6.213.933
Total	**191,022,125**	161.325.717
To be distributed as follows:		
Legal reserve 10%	**19,009,156**	13.924.266
Dividends to shareholders	**151,012,991**	131.247.527
Staff profit sharing	**14,100,725**	11.650.206
Board of directors remuneration	**5,500,000**	3.300.893
Retained earnings 31/12/2013	**1,399,253**	1.202.825
Total	**191,022,125**	161.325.717

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

1. General information

Egyptian Gulf Bank provides corporate, retail banking and investment banking services in various areas of Egypt through seventeen branches, and employs over 673 employees as of the balance sheet date.

Egyptian Gulf Bank S,A,E was under the minister decree No, 296 at 14 October 1981 according to the Investment Law No, 43 for 1974,That was replaced by investment law No, 230 for the 1989 that was canceled by law No, 8 for 1997 which is concerned for issuance of warranties and bonus of investment and it executives, The Bank is listed in the Egyptian Stock Exchange.

2. Summary of significant accounting policies

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

2. A Basis of preparation

The separate financial statements have been prepared in accordance with Egyptian Financial Reporting Standards issued in 2006 and its amendments and in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008.

The separate financial statements have been prepared under the historical cost convention , As modified by the revaluation of financial assets and liabilities classified as trading or held at fair value through profit or loss, available for sale investment and all derivatives contracts.

The separate and consolidated financial statements of the bank and its subsidiaries have been prepared in accordance with the relevant domestic laws and the Egyptian financial reporting standards ,the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the bank - directly or indirectly - has more than half of the voting right or has the ability to control the financial and operating policies, regardless of the type of activity, the bank's consolidated financial statements can be obtained from the bank's managements, the bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss .

The separate financial statements of the bank should be read with its consolidated financial statements, for the period ended on December 31, 2013 to get complete information on the bank's financial position, results of operations, cash flows and changes in ownership rights.

2. B Subsidiaries and Associates

(B/1) Subsidiaries:

Subsidiaries are all entities (including special purpose entities) over which the Bank has owned directly or indirectly the control to govern the financial and operating policies generally accompanying a shareholding of 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 or not.

(B/2) Associates:

Associates are all entities over which the bank has significant influence but do not reach to the extent of control, generally accompanying a shareholding between 20% and 50% of the voting rights.

The acquisition method of accounting is used to account for the purchase of subsidiaries, The cost of an acquisition is measured at the fair value of the assets given, Equity instruments issued and liabilities incurred or assumed, plus any costs directly related to the acquisition, The excess of the cost of an acquisition over the bank share of the fair value of the identifiable net assets acquired is recorded as goodwill, A gain on acquisition is recognized in profit or loss if there is an excess of the bank's share of the fair value of the identifiable net assets acquired over the cost of the acquisition.

The cost method is applied to account for investments in subsidiaries and associates, whereby, investments are recorded based on the acquisition cost including any goodwill, deducting any impairment losses, and dividends are recorded in the income statement in the adoption of the distribution of these profit and evidence of the bank right to collect them.

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

2. D Foreign currency translation

(D/1) Functional and presentation currency:

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

(D/2) Transactions and balances in foreign currencies:

The bank maintains its accounting records in Egyptian pound, Transactions in foreign currencies during the period are translated into Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates, Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items.

- Net trading income from held-for-trading assets and liabilities.
- Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as available for sale assets are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value, of the instruments.

Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in income from loans and similar revenues' whereas difference resulting from changes in foreign exchange rates are recognized and reported in 'other operating revenues (expenses)', The remaining differences resulting from changes in fair value are deferred in equity and accumulated in the 'Revaluation reserve of available-for-sale investments'.

Valuation differences resulting from the non-monetary items include gains and losses of the change in fair value of such equity instruments held at fair value through profit and loss, as for recognition of the differences of valuation resulting from equity instruments classified as financial investments available for sale with in the fair value reserve in equity.

2. E Financial assets

The Bank classifies its financial assets in the following categories:

- Financial assets designated at fair value through profit or loss.
- Loans and receivables.
- Held to maturity investments.
- Available for sale financial investments.
- Management determines the classification of its investments at initial recognition.

(E/1) Financial assets at fair value through profit or loss:

This category has two sub-categories:

- Financial assets held for trading.
- Financial assets designated at fair value through profit and loss at inception.

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

The Bank in all conditions doesn't reclassify any financial instrument moving to programs of financial instruments reclassified with fair value from statement of income or to financial assets program for trading.

(E/2) Loans and advances

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

- Those that the bank intends to sell immediately or in the short term, which is classified as held for trading, or those that the bank upon initial recognition designates as at fair value through profit and loss.
- Those that the bank upon initial recognition and available for sale; or
- Those for which the holder may not recover substantially all of its initial investment, other than credit deterioration.

(E/3) Held to maturity financial investments:

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

(E/4) Available for sale financial investments:

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

The following are applied in respect to all financial assets:

Debt securities and equity shares intended to be held on a continuing basis, other than those designated at fair value, are classified as available-for-sale or held-to-maturity, Financial investments are recognized on trade date, when the group enters into contractual arrangements with counterparties to purchase securities.

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

Financial assets are derecognized when the rights to receive cash flows from the Financial assets have expired or when the Bank transfer substantially all risks and rewards of the ownership, Financial liabilities are derecognized when they are extinguished, that is, when the obligation is discharged or cancelled or expired.

Available- for- sale, held-for-trading and financial assets designated at fair value through profit and loss are subsequently measured at fair value, Loans, receivable and held-to-maturity investments are subsequently measured amortized cost.

Gains and losses arising from changes in the fair value of the 'financial assets designated at fair value through profit or loss are recognized in the income statement in 'net income from financial instrument designated at fair value 'gains and losses arising from changes in the fair value of available for sale investments are recognized directly in equity, until the financial assets are either sold or become impaired, When available-for-sale financial assets are sold, the cumulative gain or loss previously recognized in equity is recognized in profit or loss

Interest income is recognized on available for sale debt securities using the effective interest method, calculated over the asset's expected life, Premiums and discounts arising on the purchases are included in the calculation of effective interest rates, Dividends are recognized in the income statement when the right to receive payment has been established .

The fair values of quoted investments in active markets are based on current bid prices, If there is no active market for a financial asset, or no current demand prices available, the Bank measures fair value using valuation models, These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation models commonly used by market participants, if the Bank has not been able to estimate the fair value of equity instrumeuts classified available for sale, value is measured at cost less any impairment in value.

Available for sale investments that would have met the definition of loans and receivable at initial recognition may be reclassified out to loans and advances or financial assets held to maturity, in all cases, when the bank has the intent and ability to hold these financial assets in the foreseeable future or till maturity , The financial assets in reclassified at its fair value on the date of reclassification, and any profits or losses that have been recognized previously in equity, are treated based on the following:

- If the Financial asset has fixed maturity, gains or losses are amortized over the remaining life of the investment using the effective interest rate method, In case of subsequent impairment of the financial asset, the previously recognized unrealized gains or losses in equity are recognized directly in the profits and losses.

- In the case of financial asset which has infinite life, any previously recognized profit and loss in equity will remain until the sale of the asset or its disposal, in the case of impairment of the value of the financial asset after the re-classification, any gain or loss previously recognized in equity is recycled to the profits and losses.

- If the bank adjusts its estimates of payments or receipts of a financial asset that in return adjust the carrying amount of the asset [or group of financial assets] to reflect the actual cash inflows, the carrying value is recalculated based on the present value of estimated future cash flows at the effective yield of the financial instrument and the difference are recognized in Profit and loss.

- In all cases, if the bank re-classified financial assets in accordance with the above criteria and increases its estimate of the proceeds of future cash flow, This increase adjusts the effective interest rate of this asset only without affecting the investment book value.

2. F Offsetting financial instruments

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

2. G Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in "Interest income" and "Interest expense" in the income statement using the effective interest method.

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

Once loans or debts are classified as non-performing or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personal mortgage and micro-finance loans.

- When calculated interest For corporate are capitalized according to the rescheduling agreement condition until paying 25 % from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income [interest on the performing rescheduling agreement balance] without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2. H Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided fees and commissions on non-performing or impaired loans or receivable cease to be recognized as income and are rather recorded off balance sheet, These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that present an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of the financial asset.

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loans drawn, Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the Commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the bank are recognized when the syndication has been completed and the bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fees arising from negotiation, or participating in the negotiation of a transaction for a third party such asthe arrangement of the acquisition of shares of other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement.

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis, Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided the same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

2. I Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

2. J sale and repurchase agreements

Securities may be lent or sold according to commitment to repurchase (repos) are reclassified in the financial statement and deducted from Treasury Bills balance, Securities borrowed or purchased according to a commitment to resell them (reverse repos) are reclassified in the financial statement and added to treasury bills balance, The difference between sale and repurchase price is treated as interest and accrued over the life of the agreement using the effective interest rate method.

2. K Impairment of financial assets

(K/1) Financial assets carried at amortized cost:

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

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

- Great financial troubles facing the borrower or debtor.
- Violation of the conditions of the loan agreement such as non-payment.
- Initial bankruptcy proceeding.
- Deterioration of the borrower's competitive position.
- The bank for reasons of economic or legal financial difficult of the borrower by Granting concessions may not agree with the bank granted in normal circumstance.
- Impairment of guarantee.
- Deterioration of credit worthiness.

The objective evidence of impairment loss for group of financial assets is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, for instance an increase in the default rates for a particular banking product.

The bank estimates the period between a losses occurring and its identification for each specific portfolio, In general, the periods used vary between three months 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 and in this field the following are considered:

- If the bank determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, It includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment according to historical default ratios.
- If the bank determines that an objective evidence of financial assets impairment exists that is individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.
- If the result of a previous test did not recognize impairment loss, then this asset will be added to the group of financial assets that are collectively evaluated for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate, The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement, If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract when there is objective evidence for asset impairment, As a practical expedient, the bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of collateralized financial asset reflect the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

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

For the purposes of evaluation of impairment for a group of financial assets according to historical default ratios future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flow of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the bank, Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current condition that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should be reflected together with changes in related observable data from period to period (e.g., changes in unemployment rates, property prices, payment status, or other indicative factors of changes in the probability of losses in the bank and their magnitude),the methodology and assumptions used for estimating future cash flows are reviewed regularly by the bank.

(K/2) Available for sale investments:

The bank assesses on each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify under available for sale is impaired, In the case of equity investments classified as available for sale, a significant or a prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired, During periods start from first of January 2009, the decrease consider significant

when it became 10% from the book value of the financial instrument and the decrease consider to be extended if it continues for period more than 9 months, and if the mentioned evidence become available then any cumulative gains or losses previously recognized in equity are recognized in the income statement, in respect of available for sale equity securities, impairment losses previously recognized in profit and loss are not reversed through the income statement.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement to the extent of previously recognized impairment charge from equity to income statement.

2. L Intangible assets:

(L/1) Software (computer programs)

Expenditures related to the development or maintenance of computer programs, are to be expensed in income statement, as incurred, Expenditures connected directly with specific software and which are subject to the Bank's control and expected to produce future economic benefits exceeding their cost for more than one year, are to be recognized as an intangible asset, The expenses include staff cost of the team involved in software upgrading, in addition to a portion of overhead expenses.

The expenditures that lead to the development 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 is recognized as an asset that is amortized over the expected useful life time not exceeding four years, except for the main software for the bank that is amortized over 10 years.

2. M Fixed assets:

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

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the bank and the cost of the item can be measured reliably, All other repairs and Maintenance 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 residual values over estimated useful lives, as follows:

Buildings	40
Computer software's	4
Office Furniture	10
Typewriters calculators And air conditions	10
Transportation	4
Computers and core systems	5
Safes	40
Fixtures and fitting	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, On each balance sheet date, Depreciable Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered, An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount, The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with asset carrying amount and charge to other operating expenses in the income statement.

2. N Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized-expect goodwill- and are tested annually for impairment, Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use, Assets are tested for impairment with reference to the lowest level of cash generating unit(s), a previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstance leads to a change in the estimates used to determine the fixed asset's recoverable amount, The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

2. O Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2. P Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligation as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, And it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group, The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expense),

Provisions for obligations, order than those for credit risk or employee benefits, due within more than 12 month from the balance sheet date are recognized based on tbe present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date, An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions, For obligations due within less than twelve months from the balance sheet date, provision are calculated based on undiscounted expected cash outflows unless the time value of money has significant impact on the amount of provision, then it is measured at the present value.

2. Q Employee's benefits

(Q/1) Social insurance

The bank contributes to the social insurance scheme related to the Social Insurance Authority for the benefit of its employees;The income statement is charged with these contributions on an accrual basis and is included in the employee's benefit account.

(Q/2) Profit share

The Bank pay a percentage of the cash profits expected to be distributed as employee's profit share through item "dividends declared" in the owners' equity, and as liability when the its approved by the shareholders general assembly, There is no recorded liability for the employees share in the unpaid dividends portion.

(Q/3) Other retirement liability

The bank provides healthcare benefits to retirees and usually the benefits are granted under the condition that the retiree has reached the retirement age when employed by the bank and completes the minimum required service period, The expected costs are accrued during the period of services rendered by the employee under the defined benefit plans accounting method.

2. R Income tax

Income tax on the profit and loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

The income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

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

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

2. S Capital

(S/1) Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval, Profit sharing include the employee' Profit share and the board of director' remuneration as prescribed by the bank's articles of incorporation and the corporate law.

3. Financial risk management

The bank's activities expose it to variety financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks, Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business, The bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effect on the Bank's financial performance, The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks, Also market risk includes exchange rate risk, rate of return risk and other prices risks.

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

Risk management is carried out by risk department under policies approved by the Board of Directors; Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the bank's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non–derivative financial instruments, In addition, credit risk management is responsible for the independent review of risk management and control environment.

3.A Credit risk

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

(A/1) Credit risk measurement

Loans and advances to banks and customers

In measuring credit risk of Loans and facilities to banks and customers at counterparty level, the bank reflect three components.

- The 'probability of default' by the client or counterparty on its contractual obligation.
- Current exposures to the counterparty and its likely future development, from which the bank derive the 'exposure at default'; and
- The likely recovery ratio on the defaulted obligation (the 'loss given default)

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

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, 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

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

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 book value, For commitments the default amount represents all actual withdrawals in addition to any withdrawals that 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 bills external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses, The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

(A/2) Risk Limit and mitigation policies

The Bank manages, Limit 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 revolving basis and subject to an annual or more frequent review, when considered necessary, Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the board of directors

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

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

Some other specific control and mitigation measures are outlined below:

Collaterals:
The Bank sets a range of policies and practices to mitigate credit risk, The most traditional of these is the taking of security for funds advances, which is common practice, The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation, The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgages Business assets such as machines and inventory.
- Mortgages financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured, In addition, in order to minimize the credit loss the bank will seek additional collaterals 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 are determined by the nature of the instrument, debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

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 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 condition – are collateralized by underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portion 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.

(A/3) Impairment and provisioning policies
The internal rating systems focus more on credit-quality at the inception of lending and investment activities, Otherwise, impairment provisions recognized at the balance sheet date for financial reporting purposes impairment 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 from the expected loss models used.
The impairment provision reported in the balance sheet at the end of the period 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 provision for each rating:

Bank's rating	31 December 2013		31 December 2012	
	Loans and advances	Impairment provision	Loans and advances	Impairment provision
	%	%	%	%
Performing loans	38,93	3,88	36,55	3,36
Regular watching	39,41	17,82	41,73	13,66
Watch list	12,95	5,17	7,68	3,71
Non – performing loans	8,71	73,13	14,04	79,27
	100	100	100	100

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

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position.
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower.
- Deterioration of the collateral value.
- Deterioration of the credit situation.

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require, impairment provision on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually, The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipt for that individual account, Collective Impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

(A/4) Pattern of measure the general banking risk

In addition to the four categories of the bank's internal credit rating indicated in note (A/1) management classifies loans and advances based on more detailed subgroups in accordance with the CBE regulations, Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record, The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE, In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provision by the application used in balance sheet preparation in accordance with Egyptian Accounting Standards, that excess shall be debited to retained earnings and carried to the "general banking risk reserve" in the equity section, Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions, Such reserve is not available for distribution.

CBE rating	Categorization	Provision %	Internal rating	Categorization
1	Low risk	0	1	Performing loans
2	Average risk	1	1	Performing loans
3	Satisfactory risk	1	1	Performing loans
4	Reasonable risk	2	2	Regular watching
5	Acceptable risk	2	2	Regular watching
6	Marginally Acceptable risk	3	3	Watch list
7	Watch list	5	3	Watch list
8	Substandard	20	4	Non – performing loans
9	Doubtful	50	4	Non – performing loans
10	Bad debts	100	4	Non – performing loans

Notes to the Separate the Financial Statements
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(A/5) **Maximum exposure to credit risk before collateral held**

	31/12/2013 L.E	31/12/2012 L.E.
In balance sheet items exposed to credit risk		
Treasury bills and other government notes	**1,868,850,375**	1,847,083,412
Due from banks	**227,525,089**	417,373,416
Loans and advances : (Note 18)		
Credit cards	**15,242,799**	11,533,992
Personal loans	**361,110,428**	368,461,821
Mortgage loans	**19,739,475**	24,346,704
Corporate loans	**3,097,155,246**	2,808,165,083
Financial investments:		
Debt instruments	**2,569,509,163**	1,812,484,961
Other assets	**227,076,068**	143,137,196
Total	**8,386,208,643**	7,432,586,585
Off-balance sheet items exposed to credit risk		
Letters of credit	**474,920,000**	426,871,773
Letters of guarantee	**269,232,000**	667,515,540
Total	**744,152,000**	1,094,387,313

The above table represents the maximum limit for 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, 41,65% of the total maximum limit exposed to credit risk resulted from loans and advances to customers against 43,22% as at 31 December 2012; while 30,64% represents investments in debt instruments against 24,38 % as at 31 December 2012.

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

- 79,95% of the loans and advances portfolio are classified at the highest two ratings in the internal rating against 78,28% as at 31 December 2012
- 85,48% of the loans and advances portfolio have no past due or impairment indicators against 85,56% as at 31 December 2012
- The Bank has applied a more conservative selection plan for the granted loans during the year ended 31 December 2013
- Investments in debt instruments and treasury bills contain more than 97,23% against 98,48% as at 31 December 2012 due from the Egyptian government.

Notes to the Separate the Financial Statements
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(A/6) Loans and advances

	31/12/2013	31/12/2012
	L.E.	L.E.
	Loans and advances to customers	Loans and advance to customers
Neither past due nor impaired	**3,272,431,137**	3,181,966,507
past due but not impaired	**222,667,686**	19,472,578
individually impaired	**333,361,274**	517,535,000
Gross	**3,828,460,097**	3,718,974,085
less: impairment losses and advance and restricted interests	**(335,212,149)**	(506,466,485)
Net	**3,493,247,948**	3,212,507,600

- As a result to the economic and political circumstances in Egypt loans and advances portfolios has decreased 2,94% as of 31December 2013 compared to its balance at31 December 2012.
- Note (19) includes additional information regarding impairment loss on loans and advancesto customers.
- The credit quality of the loans and advancesportfolio that neither have past due nor subject to impairment are determined by the internal rating of the bank.

Net Loans and advances to customers and banks

31/12/2013	EGP				
	Individual			Corporate	
Grades	**Credit cards**	**Personal loans**	**Mortgage**	**Loans and advances to customers**	**Total**
Performing	--	--	--	**1,477,995,125**	**1,477,995,125**
Regular follow up	**14,207,858**	**334,977,577**	**19,720,348**	**1,080,056,876**	**1,448,962,659**
Watch list	--	--	--	**479,955,245**	**479,955,245**
Non- performing	**1,034,941**	**26,132,851**	**19,127**	**59,148,000**	**86,334,919**
Total	**15,242,799**	**361,110,428**	**19,739,475**	**3,097,155,246**	**3,493,247,948**

- According to the Bank's internal rating scale, the loans granted to retail customers are considered regular follow up.

31/12/2012	EGP				
	Individual			Corporate	
Grades	Credit cards	Personal loans	Mortgage loans	Loans and advances to customers	Total
Performing	--	--	--	1,368,700,462	1,368,700,462
Regular follow up	10,429,741	271,464,975	24,318,579	1,148,079,521	1,454,292,816
Watch list	--	--	--	262,505,512	262,505,512
Non-performing	1,104,251	96,996,846	28,125	28,879,588	127,008,810
Total	11,533,992	368,461,821	24,346,704	2,808,165,083	3,212,507,600

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless there is an objective evidence of impairment:

31/12/2013	EGP	
	Retail	
	Credit cards	Total
Past due up to 30 days	3,715,596	3,715,596
Past due more than30 - 60 days	927,281	927,281
Past due more than 60 - 90 days	217,105	217,105
Total	4,859,982	4,859,982

31/12/2013	EGP			
	Corporate			
	Current account	Direct loans	Syndicated loans	Total
Past due up to 30 days	2,054,610	43,619,693	33,529,412	79,203,715
Past due more than 30 - 60 days	3,344,051	35,463,192	--	38,807,243
Past due more than 60 - 90 days	41,132,878	58,663,868	--	99,796,746
Total	46,531,539	137,746,753	33,529,412	217,807,704

31/12/2012	EGP	
	Retail	
	Credit cards	Total
Past due up to 30 days	3,389,194	3,389,194
Past due more than30 - 60 days	1,623,181	1,623,181
Past due more than 60 - 90 days	386,614	386,614
Total	5,398,989	5,398,989

31/12/2012			EGP
	Corporate		
	Current account	Direct loans	Total
Past due up to 30 days	9,560,588	1,668,300	11,228,888
Past due more than 30 - 60 days	954,500	480,000	1,434,500
Past due more than 60 - 90 days	930,201	480,000	1,410,201
Total	11,445,289	2,628,300	14,073,589

Individually impaired loans

- **Loans and advances to customers**

  Loans and advances subject to individual impairment before taking into consideration cash flows from guarantees amounted to EGP 333,361,274 against EGP 517,535,000 as at 31 December 2012.

  The breakdown of the total loans and advances subject to individual impairment including fair value of collateral obtained by the Bank against these loans is as follows:

EGP

	Customers			Corporate	
	Credit cards	Personal	Mortgage loans	Direct Loans	Total
31/12/2013					
Individually impaired loans	**2,074,066**	**69,531,000**	**819,000**	**260,937,208**	**333,361,274**
31/12/2012					
Individually impaired loans	3,302,000	217,064,000	1,404,000	295,765,000	517,535,000

Loans and advances Restruetured

Restructuring activities include renegotiating in terms of payments terms extension, restructure of mandatory management policies, and adjusting ,postponing repayment terms, Renegotiating 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 renegotiation, Total renegotiated loans reached LE 492,629 thousand against LE 319,413 at 31 December 2012.

	31/12/2013 000 LE	31/12/2012 000 LE
Loans and advances to corporate		
Current accounts	33,393	30,675
Direct loans	459,236	288,738
Total	492,629	319,413

(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 by rating agency designation at end of financial year, based on standard & Poor's or their equivalent.

	Treasury bills LE	Investments securities LE	Total LE
AAA	--	12,413,710	12,413,710
AA- to AA+	--	6,781,260	6,781,260
B	2,529,693,989	20,605,500	2,550,299,489
-B	1,925,714,200		1,925,714,200
Total	4,455,408,189	39,800,470	4,495,208,659

3.B Market risk

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

Bank treasury is responsible for managing the market risks arising from trading and non-trading activities which are 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 prices assets and liabilities interest rate relating to retail transactions, Non-trading portfolios also includes foreign exchange risk and equity instruments risks arising from the Bank's held-to-maturity and available-for-sale investments.

(B/1) Market risk measurement techniques

As part of market risk management the Bank undertakes various hedging strategies and enters into swaps to match the interest rate risk associated with the fixed-rate long-term loans if the fair value option has been applied, The major measurement techniques used to control market risk are outlined below:

Stress Testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances, Stress testing is designed to match business using standard analysis for specific scenarios, The stress testing is carried out by the Bank treasury and includes risk factor stress testing where sharp movements are applied to each risk category and test emerging market stress, as emerging market are subject to sharp movements; and subject to special stress testing including possible events effect 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 the Board of Directors.

(B/2) Foreign exchange volatility risk

The Bank is exposed to foreign exchange volatility risk in terms of the financial position and cash flows, The Board of Directors set aggregate limits for foreign exchange 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' exposure to foreign exchange volatility risk at the end of the financial year and includes the carrying amounts of the financial instruments in currencies:

31/12/2013	Amount to the nearest EGB equivalent					
	EGP	USD	GBP	EURO	Other currencies	Total
Financial Asset 31/12/2013						
Cash and balances with CBE	724,796,268	202,791,938	869,543	3,706,043	293,496	932,457,288
Due from Banks	2,065,305	164,944,933	19,195,686	36,637,789	4,681,376	227,525,089
Treasury bills	1,148,325,000	624,474,000	--	152,915,200	--	1,925,714,200
Trading Financial assets	1,403,945	--	--	--	--	1,403,945
Loans and advances to customers	3,177,423,706	625,809,173	4,094	25,219,418	3,706	3,828,460,097
Financial investments						
Available for sale	2,406,625,583	290,620,922	--	--	--	2,697,246,505
Held to maturity	12,514,700	--	--	--	--	12,514,700
Total financial Assets	7,473,154,507	1,908,640,966	20,069,323	218,478,450	4,978,578	9,625,321,824
Financial liabilities31/12/2013						
Due to banks	149,192	50,102,084	--	--	--	50,251,276
Customer deposits	6,244,173,030	1,727,926,656	20,043,161	205,630,145	8,496,237	8,206,269,229
Other loans	5,100,000	--	--	--	--	5,100,000
Total financial Liabilities	6,249,422,222	1,778,028,740	20,043,161	205,630,145	8,496,237	8,261,620,505
Net on-balance sheet financial position	1,223,732,285	130,612,226	26,162	12,848,305	(3,517,659)	1,363,701,319

31/12/2012						
Total financial Assets	7,150,139,447	1,681,494,388	22,251,276	176,283,630	5,516,721	9,035,685,462
Total financial Liabilities	5,470,582,787	1,543,522,918	22,052,826	163,585,358	5,347,386	7,205,091,275
Net on-balance sheet financial position	1,679,556,660	137,971,470	198,450	12,698,272	169,335	1,830,594,187

Interest rate risk

The Bank is exposed to the effect of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Cash flow interest rate risk is the risk of fluctuation in future cash flows of a financial instrument due to changes in market interest rates. Fair value interest rate risk is the risk whereby the value of a financial instrument fluctuates because of changes in market interest rates, Interest margins may increase as a result of such changes but profit may 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 and is monitored daily by Bank Treasury.

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

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 reprising or maturity dates.

31/12/2013 Amount to the nearest EGB

	Up to one Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non-interest bearing	Total
inancial sset31/12/2013							
ash and balances ith CBE	--	187,626,683	--	--	--	744,830,605	932,457,28
ue from Banks	188,608,088	11,072,022	--	--	--	27,844,979	227,525,08
reasury bills	190,586,000	497,586,000	1,237,542,200	--	--	--	1,925,714,20
rading Financial ssets	--	--	--	--	--	1,403,945	1,403,94
oans and advances customers	114,043,648	338,052,399	1,911,063,312	975,748,731	194,181,468	295,370,539	3,828,460,09
inancial vestments							
vailable for sale	15,380,550	40,605,250	328,470,755	1,795,288,000	389,749,905	127,752,045	2,697,246,50
eld to maturity	--	--	--	14,700	--	12,500,000	12,514,70
ther financial assets	--	--	--	--	--	114,082,861	114,082,86
otal financial ssets	508,618,286	1,074,942,354	3,477,076,267	2,771,051,431	583,931,373	1,323,784,974	9,739,404,68
inancial abilities31/12/2013							
ue to banks	34,693,000	--	--	--	--	15,558,276	50,251,27
ustomer deposits	4,240,357,308	802,664,423	698,820,126	1,442,839,586	--	1,021,587,786	8,206,269,22
ther loans	--	--	1,900,000	3,200,000	--	--	5,100,00
ther financial ability	--	--	--	--	--	103,364,510	103,364,51
otal financial iabilities	4,275,050,308	802,664,423	700,720,126	1,446,039,586	--	1,140,510,572	8,364,985,01
otal Interest re- icing ap	(3,766,432,022)	272,277,931	2,776,356,141	1,325,011,845	583,931,373	183,274,402	1,374,419,67

31/12/2012

tal financial sets	1,114,395,212	949,591,055	3,387,373,110	1,833,898,607	680,072,039	1,160,968,930	9,126,298,9
tal financial ibilities	3,652,779,091	929,209,038	627,233,137	1,455,354,447	376,450	847,163,825	7,512,115,9
tal Interest re- cing p	(2,538,383,879)	20,382,017	2,760,139,973	378,544,160	679,695,589	313,805,105	1,614,182,9

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

3.C Liquidity risk

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

Liquidity risk management

The Bank's liquidity management process carried out by the Bank Treasury includes:

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

For monitoring and reporting purposes, the Bank calculates the expected cash flow and liquidity are expected and monitored on the next day, week and month basis, which are the main times to manage liquidity The starting point to calculate these expectations is through analyzing the financial liabilities dues and expected financial assets collections.

Credit risk department monitor's 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 separate team in the bank to maintain a wide diversification according to currency.

Geographic, sources, products and terms.

31/12/2013 **Amount in EGP**

	Up to one Month	1-3 Months	3-12 Months	1-5 years	Over 5 year	Total
Financial liabilities						
Due to banks	50,251,276	--	--	--	--	50,251,276
Customer deposits	5,261,985,092	767,598,423	706,436,128	1,470,249,586	--	8,206,269,229
Other loans	--	--	1,900,000	3,200,000	--	5,100,000
Total financial Liabilities	5,312,236,368	767,598,423	708,336,128	1,473,449,586	--	8,261,620,505
Total financial Assets	620,874,600	1,129,164,658	3,477,076,266	3,839,008,629	628,091,393	9,694,215,546

31/12/2012 Amount in EGP

	Up to one Month	1-3 Months	3-12 Months	1-5 years	Over 5 year	Total
Financial liabilities						
Due to banks	114,473,887	--	--	--	--	114,473,887
Customer deposits	4,061,700,391	945,752,963	625,616,471	1,448,837,780	376,450	7,082,284,055
Other loans	--	200,000	1,616,666	6,516,667	--	8,333,333
Total financial Liabilities	4,176,174,278	945,952,963	627,233,137	1,455,354,447	376,450	7,205,091,275
Total financial Assets	1,868,393,741	1,025,107,187	3,387,373,111	2,675,010,777	690,072,039	9,645,956,855

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

3.D Fair value of financial assets and liabilities

(D/1) Financial instruments not measured at fair value,

The table below summarizes the carrying amounts and fair values for those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

EGP

	Book value		*FMV	
	31/12/2013	31/12/2012	**31/12/2013**	31/12/2012
Financial assets:				
Due from banks	**227,525,089**	417,373,416	**227,525,089**	417,373,416
Loans and advances to customers:				
Retail	**396,092,702**	404,342,517	*	*
Corporate	**3,097,155,246**	2.808,165,083	*	*
Financial investments:				
Equity instruments available for sale - fair value	**46,461,655**	43,762,503	**46,461,655**	43,762.503
Debt instruments available for sale – in cost	**10,399,701**	10,399,701	*	*
Held to maturity	**12,514,700**	10,014,700	**15,577,626**	11,305.050
Financial liabilities:				
Due to banks	**50,251,276**	114,473,887	**50,251,276**	114,473,887
Customers deposits	**8,206,269,229**	7,082,284,055	*	*

* Some assets and liabilities were not measured at their FMV

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 loans of similar credit risk and due dates.

Loans and advances to banks

Loans and advances to banks are represented in loans other than deposits hold in banks, 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 the fair value.

Financial Investments

Financial investments shown in the above schedule includes only held to maturity assets investments; as available for sale investments are measured at fair value except for equity instruments for which the 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 securities with similar credit and maturity and yield characteristics where information is not available.

Due to 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 instrument:

Capital management

For capital management purpose, the bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital, The bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirement in Egypt.
- 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 of the bank's operations.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the bank's management.employing techniques based on the guidelines developed by the Basel committee as implemented by the banking supervision unit in the central bank of Egypt.

The required data is submitted to the central bank of Egypt on a quarterly basis.
The following 2 Tiers:

- Tier 1: It is the basic capital comprising of paid up capital, retained earnings and reserves resulting from profit payments except the general reserve for banking risks.

- Tier 2: It is the supporting capital comprising of the equivalent of the general reserve according to CBE credit rating basis issued by the Central Bank of Egypt not exceeding 1,25% of total assets and contingent liabilities applying the risk weights supporting loans/deposits of maturing over more than 5 years (20% amortization of its value each year of the last five years of their maturity) and 45 % of the increase between the fair value and carrying amount for the available for sale investments, held to maturity investments and investments in subsidiaries and affiliates .

On calculating the total numerator of capital adequacy it is to be considered that tier 2 should not be greater than tier 1 and supporting loans (deposits) should not be greater than half of basic capital.

Assets are weighted by risk ranging from zero to 100 %, Classified is made according to the nature of the debit party for each asset to reflect the related credit risk taking into consideration cash guarantees, Same treatment is used for the off balance sheet amounts after making relevant adjustments to reflect the contingent nature and the potential loss for these amounts.
The Bank complied with all internal requirements during the last years.

The schedule below shows the calculation of capital adequacy

According to the central bank of Egypt resolutiou in its session held on 18thdec, 2012, it agreed on the instructions related to the minimum eriterion of the capital adequacy in terms of applying demands of Basel 2, taking the following into consideratiou:

The numerator in capital adequacy comprises the following 2 tiers:
Tier 1:-

a- **It is The basic continuous capital which consists of the following :-**

Issued and paid up capital, Legal reserve, General reserve, Capital reserve and retained earnings(**going – concern capital**) of the following :

- Treasury stocks.
- Fame.
- The bank investments in the financial companies (banks and companies) and the insurance companies (10% or more of the Issued capital of the company).
- The increase in all the core bank investments that each of which is less than 10 % of the Issued capital of the company to be less than 10 % of The basic continuous capital after the Regulatory amendments(the basic capital before avoiding the investments in the financial companies and the insurance companies) .

The following elements shall not be considered:-

- The Fair value reserve-investments available for sale (in case of being negative)
- Differences from foreign balances translation reserve (in case of being negative)

Whereas the above mentioned items are deducted from basic capital if the balance was negative but we can't take it if positive.

b- **It is The basic additional capital which consists of the following :-**

The non-accumulated preferred permanent shares, profits (losses) of the quarterly Interim profits, minority rights and the nominal value and the current value of the supporting loan (deposit).

The Interim profits shall not be effective except after the auditor agreement, the general assembly of distribution agreement and the central bank agreement on this but the Interim profits can be unconditionally discount.

Tier 2:

The supporting capital comprising of:-

- 45% of the increase fair value than book value the financial investments (the fair value reserve if positive, Held to maturity financial investments, investments in subsidiaries and affiliates)
- 45% of the special reserve.
- 45% of the Differences from foreign balances translation reserve.
- The mixed financial tools.
- The supporting loans or deposits.
- The Provision for impairment losses and advances and performing contingent liabilities (shall not exceed 1,25 % of total the credit risks of the assets and performing contingent liabilities applying the risk weights also the Provision for impairment losses and advances and Nonperforming contingent liabilities shall be sufficient for facing the liabilities for which it is formed).

Avoiding 50% of the first Tire and 50% of the second Tire:

- The non-financial companies investments – each is to be 15% or more of the basic continuous capital of the bank before the Regulatory amendments.
- Total value of the bank investments in The non-financial companies - each may not be less than be 15% of the basic continuous capital of the bank before the Regulatory amendments in case that these investments total shall exceed 60% of The basic continuous capital of the bank before the Regulatory amendments.
- Securitization.
- Assets value reverted to bank fulfill the debts with the General banking risk reserve.

On calculating the total numerator of capital adequacy it is to be considered that supporting loans (deposits) should not be greater than 50% of the first tier after the exclusions.

Assets and contingent liabilities are weighted with the credit risks, market risks and the operating risks

	31/12/2013	31/12/2012
Tier 1 capital	**In thousand EGP**	In thousand EGP
Issued and paid up capital	**1,033,544**	951,397
Legal reserve	**74,645**	60,721
Other reserves	**22,768**	22,687
Retained earnings(losses)	**1,020**	97,200
Total deductions from tier 1 capital common equity	**(1,031)**	(2,694)
Total qualifying tier 1 capital	**1,130,946**	1,129,311
Tier 2 capital		
45% differences from foreign balances translation	**1,208**	1,208
45% of Special Reserve	**3,664**	3,664
45% of the increase in fair value than the book value for A,F.S	**45,408**	5,254
impairment provision for loans and regular contingent liabilities	**66,684**	62,674
TOTAL **(going – concern capital)**	**(183)**	--
Total qualifying tier 2 capital	**116,781**	72,800
Total capital 1+2	**1,247,727**	1,202,111
Risk weighted assets and contingeut liabilities		
Total Credit risk	**5,334,740**	5,013,938
Total Market risk	**--**	--
Total Operation risk	**536,190**	440,338
Total risk weighted assets and contingent liabilities	**5,870,930**	5,454,276
Capital adequacy ratio (%)	**%21,25**	%22,04

- To be review of the standard capital adequacy was audited according to instructions of auditors of the Basel 2.

Significant accounting estimates and assumptions

The Bank makes subjective estimates and judgments that affect the reported amounts of assets and liabilities for the following financial year Consistent estimations and judgments are continually evaluated 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 advance sat least quarterly to evaluate their impairment, 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 includes 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 minimize any discrepancy between the estimated loss and actual loss based on experience.

(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 is recognized when there is evidence of deterioration in the investee. financial position or operating /finance cash flow industry and sector performance rechnology changes.

Unrealized gains for available for sale investment amounted to 97,851,821 as a result of reevaluating prices declared in capital markets on 31 Dec, 2013

(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 (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 by EGP 3,062,926to reach its fair value by increasing 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 important estimates to calculate the income tax provision, There are a number of complicated processes and calculations to determine the final income tax, The Bank records a liability related to the tax inspection estimated results, According to estimates of probabilities of extra taxes ,when there is a difference between the final result of the actual tax inspection and the amounts previously recorded by the Bank such, differences affect the income and deferred tax provision at the year which the differences were noted.

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5. **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 ones**
  Activities include current accounts, deposits, overdrafts, loans, credit facilities and financial derivatives.
- **Investments**
  Include 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.

6. **Net interest income**

	31/12/2013 L.E.	31/12/2012 L.E.
Interest from loans and similar income		
Loans and advances to customers	369,783,708	355,924,126
	369,783,708	355,924,126
Treasury bills and treasury bonds	474,410,228	326,304,244
Deposits and current accounts	5,641,269	8,882,530
Investments in debt instruments (available for sale)	6,981,942	8,320,600
	856,817,147	699,431,500
Interest on deposits and similar expenses		
Banks	(15,408,646)	(2,890,352)
Customers	(473,395,477)	(388,354,245)
REPOS	(3,487,483)	(20,308,734)
	(492,291,606)	(411,553,331)
Net interest income	364,525,541	287,878,169

7. **Net fees and commission income**

	31/12/2013 L.E.	31/12/2012 L.E.
Fees and commission income		
Fees and commissions related to credit	20,731,277	17,653,393
Fees and commissions related to Banking services	50,573,434	30,737,039
Custody fees	540,783	351,652
Other fees	2,210,194	1,147,613
	74,055,688	49,889,697
Fees and commission expenses		
Brokerage fees paid	(5,559)	(3,281)
Other fees paid	(3,236,989)	(2,657,575)
	(3,242,548)	(2,660,856)
Net fees and commission income	70,813,140	47,228,841

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8. Dividends income

	31/12/2013 L.E.	31/12/2012 L.E.
Trading securities	160,936	587,002
Available for sale securities	3,401,502	4,755,019
Held to maturity	472,658	300,000
subsidiaries and affiliates	2,375,846	996,131
Total	6,410,942	6,638,152

9. Net trading income

	31/12/2013 L.E.	31/12/2012 L.E.
Profit (losses)from foreign exchange	10,121,921	8,940,935
Profit (losses) from revaluations of investment held for trading	(493,417)	475,528
Trading equity instruments	820,328	3,357,673
Total	10,448,832	12,774,136

10. Administrative expenses

	31/12/2013 L.E.	31/12/2012 L.E.
Staff costs		
Wages and salaries	(71,794,402)	(68,224,822)
Social insurance	(4,195,212)	(3,691,089)
Other	(35,208,098)	(31,042,347)
Pension cost		
Retirement benefits	(683,829)	(893,560)
	(111,881,541)	(103,851,818)
Other administrative expenses	(55,031,753)	(47,209,295)
Total	(166,913,294)	(151,061,113)

11. Other operating (expenses) income

	31/12/2013 L.E.	31/12/2012 L.E.
Profit (losses) from non-trading assets and liabilities revaluation	1,312,169	1,193,232
Profit (losses) from selling property and equipment	89,109	80,450
Release (charge) of other provision	4,429,405	(14,985,569)
Losses on revaluation of assets transferred to the bank	--	(361,300)
Others	1,929,514	130,300
	7,760,197	(13,942,887)

12. Impairment losses

	31/12/2013 L.E.	31/12/2012 L.E.
Loans and advances to customers (note 19)	(25,975,355)	(16,664,770)
	(25,975,355)	(16,664,770)

13. Income tax expenses

	31/12/2013 L.E.	31/12/2012 L.E.
Current taxes	(76,758,172)	(31,804.067)
Deferred tax (Note 30)	(1,408,469)	544,339
	(78,166,641)	(31,259,728)

(Note 30) shows additional information about deferred income tax whereby income taxes differ when current applicable tax rates are used as follows:

	31/12/2013 L.E.	31/12/2012 L.E.
Profit before tax	268,258,201	170,502,380
Tax rate 20% to 25%	67,064,550	42,125,595
Exemptions Revenues	(18.506,834)	(17.204,738)
Tax exemptions (nondeductible)	10,106,125	2,130.580
Provisions	562,032	3,744,242
Depreciation	(2,536,264)	1,008,388
Income tax	56,689,609	31,804,067
Deferred taxes Asset	1,408,469	(544,339)
Taxes paid to treasury bills income	76,758,172	31,259,728
Current taxes	78,166,641	31,259,728

14. Basic Earnings per share

		31/12/2013 L.E.	31/12/2012 L.E.
Net profits for the period available for distribution		190,091,560	139,242,652
Less:			
Staff profit sharing		(14,100,725)	(11,650.206)
Board members bonus		(5,500,000)	(3,300.893)
Profits shareholders stake	(1)	170,490,835	124,291,553
Number of share	(2)	220,703,002	207.703,002
Basic Earnings per share (EGP/ share)	(1/2)	0,77	0,56

15. Cash and balances with the Central Bank of Egypt CBE

	31/12/2013 L.E.	31/12/2012 L.E.
Cash	66,136,154	62,320,153
Due from the CBE (within the required reserve percentage)	866,321,134	726,920,741
	932,457,288	789,240,894
Interest free balances	744,830,605	620.030,712
variable interest rate balances	187,626,683	169.210,182
	932,457,288	789,240,894

16. Due from banks

	31/12/2013 L.E.	31/12/2012 L.E.
Current accounts	27,844,979	21,067,236
Deposits	199,680,110	396,306,180
	227,525,089	417,373,416
Due from CBE (other than the required reserve percentage)	--	30,000
Local banks	98,469,396	346,674,348
Foreign banks	129,055,693	70,669,068
	227,525,089	417,373,416
Interest free balances	27,844,979	21,067,236
Variable interest rate balances	199,680,110	396,306,180
	227,525,089	417,373,416
Current balances	227,525,089	417,373,416

17. Treasury bills

	31/12/2013 L.E.	31/12/2012 L.E.
Treasury bills	1,868,850,375	2,061,083,412
REPOS	--	(214,000,000)
Total	1,868,850,375	1,847,083,412
Treasury bills are as follows		
Treasury bills with original maturity of 91 days	--	15,450,000
Treasury bills with original maturity of 182 days	26,125,000	20,300,000
Treasury bills with original maturity of 273 days	291,350,000	420,067,000
Treasury bills with original maturity of 364 days	1,608,239,200	1,695,939,276
Unearned interest	(56,863,825)	(90,672,864)
Total (1)	1,868,850,375	2,061,083,412
REPO		
REPO	--	(214,000,000)
Total (2)	--	(214,000,000)
Total (1+2)	1,868,850,375	1,847,083,412

Treasury bills include EGB 624,474,000 (equivalent to USD 90 million) as in Dollar Treasury bills and EGB 152,915,200 (equivalent to EUR 16million) as in EUR Treasury bills.

18. Financial assets held for trading

	31/12/2013 L.E.	31/12/2012 L.E.
Equity instruments listed in the stock market		
listed local company's shares	1,403,945	7,831,541
Foreign company's shares	--	221,039
	1,403,945	8,052,580

19. Customer's loans Morabhat (Net of provision)

	31/12/2013 L.E.	31/12/2012 L.E.
Retail:		
Credit cards	18,324,501	15,775,463
Personal loans	433,809,345	439,712,817
Mortgage loans	28,849,670	30,395,520
Total (1)	480,983,516	485,883,800
Corporate loans including small loans for economic activities:		
Corporate	3,347,476,581	3,132,163,807
Total (2)	3,347,476,581	3,132,163,807
Total loans and advance to customers (1+2)	3,828,460,097	3,618,047,607
Less:		
Unearned interest in advance	(1,022,654)	(1,410,204)
Morabahat unearned interest in advance	(4,923,574)	(2,931,756)
provision for impairment losses	(308,151,539)	(356.246.990)
interest in suspense	(21,114,382)	(44,951,057)
Net	3,493,247,948	3,212,507,600

Provision for impairment losses:

The Provision for impairment losses analysis for loans and advances to customers' are classified according to its type as follows:

EGP

31/12/2013	Retail			
	Credit cards	Personal loans	Mortgage loans	Total
Balance at the beginning of the year	4,240,940	73,689,587	2,881,306	80,811,833
Impairment losses	1,986	(957,410)	(737,755)	(1,693,179)
Proceeds from bad debts	199,743	--	--	199,743
Bad debts	(1,361,934)	(34,000)	--	(1,395,934)
Balance at year end	3,080,735	72,698,177	2,143,551	77,922,463

	Corporate Direct loans and advances	Total
Balance at the beginning of the year	275,435,157	275,435,157
Impairment losses	27,668,534	27,668,534
Bad debts	(81,727,595)	(81,727,595)
Proceeds from bad debts	37,000	37,000
Provision forex revaluation differences	8,815,980	8,815,980
Balance at year end	230,229,076	230,229,076

EGP

31/12/2012	Retail			
	Credit cards	Personal loans	Mortgage loans	Total
Balance at the beginning of the year	5,860,944	62,947,425	1,921,556	70,729,925
Impairment losses	17,257	10,753,856	959,750	11,730,863
Proceeds from bad debts	71,124	--	--	71,124
Bad debts	(1,708,385)	(11,694)	--	(1,720,079)
Balance at year end	4,240,940	73,689,587	2,881,306	80,811,833

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	Corporate Direct loans and advances	Total
Balance at the beginning of the year	270,679,837	270,679,837
Impairment losses	4,933,907	4,933,907
Bad debts	(4,343,587)	(4,343,587)
Proceeds from bad debts	47,458	47,458
Provision forex revaluation differences	4,117,542	4,117,542
Balance at year end	275,435,157	275,435,157

20. Financial investments

	31/12/2013 L.E.	31/12/2012 L.E.
Available for sale financial investments:		
Debt instruments at FMV (listed)	**2,569,494,463**	1,812,470,261
Equity instruments at FMV (listed)	**14,801,636**	14,929,646
Equity instruments at FMV (unlisted)	**31,660,019**	28,832,857
Equity instruments at cost (unlisted)	**10,399,701**	10,399,701
Mutual fund at FMV (unlisted)	**2,069,600**	3,670,400
Investment management by other	**68,821,086**	69,970,647
Total available for sale investments (1)	**2,697,246,505**	1,940,273,512
Held to maturity financial investments:		
Debt instruments (listed)	**14,700**	14,700
Egyptian Gulf Bank Mutual fund's CDs	**5,000,000**	5,000,000
Egyptian Gulf Bank Tharaa fund (money market)	**7,500,000**	5,000,000
Total held to maturity financial investments (2)	**12,514,700**	10,014,700
Total financial investments (1 + 2)	**2,709,761,205**	1,950,288,212

31/12/2013

	Available for sale L.E.	Held to maturity L.E.	Total L.E.
Balance at the beginning of the year	**1,940,273,512**	**10,014,700**	**1,950,288,212**
Additions	**836,533,269**	**2,500,000**	**839,033,269**
Disposals (Sale / Redemption)	**(181,019,308)**	--	**(181,019,308)**
Monetary assets forex differences	**17,657,408**	--	**17,657,408**
Gain/(Loss) from change in FMV	**82,528,891**	--	**82,528,891**
Amortized cost	**1,272,733**	--	**1,272,733**
Balance at year end	**2,697,246,505**	**12,514,700**	**2,709,761,205**

31/12/2012

	Available for sale L.E.	Held to maturity L.E.	Total L.E.
Balance at the beginning of the year	1,085,470,778	10,014,700	1,095,485,478
Additions	928,389,009	--	928,389,009
Disposals (Sale / Redemption)	(123,899,104)	--	(123,899,104)
Monetary assets foreign currency differences	8,021,442	--	8,021,442
Gain/(Loss) from change in FMV	42,117,198	--	42,117,198
Amortized cost	174,189	--	174,189
Balance at year end	1,940,273,512	10,014,700	1,950,288,212

Profit (losses) from sale of Financial investments:

	31/12/2013 L.E.	31/12/2012 L.E.
Gain on sale of available for sale financial assets	--	1,727,959
Subsidiary and affiliates impairment losses	1,155,616	(4,076,107)
Profit (loss) from sale of financial investments	32,582	--
	1,188,198	(2,348,148)

21. Investment in subsidiaries associates

The banks share of investment in subsidiaries and associates is as follows:

		31/12/2013					EGB
	Country	Company's assets	Company's liabilities less owners' equity	Company's revenues	Company's profits / (losses)	Book value	Share %
Subsidiaries:							
Hamenz	Egypt	48,857,618	25,299,247	7,849,632	(2,877,932)	1	72%
Misr America for medical supplies	Egypt	--	--	--	--	16,471,927	99,50%
Egy gas	Egypt	76,616,142	7,313,914	22,579,436	2,584,437	21,744,296	40%
Egyptian gulf holding	Egypt	--	--	--	--	199,970,000	99,99%
Affiliates:							
Alex fish	Egypt	93,121,573	56,069,315	475,073	(157,646)	3,286,430	20%
Alex for nutrition production	Egypt	133,210,270	109,083,719	26,066,076	(1,717,232)	7,138,215	20%
Tanmeya for SMEs projects	Egypt	49,878,056	58,185,260	66,295,244	(6,592,319)	9,799,815	17%
First Gas	Egypt	70,247,610	39,163,648	99,068,711	6,933,195	5,500,000	20%
Prime holding for financial investments	Egypt	376,508,210	472,774	9,432,374	5,130,830	49,600,000	22%
Total		848,439,479	295,587,877	231,766,546	3,303,333	313,510,684	

		31/12/2012					EGB
	Country	Company's assets	Company's liabilities less owners equity	Company's revenues	Company's profits / (losses)	Book value	Share %
Subsidiaries:							
Hamenz	Egypt	49,489,744	23,281,773	7,080,591	(3,348,818)	1	72%
Misr America for medical supplies	Egypt	--	--	--	--	16,471,927	99,50%
Egy gas	Egypt	75,000,886	3,985,015	22,828,362	1,427,564	46,368,000**	90%
Egyptian gulf holding	Egypt	--	--	--	--	29,970,000	99,9%
Affiliates:							
Alex fish	Egypt	92,954,824	55,744,920	665,362	(9,430)	3,286,430	20%
Alex for nutrition production	Egypt	133,498,039	107,654,256	21,836,169	(2,667,829)	7,138,215	20%
Tanmeya for SMEs projects	Egypt	36,714,607	37,579,928	29,420,474	(20,447,674)	9,799,815	17%
First Gas	Egypt	65,241,046	38,984,524	46,833,511	2,102,534	5,500,000	20%
Prime holding for financial investments	Egypt	423,055,725	54,713,925	26,195,988	2,844,601	49,600,000	22%
Total		875,954,871	321,944,341	154,860,457	(20,099,052)	168,134,388	

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Financial statements for the period from 31/12/2012 to 31/3/2013 have been inspected and proved to be true.

A total of 280210 shares of EGYGAS have transferred ownership from the Egyptian Gulf Bank to the Egyptian Gulf Holding Company, a subsidiary in which the Egyptian Gulf Bank owns 99.9% so as not to conflict with central bank regulations.

Tanmeya for SMEs projects will now be classified as a sister company rather than a subsidiary even though the bank owns 17%, This is due to a board member related to the bank who can exert significant influence on Tanmeya for SMEs projects.

After the CBE board assembly on 8/9/2009 the following was stated:
"In the event that a bank that owns more than 40% of a non-financial company, said bank must dispose of any extra ownership within a year of acquiring the shares, Impairment loss of the shares accumulated will then be calculated according to accounting principles so as not to understate the value of these losses relative to any marginal increase above the 40%, Losses should then be reflected in the bank's income statement under investment losses, or as other expenses depending on the circumstances in exchange for a decrease in the book value of share price by the same amount, The CBE has opened an impairment account to each of the following: Misr America for medical supplies, and Hamenz."

22. Intangible assets

	31/12/2013 L.E.	31/12/2012 L.E.
Computer software		
Net book value at the beginning of the current year	1,574,709	1,265,762
Additions during the year	27,237,224	1,075,028
Disposals during the year	(2,597,545)	(766,081)
Net book value at year end	26,214,388	1,574,709

23. Other assets

	31/12/2013 L.E.	31/12/2012 L.E.
Unearned revenues	125,836,022	86,513,480
Prepaid expenses	22,399,638	24,246,913
Advances to purchase fixed assets	4,122,848	29,550,983
Assets reverted to bank (after deducting the impairment)	1,831,503	5,316,305
Imp-rest & Guarantee	663,941	611,084
Others	94,621,754	21,145,344
	249,475,706	167,384,109

Notes to the Separate the Financial Statements
For the year ended 31 December 2013

24. Fixed Assets

	Land & buildings	Office Furniture	Equipment & Machinery	Other	Total
	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as at the beginning of 1/1/2012					
Cost	44,821,076	26,463,454	2,962,987	38,538,577	112,786,094
Accumulated depreciation	(14,857,631)	(13,950,063)	(1,628,382)	(27,536,250)	(57,972,326)
Net book value as at prior year	29,963,445	12,513,391	1,334,605	11,002,327	54,813,768
Net Book value at the beginning of year	29,963,445	12,513,391	1,334,605	11,002,327	54,813,768
Additions	6,731,998	990,505	184,800	350,273	8,257,576
Disposals (net)	--	--	--	(225,675)	(225,675)
Depreciation for the year	(1,159,356)	(5,237,990)	(321,143)	(3,798,068)	(10,516,557)
Accumulated depreciation of Disposal Assets	--	--	--	178,503	178,503
Net book value as at 31 December 2012	35,536,087	8,265,906	1,198,262	7,507,360	52,507,615
Balance as of 1/1/2013					
Cost	51,553,074	27,453,959	3,147,787	38,663,175	120,817,995
Accumulated depreciation	(16,016,987)	(19,188,053)	(1,949,525)	(31,155,815)	(68,310,380)
Net book value	35,536,087	8,265,906	1,198,262	7,507,360	52,507,615
Net Book value at the beginning of year	35,536,087	8,265,906	1,198,262	7,507,360	52,507,615
Additions	9,250,000	2,395,539	1,841,175	4,352,004	17,838,718
Disposals (net)	--	(25,000)	--	(144,060)	(169,060)
Depreciation for the year	(1,274,794)	(4,757,271)	(381,947)	(3,128,821)	(9,542,833)
Accumulated depreciation of Disposal Assets	--	--	--	142,257	142,257
Net book value as at 31 December 2013	43,511,293	5,879,174	2,657,490	8,728,740	60,776,697
Balance at 31 December 2013					
Cost	60,803,074	29,824,498	4,988,962	42,871,119	138,487,653
Accumulated depreciation	(17,291,781)	(23,945,324)	(2,331,472)	(34,142,379)	(77,710,956)
Net book value	43,511,293	5,879,174	2,657,490	8,728,740	60,776,697

25. Due to banks

	31/12/2013 L.E.	31/12/2012 L.E.
Current accounts	15,558,276	13,369,887
Deposits	34,693,000	101,104,000
	50,251,276	114,473,887
Local banks	34,919,644	69,728,727
Foreign banks	15,331,632	44,745,160
	50,251,276	114,473,887
Balances with variable interest	15,558,276	13,369,887
Non-interest bearing balance	34,693,000	101,104,000
	50,251,276	114,473,887
Total	50,251,276	114,473,887

26. Customers' deposits

	31/12/2013 L.E.	31/12/2012 L.E.
Demand deposits	2,107,030,911	1,139,828,663
Time and call deposits	3,413,668,757	3,650,034,600
Certificates of deposits	1,740,613,429	1,445,810,404
Saving deposits	742,727,255	692,508,557
Other deposits	202,228,877	154,101,831
	8,206,269,229	7,082,284,055
Interest free balances	1,021,587,786	740,769,225
Balances with variable interest	5,479,224,014	4,923,790,426
Fixed interest balances	1,705,457,429	1,417,724,404
	8,206,269,229	7,082,284,055

27. Other loans

	Interest rate %	31/12/2013 L.E.	31/12/2012 L.E.
Commercial International Bank	2,5 – 3,5	5,100,000	8,333,333
		5,100,000	8,333,333

28. Other liabilities

	31/12/2013 L.E.	31/12/2012 L.E.
Accrued interest	61,512,472	55,234,661
Unearned revenue	197,500	1,025,908
Accrued expenses	6,671,071	5,033,200
Creditors	23,880,916	25,344,806
Other credit balances	18,785,008	20,524,117
	111,046,967	107,162,692

29. Other Provisions

	31/12/2013 L.E.	31/12/2012 L.E.
Balance at the beginning of the year	77,029,741	61,877,467
Foreign currencies revaluation	514,387	177,958
Charged during the year to income statement	(4,429,405)	14,985,569
Used during the year	(1,050,437)	(11,253)
Balance at Year end	72,064,286	77,029,741

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30. Deferred income tax

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

	Deferred tax asset		Deferred tax liability	
	31/12/2013 L.E.	31/12/2012 L.E.	31/12/2013 L.E.	31/12/2012 L.E.
Fixed assets	--	--	2,849,291	250,422
Provision (other than loan impairment loss)	3,289,397	2,098,997	--	--
Total deferred tax asset (liability)	3,289,397	2,098,997	2,598,869	104,115
Net tax assets (liabilities)	440,106	1,848,575		

Deferred tax assets and liabilities movements;	31/12/2013 L.E.	31/12/2012 L.E.
Balance at the beginning of the year	1,848,575	1,304,236
Additions	--	544,339
Disposals	(1,408,469)	--
	440,106	1,848,575

31. Capital

Authorized capital

The authorized capital amounted to USD 250,000,000 or its equivalent in EGP.

Issued and paid up capital

The issued and paid up capital amounted to USD (220,703,002 (equivalent to EGP 1.033,544,304) represented in 220,703,002 at par value of USD 1 each.

32. Reserves and retained earnings

	31/12/2013 L.E.	31/12/2012 L.E.
Reserves		
General banking risk reserve	8,183,150	8,000,000
Legal reserve	74,645,090	60,720,824
Differences from foreign balances translation	2,684,997	2,684,996
Fair value reserve-investments available for sale	97,851,821	11,671,885
General reserve	17,529,143	17,529,143
Special Reserve	8,143,329	8,143,329
Capital reserve	5,238,604	5,158,154
	214,276,134	113,908,331

Reserves movements during the year are as follows:

	31/12/2013 L.E.	31/12/2012 L.E.
A- General banking risk reserve		
Balance at the beginning of the year	8,000,000	23,949,582
Transferred from retained earnings	183,150	(15,949,582)
Balance at year end	8,183,150	8,000,000

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.

B- Legal reserve

	31/12/2013 L.E.	31/12/2012 L.E.
Balance at the beginning of the year	60,720,824	55,523,070
Transferred from retained earnings 2012	13,924,266	5,197,754
Balance at year end	74,645,090	60,720,824

In accordance with local laws, 10%of the net year's profit is transferred to reserve not available for distribution until this reserve reaches 100% of the capital

C- Fair value reserve-investments available for sale

	31/12/2013 L.E.	31/12/2012 L.E.
Balance at the beginning of the year	11,671,885	(32,680,259)
Net (losses) gains from changes in FMV (note 19)	82,528,891	42,117,198
Net gains transferred to the profit & loss resulted from disposal	2,716,952	1,785,402
Transferred to other debit balances	934,093	449,544
Balance at year end	97,851,821	11,671,885

D- Special reserve

Special reserve was formed in accordance with Central Bank of Egypt instruction issued on 16 December 2008 and can't be used but with the approval of Central Bank of Egypt

E- Retained earnings

Retained earnings movement	31/12/2013 L.E.	31/12/2012 L.E.
Balance at the beginning of the year	161,406,167	58,944,218
Profits for the year	190,091,560	139,242,652
Dividends declared prior year	(131,247,527)	(45,304,634)
Employees profit share	(11,650,206)	(1,500,000)
Board of directors remuneration	(3,300,893)	--
Transferred to general banking reserve	(183,150)	15,949,582
Transferred to legal reserve	(13,924,266)	(5,197,754)
Transferred to other reserve	(80,450)	(727,897)
	191,111,235	161,406,167

33. Cash and cash equivalents

For the purpose of preparing the statement of cash flow, the cash and cash equivalent includes the following balance of maturity

	31/12/2013 L.E.	31/12/2012 L.E.
Cash and due from CBE	932,457,288	789,240,894
Due from banks	227,525,089	417,373,416
Treasury bills	1,925,714,200	2,151,756,276
Balances with CBE (reserve)	(866,321,134)	(852,764,271)
Treasury bills maturity more than three months	(1,925,714,200)	(2,136,306,276)
	293,661,243	369,300,039

dates within less than three months from the date of acquisition.

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34. Commitment and contingent liabilities

A. Capital Commitment

The Bank's total capital commitments related to building and completing new branches and purchase of assets and equip amounted to EGP 11,634,083 which has not been finished as at 31 December 2013

B. Commitments for loans, guarantees and facilities

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

	31/12/2013 L.E.	31/12/2012 L.E.
Letter of credit (import &export)	474,920,000	426,871,773
Letter of guarantee	269,232,000	667,515,540
	744,152,000	1,094,387,313

35. Salaries & Bonus of top management

	31/12/2013 L.E.	31/12/2012 L.E.
Short term salaries & bonus	13,647,045	12,279,236
	13,647,045	12,279,236

The top twenty salaries and Bonuses in the bank reached LE 13,647,045 yearly and the monthly average is LE1,137,254 for the year ended 31 December 2013.

36. Related party transactions

Number of banking transactions with related parties has been conducted in the normal course of the business including loans deposits and foreign currency swaps.
Related parties transactions and balances at the end of the financial year are as follows:

A. Loans and advances to related parties

	Top Management		Affiliates	
	31/12/2013 L.E.	31/12/2012 L.E.	31/12/2013 L.E.	31/12/2012 L.E.
Existing loans at the beginning of the financial year	6,745,085	6,762,730	48,753,000	50,635,000
Loans issued during the financial year	3,828,444	1,655,560	7,040,000	3,129,000
Loans redeemed during the financial year	(2,473,133)	(1,673,205)	(2,480,000)	(5,011,000)
Existing loans at financial year end	8,100,396	6,745,085	53,313,000	48,753,000

- No provisions required for loans given to related parties.

B. Deposits from related parties

	Top Management	
	31/12/2013 L.E.	31/12/2012 L.E.
Deposits at the beginning of the financial year	10,108,949	7,190,376
Deposit received during the year	14,949,656	6,705,064
Deposit redeemed during the year	(3,683,568)	(3,786,491)
Existing deposits at year end	21,375,037	10,108,949

- **Deposits from related parties represented as follows**

	Top Management	
	31/12/2013	31/12/2012
	L.E.	L.E.
Call deposits	1,942,609	755,274
Saving accounts	6,874,667	2,620.975
Saving and deposit certificates	11,299,959	5,763,080
Time & call deposits	1,257,802	969,620
	21,375,037	10,108,949

37. Mutual Funds

A. Mutual fund established by the bank – Egyptian Gulf Bank

Fund is a licensed financial service conducted by the bank –according to the articles of Capital market law No,95 for 1992 and its bi-law, The fund is managed by HermesCompany for investment fund management, The number of certificates at the initial offering was one million certificates with a total amount of LE 100 million of which 50,000 certificates (amounting to LE 5 million) were designated to the Fund operation

The number of certificates outstanding as of the balance sheet date was 806,321 certificates at a redeemable value of LE 142,97 on 31 December 2013.

B. The thraa Fund cash

Fund is a licensed financial service conducted by the bank –according to the articles of Capital market law no,95 for 1992 and its bi-law and the fund is managed by Prime Company for mutual fund management, The number of certificates at the initial offering was 34,944,491 million certificates with a total amount of LE 375 million of which 713,359 certificates (amounting to LE 7,5million) were designated to the Fund operation

The number of certificates outstanding as of the balance sheet date was 29,614,824 certificates at a redeemable value of LE 11, 7955 on 31 December 2013.

38. Comparative figures

Certain Comparative Figures have been reclassified to conform with the current year's presentation.