

Translation of Limited Review Report
Originally issued in Arabic

Limited Review Report
Export Development Bank of Egypt
On the Consolidated interim financial statements as at December 31, 2015

To the Board of Directors of Export Development Bank of Egypt

Introduction

We have performed a limited review for the accompanying consolidated financial statements of Export Development Bank of Egypt (S.A.E.), which comprise the consolidated balance sheet as at December 31, 2015 and the related consolidated statements of income, changes in equity and cash flows for the six months then ended on that date, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements and its amendments, issued on December 16, 2008 and in light of the prevailing Egyptian laws related to these interim financial statements, Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standards on Review Engagements 2410, "Limited Review of interim Financial Statements performed by the independent Auditor of the Entity." A Limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the company, and applying analytical and other limited review procedures.

A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on these separate interim financial statements.

Conclusion

Based on Our limited review nothing has become to our attention causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the company as at December 31, 2015 and its consolidated financial performance and its consolidated cash flows for the period of six months then ended on that date in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements and it's amendments, issued on December 16, 2008 and in light of the prevailing Egyptian laws related to these interim financial statements.

Banks' Auditors

DR. Farid Fawzy
Fellow of ESAA
EFSA No. 130

Gihan Soliman Hassan
Member of ESAA
General Manager
Central Auditing Organization

Cairo, February 17, 2016

Consolidated Interim Balance Sheet As at December 31, 2015

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
<u>Assets</u>		
Cash and due from Central Bank of Egypt	1,489,739,570	1,018,831,369
Due from banks	3,756,216,444	777,414,889
Treasury bills and other governmental notes	3,307,158,828	4,345,578,927
Trading financial assets	58,002,328	82,195,657
Loans and advances to customers	9,275,600,811	9,304,498,455
Financial Derivatives	62,664,828	297,829,924
<u>Financial Investments:</u>		
-Available for sale	5,130,307,941	5,402,681,003
-Held to maturity	164,584,146	164,366,759
Financial investments in subsidiaries and associated co.	6,875,000	6,875,000
Intangible assets	1,208,171	1,588,651
Other assets	530,719,204	534,421,326
Fixed assets	385,095,209	359,632,779
Investment property	305,514,623	305,702,258
Deferred tax	11,081,488	11,081,488
<u>Total Assets</u>	<u>24,484,768,591</u>	<u>22,612,698,485</u>
<u>Liabilities and shareholders' equity</u>		
<u>Liabilities</u>		
Due to banks	817,751,887	1,493,327,086
Customers' deposits	19,947,677,745	17,490,317,779
Financial Derivatives	62,951,930	299,091,472
Debt Instruments	50,000,000	50,000,000
Other loans	682,787,949	386,998,955
Other liabilities	563,883,495	567,323,437
Other provisions	103,141,703	94,688,054
Deferred tax	4,968,276	4,968,590
<u>Total liabilities</u>	<u>22,233,162,985</u>	<u>20,386,715,373</u>
<u>Shareholders' equity</u>		
Paid up capital	1,440,000,000	1,440,000,000
Reserves	379,421,119	339,409,133
Retained Earnings	319,311,804	328,203,258
	2,138,732,923	2,107,612,392
Non-Controlling interests	112,872,682	118,370,720
<u>Total shareholders' equity</u>	<u>2,251,605,606</u>	<u>2,225,983,112</u>
<u>Total liabilities and shareholders' equity</u>	<u>24,484,768,591</u>	<u>22,612,698,485</u>

The accompanying notes from (1) to (36) are an integral part of these financial statements.
Limited Review report attached.

Mohamed Ibrahim El - Nadidy

Head of Financial Control Sector

Mohamed
El - Nadidy
رئيس وحدة المراجعة

Consolidated Interim Income Statement

For the period from July 1, 2015 till December 31, 2015

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
Interest and similar income	985,464,239	806,977,574
Deposits and similar expenses	(580,088,295)	(459,740,579)
Net Interest Income	405,375,944	347,236,995
Fees and commissions Income	100,555,817	107,427,111
Fees and commissions Expenses	(5,405,588)	(3,679,719)
Net income from fees & commissions	95,150,229	103,747,392
Dividends Income	26,483,680	3,174,813
Net Trading Income	14,473,253	2,834,484
Profit (Loss) from Financial Investments	1,647,345	2,181,131
Impairment of credit losses	(34,743,675)	(23,400,000)
Administrative expenses	(164,520,161)	(156,764,849)
Other operating income (expense)	10,843,479	16,392,562
Net profit before Tax	354,710,095	295,402,528
Income Tax	(93,563,421)	(92,135,111)
Deferred tax	(783)	(179,874)
Net profit for the year	261,145,891	203,087,543
Represented in:		
Bank's shareholders	255,332,587	198,561,597
Non-Controlling interests	5,813,304	4,525,946
Net profit for the year	261,145,891	203,087,543

The accompanying notes from (1) to (36) are an integral part of these financial statements.
Limited Review report attached.

Mohamed Ibrahim El-Hadidy

Head of Financial Control Sector

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تاريخ: ١٠/١٢/٢٠١٥

Consolidated Interim Cash flows Statement

For the Period ended December 31, 2015

<u>Notes</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>		
Net profit before income tax	354,710,095	295,402,528
<u>Adjustments to reconcile net profit to cash provided from operating activities:</u>		
Fixed Assets Depreciation	(22) 17,641,820	14,772,814
Intangible Assets Amortization	(20) 403,970	629,126
Investment property Depreciation	(23) 189,635	174,735
Reversal - Impairment of Credit losses	(9) 34,743,675	23,400,000
AFS investments Impairment	(18) 687,134	1,140,902
Reversal - Impairment of other Provisions	(30) 12,084,777	1,966,158
Capital Profits	(11) (1,251,288)	(78,102)
HFT investments revaluation differences	(8) (1,644,174)	(1,974,892)
AFS investments foreign exchange revaluation differences	(18) (3,045,354)	21,433
HTM investments foreign exchange revaluation differences	(18) (400,000)	(0)
Foreign currencies revaluation differences of provisions (other than provision for loans)	(30) 72,614	(45,228)
Operating profit before changes in assets and liabilities used in operating activities	414,192,906	335,409,474
<u>Net decrease (increase) in Assets & Liabilities</u>		
Due from banks	(932,454,461)	(88,962,350)
Treasury bills and other governmental notes	(2,663,262,335)	(2,808,961,838)
Trading financial assets	25,837,502	41,366,037
Loans and advances to customers	(5,846,031)	(477,573,684)
Financial Derivatives (Net)	(974,446)	3,671,833
Other assets	(23,865,945)	58,346,434
Due to banks	(25) (675,575,199)	(211,642,414)
Customers' deposits	(26) 2,457,359,966	1,297,660,501
Other liabilities	(29) (20,029,721)	117,683,005
Deferred tax	(314)	46,969
Income tax paid	(93,563,421)	(92,135,111)
Other provisions	(3,703,742)	(302,374)
Net cash flows (used in) operating activities	(1,521,885,242)	(1,825,393,518)
<u>Cash flows from investing activities</u>		
Purchase of fixed assets and branches improvements	(43,104,250)	(12,110,307)
Capital Profits	(11) 1,251,288	78,102
AFS Financial investments purchases	(18) (573,182,457)	(746,807,572)
Proceeds from redemption of AFS Financial investments	(18) 851,765,237	278,924,862
HTM Financial investments purchases	(18) (0)	(128,633,954)
Proceeds from redemption of HTM Financial investments	(18) 182,613	0
Purchase of intangible assets	(20) (23,491)	(0)
Net cash flows provided from (used in) investing activities	236,888,940	(608,548,869)
<u>Cash flows from financing activities</u>		
Net proceeds (repayments) from debt instruments & other loans	(28) 295,788,994	12,162,039
Paid Dividends	(195,219,832)	(169,700,000)
Net cash flows provided from (used in) financing activities	100,569,162	(157,537,961)
Net (decrease) in cash and cash equivalents during the period	(1,184,427,140)	(2,591,480,348)
Cash and cash equivalents at the beginning of the year	4,765,523,087	3,879,673,927
Cash and cash equivalents at the end of the period	(33) 3,581,095,947	1,288,193,579
<u>Cash and cash equivalents are represented in:</u>		
Cash and due from Central Bank of Egypt	(12) 1,489,739,570	905,067,245
Due from banks	(13) 3,756,216,444	1,093,678,433
Treasury bills and other governmental notes	(14) 3,307,158,828	3,379,390,200
Balances with Central bank of Egypt (Mandatory reserve)	(12) (1,414,390,340)	(740,552,099)
Balances due from Banks with maturities more than three months	(470,065,448)	0
Treasury bills and other governmental notes with maturities more than three months	(14) (3,087,563,105)	(3,349,390,200)
Cash and cash equivalents at the end of the period	3,581,095,947	1,288,193,579

- The accompanying notes from (1) to (36) are an integral part of these financial statements.



البنك المصري لتنمية الصادرات
Export Development Bank of Egypt

Consolidated Interim Changes in Shareholders' Equity Statement

For the Period ended December 31, 2015

December 31, 2014	Capital	General Banking Risk Reserve	General Banking Risk Reserve Acquired Assets	Legal Reserve	General Reserve	Reserve of revaluation of available for sale investments	Special Reserves	Capital Reserves	Retained Earnings	non-controllable interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at the beginning of the year	1,440,000,000	106,340,193	8,140,782	15,628,705	12,298,755	138,024,393	35,118,940	1,909,735	156,974,451	113,532,845	2,027,968,799
Net profit for the period	0	0	0	0	0	0	0	0	198,561,597	(4,822,595)	193,739,002
Dividends paid	0	0	0	0	0	0	0	0	(169,700,000)	(0)	(169,700,000)
Transferred to General Risk Reserve	0	0	0	0	2,116,499	0	0	0	(0)	883,500	2,999,999
Transferred to Capital Risk Reserve	0	0	0	0	0	0	0	2,304,148	(2,304,148)	0	0
Transferred to legal reserve	0	0	0	31,038,900	0	0	0	0	(28,788,900)	958,246	3,208,246
Transferred to Banking Risk Reserve - Acquired Assets	0	0	3,375,953	0	0	0	0	0	(3,375,953)	0	0
Transferred to retained earnings	0	0	0	0	0	0	0	0	(7,151,396)	1,614,446	(5,536,950)
Net change in available- for- sale investments	0	0	0	0	0	(39,606,203)	0	0	0	(298,843)	(39,905,046)
Balance at the end of the period	1,440,000,000	106,340,193	11,516,735	46,667,605	14,415,254	98,418,190	35,118,940	4,213,883	144,215,651	111,867,599	2,012,774,050

December 31, 2015	Capital	General Banking Risk Reserve	General Banking Risk Reserve Acquired Assets	Legal Reserve	General Reserve	Reserve of revaluation of available for sale investments	Special Reserves	Capital Reserves	Retained Earnings	non-controllable interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at the beginning of the year	1,440,000,000	106,340,193	11,516,735	46,833,283	14,415,254	120,970,846	35,118,940	4,213,883	328,203,258	118,370,721	2,225,983,113
Net profit for the period	0	0	0	0	0	0	0	0	255,332,587	5,813,304	261,145,891
Dividends paid	0	0	0	0	0	0	0	0	(184,690,950)	(10,528,882)	(195,219,832)
Transferred to Capital Reserve	0	0	0	0	0	0	0	78,102	(78,102)	0	0
Transferred to General Risk Reserve	0	0	0	0	2,116,500	0	0	0	0	883,500	3,000,000
Transferred to legal reserve	0	0	0	37,874,589	0	0	0	0	(35,406,812)	987,062	3,454,839
Transferred to Banking Risk Reserve-Assets acquired	0	0	4,075,885	0	0	0	0	0	(4,075,885)	0	0
Transferred to retained earnings	0	0	0	0	0	0	0	0	(39,972,293)	(3,197,283)	(43,169,576)
Net change in available- for- sale investments	0	0	0	0	0	(4,133,091)	0	0	0	544,261	(3,588,830)
Balance at the end of the period	1,440,000,000	106,340,193	15,592,620	84,707,872	16,531,754	116,837,755	35,118,940	4,291,985	319,311,804	112,872,682	2,251,605,606

- The accompanying notes from (1) to (36) are an integral part of these financial statements.

1. General information

Export Development Bank of Egypt (Egyptian Joint Stock Company) was established on July 30, 1983 under Law No. 95 of 1983 and its articles of association in the Arab republic of Egypt, The head office located in Giza at 108, Mohy El Din Abu El Ezz Street, Dokki the bank is listed in the Egyptian stock exchange (EGX). The objective of the Bank is to encourage, develop Egyptian export activities, and assist in developing agricultural, industrial, and commercial and service exporting sectors, also to provide all investment banking services in local and foreign currencies through its head office and twenty eight branches. The financial year starts from July first every year ending at June 30 of the next year.

These Consolidated Financial statements have been submitted by board of directors in February 15, 2016.

2. Summary of significant accounting policies

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

2.1 Basis of preparation of the consolidated financial statements

The financial statements have been prepared in accordance with Egyptian Accounting Standards issued in 2006 and its amendments and in accordance with the instructions of the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 consistent with the Standards referred to, and have been prepared under the historical cost modified by the revaluation of trading, financial assets and liabilities held for trading, and assets and liabilities originally classified as at fair value through profit or loss, financial investments available for sale and all derivatives contracts. The unconsolidated preparation of these financial statements was according to relevant domestic laws.

The bank also prepared consolidated financial statements of the Bank and its subsidiaries in accordance with Egyptian Accounting Standards, the subsidiaries companies are entirely included in the consolidated financial statements and these companies are the companies that the bank which - directly or indirectly - has more than half of the voting rights or has the ability to control the financial and operating policies of an enterprise, regardless of the type of activity, the consolidated financial statements of the Bank can be obtained from the Bank's management. The investments in subsidiaries and associate companies are disclosed in the standalone financial statements of the bank and its accounting treatment is at cost after deducting the impairment losses from it.

2.2 Basis of consolidation

(a) Subsidiaries

- Subsidiaries are all entities over which the bank has owned directly or indirectly the power 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.
- The group fully consolidates its subsidiaries from the effective date in which control is obtained till such control ceases to exist.

- The subsidiary companies which have been owned indirectly have been consolidated from June 30, 2014 .
- Subsidiary and associated companies consolidated by the bank (the holding co.) represented in the following as at **December 31, 2015**:

	<u>31 December 2015</u>	<u>%</u>	<u>30 June 2015</u>	<u>%</u>
	<u>EGP</u>		<u>EGP</u>	
Export Credit Guarantee Company of Egypt	176,382,811	70.55	176,382,811	70.55
International holding for financial investments	249,975,000	99.99	249,975,000	99.99
Egypt Capital Holding Company	410,979,450	99.99	339,983,000	99.99
BETA Financial holding	136,986,300	99.99	136,986,300	99.99
Egyptian company for real estate investments	152,865,000	39.50	152,865,000	39.50
A BETA for real estate investment	87,690,000	39.50	87,690,000	39.50
Egypt Capital for real estate investments	2,500	0.05	2,500	0.05
Egyptian tourism development company	9,324	0.01	6,769	0.01

The Touristic Investment Company (Sahl Hashish) represents an indirect investment that has been consolidated.

(b) Associates

Associates are all entities over which the Bank has significant influence directly or indirectly but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Accounting for subsidiaries and associates in the unconsolidated financial statements are recorded by cost method, investments are recognized by the cost of acquisition including any good will, deducting impairment losses in value.

2.3 Segment reporting

A business segment is a group of assets and operations related to 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.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances in foreign currencies

- The bank hold accounts in Egyptian pounds and prove transactions in other currencies during the financial year on the basis of prevailing exchange rates at the date of the transaction, and re-evaluation of balances of assets and liabilities of other monetary currencies at the end of the financial period on the basis of prevailing exchange rates at that date, and is recognized in the list Gains and losses resulting from the settlement of such transactions and the differences resulting from the assessment within the following items:
 - Net trading income or net income from financial instruments classified at fair value through profit and loss of assets / liabilities held for trading or those classified at fair value through profit and loss according to type.
 - Shareholders' equity of financial derivatives which are eligible qualified hedge for cash flows or eligible for qualified hedge for net investment.
 - Other operating revenues (expenses) for the rest of the items.
- Changes in the fair value of monetary financial instruments denominated in foreign currencies and classified as available for sale investments (debt instruments) are analyzed into valuation differences resulting from changes in amortized cost of the instrument, translation differences arising from changes in foreign exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences are recognized in profit or loss to the extent they relate to changes in amortized cost and changes in exchange rates which are reported in the income statement under the line items 'revenues from loans and similar activities' and 'other operating revenues (expenses)' respectively. The remaining differences resulting from changes in fair value of the instrument are carried to 'reserve for cumulative change in fair value of available for sale investments' in the equity section.
- Valuation differences resulting from measuring the non-monetary financial instruments at fair value include gains and losses resulting from changes in fair value of those items. Revaluation differences arising from the measurement of equity instruments classified as at fair value through profit or loss are recognized in the income statement, whereas the revaluation differences arising from the measurement of equity instruments classified as available for sale financial investments are carried to 'reserve for cumulative change in fair value of available for sale investments' in the equity section.

2.5 Financial assets

The bank classifies its financial assets in the following categories:

Financial assets classified as at fair value through profits or loss, loans and receivables, held to maturity financial assets, and available for sale financial assets. The Bank's classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Management determines the classification of its investments at initial recognition.

(a) Financial assets classified at fair value through profit or loss

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

- A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated as hedging instruments.
- Financial assets are designated at fair value through profit or loss when:
 - doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortized cost for loans and advances to customers or banks and debt securities in issue'
 - Certain investments, such as equity investments, are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis are designated at fair value through Profit and loss.
 - Financial instruments, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, are designated at fair value through profit and loss.
- Profits and losses resulted from changes in the fair value of the financial derivatives which are managed in conjunction with the assets and liabilities classified at inception fair value through profit and loss are recorded in the income statement within "net income from financial instruments classified at inception at fair value through profit and loss" item.
- Any derivative from the financial instruments group evaluated at fair value through profit and loss is not to be reclassified during the year of holding it or during its validity period. In addition, any instrument from financial instruments group evaluated at fair value through profit and loss is not to be reclassified if the mentioned instrument has been allocated by the bank at initial recognition as an instrument to be evaluated at fair value through profit and loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the bank intends to sell immediately or in the short term, which are classified as held for trading, or those that the bank upon initial recognition designates as at fair value through profit or loss; (b) those that the bank upon initial Recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

(c) 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 to maturity. If the Bank were to sell a significant amount of held to-maturity assets, the entire category would be reclassified as available for sale unless in the necessary cases.

(d) Available-for-sale financial investments

Available-for-sale investments are non-derivative financial assets with intention to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

The following is applied to financial assets

- Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade-date – the date on which the Bank commits to purchase or sell the asset.
- Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transaction costs are expensed in the income statement.
- Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished – that is, when the obligation is discharged, cancelled or expires.
- Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.
- Gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are recognized in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired. At this time, the accumulative gain or loss previously recognized in equity is recognized in profit or loss.
- Interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognized in the income statement. Dividends on available-for-sale equity instruments are recognized in the income statement when the bank’s right to receive payment is established.
- The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, or no current demand prices available the Bank establishes fair value using valuation techniques. These include the use of recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. If the bank had been unable to estimate the fair value of equity instruments classified available for sale, value is measured at cost less any impairment in value.
- The Bank reclassify the financial asset which classified as a financial instruments available for sale, which left the definition of loans and debts (bonds or loans), to be classified to the group of loans and receivables or financial assets held to maturity - all as the case - when available Bank has the intent and ability to hold these financial assets in the foreseeable future or until maturity and reclassification to be booked by fair value at reclassifications date, and not process any profits or losses on those assets that have been recognized previously in equity and in the following manner:
 - 1 - In case of reclassification of financial asset, which has a fixed maturity are amortized gains or losses over the remaining life of the investment retained until the maturity date in a manner effective yield is consumed any difference between the value on the basis of amortized cost and value on an accrual basis over the remaining life of the financial asset using the effective yield method, and in the case of the decay of the value of the financial asset is later recognition of any gain or loss previously recognized directly in equity in the profits and losses.
 - 2 - in the case of financial asset which has no fixed maturity continue to profit or loss in equity until the sale of the asset or to dispose of it, then be recognized in the profit and loss. In the case of erosion of the value of the financial asset is later recognition of any gain or loss previously recognized directly within equity in the profits and losses.
- If the Bank to adjust its estimates of payments or receipts are the settlement of the carrying amount of the financial asset (or group of financial assets) to reflect the actual cash inflows and the adjusted

estimates to be recalculated book value and then calculates the present value of estimated future cash flows at the effective yield of the financial instrument and is recognized settlement recognized as income or expense in the profit and loss.

- In all cases, if the bank re-Tab financial asset in accordance with what is referred to The Bank at a later date to increase its estimate of the proceeds of future cash result of the increase will be recovered from the cash receipts, is the recognition of the impact of this increase in settlement of the interest rate effective from the date of change in the estimate and not in settlement of the balance of the original notebook in the history of change in the estimate.

2.6 Offsetting financial instruments

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

And the clauses of agreements to buy treasury bills with a commitment to re-sale agreements and sale of treasury bills with a commitment to re-purchase on a net basis within the balance sheet item, treasury bills and other government papers.

2.7 Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
- Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss as part of "net trading income". Embedded derivatives are not split if the Bank chooses to designate the entire hybrid contact as at fair value through profit or loss.
- The accounting treatment used to recognize changes in fair value of derivatives depends on whether or not the derivative is designated as a hedging instrument under hedge accounting rules and on the nature of the hedged item. The Bank designates certain derivatives as either:
 - Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);
 - Hedging relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).
 - Hedging for net investment in foreign operations relating to future cash flows attributable to a recognized (net investment hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the criteria are met.

- The Bank documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income'. The effective portion of changes in the fair value of the currency swaps are recognized in the 'net trading income'. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument no longer qualified for hedge accounting, the adjustment to the book value of a hedged item is amortized which are accounted for using the amortized cost method, by charging to the profit and loss to the maturity. The adjustments made to the book value of the hedged equity instrument remains in the equity section until being excluded.

2.7.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge shall be recognized in equity while changes in fair value relating to the ineffective portion shall be recognized in the income statement in "net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "net trading income".

When a hedged item becomes due or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and shall only be recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item that is measured at amortized cost is amortized to profit or loss over the period to maturity.

2.7.3 Net investment hedge

Accounting for net investment hedge is the same for cash flows hedge. Profit or loss from hedging instrument related to the effective portion of the hedge to be recognized in Equity, while it is recognized in the income statement directly for hedging instrument not related to the effective portion. Accumulated profit or loss in equity to be transferred to the income statement upon disposal of foreign transactions.

2.7.4 Derivatives that do not qualify for hedge accounting

Interest on and changes in fair value of any derivative instrument that does not qualify for hedge accounting is recognized immediately in the income statement in "net trading income" line item. However, gains or losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in "net income from financial instruments designated at fair value through profit or loss".

2.8 Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest rate method. The

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

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

- 1- When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and loans to small business.
- 2- For corporate loans, interest income is also recognized on the cash basis, according to which interest earned during the periods subsequent to reschedule agreements does not start to accrete on the loan principal until the Bank collects 25% of the rescheduled installments and after payments of the installments continue to be regular for at least one year. If the customer is always paying at his due dates the interest calculated is added to the loan balance which makes revenues (interest on rescheduling without deficits) without interests aside before rescheduling which is avoiding revenues except after paying all the loan balance in the balance sheet before rescheduling.

2.9 Fees and commissions income

Fees and commissions charged by the Bank for servicing a loan are recognized as revenue as the services are provided. Recognition of such fees and commission in profit or loss ceases when a loan becomes non-performing or is impaired in which case fees and commission income is rather marginalized and carried off the balance sheet. Recognition of such fees and commissions as revenues continues on the cash basis when the relevant interest income on the financial instrument is recognized since they are generally treated as an adjustment to the effective interest rate on the financial asset.

If it is probable that the Bank will enter into a specific lending arrangement, the commitment fee received is regarded as compensation for an ongoing involvement with the acquisition of a financial instrument and, together with the related transaction costs, is deferred and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fee is recognized as revenue on expiry.

A syndication fee received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants) is compensation for the service of syndication. Such a fee is recognized as revenue when the syndication has been completed.

Fees and commissions resulting from direct negotiations or participation in such negotiations for the benefit of or on behalf of another party, such as those earned on the allotment of shares or other financial assets to a client or acquisition or disposal of entities for a client, are recognized as revenue when the specific transaction has been completed.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.

Fees charged for financial planning services and custodian services provided over long periods are recognized as income over the period during which the service is rendered.

2.10 Dividend income

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

2.11 Purchase and resale agreements, sale and repurchase agreements

The financial instruments sold, subject to repurchase agreements, are reported as additions to the balance of treasury bills and other governmental notes in the assets side at the balance sheet, whereas the liability (purchase and resale agreement) is reported in the balance sheet as a deduction therefrom. Difference between the sale price and repurchase price is recognized as a return throughout the period of the arrangement using the effective interest rate method.

2.12 Impairment of financial assets**(a) Assets carried at amortized cost**

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

- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- The Bank for reasons of economic or legal financial difficulties of the borrower by granting concessions may not agree with the Bank granted in normal circumstances;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The objective evidence of impairment loss for group of financial assets is the clear data indicate to a decline can be measured in future cash flows expected from this group since its initial recognition, although not possible to determine the decrease of each asset separately, for example increasing the number of failures in payment for One of the banking products.

The estimated period between a losses occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant and in this field the following are considered.

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

- Assets that are 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 no impairment losses result from the previous assessment of impairment in this case the asset included in a collective assessment of 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 a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

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

For the purposes of evaluation of impairment for a group of a 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 flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

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

(b) Assets classified as available for sale and held to maturity

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify under available for sale or held to maturity is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. The Decrease Consider significant cause it become 10% From cost of book value and the decrease consider to be extended if it continue for period more than 9 months, and if the mentioned evidences

become available then the accumulated loss to be post from the equity and disclosed at the income statement, impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

2.13 Real Estate Investments

The real estate investments represent lands and buildings owned by the Bank In order to obtain rental returns or capital gains and therefore does not include real estate assets which the bank exercised its work through or those that have owned by the bank as settlement of debts. The accounting treatment is the same used with fixed assets.

2.14 Intangible assets

2.14.1 Software

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income Statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads. Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification Cost of computer software recognized as an asset shall be amortized over the period of expected benefits which shall not exceed three years.

2.14.2 Other intangible assets

Other intangible assets represent intangible assets other than software programs (they include but not limited to trademark, licenses, and benefits of rental contracts). The other intangible assets are recorded at their acquisition cost and are amortized on the straight-line method or based on economic benefits expected from these assets over their estimated useful life. Concerning the assets which do not have a finite useful life, they are not subject to amortization they are annually assessed for impairment, while value of impairment (if any) is charged to the income statement.

2.15 Fixed Assets

Lands and buildings are mainly represented in head office, branches and offices premises. All fixed assets are disclosed at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenditures that are directly attributable to the acquisitions of the fixed assets' items.

Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized

in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Premises and constructions	40 years
Fixtures and air conditions	5 years
Safes	50 years
Copiers and fax	8 years
Vehicles and means of transportation	5 years
Electric appliances	10 years
Mobile phones	3 years
Telephone networks, fire extinguishers	10 years
Computers and computers' software	3 years
Furniture	10 years
Decorations	4 years

The residual value and useful lives of the fixed assets are reviewed on the each balance sheet date and they are adjusted whenever it is necessary. Depreciated assets are reviewed for purposes of determining extent of impairment when an event or change in conditions occurs suggesting that the book value may not be recovered. Consequently, the book value of the asset is reduced immediately to the asset's net realizable value in case increasing the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and losses from the disposal of fixed assets are determined by comparing the net proceeds at book value. Gains (losses) are included within other operating income (expenses) in the income statement.

2.16 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17 Leases

(a) Being lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized in profit or loss on a straight-line basis over the term of the contract.

(b) Being lesser

Assets leased out under operating lease contracts are reported as part of the fixed assets in the balance sheet and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized net of any discounts granted to the lessee, using the straight line method over the contract term.

2.18 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, They include cash and balances due from Central Bank of Egypt (other than those under the mandatory reserve), balances due from banks, treasury bills and other governmental notes.

2.19 Other Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions which negated the purpose of wholly or partly repaid within the item other operating income (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation which become due after one year from the financial statement date using appropriate rate for the due date (without being affected by effective tax rate) which reflect time value of money, and if the due date is less than one year we calculate the estimated value of obligation but if it have significant impact then it calculated using the current value.

2.20 Financial Guarantees

A financial guarantee contract is a contract issued by the bank as security for loans or debit current accounts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are presented to the banks, corporations and other entities on behalf of the bank's clients. When a financial guarantee is recognized initially, the Bank shall measure it at its fair value that is directly attributable to the issue of such financial guarantee.

The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized in the income statement using the straight-line method over the term of the guarantee and The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the balance sheet date Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment. Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (costs) in the income statement.

2.21 Employees' benefits

The bank has employees insurance fund, it was founded at the first of July 2000 under the law of 54 for the year 1975 and its executive regulations for the purpose of granting insurance and compensation benefits for the members. This fund rules and modifications are applied to all the bank staff in the head office and its branches in Arab Republic of Egypt.

The Bank is committed to lead to the fund monthly and annual subscriptions in accordance with the Rules of the Fund and its amendments, and there are no obligations to the bank following the payment of additional contributions. Contributions are recognized in expenses of employee benefits when due. The recognition of contributions paid in advance as an asset to the extent that its payment to the reduction of future payments or cash refund.

2.22 Income taxes

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

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the 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 foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet. Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will not 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.

2.23 Borrowing

Borrowing is recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.24 Capital

2.24.1 Capital issuance cost

Cost of issuance of new shares, issuance of shares to effect an acquisition, or issue of share options, net of tax benefits, are reported a deduction from equity.

2.24.2 Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the Bank's articles of association and the corporate law.

2.24.3 Treasury stocks

The bank didn't deal on the treasury stocks, and in case of purchasing treasury stocks the purchased amount is deducted from shareholders' equity till its cancellation and in case of selling or reissuing these stocks all collected amounts will be added to shareholders' equity.

2.25 Trust activities

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

2.26 Comparatives figures

Comparative figures are reclassified, where necessary, to conform with changes in the current year presentation

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. And 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 analyses these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a 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 the control environment.

3.1 Credit risk

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

3.1.1 Credit risk measurement

(a) Loans and advances to banks and customers

To measure credit risk related to loans and advances extended to banks and customers, the bank examines the following three components:

- Probability of default of the customer or others in fulfilling their contractual obligations.
- The current position and the likely expected future development from which the bank can conclude the balance exposed to default (Exposure at default).
- Loss given default.

The daily activities of the bank's business involves of measurement for credit risk which reflect the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may interfere with the impairment charge according to the Egyptian Accounting Standard no. (26), which depends on losses realized at the balance sheet's date (realized losses models) and not on expected losses.

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:

Bank's internal ratings scale	Bank's rating Description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Nonperforming loans

And the loans expose to default depend on the banks expectation for the outstanding amounts when default occur.

example, as for a loan position is the nominal value while for commitments the bank enlists all already drawn amounts besides these amounts expected to be withdrawn until the date of default, if it happens. 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.

(b) Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as Standard & Poor's rating or their equivalents are used by bank Treasury 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.

3.1.2 Risk limit control and mitigation policies

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

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, 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:

(a) Collateral

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

- Mortgages over residential properties;
- Mortgage business assets such as premises, And inventory;
- Mortgage financial instruments such as debt securities and equities.

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

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

(b) Derivatives

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

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

(c) Master netting arrangements

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

(d) Credit-related commitments

3.1.3 Impairment and provisioning policies

The internal rating systems described in Note 3.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities.

In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

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

Bank's rating	<u>December 31, 2015</u>		<u>June 30, 2015</u>	
	Loans and advances	Impairment provisions	Loans and advances	Impairment provisions
Performing loans	80.59%	16.44%	80.21%	15.23%
Regular watching watch list	8.83%	4.17%	8.79%	3.40%
Non-performing loans	3.51%	14.27%	3.60%	8.85%
	7.07%	65.12%	7.40%	72.55%
	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
- 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, for economic, legal reasons, or financial difficulties facing the borrower
- Deterioration in the value of collateral
- Deterioration in 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 individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

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

3.1.4 Pattern of measuring the general banking risk

In addition to the four categories of measuring credit worthiness discussed in disclosure 3.1.1.a the management makes small groups more detailed according to the CBE rules. Assets facing credit risk are classified to detailed conditions relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The bank calculates the provisions needed for assets impairment in addition to credit regulations according to special percentages determined by CBE.

In the case of increase of impairment loss provision needed according to CBE than that for purposes of making the financial statements according to the EAS, the general banking risk reserve is included in owners' equity deducted from the retained earning with this increase, this reserve is modified with periodic basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

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

CBE Rating	Description	Provision %	Internal Rating	Internal Description
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%	1	Performing loans
5	Acceptable Risk	2%	1	Performing loans
6	Marginally Acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad Debt	100%	4	Non-performing loans

3.1.5 Maximum exposure to credit risk before collateral held

Balance sheet items exposed to credit risks

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Treasury Bills and other governmental notes	3,411,483,076	4,489,346,886
<u>Trading financial assets:</u> Debt instruments	0	14,800,729
Loans and Advances to customers	10,037,749,780	10,082,389,081
Financial Derivatives	62,664,828	297,829,924
<u>Financial Investments:</u> AFS and HTM debt instruments	4,766,276,320	5,028,298,321
Other assets	530,719,204	534,421,326
Total	18,808,893,208	20,447,086,267

Off Balance sheet items exposed to credit risk

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Letter of guarantee	854,833,506	779,875,089
Letter of Credit (Import)	200,619,325	252,345,935
Letters of credit (Export-confirmed)	33,817,250	35,329,330
Shipping documents (Export)	75,467,501	86431924.8
Outstanding forward contracts	(302,449)	(1,255,970)
Total	1,164,435,133	1,152,726,309

3.1.6 Loans and advances

Balances of loans and Advances in terms of credit risk rating are as follows:

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Neither have arrears nor impaired	9,187,880,753	9,297,266,649
Have arrears but not impaired subject to impairment	142,014,492	42,000,558
	707,854,535	743,121,874
Total	10,037,749,780	10,082,389,081
Less: impairment loss provision	(762,148,969)	(777,890,626)
Net	9,275,600,811	9,304,498,455

Loans and advances neither have arrears nor impaired

The credit quality of loans and Advances that do not have arrears and which are not subject to impairment is assessed by reference to the bank's internal rating.

Rating	<u>Loans and Advances to customers (EGP)</u>		
	<u>December 31, 2015</u>		
	Retail	Corporate	Total loans and advances to customers
Performing loans	192,399,154	8,112,195,590	8,304,594,744
Regular watching	0	883,286,009	883,286,009
Total	192,399,154	8,995,481,599	9,187,880,753

Rating	<u>Loans and Advances to customers (EGP)</u>		
	<u>June 30, 2015</u>		
	Retail	Corporate	Total loans and advances to customers
Performing loans	185,902,405	8,228,651,225	8,414,553,630
Regular watching	0	882,713,019	882,713,019
Total	185,902,405	9,111,364,244	9,297,266,649

Loans and advances have arrears but are not subject to impairment

These are loans and facilities with past-due installments but are not subject to impairment, unless Information has otherwise indicated. Loans and facilities to customers which have arrears but are not subject to impairment are analyzed below:

	<u>Corporates</u>	
	<u>Direct loans (EGP)</u>	
	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Arrears up to 30 days	16,062,074	3,107,972
Arrears from 30 to 60 days	11,666,865	16,917,751
90 days arrears	114,285,553	21,974,835
Total	142,014,492	42,000,558

Loans and Advances which are individually impaired

Loans and Advances to customers

Loans and advances individually assessed without taking into consideration cash flows from guarantees are totaled EGP 707,854,535 against EGP 743,121,874.

The breakdown of the gross amount of individually impaired loans and advances held by the Bank, are as follows:

	<u>Corporates (EGP)</u>	
	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Loans which are individually impaired	707,854,535	743,121,874
Collaterals Fair value	235,020,111	251,259,976

3.1.7 Debt instruments, treasury bills and other governmental notes

The table below presents an analysis of Debt instruments, treasury bills and other governmental notes by rating agency at the end of the financial year based on Standard & Poor's ratings or their equivalent:

EGP Thousands				
	<u>December 31, 2015</u>		<u>June 30, 2015</u>	
Financial investments	Treasury bills and other Gov. notes	Financial Investments	Treasury bills and other Gov. notes	Financial Investments
AAA	-	51,724	-	68,965
AA- to AA+	-	14,606	-	23,174
A- to A+	-	25,000	-	27,455
Lower than A-	3,307,159	4,674,946	4,345,579	4,908,704
Total	3,307,159	4,766,276	4,345,579	5,028,298

3.1.8 Concentration of risks of financial assets exposed to credit risks

3.1.8.1 (Geographical segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting period.

The gross amount of all financial assets is segmented into the geographical regions of the bank's clients:

	Arab Republic of Egypt		Total
	Cairo	Alex and Delta	
Treasury bills and other governmental notes	3,411,483,076	-	3,411,483,076
<u>Gross Loans and advances to customers:</u>			
Personal loans	149,979,566	42,419,588	192,399,154
Corporate Loans	8,365,129,916	1,480,220,710	9,845,350,626
Impairment Loss Provision-Individual	-	-	-
Impairment Loss Provision-Corporate	(666,011,316)	(96,137,653)	(762,148,969)
Net Loans and advances to customers	7,849,098,166	1,426,502,645	9,275,600,811
<u>Available for sale financial investments:</u>			
Debt instruments	4,667,544,414	-	4,667,544,414
<u>Held to Maturity financial investments:</u>			
Debt instruments	98,731,906	-	98,731,906
Total	16,026,857,563	1,426,502,645	17,453,360,208

3.1.8.2 (Industry Segments)

	EGP Thousands				
	Financial institutions	Manufacturing institutions	Government sector	Other activities	Total
Treasury Bills and other gov.notes	-	-	3,411,483	-	3,411,483
<u>Trading financial assets:</u>					
- Debt instruments	-	-	-	-	-
Loans and advances to customers	10,448	6,357,446	1,408,800	2,261,056	10,037,750
Financial derivatives	62,665	-	-	-	62,665
<u>Financial investments:</u>					
- Debt instruments	20,016	-	4,640,538	105,723	4,766,277
Total	93,129	6,357,446	9,460,821	2,366,779	18,278,175

3.2 Market Risks

The bank is exposed to market risk represented in volatility in fair value or future cash flows resulted from changes in market prices. Market risk arise from the open positions of interest rates, currency rates and the equity instruments, the management of market risk resulted from trading, non-trading activities are centralized in the market risk department in the bank.

3.2.1 Foreign exchange rate volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised.

The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting period. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

3.2.2 Interest rate risk

The bank is exposed to impact of fluctuations in the levels of interest rates prevailing in the market that is the cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to change in the interest rate of the mentioned instrument. Whereas the interest rate is fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market.

The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The board of directors sets limits for the level of difference in the re-pricing of interest rate that the bank can maintain and Risk department in the bank daily monitors this.

The following table summarizes the extent of the bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments divided based on the price of re-pricing dates or maturity dates whichever is sooner:

3.3 Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

3.5 Capital Management

The Bank's objectives when managing capital, which consists of another items in addition of owner's equity stated in balance sheet are:

- To comply with the capital requirements in Egypt.
- To safeguard the Bank's ability to continue as an ongoing concern so that it can continue to provide returns for shareholders and stakeholders.
- To maintain a strong capital base to support the development of its business.
- Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central bank Of Egypt, for supervisory purposes. The required information is filed with the Authority on a quarterly basis.

Central bank Of Egypt requires the following:

- Hold the minimum level of the issued and paid up capital of LE500 Million.
- Maintaining a percentage between capital elements and asset and contingent liabilities elements weighted by risk equals to or exceeds 10%. The numerator of the capital adequacy ratio consists of the following two tiers:

Tier One:

Represented in basic capital which consists of paid-in-capital (after deducting the book value of treasury shares), retained profits and reserves from profit appropriation with the exception of general banking risk reserve less any goodwill previously recognized or any carried over losses and 20% of intangible assets and deferred taxes.

Tier Two

Supplementary Capital consists of equivalent of the general risks provision related to creditworthiness bases issued by the Central Bank Of Egypt and not exceeding 1.25% of the total risk weighted assets and contingent liabilities, subordinated loans / deposits' term which exceed 5 years (with amortization of 20% of their value each year of the last five years of their term) and 45% of the increase between fair value and book value of financial investments available for sale, held to maturity and associates and subsidiaries.

When calculating the total numerator of the capital adequacy ratio it should be taken into consideration that the supplementary capital does not exceed in any way the basic capital and that subordinated loans (deposits) do not exceed half of the basic capital.

Asset at risk are weighted ranging from zero up to 100% classified in accordance with the nature of the debit side of each asset, to reflect the related credit risks, while taking into consideration cash collaterals. Same treatment is applied on off- balance amounts after making adjustments to reflect the contingent nature and probable losses of these amounts.

The bank has complied with all local capital requirements at December 31, 2015 the following table summarizes the components of basic and supplementary capital and capital adequacy ratios as at 31/12/2015.

According to Basel II:

EGP Thousands

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Capital	2,142,310	2,044,847
<u>Tier one (Basic capital):</u>		
Paid up capital	1,440,000	1,440,000
Reserves	302,813	267,224
Retained profits	276,727	144,569
Un controllable interest	60	57
Total deductions from basic capital	(47,861)	(21,617)
Total basic capital	1,971,739	1,830,233
<u>Tier two (Supplementary capital)</u>		
45%of special reserve	10,098	10,098
45%of the increase in the fair value over book value of held to maturity financial investment an investments in subsidiaries and associated companies	22,016	54,923
Impairment provision for loans and regular contingent	146,254	149,592
Total deductions fromsupplementary capital	(7,796)	0
Total supplementary capital	170,572	214,613
<u>Risk weighted assets and contingent liabilities :</u>		
Total credit risk	11,700,585	11,968,909
Total market risk	0	161,905
Total operational risk	1,101,181	1,100,315
Total	12,801,766	13,231,129
Capital adequacy ratio (%) *	<u>16.73%</u>	<u>15.45%</u>

*Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.

3.6 Leverage Ratio

The measurement of financial leverage that supports the measurement of capital adequacy standard associated with the risk scale , simple and straightforward according does not account for the risk weights attributed its effectiveness to its ability to reduce the pressure on the banking system and indicate the leverage ratio to measure the adequacy of the first of its basic capital slide compared with total assets Bank, which is not less than 3% .

The following table summarizes the components of leverage ratios as at 31/12/2015 :

	December 31, 2015
<u>Tier one (Basic capital):</u>	
Paid up capital	1,440,000
Reserves	302,813
Retained profits	276,727
Un controllable interest	60
Total deductions from basic capital	(47,861)
Total basic capital	1,971,738
<u>Assets and contingent liabilities :</u>	
Assets	24,622,252
contingent liabilities	1,170,012
Total Assets and contingent liability	25,792,264
Leverage ratio (%)	7.64%

4. The significant accounting estimates and assumptions

The bank applies estimates and assumptions, which affect the amounts of assets and liabilities to be disclosed within the following financial year. Estimates and assumptions are continuously assessed based on historical experience and other factors as well, including the expectations of future events, which are considered reasonable in the light of available information and surrounding circumstances.

(A) Impairment loss on loans and advances

The bank reviews the loans and advances portfolio on at least a quarterly basis to assess impairment. The bank applies personal judgment when determine the necessity of recording the impairment charges to the income statement so as to know if there is any reliable data which refer to the existence of a measurable decline in the expected future cash flows of the loans portfolio even before being acquainted with the decline at the level of each loan in the portfolio. These evidences may include observable data, which refer to the occurrence of a negative change in the ability of a portfolio of borrowers to repay the bank, or local or economic circumstances related to default in the bank's assets. On scheduling future cash flows, the management use estimates based on prior experience of losses of assets with credit risk characteristics in the presence of objective evidences that refer to impairment similar to those included in the portfolio. The method and assumptions used in estimating the amount and timing of future cash flows are reviewed on a regular basis to minimize any differences between estimated and actual losses based on expertise.

(B) Impairment in equity instruments investments available for sale

The bank determine impairment in equity's instruments' investments available for sale when there is a significant or prolonged decline in their fair value below their cost.

Determining whether the decrease is significant or prolonged depends on personal judgment. To reach this judgment the bank estimates- among other factors- the usual volatility of the share price. Additionally, there could be impairment if there is evidence on the existence of deterioration in the financial position of the invested company or in its operating and financing cash flows or if there is deterioration in the industry's or sector's performance or in case of changes in technology.

(C) The fair value of derivatives

The fair values of financial instruments, which are not listed in active markets, is identified by applying valuation methods. When such methods are used to identify fair value, they are tested and reviewed periodically by qualified personnel who are independent of the body that prepared them.

(D) Financial investments held - to- maturity

The non-derivative financial assets with payments and maturity dates that are fixed or determinable are classified as financial investments held to maturity, and this classification requires to a great extent the application of personal judgment and to reach such decision the bank evaluates the intention and ability to hold these investments until maturity. If the bank fails to hold these investments until maturity date, with the exception of very special cases such as selling an insignificant amount near maturity, then these investments, which were classified held to maturity, should be reclassified available for sale investments. Consequently, these investments shall be measured by fair value and not by amortized cost in addition to suspension of classifying any investments under the mentioned item.

(E) Income taxes

The bank records the liabilities of the expected results of tax examination according to estimates of the probability of the emergence of additional taxes. When there is, a variance between the final result of taxes and the amounts previously recorded then these variances will affect the income tax and deferred tax provision for the year in which the variance has been identified.

5. Net Interest Income

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
<u>Interest From Loans and Similar Income:</u>		
Loans and Facilities for Customers	435,603,658	373,816,197
Treasury Bills	177,653,798	124,918,686
Treasury Bonds	306,763,382	277,367,415
Corporate Bonds	5,548,493	8,099,857
Deposits, Current Accounts and Certificates	57,519,109	17,259,637
Other	2,375,800	5,515,782
	985,464,239	806,977,574
<u>Cost of Deposit and Similar Costs:</u>		
<u>Deposits and Current Accounts:</u>		
Banks	(16,608,452)	(25,240,522)
Customers	(556,698,022)	(428,561,778)
Other loans	(6,781,820)	(5,938,279)
REPO	-	0
	(580,088,295)	(459,740,579)
Net	405,375,944	347,236,995

6. Net Income from Fees and Commissions

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
<u>Fees and commissions</u>		
Fees and commission related to credit	93,084,416	94,022,898
Custody Fees	244,925	224,277
Other Fees	7,226,476	13,179,936
	100,555,817	107,427,111
<u>Fees and Commissions Expenses:</u>		
Other fees paid	(5,405,588)	(3,679,719)
	(5,405,588)	(3,679,719)
Net	95,150,229	103,747,392

7. Dividend Income

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
Mutual funds	-	137,759
Financial investments available for sale	26,483,680	3,037,054
Total	26,483,680	3,174,813

8.

Net Trading Income

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
Profit (losses) from foreign exchange	21,054,771	9,538,399
Profit (losses) from interest rate swap contracts	(412,060)	(27,831)
Profit (losses) from currencies swap contracts revaluation	(9,726,428)	(9,766,856)
Profit arising from sale of trading investments	1,912,796	1,115,880
Valuation differences of trading investments	1,644,174	1,974,892
Total	14,473,253	2,834,484

9. Impairment (charge) of credit losses

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>EGP</u>	<u>EGP</u>
Loans and advances to customers	(34,743,675)	(23,400,000)
	(34,743,675)	(23,400,000)

10. Administrative expenses

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	EGP	EGP
Staff Costs		
- Salaries and Wages	(84,803,983)	(76,010,408)
- Social insurance	(3,638,844)	(3,302,722)
Pension costs		
- Defined contribution scheme	(8,815,899)	(8,693,942)
- Defined benefits scheme	(10,520,762)	(8,660,681)
Other Administrative expenses		
- Operations expenses	(15,374,406)	(22,448,591)
- Communications expenses	(2,291,417)	(1,965,185)
- Business expenses	(2,915,707)	(1,978,598)
- Stationary expenses	(714,597)	(610,842)
- Service expenses	(16,045,720)	(15,074,600)
- Depreciation expenses	(19,398,826)	(18,019,280)
Total	(164,520,161)	(156,764,849)

11. Other operating income (expenses)

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	EGP	EGP
Profit (loss) resulting from revaluation of foreign currency balances of assets and liabilities of monetary nature other than those held for trading or originally classified at fair value through profit and loss	3,805,280	9,278,401
Collected Telex, Swift, Postage, Printed matters & Photocopy	6,208,089	5,238,843
Legal service income	55,600	48,300
(Charges) release of other provisions	(9,215,717)	(170,073)
Capital profits	1,251,288	78,102
Miscellaneous income	10,217,296	6,297,968
Miscellaneous expenses	(1,478,356)	(4,378,979)
Total	10,843,479	16,392,562

12. Cash and due from central bank of Egypt

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Cash on hand	75,349,230	66,830,041
Due from Central Bank of Egypt (mandatory reserve)	1,414,390,340	952,001,328
Total	1,489,739,570	1,018,831,369
Non- interest bearing balances	1,489,739,570	1,018,831,369

13. Due from banks

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts	185,518,198	88,515,943
Deposits	3,570,698,245	688,898,946
	3,756,216,444	777,414,889
Central Bank	3,334,150,589	435,013,877
Local banks	115,332,245	25,820,373
Foreign banks	306,733,610	316,580,639
	3,756,216,444	777,414,889
Non - interest bearing balances	185,518,198	88,515,943
Fixed bearing balances	3,570,698,245	688,898,946
	3,756,216,444	777,414,889
Current Balances	3,756,216,444	777,414,889
Total	3,756,216,444	777,414,889

14. Treasury bills and other governmental notes

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Treasury Bills And Other Governmental Notes	3,307,158,828	4,345,578,927
	3,287,522,891	4,345,578,927
Represented in:		
91 days Maturity	237,017,134	246,280,335
182 days Maturity	452,463,209	484,927,037
364 days Maturity	2,722,002,733	3,758,139,514
	3,411,483,076	4,489,346,886
Subtract:		
Unearned income	(104,324,248)	(143,767,959)
Total (1)	3,307,158,828	4,345,578,927
REPOS:		
Total	3,307,158,828	4,345,578,927

15. Trading Financial Assets

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Debt instruments :		
Treasury bonds 2025 maturity	0	14,800,729
Mutual Funds:		
Export Development Bank of Egypt Fund -The Second - The Monetary	58,002,328	67,394,928
Total	58,002,328	82,195,657

16. Loans and overdrafts for customers

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Discounted documents	98,947,346	104,058,396
Loans to customers	9,929,715,038	9,964,734,999
Acquired assets debtors	9,087,397	13,595,686
Total	10,037,749,780	10,082,389,081
Less: impairment loss provision	(762,148,969)	(777,890,626)
Net	9,275,600,811	9,304,498,455

Loans Provisions Analysis:

	<u>December 31, 2015</u>			<u>June 30, 2015</u>		
	Specific Provisions	Collective Provisions	Total	Specific Provisions	Collective Provisions	Total
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the year	563,320,811	214,569,815	777,890,626	649,938,041	145,310,891	795,248,932
Formed during the year	34,743,675	0	34,743,675	44,778,191	0	44,778,191
Collections from loans previously written-off	0	441,975	441,975	0	7,411,712	7,411,712
Reclassifications between provisions	(30,131,595)	30,131,595	0	(55,753,833)	55,753,833	0
Transferred from(to)other provisions	0	197,651	197,651	0	3,366,331	3,366,331
Foreign currency revaluation difference	5,197,369	1,970,328	7,167,697	7,886,366	2,727,048	10,613,414
Used Provision during the year	(58,292,655)	0	(58,292,655)	(83,527,954)	0	(83,527,954)
Balance at the end of the year	514,837,605	247,311,364	762,148,969	563,320,811	214,569,815	777,890,626

17. Financial Derivatives

The financial derivatives reported in the separate financial statements for the Period ended December 31, 2015 equivalent amounted to 62,665 thousands EGP in Assets against equivalent amounted to 62,952 thousands EGP in in the liabilities, to cover bank currency position.

18. Financial Investment

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>
a. <u>Available for sale investment:</u>		
<u>Debt instruments-fair value:</u>		
Listed in stock market	4,667,544,414	4,929,783,802
<u>Equity instruments-fair value:</u>		
Listed in stock market	14,607,154	6,495,365
Unlisted in stock market	448,156,372	466,401,836
Total available for sale investment (1)	5,130,307,941	5,402,681,003
b. <u>Held to maturity investment:</u>		
<u>Debt instruments at amortized cost:</u>		
listed in stock market	83,271,706	83,454,319
Unlisted in stock market	15,460,200	15,060,200
<u>Certificate Of Deposits:</u>		
Suez Canal certificate Of Deposits	45,000,000	45,000,000
<u>Mutual funds:</u>		
Certificates of mutual funds issued according to determined percentages	20,852,240	20,852,240
Total held to maturity investment (2)	164,584,146	164,366,759
Total Financial Investments (1+2)	5,294,892,087	5,567,047,762
Current balances	4,765,423,275	5,019,733,485
Non-current balances	529,468,812	547,314,277
	5,294,892,087	5,567,047,762
Fixed interest debt instruments	4,714,552,243	4,944,272,664
Variable interest debt instruments	51,724,078	84,025,657
Total	4,766,276,320	5,028,298,321

	AFS Financial Investments	HTM Financial Investments	Total
Beginning balance at (01-07-2014)	4,503,992,767	35,132,440	4,539,125,207
Additions	2,361,069,180	128,454,319	2,489,523,499
Deductions (selling-redemptions)	(1,432,162,843)	0	(1,432,162,843)
Changes in Zero copoun bonds' unearned income	2,228,670	0	10,232,771
Foreign Exchange revaluation differences	9,452,771	780,000	(19,635,937)
Profit (loss) from change in fair value	(19,635,937)	0	(22,263,605)
Impairment Losses	(22,263,605)	0	5,567,047,762
Ending balance at (30-06-2015)	5,402,681,003	164,366,759	11,131,866,854
Beginning balance at (01-07-2015)	5,402,681,003	164,366,759	5,567,047,762
Additions	573,182,457	0	573,182,457
Deductions (selling-redemptions)	(851,765,237)	(182,613)	4,778,351
Changes in Zero copoun bonds' unearned income	4,778,351	0	9,350,676
Foreign Exchange revaluation differences	8,950,676	400,000	(6,832,176)
Profit (loss) from change in fair value	(6,832,176)	0	(687,134)
Impairment Losses	(687,134)	0	5,294,892,087
Ending balance at (31-12-2015)	5,130,307,941	164,584,146	11,441,732,023

Profit (losses) from financial investment

	December 31, 2015 EGP	December 31.2014 EGP
Profit from selling available for sale investment	1,520,713	1,689,221
(Losses) from impairment of available for sale stocks	(687,134)	(1,140,902)
Profit from selling treasury bills	771,614	1,154,604
Profit from selling treasury bonds	42,153	478,208
Total	1,647,345	2,181,131

19. Financial investment in subsidiaries and associated companies

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
<u>Participations in Associated companies' capital</u>		
Philae Cruisers company	6,875,000	6,875,000
Total	6,875,000	6,875,000

20. Intangible assets

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Net book value at the beginning of the year	32,411,937	32,322,394
Additions	23,490	89,543
Net book value at the end of the period	32,435,427	32,411,937
Accumulated depreciation at the beginning of the year	30,823,286	29,803,393
Amortization expense	403,970	1,019,893
Accumulated Amortization at the end of the period	31,227,256	30,823,286
Net intangible assets at the end of the period	1,208,171	1,588,651

21. Other Assets

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Accrued revenues	195,476,413	211,397,293
Prepaid expenses	35,988,811	38,345,283
Advances for purchase of fixed assets	186,635,063	173,833,585
Acquired assets (Net)*	39,330,763	29,602,763
Insurances and trusts	1,877,260	1,871,597
Suspense assets	8,964,072	13,878,232
Suspense assets - Taxes	38,428,930	42,807,728
Commissions under collection	83,444	42,909
Bonds amortization	10,846,731	9,153,203
Other Debtors	13,087,717	13,488,733
Total	530,719,204	534,421,326

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Accrued income for medium term loans	46,880,411	44,317,949
Accrued income for due from banks	2,653,280	125,345
Accrued income for financial investments	145,942,722	166,953,999
Total	195,476,413	211,397,293

*Valuation of the assets acquired by the bank in settlement of debts is recorded in accordance with the related Central Bank of Egypt regulations. In case the assets' fair value falls below the value at which such assets have been acquired by the bank on the balance sheet date, the difference is charged to other expenses in the income statement. In case of an increase in the fair value, such increase is recognized in the income statement to the extent of revaluation losses recognized in the income statement for previous financial periods.

22. FIXED ASSETS (NET)

	Land	Premises	Computers	Vehicles	Fixture and improvements	Equipment	Furniture	Others	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost at the beginning of the year	116,300,794	251,722,381	44,770,577	8,330,173	126,570,125	32,432,666	19,364,157	33,832,474	633,323,347
Additions during the year	0	16,151,385	6,572,487	27,220	17,142,304	1,436,834	1,511,357	65,716	42,907,302
Disposals during the year	0	(157,466)	(208,171)	0	(16,157)	(4,796)	0	(1,382,174)	(1,768,764)
Cost at the end of the year (1)	116,300,794	267,716,300	51,134,893	8,357,393	143,696,272	33,864,704	20,875,514	32,516,016	674,461,885
Accumulated depreciation at the beginning of the year	0	60705732	42187024	7334087	101189682.9	27173114	14742364	20358564	273690568.2
Depreciation charged for the year	0	3011247.48	2317842	190269.67	8453983.09	801246.85	2077721	789509.45	17641819.57
Accumulated depreciation for disposals	0	(98,420)	(6,349)	0	(11,549)	(808,916)	(1)	(1,040,475)	(1,965,711)
Accumulated depreciation at the end of the year (2)	0	63,618,559	44,498,517	7,524,357	109,632,117	27,165,445	16,820,084	20,107,598	289,366,677
Net book value at the end of the year (1-2)	116,300,794	204,097,741	6,636,376	833,036	34,064,155	6,699,259	4,055,430	12,408,418	385,095,209
Net book value at the beginning of the year	116,300,794	191,016,649	2,583,553	996,086	25,380,442	5,259,552	4,621,793	13,473,910	359,632,779

23. Investment property

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Book value at the beginning of the year	307,788,156	307,788,156
Additions during the year	2,000	0
Book value at the end of the year	307,790,156	307,788,156
Accumulated depreciation at the beginning of the year	2,085,898	1,733,340
Depreciation	189,635	352,558
Accumulated depreciation at the end of the year	2,275,533	2,085,898
Net book value at the end of the year	305,514,623	305,702,258

24. Deferred Tax Assets

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Deferred tax – provisions for contingent liabilities	3,346,811	3,346,811
Deferred tax – other provisions	813,399	813,399
Fixed assets	6,921,278	6,921,278
Total	11,081,488	11,081,488

25. Due to banks

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Current accounts	43,766,089	85,034
Deposits	773,985,798	1,493,242,052
	817,751,887	1,493,327,086
Local banks	734,550,645	1,214,713,386
Foreign banks	83,201,242	278,613,700
	817,751,887	1,493,327,086
Non - interest bearing balances	43,766,089	85,034
Fixed bearing balances	773,985,798	1,493,242,052
	817,751,887	1,493,327,086
Current Balances	817,751,887	1,493,327,086
Total	817,751,887	1,493,327,086

26. Customers Deposits

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Demand Deposits	5,393,089,373	4,688,149,160
Time Deposits	10,351,549,687	8,529,954,896
Saving deposits and certificates of deposit	3,847,324,138	3,927,489,924
Other Deposits	355,714,547	344,723,799
Total	19,947,677,745	17,490,317,779

27. Debt Instruments

Export Credit Guarantee Company of Egypt issued Bonds by EGP 50 millions with 5% annually interest rate, and this bonds will be amortized at the end of the company.

28. Other loans

Particulars	Maturity date	Rate %	Balances as of	Balances as of
			December 31, 2015	June 30, 2015
			EGP	EGP
Arab Trade Financing Program	18-Aug-16	-	38,300,000	80,387,500
Commercial International Bank (ASDP)	10-Nov-17	4.15%	10,653,347	15,566,572
European Investment Bank loan – 2 \$	15-Mar-17	0.91%	22,145,751	33,061,533
European Investment Bank loan – 2 EURO	15-Mar-17	0.27%	173,927,250	169,427,250
UBAE Bank	31-Jan-16	1.90%	85,031,100	82,831,100
Environment support sector – Danish awarding	13-Feb-20	0.75%	4,876,000	5,725,000
Arab Banking Corporation	30-July-16	2.60%	115,951,500	0
African Export - Import Bank	23-Feb-16	2.50%	231,903,000	0
			682,787,949	386,998,955
Current Balances			606,812,850	332,645,850
Non-current Balances			75,975,099	54,353,105
			682,787,949	386,998,955

29. Other liabilities

	December 31, 2015	June 30, 2015
	EGP	EGP
Accrued Interest	128,255,722	111,310,559
Prepaid Revenues	6,633,886	9,274,611
Accrued Expenses	65,550,545	89,426,667
Accrued Taxes and Insurances	19,624,878	17,692,651
Suspense liabilities	298,308,130	294,108,615
Government Protocol	45,510,334	45,510,334
Total	563,883,495	567,323,437

30. Other Provisions

December 31.2015	Balance at the beginning of the year	Formed during the period	Foreign currencies revaluation differences	Reclassification between provisions	Release (charge)Provisions no longer required	Transferred from(to)other sources	Provision used during the period	Balance at the end of the year
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Provision for claims	10,143,226	0	71,608	(197,650)	0	0	0	10,017,183
Provision for contingent liabilities	27,799,165	2,543,542	0	0	0	0	(2,506,093)	27,836,614
Technical provisions for property and casualty insurance	94,688,054	12,084,777	72,614	(197,650)	0	0	(3,506,093)	103,141,703
Total	132,630,444	14,628,319	144,222	(395,300)	0	0	(6,012,186)	140,995,501

June 30.2015	Balance at the beginning of the year	Formed during the year	Foreign currencies revaluation differences	Reclassification between provisions	Release (charge)Provisions no longer required	Transferred from(to)other sources	Provision used during the year	Balance at the end of the year
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Provision for claims	13,267,796	0	241,760	(3,366,331)	0	0	0	10,143,226
Provision for contingent liabilities	27,798,531	3,941,186	0	0	0	0	(3,940,553)	27,799,165
Technical provisions for property and casualty insurance	78,724,317	38,739,725	243,724	(3,366,331)	(57,000)	300,000	(19,896,382)	94,688,054
Total	119,790,644	42,680,911	485,484	(6,732,661)	(57,000)	300,000	(23,836,934)	132,630,444

31. Deferred Tax Liabilities

Deferred income tax was calculated based on the deferred tax differences according to the liability method using an effective tax rate 25% for the current fiscal year. Deferred tax assets resulting from tax losses carried forward does not recognized with it unless there is estimated tax profit. Clearing between deferred tax assets and liabilities is made in case of there is a legal justification for Offsetting between current tax on assets and liabilities and also when deferred income tax belong to the same tax authority, the following table represents deferred tax liabilities :

	December 31, 2015	June 30, 2015
	EGP	EGP
Effect of difference between the accounting and tax depreciation	4,968,276	4,968,590
Total	4,968,276	4,968,590

32. Capital and Reserves

32.1 Capital

The authorized capital amounted to LE. 2,000,000,000. The issued and paid up capital amounted to LE. 1,440,000,000 as of December 31, 2015, distributed over 144,000,000 common shares with a par value of EGP 10 each.

32.2 Reserves

In accordance with the Bank's statute, a 10% of annual net profit is transferred to the legal reserve; such transfer is possible to be ceased when the legal reserve reaches 50% of issued capital.

Reserves on December 31, 2015 represented in the following:

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
General banking risk reserve	106,340,193	106,340,193
Banking risk reserve – acquired assets	15,592,620	11,516,735
Legal reserve	84,707,872	46,833,282
General reserve	16,531,754	14,415,254
Fair value reserve-available for sale investment	116,837,755	120,970,846
Special reserve	35,118,940	35,118,940
Capital reserve	4,291,985	4,213,883
Total	379,421,119	339,409,133

33. Cash and cash equivalent

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	EGP	EGP
Cash and due from central bank of Egypt	75,349,230	164,515,146
Due from banks	3,286,150,995	1,093,678,433
Treasury bills and other governmental notes	219,595,722	30,000,000
Total	3,581,095,947	1,288,193,579

34. Contingent liabilities and commitments

A) Legal claims

There are a number of existing cases filed against the bank in 31/12/2015 without provision as it's not expected to make any losses from it.

B) Capital commitments

The capital commitments for the financial investment reached on the date of financial position EGP 121340 thousands as follows:

(EGP Thousands)			
	Investment value	Paid	Remaining
Available for sale financial investments	314,895	243,550	71,345
Financial investments in associates co.	299,970	249,975	49,995
Total	614,865	493,525	121,340

C) Loans, facilities and guarantees commitments

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	EGP	EGP
Letter of guarantee	854,833,506	779,875,089
Letter of Credit (Import)	200,619,325	252,345,935
Letters of credit (Export-confirmed)	33,817,250	35,329,330
Shipping documents (Export)	75,467,501	86,431,925
Outstanding forward contracts	(302,449)	(1,255,970)
Total	1,164,435,133	1,152,726,309

35. Tax status

- The bank's tax status:

- The Bank is subject to law No. 95 of 1983 and its amendments, so it is tax exempted from corporate tax for five years starting from the subsequent year to the startup of operations, which was February 3, 1985. Therefore, starting from the year 1990/1991, the Bank was subjected to corporate tax.
- The Bank's branch at 10th of Ramadan City started its activity during 1989/1990, and obtained an approval of ten years tax exemption for the branch starting at the first of January 1990.
- The Bank's branch at 6th of October City started its activity during 1997, and obtained an approval of ten years tax exemption for the branch starting at the first of July 1997 till the end June 2007.
- The Bank has paid all of its Corporate & Movable Taxes up to June 30, 2005 based on a mutual final agreement with the Tax Authority (Large Taxpayer Center), as to years 2005/2006, 2006/2007 have been examined resulted in null as to corporate tax & other tax bases have been transferred to internal committee.

- According to the decision of the dispute settlement committee which stated that the bank has the right not to be subjected to corporate tax on capital issuance premium of year 1997.
 - The Stamp Tax has been examined till 31/7/2006 for the majority of bank branches and the remaining branches are under examination. The Bank has paid all stamp taxes as per Taxes claims.
 - All tax liabilities related to salary income tax have been settled till year 2000, tax authority examined the period from 1/1/2001 till 31/12/2004, the tax appeal committee decision for this period has resulted in resolving the major conflicts in the bank's favor and other items will be objected. Salary income tax for year 2005 has been examined and the bank objected to the contents and arrangements are currently taking place to transfer the issue to the internal committee.
- Export credit guarantee company tax status:
- Checked to pay for earning tax years 2010 - 2011 Total according to demand from the Tax Office.
 - Checked and payment for stamp taxes until 2006.
 - Checked and payment for commercial profit taxes until 2005.
 - Checked and connectivity for real estate taxes until 06.30.2013.
 - The company has to submit tax returns for the 2014/2015 budget was tax payable upon repayment.
 - regarding the years of 1994/1995 until 1998/1999 was sentenced on appeal was issued in favor of the company on 15/3/2009 was issued linking from the IRS based on the rule of the appeal was the payment of taxes owed by the company
 - The company submitted its tax declaration for year 2014/2015 financial statements.
- Egypt Capital Holding company tax status:
- The Company is subject to law No. 91 of 2005 and its amendments, and the company submitted its last tax declarations in June 30, 2015.
 - did not examine the company's books by the IRS to date.
 - The rest of the companies that have been assembled to provide tax returns in the legal deadlines in accordance with the provisions of Law No. 91 of 2005.

36. Mutual Funds

A. Export Development Bank of Egypt first mutual fund (The Expert fund).

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations, HC for securities and investment is managing this fund, the fund certificates reached 1million certificate at foundation worth of L.E.100 million, out of these, 50 thousand of the certificates were allocated to the bank to undertake the funds' activity (with EGP 100 nominal value).

The number of the outstanding certificates on the date of balance sheet was 498,352 certificates as the number of owned certificates by the bank reached 79191certificates. The redemption value per certificate as of December 31, 2015 amounted to EGP 65.51and according to the funds' management contract and its prospectus, the bank shall obtain fee and commission for supervision on the fund and other managerial services rendered by the bank, total commissions as at December 31, 2015 amounted to EGP 80 thousands presented under the item of "fee and commission income/other fees" caption in the income statement.

B. Export Development Bank of Egypt Fund -The Second - The Monetary:

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations, Rasmalah masr for funds and securities portfolios management is managing this fund, the fund certificates Reached 2,867,466 certificates at foundation worth of EGP 286,746,600 out of these 143,400 of the certificates were allocated to the bank to undertake the funds' activity (with L.E. 100 nominal value). The number of the outstanding certificates on the date of balance sheet was 2,522,934 as the number of owned certificates by the bank reached 74,695 certificates. The redemption value per certificate as of December 31, 2015 amounted to EGP 217.1347total commissions amounted to EGP 1071 thousands as at December 31, 2015 Presented under the item of "fee and commission income/other fees" caption in the income statement.

C. Export Development Bank of Egypt Fund - The Third - Fixed Income Instruments:

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations; Prime Investments Asset Management is managing this fund, the fund certificates Reached 612,501certificates at foundation worth of EGP 61,250,100 out of these 50,000 of the certificates were allocated to the bank to undertake the funds' activity (with L.E. 100 nominal value). The number of the outstanding certificates at the date of balance sheet was 101,423certificates as the number of owned certificates by the bank reached 50,000 certificates. The redemption value per certificate as of December 31, 2015 amounted to EGP 142.0572 total commissions amounted to EGP 51 thousands as at December 31,2015 Presented under the item of "fee and commission income/other fees" caption in the income statement.