This document relating to Commercial International Bank (Egypt) S.A.E. (the "**Bank**" or the "**Issuer**") comprises a prospectus (the "**Prospectus**") for the purposes of Article 5 of EU Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document has been approved as a Prospectus by the Financial Conduct Authority (the "**FCA**") under section 87A of the Financial Services and Markets Act 2000 (the "**FSMA**").

Prospective GDR holders should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Bank. Without prejudice to any obligation of the Bank to publish a supplementary prospectus pursuant to section 87G of the FSMA or paragraph 3.4 of the Prospectus Rules made under section 73A of the FSMA, the publication of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Bank since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E.

(incorporated in the Arab Republic of Egypt with the Commercial Register Office for Investment-Giza Governorate, № 69826)

LISTING AND ADMISSION TO THE OFFICIAL LIST AND TO TRADING ON THE LONDON STOCK EXCHANGE OF UP TO 500,000,000 ADDITIONAL GLOBAL DEPOSITARY RECEIPTS

There are currently admitted to listing on the official list (the "**Official List**") of the UK Financial Conduct Authority (the "**FCA**") and to trading on the regulated market for listed securities (the "**Regulated Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive), 180,000,000 global depositary receipts (the "**Existing GDRs**" and, together with the Additional GDRs (as defined below), the "**GDRs**") representing interests in ordinary shares of the Issuer ("**Shares**" and, together with the GDRs, the "**Securities**"). This Prospectus relates only to an application (the "**Application**") to list on the Official List and admit to trading on the regulated market of the London Stock Exchange up to 500,000,000 additional GDRs (the "**Additional GDRs**").

Application will be made (1) to the FCA, in its capacity as competent authority under FSMA, for up to 500,000,000 Additional GDRs, either currently issued or to be issued from time-to-time against the deposit of Shares (to the extent permitted by law) with a custodian acting on behalf of The Bank of New York Mellon, as depositary (the "**Depositary**"), to be admitted to the Official List, bringing the total number of GDRs listed by the Issuer to up to 680,000,000 GDRs; and (2) to the London Stock Exchange for the Additional GDRs to be admitted to trading on the Regulated Market. The Existing GDRs are currently, and the Additional GDRs upon approval by the UK Listing Authority (the "**UKLA**") and the London Stock Exchange will be, admitted to trading on the Regulated Market on the International Order Book under the symbol "CBKD". Admission of the Additional GDRs to the Official List and unconditional trading on the London Stock Exchange ("**Admission**") is expected to take place on or about 4 July 2014.

This Prospectus relates only to the Application and does not constitute an offer of, or the solicitation of an offer to subscribe for or levy, any GDRs or other Securities to any person in any jurisdiction. The Issuer is not offering any GDRs or other Securities in connection with Admission.

Additional GDRs will be issued pursuant to a deposit agreement dated 30 July 1996, as most recently amended and restated on 1 July 2014 (the "**Deposit Agreement**") between the Issuer and the Depositary. The Deposit Agreement provides for the issuance of GDRs both outside the United States to certain persons in offshore transaction in reliance on Regulation S (the "**Regulation S GDRs**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and in the United States to qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A under the Securities Act (the "**Rule 144A GDRs**"). Neither the GDRs nor the Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

The GDRs involve certain risks. See "*Risk Factors*" for a discussion of certain factors that should be considered in connection with the GDRs.

GDRs may be delivered through Euroclear Bank SA/NV, as operator of the Euroclear System, ("**Euroclear**"), Clearstream Banking, *société anonyme* ("**Clearstream**"), and The Depository Trust Company ("**DTC**").

The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) № 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"), as having been issued by Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). Each of Fitch, Moody's and S&P is established in the European Union and is registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The date of this Prospectus is 1 July 2014.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
Element	**Requirements**	
A.1	**Warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the GDRs should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the GDRs.
A.2	**Consent for intermediaries**	*Not Applicable*.

Section B – Issuer		
Element	**Requirements**	
B.31/B.1	**Legal and commercial name**	Commercial International Bank (Egypt) S.A.E.
B.31/B.2	**Domicile, legal form, legislation and country of incorporation**	The Bank is a joint stock company incorporated under the laws of the Arab Republic of Egypt ("**Egypt**"). The Bank's registered office is located at Nile Tower Building, 21/23 Charles de Gaulle Street – Giza, P.O. Box 2430, Cairo, Egypt.

B.31/B.3	**Current operations, principal activities and markets**	The Bank is a full-service, Egyptian commercial bank, which (according to figures compiled by the Bank), as at 31 December 2013 was the most profitable Egyptian bank by net income, the largest private sector bank in Egypt in terms of revenue and had the largest loan and deposit market share among all Egyptian private sector banks. The Bank's core business is focused on corporate and consumer banking. The Bank provides a wide range of wholesale banking products and services to its corporate clients, financial institutions and Government entities. The Bank's corporate activities are extensive, cover most economic sectors in Egypt and include the financing of large-scale infrastructure and other projects and arranging syndicated loans. The Bank offers a wide range of consumer banking products and services, including personal loans, auto loans, deposit accounts, residential property and finance and credit and debit cards. As at 31 December 2013, the Bank had 571,407 customers, as compared to 525,269 customers as at 31 December 2012. As at 31 December 2013, the Bank had a network of 152 branches and units located throughout Egypt, as well as a wide range of alternative distribution channels comprised of more than 555 ATMs, internet banking, 8,683 points-of-sale and a call centre. In addition to traditional asset and liability products, the Bank offers wealth management securitisation, direct investment and treasury services to its clients. The Bank also offers asset management, investment banking, brokerage, research, insurance, leasing, factoring and security services through its subsidiaries and associate companies.
B.31/B.4a	**Recent trends affecting the issuer and its industry**	The most significant trends affecting the Bank and its industry include: • *The Current Economic Environment* **-** Almost all of the Bank's operations are conducted in, and its assets and customers are located in, Egypt. Consequently, the Bank's results of operations and financial condition are materially and significantly affected by Government policy and political and economic developments in, or affecting, Egypt. In particular, the general level of economic growth and inflation rates are critical factors affecting the Bank's performance. • *Fluctuations in Interest Rates* **-** Changes in interest rates affect the Bank's net interest income, net interest margin and overall results of operation. Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the CBE, adverse domestic and international economic conditions and political factors. • *Fluctuations in Exchange Rates* **-** Fluctuations in exchange rates impact the Bank's financial condition and results of operations. The Bank maintains open currency positions, which give rise to exchange rate risk. The Bank's exposure to exchange rate risk may increase. A significant portion of the Bank's exposure to exchange rate risk also depends on numerous factors beyond its control, such as overall market trading activity, fluctuations in interest-rate levels and exchange rates, government actions and general market volatility. • *Competition* **-** The Egyptian market for financial services and products is highly competitive, and the Bank is subject to increasing competition from both domestic and foreign banks and from foreign financial institutions operating in Egypt. The Bank competes for retail and commercial customers principally with five other large

		banks, which, together with the Bank, represented 23% of the assets of the Egyptian banking market as at 30 September 2013.
B.31/B.4b	**Known trends affecting the issuer and its industry**	Known trends affecting the Bank and its industry include: • *The Current Economic Environment* **-** Almost all of the Bank's operations are conducted in, and its assets and customers are located in, Egypt. Consequently, the Bank's results of operations and financial condition are materially and significantly affected by Government policy and political and economic developments in, or affecting, Egypt. In particular, the general level of economic growth and inflation rates are critical factors affecting the Bank's performance. • *Fluctuations in Interest Rates* **-** Changes in interest rates affect the Bank's net interest income, net interest margin and overall results of operation. Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the CBE, adverse domestic and international economic conditions and political factors. • *Fluctuations in Exchange Rates* **-** Fluctuations in exchange rates impact the Bank's financial condition and results of operations. The Bank maintains open currency positions, which give rise to exchange rate risk. The Bank's exposure to exchange rate risk may increase. A significant portion of the Bank's exposure to exchange rate risk also depends on numerous factors beyond its control, such as overall market trading activity, fluctuations in interest-rate levels and exchange rates, government actions and general market volatility. • *Competition* **-** The Egyptian market for financial services and products is highly competitive, and the Bank is subject to increasing competition from both domestic and foreign banks and from foreign financial institutions operating in Egypt. The Bank competes for retail and commercial customers principally with five other large banks, which, together with the Bank, represented 23% of the assets of the Egyptian banking market as at 30 September 2013.
B.31/B.5	**Group structure**	The Bank has one consolidated subsidiary and a number of associate companies. The table below sets forth the names, country of incorporation and ownership of each of the Bank's subsidiary and its significant associates as at the date of this Prospectus:

Name	Country of incorporation	Ownership Interest
CI Capital Holding Co. S.A.E.................................	Egypt	99.98%
Commercial International Life Insurance	Egypt	45.0%
CORPLEASE	Egypt	43.0%
Haykala for Investment...	Egypt	40.0%
Egypt Factors...	Egypt	39.0%
International Company for Security and Services (Falcon)	Egypt	40.0%

B.31/B.6 **Notifiable interests, different voting rights and controlling interests**

As at 31 January 2014 (being the latest practicable date prior to the publication of this Prospectus), the Bank had more than 11,912 shareholders, with only one (not including the Depositary) owning a 5.0% or more shareholding.

The following table lists the Bank's shareholders of record, as indicated on its share register, as at 20 May 2014, that held 5.0% or more of its outstanding Shares.

Name	Number of Shares	Percentage of Bank's total Shares (%)
Fairfax Financial Holdings Ltd.	58,457,602	6.5
Depositary	212,248,526	23.6

To the Bank's knowledge, no other person or entity controls more than 5.0% of the Bank's Shares.

All holders of the Bank's Shares have the same voting rights. The Bank is not aware of any arrangements that may result in a change of control.

As at 31 December 2013, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, owned 9.1% of the Bank's Shares. In March 2014, Actis CIB Mauritius Limited sold a portion of its interest in the Bank, representing 2.6% of the Bank's total Shares, to international investors. On 19 May 2014, Actis CIB Mauritius Limited sold its remaining 6.5% interest in the Bank to Fairfax Financial Holdings Ltd.

B.31/B.7 **Selected historical key financial information**

Selected Income Statement and Balance Sheet Data

The following tables set forth selected information from the Financial Statements.

	For the year ended 31 December		
	2013	2012	2011
		(EGP millions)	
INCOME STATEMENT			
Interest and similar income	9,521	7,859	5,471
Interest and similar expense	(4,470)	(3,950)	(2,786)
Net interest income	**5,050**	**3,910**	**2,685**
Fee and commission income	1,436	1,034	931
Fee and commission expense	(129)	(107)	(88)
Net fee and commission income	**1,307**	**926**	**843**
Dividend income	17	29	48
Net trading income	767	575	382
(Losses) Gain from financial investments	(29)	(27)	39
Goodwill impairment	(91)	(110)	–
Administrative expenses	(1,936)	(1,604)	(1,454)
Other operating (expenses) income	(387)	(330)	(255)
Impairment (charge) for credit losses	(916)	(610)	(321)
Intangible Assets impairment and amortisation	(33)	(276)	(67)
Bank's share in the profits of associates	22	31	5
Profit before income tax	**3,773**	**2,513**	**1,905**
Current income tax expense	(1,182)	(887)	(449)
Deferred income tax	12	33	6
Net profit for the year	**2,603**	**1,659**	**1,463**
Attributable to:			
Equity holders of the bank	2,603	1,658	1,464
Non-controlling interest	(0)	1	(1)
Net profit for the year	**2,603**	**1,659**	**1,463**
		(EGP)	
Earning per share			
Basic	2.89	1.84	1.63
Diluted	2.85	1.82	1.61

	As at 31 December		
	2013	2012	2011
		(EGP millions	
STATEMENT OF FINANCIAL POSITION DATA			
Assets			
Cash and balances with Central Bank	4,805	5,394	7,492
Due from banks	9,004	8,048	8,528
Treasury bills and other governmental notes	23,665	11,193	10,701
Financial assets held for trading	2,286	1,515	675
Loans and advances to banks	132	1,179	1,396
Loans and advances to customers	41,733	40,698	39,670
Derivative financial instruments	103	137	147
Financial investments			
Available for sale	23,378	21,177	15,422
Held to maturity	4,197	4,216	39
Investments in associates	193	165	107
Investment property	10	10	13
Other assets	3,192	2,610	1,602
Goodwill	—	91	200
Intangible assets	—	33	309
Deferred tax assets	84	71	96
Property, plant and equipment	999	712	669
Total assets	**113,782**	**97,251**	**87,065**
Liabilities and equity			
Liabilities			
Due to banks	1,373	1,715	3,341
Due to customers	96,846	78,729	71,468
Derivative financial instruments	115	119	114
Reverse repos treasury bonds	—	3,176	1,440
Repos – AFS corporate bonds	—	—	—
Other liabilities	1,990	1,606	1,237
Current tax liability	1,182	887	449
Long-term loans	132	80	99
Other provisions	455	315	271
Total liabilities	**102,093**	**86,628**	**78,419**
Equity			
Issued and paid in capital	9,002	5,972	5,935
Reserves	203	2,688	928
Reserve for employee stock ownership plan (ESOP)	190	165	137
Retained earning	2,245	1,750	1,600
Total equity attributable to equity holders of the parent	**11,641**	**10,575**	**8,600**
Non-controlling interest	47	48	46
Total equity	**11,688**	**10,623**	**8,646**
Total liabilities, equity and non-controlling interest	**113,782**	**97,251**	**87,065**
Contingent liabilities and commitments			
Letters of credit, guarantees and other commitments	16,182	14,898	12,560

Certain significant changes to the Group's financial condition and operating results occurred during 2011, 2012 and 2013. These changes are set out below:

- The Bank's net interest income increased by EGP 1,140 million, or 29.2%, to EGP 5,050 million for the year ended 31 December 2013 from EGP 3,910 million for the year ended 31 December 2012, having increased by EGP 1,225 million, or 45.6%, from EGP 2,685 million for the year ended 31 December 2011, principally due to increased holdings of treasury bonds by the Bank.

- The Bank's net profit before tax was EGP 3,773 million in the year ended 31 December 2013, as compared to EGP 2,513 million in the year ended 31 December 2012 and EGP 1,905 million in the year ended 31 December 2011.

		• The Bank's net profit after tax was EGP 2,603 million in the year ended 31 December 2013, as compared to EGP 1,659 million in the year ended 31 December 2012 and EGP 1,463 million in the year ended 31 December 2011. • The Bank's total assets increased by EGP 16,531 million, or 17.0%, to EGP 113,782 million as at 31 December 2013, as compared to EGP 97,251 million as at 31 December 2012, having increased by EGP 10,186 million, or 11.7%, to from EGP 87,065 million as at 31 December 2011. • The Bank's total liabilities increased by EGP 15,465 million, or 17.9%, to EGP 102,093 million as at 31 December 2013, as compared to EGP 86,628 million as at 31 December 2012, having increased by EGP 8,209 million, or 10.5%, from EGP 78,419 million as at 31 December 2011. Since 31 December 2013 (being the end of the period covered by the selected historical key financial information set out in the tables above), there has been no significant change in the financial condition or operating results of the Group.
B.31/B.9	**Profit forecasts**	*Not Applicable*.
B.31/B.10	**Qualifications in the audit report**	*Not Applicable*.
B.31/D.4	**Key information on the key risks that are specific to the issuer**	The key risks relating to the Bank are as follows: • The impact of, or failure of the Bank to respond to, macroeconomic conditions, including those resulting from the political instability in Egypt following the revolution in 2011 could have a material adverse effect on the Bank's business prospects, financial condition, cash flows or results of operations. • The concentration of the Bank's investment portfolio in treasury bills and bonds issued by the Government increases the Bank's potential exposure to the risks of an adverse event occurring in Egypt. • The lack of geographical diversity in the Bank's loan portfolio may restrict the Bank's consumer base and competitiveness with other financial institutions, which could, in turn have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operation. • Any future failure of the Bank to manage staffing levels could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. • Failure of the Bank to anticipate or manage new types of risk, its liquidity risk exposure, its interest risk exposure or its exchange rate risk exposure could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. • Failure of the Bank to compete effectively with domestic and foreign banks may result in the loss of some or all of its banking and lending business and some or all of its funding sources, which could have a material adverse effect on the Bank's business,

		prospects, financial condition, cash flows or results of operations.
B.32	**Issuer of the depository receipts, including its registered office, legislation under which it operates and legal form**	The Bank of New York Mellon is acting as depositary. The Depositary is an entity established in the State of New York and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286.

Section C – Securities		
Information about the underlying Shares		
Element	**Requirements**	
C.13/C.1	**Description of the type and the class of the securities being offered**	The Shares are listed on the Egyptian Exchange under ticker "COMI.CA" and ISIN EGS60121C018.
C.13/C.2	**Currency of securities**	The Shares are issued in Egyptian Pounds.
C.13/C.3	**The number of shares issued (including par value).**	As at 31 December 2013, the Bank's authorised capital was EGP 20,000 million. Of the authorised capital of the Bank, 900,243,569 shares with a par value of EGP 10 each are issued and fully paid, all of which rank *pari passu* in all respects.
C.13/C.4	**Rights attached to the securities**	The Bank's shareholders have the right to: • attend and vote at meetings (whether an Ordinary or Extraordinary General Meeting, in person or by proxy; • transfer its Shares in the Bank, subject to the rules under Egyptian legislation regulating the ownership of share capital of banks in Egypt, which imposes various notification and approval requirements if shareholders acquire Shares in excess of certain thresholds; • declare a divided (acting through a General Meeting) and to receive dividends so declared; and • appoint, replace or dismiss any member of the Board of Directors through a General Meeting.

C.13/C.5	**Restrictions on the free transferability of the securities**	Pursuant to the Bank's Articles of Association, there shall be no restriction on the transfer of Shares of the Bank, whether the sale is in Egyptian Pounds or a foreign currency. Law № 88 of 2003 on the Central Bank, Banking Sector and Money (the "**Banking Law**") regulates the ownership of the share capital of banks in Egypt. Article 50 of the Banking Law requires any person (whether natural or legal) owning more than 5% and less than 10% of a bank's issued capital to notify the CBE within fifteen days. Pursuant to articles 50 and 51 of the Banking Law, the CBE must approve any ownership in excess of 10% of the Bank's issued share capital (or any other percentage that constitutes actual control over the Bank). CBE approval is also required under the Banking Law for acquisitions of ownership interests in excess of 10% acquired through inheritance or legacy.
C.13/C.6	**Admission of securities to trading on a regulated market**	*Not Applicable*.
C.13/C.7	**Dividend policy**	Net profit after taxation is available for distribution in accordance with the requirements of Egyptian law and the Bank's Articles of Association. The Bank is required to establish and maintain a legal reserve to which an amount equal to 5% of annual net profits after taxation must be transferred each year unless the legal reserve is in excess of 50% of paid-in capital. The legal reserve is distributable only upon the liquidation of the Bank. After the allocation of 5% of net profits to the legal reserve (if required), the Bank's shareholders may determine in a General Meeting to make a distribution of the net profits, in which case, net profits are required to be allocated as follows: • a distribution to shareholders of an amount equal to 5% of the paid-in share capital of the Bank as a first dividend. If net profits are insufficient for such distribution, the shortfall may not be used to increase the payment above 5% in any subsequent year; • a distribution of an amount not less than 10% of the Bank's profits and not exceeding the aggregate salaries of the Bank's employees to be distributed to the Bank's employees as recommended by the Board of Directors and approved by the shareholders at the General Meeting; • a distribution of a maximum of 5% of net profits to the Board of Directors, as remuneration in line with the rules adopted by the Board of Directors; and • a further distribution of the balance to shareholders as an additional dividend or to retained earnings, the general reserve or the special reserve as may be allocated by the shareholders at the General Meeting on the recommendation of the Board of Directors. Although the Bank has no written dividend policy, the Bank aims to increase the level of cash dividends paid year-on-year, while maintaining a sufficient equity cushion and capital required for the Bank's growth. The Bank is in the process of formalising a written dividend policy.

Information about the global depositary receipts		
C.14/C.1	**Description of the type and the class of the securities offered**	The GDRs are issued pursuant to the Deposit Agreement. Each GDR represents an interest in one Share on deposit with the custodian. Application will be made for the Additional GDRs to be admitted to the Official List and the LSE to admit the Additional GDRs to trading on the Regulated Market through its IOB. The ISIN for the Rule 144A GDRs is US2017121060 and the CUSIP number for the Rule 144A GDRs is 201712106. The ISIN for the Regulation S GDRs is US2017122050 and the Common Code for the Regulation S GDRs is 006820972. The LSE trading symbol for the Rule 144A GDRs is 41JB. The LSE trading symbol for the Regulation S GDRs is CBKD.
C.14/C.2	**Currency of the securities**	The currency of the GDRs is U.S. Dollars.
C.14/C.4	**Rights attached to the securities**	Holders will have voting rights with respect to the Shares deposited, subject to the provisions of the terms and conditions of the GDRs. Subject to the provisions of the terms and conditions of the GDRs, the Depositary shall notify the Holder of and pay to the Holder all cash dividends or other distributions on or in respect of the Shares deposited (including any liquidation surplus or other amounts received in the liquidation of the Bank) or otherwise in connection with the deposited property in the proportion to which it is so entitled. All amounts shall be converted and paid in U.S. Dollars. Holders of GDRs have the rights set out in the terms and conditions of the GDRs, which may be summarised as follows: • Holders may withdraw the underlying Shares; • The right to receive payment in U.S. Dollars from the Depositary of an amount equal to cash dividends or other cash distributions received by the Depositary from the Bank in respect of the underlying Shares; • The right to receive from the Depositary additional GDRs representing additional shares received by the Depositary from the Bank by way of dividend, free distribution or bonus issue (or if the issue of additional GDRs is deemed by the Depositary not to be reasonably practicable, the net proceeds of the sale of such Shares in U.S. Dollars); • The right to receive from the Depositary any dividend or distribution in the form of securities or other property (other than Shares or cash) received by the Depositary from the Bank (or if such distribution is deemed by the Depositary not to be reasonably practicable, the net proceeds of the sale of such securities or other property in U.S. Dollars); and • The right to request the Depositary to exercise subscription or similar rights made available by the Bank to holders of Shares (or if such process is deemed by the Depositary not to be lawful and reasonably practicable, the right ro receive the net proceeds of the

		sale of the relevant rights), subject to applicable law and the detailed terms set out in the terms and conditions of the GDRs and the Master GDRs.
C.14/C.5	**Restrictions on the free transferability of the securities**	The GDRs will be subject to certain transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee.
C.14	**Rights attaching to the underlying shares, in particular voting rights, the right to share in profits and any liquidations surplus.**	Under the Deposit Agreement, each GDR carries the right to instruct the Depositary to vote one Share, subject to the provisions of applicable law. The Depositary has agreed to pay Holders of GDRs cash dividends or other distributions it receives from the Bank, subject to the restrictions and requirements imposed by applicable law and after deducting its fees and expenses. Subject to applicable law, Holders will receive these distributions in proportion to the number of Shares their GDRs represent. There is no bank or other guarantee attached to the GDRs and intended to underwrite the Bank's obligations. *See C.14/C.4 above.*

Section D - Risks		
Element	**Requirements**	
D.4/D.2	**Information on the key risks that are specific to the issuer of the underlying shares**	The key risks relating to the Bank are as follows: • The impact of, or failure of the Bank to respond to, macroeconomic conditions, including those resulting from the political instability in Egypt following the revolution in 2011 could have a material adverse effect on the Bank's business prospects, financial condition, cash flows or results of operations. • The concentration of the Bank's investment portfolio in treasury bills and bonds issued by the Government increases the Bank's potential exposure to the risks of an adverse event occurring in Egypt. • The lack of geographical diversity in the Bank's loan portfolio may restrict the Bank's consumer base and competitiveness with other financial institutions, which could, in turn have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operation. • Any future failure of the Bank to manage staffing levels could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. • Failure of the Bank to anticipate or manage new types of risk, its liquidity risk exposure, its interest risk exposure or its exchange rate risk exposure could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

		• Failure of the Bank to compete effectively with domestic and foreign banks may result in the loss of some or all of its banking and lending business and some or all of its funding sources, which could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.
D.5/D.3	**Information on the key risks that are specific to the securities**	The key risks relating to the GDRs are as follows: • The market price of the GDRs may be influenced by price and volume fluctuations that are not closely related to the operating performance of particular companies based on external factors, as well as by economic and market conditions in Egypt and, to a varying degree, economic and market conditions in other African countries and the emerging markets generally. • There can be no assurance as to the liquidity of any market that may develop for the GDRs, the ability of holders of the GDRs to sell their GDRs or the price at which such holders would be able to sell their GDRs. • Sales, or the real or perceived possibility of sales, of a significant number of Shares or GDRs in the public market could adversely affect prevailing market prices for the Shares or GDRs. • It may not be possible for investors to effect service of process within the United Kingdom, the United States or other jurisdictions outside Egypt upon the Bank or any directors and senior management. • Holders of GDRs will have no direct voting rights with respect to the Shares represented by the GDRs. • A 30% withholding tax may be imposed on all or some of the payments on the GDRs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements.

Section E - Offer		
Element	**Requirements**	
E.1	**Net proceeds and expenses**	There will be no proceeds as there is no issue or offer of GDRs or other securities. Total expenses are estimated to be below U.S.$500,000.
E.2a	**Reasons for the offer, use of proceeds and estimated net amount of the proceeds**	*Not Applicable*.
E.3	**Terms and conditions of the offer**	*Not Applicable.*

Section E - Offer		
Element	**Requirements**	
E.4	**Interests material to the issue/offer**	*Not Applicable.*
E.5	**Offerors and lock-up agreements**	*Not Applicable.*
E.6	**Dilution resulting from the offer**	*Not Applicable.*
E.7	**Expenses charged to the investor**	*Not Applicable.*

RISK FACTORS

An investment in the GDRs involves a high degree of risk. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, as well as the detailed information set out elsewhere in this Prospectus, and reach their own views before making an investment decision.

The risks and uncertainties described below represent the risks the Bank believes to be material but these risks and uncertainties are not the only risks and uncertainties the Bank faces. Additional risks and uncertainties not presently known to the Bank or that the Bank currently believes are immaterial could also impair the Bank's business operations. If any of the following risks actually materialises, the Bank's business, results of operations, financial condition or prospectus could be materially adversely affected. If that were to happen, the trading prices of the GDRs could decline and investors may lose all or part of their investment. Factors which are material for the purpose of assessing the market risks associated with the GDRs are also described below.

Prospective investors should note that the risks relating to the Bank, its industry and the GDRs summarised in the section of this document entitled "Summary" are the risks that the Bank believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the GDRs. However, as the risks which the Bank faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summaries in the section of this document entitled "Summary" but also, among other things, the risks and uncertainties described below.

Key Political and Economic Risks to the Bank

Political and Security Concerns

Egypt's financial environment, and, accordingly, the environment in which the Bank operates, is related to the overall political, social and economic situation in Egypt, which, in turn, is tied to any conflicts arising in Egypt and among its neighbours, as well as the level of internal stability.

Following the uprising in Tunisia which led to the departure of its long-standing president in December 2010, political unrest in Egypt has led to demonstrations and protests in Cairo, Alexandria and a number of other Egyptian cities, leading to the revolution in January 2011 (the "**Revolution**"). Following 18 days of violent protests with protestors demanding the overthrow of President Hosni Mubarak, President Mubarak dissolved the Government, resigned and handed power to the Supreme Council of the Armed Forces (the "**SCAF**"), which suspended the constitution and announced it would govern Egypt until parliamentary elections were held. Demonstrations and protests, which often escalated into violence, continued throughout 2011 in response to the perceived slow pace of political change.

Egypt experienced continued political uncertainty and instability over the course of 2012. Although power was transferred to the lower house of Egypt's bicameral parliament (the Council of Representatives) and the upper house (the Shoura Council) was elected, the SCAF issued an interim declaration on 17 June 2012 granting itself more extensive powers and dissolving the Council of Representatives following a ruling of the Supreme Constitutional Court that the law on parliamentary elections was unconstitutional (the "**Interim Declaration**"). Presidential elections were held in June 2012 and were won by the Freedom and Justice Party candidate, Mohammed Morsi, who took office as prescribed on 30 June 2012. President Morsi revoked the Interim Declaration and transferred all legislative powers to the Presidency. On 22 November 2012, President Morsi issued a decree, which, amongst other things, exempted his decisions from judicial review and tasked a constitutional assembly with drafting a new constitution. This decree sparked further unrest with protestors, who argued its effect was to immunise the actions of the President from judicial challenge and to grant him far-reaching prerogative powers. The President rescinded the majority of the decree on 20 December 2012. The new Constitution was approved by parliament on 30 November 2012, although the vote was boycotted by many members, and it was approved by popular referendum on 26 December 2012.

There were further violent protests and unrest in January 2013 and then in June 2013, following President Morsi's appointment of his allies as regional leaders in 13 of Egypt's 27 governorships. In July 2013, the military removed President Morsi amid mass demonstrations calling for his resignation. Supreme Court Chief Justice Adly Mansour was appointed as interim President. Mr. Hazem El-Bablawi was appointed Prime Minister of President Mansour's interim government in July 2013. Prime Minister El-Bablawi resigned on 1 March 2014, and Mr. Ibrahim Mahlab was appointed to replace Mr. El-Bablawi on 1 March 2014.

Following further protests and demonstrations in August 2013, a state of emergency was declared and a curfew was imposed (which was lifted in November 2013). In September 2013, the military launched a campaign against militants in northern Sinai and a court banned the Muslim Brotherhood of Egypt from carrying out any activities in Egypt. A new law restricting public protests was passed in November 2013. In December 2013, the Government declared the Muslim Brotherhood of Egypt a terror organisation following a bomb blast in Mansoura.

In January 2014, a new constitution was overwhelmingly approved by Egyptians voting in a referendum, although voter turn-out was relatively low. Presidential elections were held in May 2014 and Abdel Fattah Al-Sisi was sworn in as President of the Republic on 8 June 2014. On 9 June 2014, the Prime Minister, Ibrahim Mahlab, tendered his cabinet's resignation to the newly inaugurated President Al-Sisi. President Al-Sisi reappointed Mr. Mahlab as Prime Minister on 9 June 2014 and asked him to form a new interim government. The interim government was sworn in on 17 June 2014 and consists of 34 ministers, mainly those from the previous interim government. President Al-Sisi announced on 22 June 2014 that the parliamentary election process would begin before 18 July 2014, although there can be no assurance that the parliamentary elections will be held on or before 18 July 2014, or when a new government will be formed thereafter.

The interim and new Government is likely to continue to face socio-economic challenges and risks of instability that often accompany political transition. These challenges, together with the incidents of social and political unrest and violence in Egypt and across the Middle East, have had a significant adverse effect on the Egyptian economy and the Bank.

As a result of all of the above, the Egyptian banking system and the Bank has experienced a reduction in demand for credit, resulting in excess liquidity, as well as an outflow of foreign investment. In addition, Egyptian banks, including the Bank were forced to close for eleven days in 2011 following the Revolution. Events surrounding the Revolution also had a direct effect on the financial results of the Bank. For example, for the year ended 31 December 2011, the Bank's net profit reflected a decrease of approximately 20%, as compared to the net profit recorded for the year ended 31 December 2010. In addition, the Bank received EGP 104 million less in dividend income in the year ended 31 December 2011, a decrease of approximately 63%, as a result of cash preservation strategies and a decrease in capital markets activities.

There can be no assurance that further incidents of political or social instability, terrorism, protests or violence will not directly or indirectly affect Egypt and its economy, which, in turn, could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. Any weakening in the macroeconomic conditions or further instances of political instability may also assert additional pressure on the Bank's asset quality and profitability metrics.

Economic Concerns

The Revolution and accompanying political unrest in Egypt have had material negative macro-economic consequences for the Egyptian economy. The Egyptian economy, at the domestic level, faces growing social and political insecurity and resulting significant decreases in both the growth rate of the Egyptian economy and foreign direct investment. Real GDP has declined from 4.7% in 2008/09 and 5.1% in 2009/10 to 1.8% in 2010/11, 2.2% in 2011/12 and 2.1% in 2012/13. Total net foreign direct investment has decreased by 63.0% during the period 2008/09 to 2012/13 and 24.5% during the period 2011/12 to 2012/13. Egypt's budget deficit has similarly increased from 6.9% of GDP in 2008/09 to 9.8% of GDP in 2010/11, and 13.7% of GDP in 2012/13. Net international reserves with the CBE dropped by U.S.$16.4 billion, or 52.3% since 30 June 2009 to U.S.$14.9 billion as at 30 June 2013 from U.S.$31.3 billion as at 30 June 2009), although reserves have subsequently recovered to U.S.$17.0 billion, as at 31 December 2013. There can be no assurance that Egypt will be able to adequately address these issues and failure to do so could have a significant adverse effect on its economy going forward, which could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

In particular, a large proportion of the Bank's investment portfolio is held in treasury bills and bonds issued by the Government, any failure of the Government to manage the economic concerns listed above could result in Egypt defaulting on its sovereign debt, which could, in turn, have a material adverse effect on the Bank's financial condition.

Risks Relating to the Bank

Concentration of Investment Portfolio

For the year ended 31 December 2013, 55% of the Bank's interest income was represented by interest received in respect of treasury bills and bonds issued by the Government, as compared to 51.2% for the year ended 31 December 2012. In particular, the Bank has increased its holdings of treasury bills and bonds issued by the Government since the Revolution in 2011, as demand for lending in Egypt has generally reduced. If the Government defaults on its treasury bills and bonds, this will have a significant adverse effect on the Bank's financial condition. The large portfolio of treasury bills and bonds issued by the Government held by the Bank, as well as its potential inability to withstand any default by the Government, led to a number of successive downgrades in the Bank's credit ratings in 2012 and 2013 by each of S&P, Moody's and Fitch, in line with downgrades by such agencies of Egypt's sovereign credit ratings.

Similarly, in common with other Egyptian banks, the Bank's loan portfolio represents a relatively small portion of its overall assets by international standards due to relatively limited lending opportunities in Egypt. In addition, the majority of the Bank's other assets are located in Egypt. As a result of all of the foregoing, the Bank is significantly exposed to the risks of an adverse event occurring in Egypt, which could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. In addition, an excessive concentration of the Bank's investment portfolio may reduce the Bank's future profitability.

Lack of Geographical Diversification

As at 31 December 2013, 100.0% of the Bank's borrowers were located within Egypt with 80.1% of this portfolio located in Cairo. The lack of geographical diversity in the Bank's loan portfolio may restrict the Bank's consumer base and competitiveness with other financial institutions that compete against the Bank, which could, in turn have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operation. For example, while foreign banks do not currently provide significant domestic competition, the number of foreign banks operating in Egypt, in particular, from Arab countries, has increased in recent years. In part as a result of the wider geographical diversification of borrowers of foreign banks, these institutions may have significantly greater resources and funding bases that are cheaper or more diversified than the Bank and may increasingly compete against the Bank for domestic corporate customers. Foreign banks also often have greater international experience, allowing them to target the best domestic corporate customers, as well as foreign companies operating in Egypt. The concentration of the Bank's activities within Egypt also exposes the Bank, to a greater extent than those banks operating in a number of markets, to the risks of an adverse event occurring in Egypt, which could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

In addition, in the event that the Bank expands its operations outside of Egypt, or increases its exposure in other regions of Egypt, it will be exposed to additional risks, including certain regulatory risks, compliance risks, foreign currency exchange risk and the risk of failure to market itself adequately to potential customers in such locations, as well as the other business, financial and other risks inherent to banks. Any failure to manage such risks may cause the Bank to incur increased liabilities in respect of such operations. This could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Personnel

The Bank depends in large part on its ability to attract, train, retain and motivate highly skilled employees and management. There is, however, significant competition for employees in the Egyptian banking sector, particularly in areas such as risk management, brokerage services and asset management. In particular, competition within the Egyptian banking industry is intense for personnel with relevant experience, especially in regions outside Cairo where the number of potential qualified personnel is relatively limited. In the future, it may be increasingly difficult for the Bank to hire and retain qualified personnel. In addition, the Bank may lose some of its most talented personnel to its competitors, particularly as the macroeconomic conditions in Egypt start to recover and, accordingly, the Egyptian banking sector continues to develop and become more competitive. If this shortage of adequately qualified banking personnel persists, the Bank's ability to offer the desired range, volume and quality of services may be affected, which could materially adversely affect the Bank's prospects, business, financial condition and results of operations.

As at 31 December 2013, the Bank had 5,490 employees (as compared to 5,181 as at 31 December 2012) and hired 333 new employees in 2013. Any future failure of the Bank to manage staffing levels could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Weakness of the Egyptian Banking Sector

Since 2004, as a result of the prior systemic weakness of the Egyptian banking sector, the Government and the CBE have been implementing a reform programme. Since then, improvements have been made to consolidate and stabilise the banking sector; reduce non-performing loans; divest state-owned banks' of stakes in joint venture banks; strengthen the capital base of Egyptian banks; divest or restructure state-owned banks; and strengthen of the supervisory capacity of the CBE. As a result of this reform programme, Egyptian banks are now subject to key regulations relating to capital requirements, capital adequacy, reserve requirements, liquidity requirements, exposure limits, asset classification and provisioning and credit exposure limits. Although the Government had stated its belief that this programme has strengthened Egypt's banking sector, this reform programme has not yet been completed and unaddressed sector weaknesses or any failure to complete the reform programme successfully could negatively impact the banking sector as a whole, which could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

The banking sector in Egypt remains in a relatively early stage of development compared with other countries and it is unclear how the Egyptian banking sector will implement international banking standards, if at all. For example, while the CBE had announced its intention to apply the executive instructions of Basel III standards to the Egyptian banking system during 2014, with a staged implementation up to 2018, the timetable or measures to be adopted for its implementation are unclear. No assurance can be given that the CBE will not introduce changes to the regulatory environment, which are unexpected or implemented in a way that is inconsistent with international standards, which could, in turn, have a material adverse effect on the Bank's ability to compete and thus on its business, prospects, financial condition, cash flows or results of operations.

Recent events in Egypt have also introduced further challenges for the banking system, including liquidity and reserves pressures, as well as an outflow of foreign investments. While the banking system has remained largely resilient in the face of unfavourable market conditions, the events of the Revolution caused Egyptian banks to close for eleven days in 2011. Reduced demand for credit in the market has also resulted in Egyptian banks, including the Bank, allocating large portions of excess liquidity to their sovereign investment portfolios. There can be no assurance that if market conditions in Egypt worsen or political instability in Egypt continues or increases, that the banking system will not face further closures or that the Bank will be able to compensate for further reduced demand for credit in the market, all of which could have a material adverse effect on the Bank's ability to compete and thus on its business, prospects, financial condition, cash flows or results of operations.

Competition

The Egyptian market for financial services and products is highly competitive, and the Bank is subject to increasing competition from both domestic and foreign banks and from foreign financial institutions operating in Egypt. The Bank competes for retail and commercial customers principally with five other large banks, which together with the Bank represented 23% of the assets of the Egyptian banking market as at 30 September 2013. Although foreign banks do not currently provide significant domestic competition, these institutions generally may have significantly greater resources and funding bases that are cheaper or more diversified or have a longer tenor than the Bank and increasingly compete against the Bank for domestic corporate customers. Foreign banks generally also have greater international experience, allowing them to target the best domestic corporate customers, as well as foreign companies operating in Egypt. Accordingly, these entities are likely to become increasingly competitive with the Bank in the corporate banking sector in the longer term and, in particular, as macroeconomic conditions in Egypt improve and foreign banks invest in Egypt. The Bank may lose some or all of its banking and lending business and some or all of its funding sources (including deposits from commercial and governmental entities) to such competitors, and this increased competition could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Non-performing Loans

As at 31 December 2013, 1.4% of the Bank's total loans and advances to customers were non-performing loans and the ten largest non-performing loans accounted for 81.4% of total non-performing loans. Although the Bank operates a programme to properly classify and adequately provision non-performing loans, there can be no assurance that the Bank's Management has been completely successful either in properly classifying all non-performing loans or in adequately provisioning them, which, if not the case, could materially adversely affect the Bank's prospects, business, financial condition and results of operations. In addition, in response to macroeconomic conditions and the impact of political and security concerns on a number of industries in Egypt, in recent years, the Bank has increased the levels of its provisioning. There can be no assurance of when conditions will permit the Bank to return to its previous provisioning policy. A prolonged period of increased provisioning would have a material adverse effect on the Bank's cash flows and profitability.

Implementation of Basel III and Capital Adequacy Requirements

The Bank is required to maintain certain levels of capital, in line with CBE requirements. While the CBE had announced its intention to apply the executive instructions of Basel III standards to the Egyptian banking system during 2014, with a staged implementation up to 2018, the timetable or measures to be adopted for its implementation are unclear. Accordingly, until the implementation process has been announced, it is uncertain the exact impact the introduction of Basel III will have on the Bank's capital and liquidity.

The Basel III guidelines, among other things, establish Common Equity Tier 1 as a new tier of capital and impose a minimum Common Equity Tier 1 risk-based capital ratio of 5.5% and a minimum Tier 1 risk-based capital ratio of 7.0%, while retaining the minimum total risk-based capital ratio of 9.0%. There can be no assurance, however, that, prior to its full implementation, the Basel Committee will not amend the package of reforms currently envisaged. In addition, the CBE may implement the package of reforms in a manner that is different from that which is currently expected, or may impose additional capital requirements on authorised institutions, such as the Bank. Such events cannot be predicted by the Bank as at the date of this Prospectus.

If the regulatory capital requirements, liquidity restrictions or ratios applied to the Bank are increased in the future beyond those that are currently anticipated, any failure of the Bank to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on the Bank's results of operations.

Liquidity Risk

The Bank, like other commercial banks in Egypt and elsewhere, is exposed to liquidity risk due to maturity mismatches between its assets and liabilities. As at 31 December 2013, the Bank had cumulative liquidity gaps of EGP 469 million for maturities of less than one month, EGP (2,156) million for maturities of between one month and three months, EGP (3,385) million for maturities of between three months and one year and EGP 2,128 million for maturities between one year and five years, principally due to the growth in the Bank's portfolio of deposits. Since the Revolution, the Bank has also employed additional techniques to manage its liquidity, including allocating larger portions of its excess liquidity to holdings of treasury bills and bonds issued by the Government.

Although the Bank believes that its access to domestic and international interbank and capital markets and its liquidity risk management policy, which includes maintaining liquidity reserves sufficient to meet the Bank's liquidity needs for a certain period, allow the Bank to meet its short-term and long-term liquidity needs, the Bank cannot completely eliminate liquidity risk, and there can be no assurance that the Bank will not have to employ additional liquidity management techniques, particularly, if macroeconomic conditions in Egypt deteriorate further.

Accordingly, maturity mismatches between the Bank's assets and liabilities (including by reason of the withdrawal of large deposits) or unexpected or unplanned withdrawals of deposits by the Bank's customers could lead to liquidity gaps that the Bank will have to cover, thus incurring additional expenses, and ultimately may have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Exchange Rate Risks

The Bank maintains its accounts and reports its results in Egyptian Pounds. The Bank is exposed to the effects of fluctuations in foreign currency exchange rates on its financial positions and cash flows. In particular, the Egyptian Pound has historically been volatile against foreign currencies, such as the U.S. Dollar. In 2013, the Egyptian Pound depreciated 12% against the U.S. Dollar. In response to such conditions, since 2011, the Bank has introduced measures to reweight its balance sheet towards local currency deposits and lending. As at 31 December 2013, amounts due to customers denominated in Egyptian Pounds accounted for 66.7% of total amounts due to customers, as compared to 58.3% as at 31 December 2011. The Bank is also subject to limits on its open currency positions pursuant to CBE regulations and the Bank's internal policies.

There can be no assurance, however, that the Bank will be able to continue to manage its exchange rate risk and future changes in currency exchange rates and the volatility of the Egyptian Pound may adversely affect the Bank's foreign currency positions, which could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. In addition, although the Bank uses a limited number of currency hedging arrangements, no assurances can be given that such hedging arrangements will be available or sufficient for the Bank's future operations due to the underdeveloped currency hedging market in Egypt.

Collateral Value

Pursuant to applicable CBE regulation, the Bank may only consider cash or mortgages as collateral. Although the Bank may still accept other forms of collateral as security for loans, such loans are not treated as collateralised loans. Downturns in the relevant markets, in particular in the real estate market, or a general deterioration of economic conditions, such as those that have occurred since the Revolution, have resulted and may continue to result in declines in the value of collateral securing a number of loans to levels below the amounts of the outstanding principal and accrued interest on those loans. The Bank recognised a loan loss provision expense of EGP 916 million in the year ended 31 December 2013 in response to the prolonged recovery of certain markets as a result of macroeconomic conditions in Egypt. The Bank has also renegotiated the provisions of loans with certain corporate borrowers.

If collateral values decline, they may not be sufficient to cover uncollectible amounts on the Bank's secured loans, which may require the Bank to reclassify the relevant loans, establish additional loan loss expenses and increase reserve requirements. A failure to recover the expected value of collateral may expose the Bank to losses, which may materially adversely affect the Bank's business, prospects, financial condition, cash flows or results of operations. The likelihood of such failure will be increased if macroeconomic conditions in Egypt do not recover.

Unidentified or Unanticipated Risks

In the ordinary course of its business activities and in common with other commercial banks, the Bank is exposed to a variety of financial, market and operational risks, including credit risk, market risk, currency risk, interest rate risk, prepayment risk, equity price risk, liquidity risk and operational risk. While the Bank's Management believes that its risk management policies and procedures are appropriate and sufficient to control and mitigate such risks and such policies and procedures are regularly reviewed and updated, the Bank may be exposed to risks that are currently unidentified or unanticipated, including new credit and other risks. Some of the Bank's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Bank operates, its clients or other matters that are publicly available or otherwise accessible by the Bank. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Such risk is increased by the undeveloped nature of Egypt's system for gathering and analysing statistical information, as compared to that in more developed markets. The occurrence of any such unidentified or unanticipated risks may have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Interest Rate Risk

The Bank is exposed to risks resulting from mismatches between the interest rates on its interest-bearing liabilities and interest-earning assets. In addition, increased pressure on the interest rates on the Bank's interest-earning assets, may arise as a result of pressure from market conditions in Egypt, as the Bank competes to attract clients in such an environment. While the Bank monitors and tests its interest rate sensitivity by analysing the composition of its assets and liabilities and off-balance sheet financial instruments, interest rate movements may have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

IT Systems

The Bank depends on its information technology ("**IT**") systems to process a large number of transactions on an accurate and timely basis and to store and process substantially all of the Bank's business and operating data. The proper functioning of the Bank's financial control, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks between its branches and central office, are critical to the Bank's business and its ability to compete effectively. The Bank's business activities would be materially disrupted if there were a partial or complete failure of any of its IT systems or communications networks. Such failures can be caused by a variety of factors, including natural disasters, extended power outages and computer viruses. Although the Bank has developed a business continuity planning process, there can be no assurance that all such failures will be provided for under such process. The proper functioning of the Bank's IT systems also depends on accurate and reliable data and other system input, which are subject to human errors. Any failure or delay in recording or processing the Bank's transaction data could subject it to claims for losses and regulatory fines and penalties and could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

The secure transmission of confidential information is a critical element of the Bank's operations. The Bank's networks and systems may be vulnerable to unauthorised access and other security problems. No assurance can be given that the Bank's existing security measures will prevent security breaches, including break-ins and viruses, or other disruptions such as those caused by defects in hardware or software and errors or misconduct of operators. Persons who circumvent the Bank's security measures could use the Bank or the Bank's clients' confidential information wrongfully. Any material security breach or other disruptions could expose the Bank to risk of loss and regulatory actions and harm its reputation.

In addition, any substantial failure to improve or upgrade the Bank's IT systems effectively, or to develop its risk management systems in line with the growth in the Bank's business and related shifts in its risk exposure, including timely completion of the current upgrade works to the Bank's disaster recovery site, which are expected to be completed in September 2016, could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Lack of Information and Risk Assessments

Although the CBE licensed a new credit bureau in 2007, Egypt's system for gathering and publishing statistical information relating to its economy generally, specific economic sectors within Egypt, and corporate and financial information relating to companies and other entities, is not as comprehensive as is found in many countries with established market economies. Accordingly, the information available to the Bank in its credit approval process may be less comprehensive than that available to banks operating outside of Egypt.

The quality of the statistical, corporate and financial information, including audited financial statements and recognised debt rating reports, available to the Bank and other banks operating in Egypt relating to prospective corporate borrowers or retail clients makes the assessment of credit risk, including the valuation of collateral, more difficult.

Although the Bank ordinarily makes an estimation of the net realisable value of collateral on the basis of which it determines applicable impairment assessments and collateralisation requirements, the absence of additional statistical, corporate and financial information may decrease the accuracy of the Bank's assessments of credit risk, thereby increasing the risk of provisions being insufficient and decreasing the likelihood that the Bank would be able to enforce any security in respect of the corresponding loan or that the relevant collateral will have a value commensurate to the loan secured on it. This could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Compliance Systems

The Bank's ability to comply with applicable legal restrictions and CBE regulations, including with respect to international sanctions and anti-money laundering, is largely dependent on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. While the Bank has established policies and procedures in place, which are reviewed and updated regularly, the Bank cannot ensure that these systems and procedures cover all risks. The Bank is subject to extensive oversight by regulatory authorities, including regular examination activity. In addition, the Bank performs regular internal audits and is subject to external audits to monitor and test its compliance systems. In the case of actual or alleged non-compliance with regulations, the Bank could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers for damages. Any of these could have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations. Notwithstanding the foregoing, the Bank believes that its risk management and internal control policies and procedures are sufficient to ensure compliance with the transparency requirements of the FCA in relation to information about issuers whose securities are admitted to trading on a regulated market.

Other Risks Relating to Egypt

Emerging Markets

Investors in emerging markets, such as Egypt, should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. These risks have been exacerbated by the recent events in Egypt and the challenges that Egypt has faced as a result.

The Egyptian economy is susceptible to future adverse effects similar to the political and economic instability suffered following the Revolution, as well as similar effects suffered by other emerging market countries.

Investors should also note that emerging economies, such as Egypt's, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

Uncertainties Regarding Formation and Policies of the New Government

Presidential elections were held in May 2014 and Abdel Fattah Al-Sisi was sworn in as President of the Republic on 8 June 2014. According to figures announced by the President of the Supreme Committee for the Presidential elections, President Al-Sisi won 96.9% of the presidential vote with an estimated turnout of approximately 47%. On 9 June 2014, the Prime Minister, Ibrahim Mahlab, tendered his cabinet's resignation to the newly inaugurated President Al-Sisi. President Al-Sisi reappointed Mr. Mahlab as Prime Minister on 9 June 2014 and asked him to form a new interim government. The interim government was sworn in on 17 June 2014 and consists of 34 ministers, mainly those from the previous interim government. President Al-Sisi announced on 22 June 2014 that the parliamentary election process would begin before 18 July 2014, although there can be no assurance that the parliamentary elections will be held on or before 18 July 2014. Accordingly, it is also unclear when a new government will be formed, what its economic, political and social policies will be and what the reaction of the various parties to the composition or the policies of the new government will be or what the impact of such policies and reactions on the financial situation in Egypt and on the Bank and its businesses. To the extent that such policies affect the Egyptian financial system, and the regulation of Egyptian banks, in particular, these events may have a material impact on Egypt's financial situation, including its ability to finance its fiscal deficit, which could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Inflation

Whilst inflation, as measured by the CPI, has decreased from 18.3% in December 2008 to 4.7% in December 2012, inflation has been increasing in recent months, reaching 11.7% in December 2013. The Egyptian economy is subject to further risk of high or increasing inflation due to the devaluation of the Egyptian Pound since the Revolution and an expected recovery in GDP growth rates as the economic reforms begin to be implemented. In past years, most recently in 2013, price increases have led to riots. Although price stability is at the centre of the CBE's monetary policy, there can be no guarantee that the CBE will be able to achieve or maintain price stability and thus control inflation. A failure to control inflation could affect the interest rates on the Bank's interest-earning assets and interest-bearing liabilities, which could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations.

Global Financial Crisis

The global financial crisis, which commenced in 2007, has significantly affected global markets and volatility and declines in security prices, severely diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, default, failure, collapse or sale of various financial institutions and an unprecedented level of intervention from the United States federal government and other governments continues. In particular, global financial markets have experienced increased volatility since the second half of 2011, during which the sovereign ratings of, among others, the United States, France, Austria, Greece, Ireland, Portugal, Spain and Italy, as well as many Gulf countries (including Egypt) have been downgraded, and continued concerns over the stability of the European monetary system and the stability of certain European economies, notably Greece, Ireland, Portugal, Spain, Italy and Cyprus remain. No assurance can be given that a further economic downturn or financial crisis will not occur, or that measures to support the financial system, if taken to overcome a crisis, will be sufficient to restore stability in the global financial sector and markets in the short-term or beyond.

In particular, Egypt's economy may be vulnerable to external shocks, including the continuing impact of the global financial crisis and those that could be caused by future significant economic difficulties of its major regional trading partners or by more general "contagion" effects. Each of these factors, or a combination of them, could have a material adverse effect on Egypt's economic growth and could, in turn, have a material adverse effect on the Bank's business, prospects, financial condition, cash flows or results of operations as its ability to grow its operations is impeded, or it experiences losses and reduced profitability as a result of a further deterioration in market conditions.

Terrorism

In common with other countries in the region, Egypt has experienced occasional terrorist attacks in recent years. For example, there was a violent incident in Luxor in 1997, attacks in Sharm el-Sheikh and Cairo in 2005, and an attack in the Sinai resort city of Dahab in April 2006 in which 23 people were killed. More recently, there were violent incidents outside a Coptic church in Alexandria in 2011, which killed at least 21 people, at an Egyptian military base in Sinai in August 2012, resulting in the death of 16 Egyptian soldiers and in Mansoura in December 2013, which killed 12 people.

There can be no assurance that extremists or terrorist groups will not escalate or continue occasional violent activities in Egypt, particularly as a result of the social and political upheaval Egypt has experienced following the Revolution. The effects of any such terrorist activities could have a mutual adverse effect on the Bank's business, prospects, financial conditions, cash flows or results of operations as investor confidence in investing in Egypt and Egyptian banks is further weakened.

Egypt's Ratings

The rating of Egypt's long-term foreign currency debt has been repeatedly downgraded in recent years (although it has since been upgraded on one occasion) due to, amongst other things, the political and economic challenges faced by Egypt following, and as a result of, the political protests and uprisings occurring. Egypt's long-term foreign currency debt is currently assigned a rating of "B-" with a stable outlook by S&P, a rating of "B-" with a stable outlook by Fitch and a rating of "Caa1" with a negative outlook by Moody's.

As a result of the Bank's high level of exposure to treasury bills and bonds issued by the Government, the Bank's credit ratings have also been downgraded in line with those of the sovereign, reflecting concerns that the Bank would be materially adversely effected if Egypt were to default on its sovereign debt. The Bank's long-term foreign currency debt is currently assigned a rating of "B-" with a stable outlook by S&P, a rating of "B-" with a stable outlook by Fitch and a rating of "Caa2" with a negative outlook by Moody's.

The credit ratings assigned to Egypt and the Bank are sub-investment grade and there can be no assurance that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. Changes in the credit ratings of Egypt and the Bank may have adversely affected the trading price of the GDRs in the past and could adversely affect the trading price of the GDRs in the future. A change in the credit rating of one or more other Egyptian corporate borrowers or banks could also adversely affect the trading price of the GDRs. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Risks Relating to the GDRs

Market Price

The market has from time to time experienced significant price and volume fluctuations that are not closely related to the operating performance of particular companies. Factors including developments in the financial sector, increased competition, fluctuations in the Bank's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters and war may have an adverse effect on the market price of the GDRs.

The market price of the GDRs is also influenced by economic and market conditions in Egypt and, to a varying degree, economic and market conditions in other African countries and the emerging markets generally. Financial turmoil in other emerging markets in the past has adversely affected market prices in the world's securities markets for companies that operate in those developing economies. Financial turmoil in both Egypt and other emerging markets could materially adversely affect the market price of the GDRs.

Trading Market Risk

There can be no assurance as to the liquidity of any market that may develop for the GDRs, the ability of holders of the GDRs to sell their GDRs or the price at which such holders would be able to sell their GDRs. Although the GDRs will be listed, there can be no assurance that, where such listing is obtained, an active trading market will develop or be sustained. In addition, the liquidity of any market for the GDRs will depend on the number of holders of the GDRs, the interest of securities dealers in making a market in the GDRs and other factors.

Sales

Sales, or the real or perceived possibility of sales, of a significant number of Shares or GDRs in the public market could adversely affect prevailing market prices for the Shares or GDRs. The Bank cannot predict the effect, if any, that market sales of the Shares and GDRs, or the availability of the Shares or GDRs for future sale, will have on the market price of its GDRs, but these factors could adversely affect the price of the Shares and the GDRs.

Enforcement of Foreign Judgments Against the Bank

The Bank is incorporated under the laws of Egypt and substantially all of the assets of the Bank are located outside of the United Kingdom and the United States. As a result, it may not be possible for investors to effect service of process within the United Kingdom, the United States or other jurisdictions outside Egypt upon the Bank or any directors and senior management or to enforce against any of them judgments of courts in the United Kingdom, the United States or other jurisdictions outside Egypt, including judgments predicated upon civil liabilities under the securities laws of the United Kingdom.

Evolving Tax Legislation

Changes to tax legislation in Egypt, in particular, imposing capital gains taxes on shares and dividends are under discussion. There can be no assurance if, and when, these or further changes to tax legislation (if any) may be introduced and the effects such legislation may have on the Bank or holders of the GDRs.

Limitations on Voting

Holders of GDRs will have no direct voting rights with respect to the Shares represented by the GDRs. They will have a right to instruct the Depositary on how to exercise those rights, in accordance with the Conditions (as defined below). However, there are practical limitations upon their ability to exercise voting rights due to additional procedural steps involved in the Bank's communication with holders. GDR holders will not receive notices of meetings directly from the Bank, but from the Depositary, which has undertaken to mail to GDR holders notices of meetings, copies of voting materials and a statement as to the manner in which instructions may be given by holders. As a result, the process of exercising voting rights may take longer for holders of GDRs than for holders of the Shares and there is a possibility that a holder will not receive voting materials or otherwise learn of a meeting of shareholders in time to enable the holder to return voting instructions to the Depositary in a timely manner. In addition, pursuant to the Conditions, the Depositary shall not be required to take any action to vote on behalf of the GDR holders unless it has received an opinion from legal counsel to the Bank to the effect that the voting arrangement in place is valid and binding on GDR holders under Egyptian law and that the Depositary will not be deemed to be exercising a voting discretion. See "*Terms and Conditions of the Global Depositary Receipts*".

Foreign Account Tax Compliance Act

A 30% withholding tax may be imposed on all or some of the payments on the GDRs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current guidance, the amount to be withheld is not defined, and it is not yet clear whether or to what extent payments on the GDRs may be subject to this withholding tax.

This withholding tax, if it applies, could apply to any payment made with respect to the GDRs. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, GDRs held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding.

If Foreign Account Tax Compliance Act ("**FATCA**") withholding is required, the Bank will not be required to pay any additional amounts with respect to any amounts withheld. Certain beneficial owners of GDRs that are not foreign financial institutions generally will be entitled to refunds of any amounts withheld under FATCA, but this may entail significant administrative burden. U.S. and non-U.S. holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the GDRs.

In addition, certain U.S.-source payments received by the Bank may be subject to 30% withholding if the Bank does not comply with reporting obligations imposed by FATCA. To avoid the imposition of such withholding, the Bank intends to comply with FATCA to the extent permitted by Egyptian law.

Payment of Dividends

The payment of dividends, if any, by the Bank to its shareholders and holders of the GDRs will depend on (in addition to applicable regulatory requirements), among other things, the Bank's future profits, financial position and capital requirements, the sufficiency of the Bank's distributable reserves, credit terms, general economic conditions and other factors that the directors or shareholders deem to be important from time-to-time. Should the Bank's shareholders decide against declaring dividends in the future, the price of the GDRs may be adversely affected.

Any dividends that may be paid by the Bank in the future in respect of the Shares held by the Depositary or its nominee on behalf of GDR holders will be declared and paid in Egyptian Pounds and will be converted into U.S. Dollars by the Depositary and distributed to holders of the GDRs, net of all fees, taxes, duties, charges, cost and expenses, which may become or have become payable under the Deposit Agreements or under applicable law in respect of such GDRs.

Accordingly, the value of dividends received by holders of the GDRs will be subject to fluctuations in the exchange rate between the Egyptian Pound and the U.S. Dollar, which could have an adverse effect on the price of the GDRs.

Furthermore, even though current Egyptian legislation permits distributions in Egyptian Pounds to be converted into U.S. Dollars by the Depositary without restriction, the ability to convert Egyptian Pounds into U.S. Dollars is subject to the availability of U.S. Dollars in Egyptian currency markets. Although there is an existing, albeit limited, market within Egypt for the conversion of Egyptian Pounds into U.S. Dollars, continued or further development of this market is uncertain. Furthermore, the CBE could in the future impose certain restrictions and requirements with respect to foreign currency operations carried out in Egypt.

IMPORTANT INFORMATION

This Prospectus contains information provided by the Bank in connection with the Application. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person may reproduce or distribute this Prospectus, in whole or in part, or disclose any of its contents or use any information herein for any purpose other than the Application.

The distribution of this Prospectus and the transfer of GDRs in certain jurisdictions may be restricted by law. The Issuer requires persons into delivery and whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, GDRs in any jurisdiction. No one has taken any action that would permit a public offering to occur in any jurisdiction.

The GDRs have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States at any time, other than in accordance with Regulation S, Rule 144A or another available exemption under the Securities Act. Neither the U.S. Securities and Exchange Commission, nor any state securities commission nor any other regulatory authority, has approved or disapproved the Securities or passed upon or endorsed the merits of the Bank's GDR Programme (the "**Programme**") or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Holding GDRs involves a number of risks. Participation in the Programme is suitable only for, and should be made only by, sophisticated investors who can bear the risks of limited liquidity and who understand and can bear the financial and other risks of participating in the Programme for an indefinite period of time. The contents of this document are not to be construed as legal, business or tax advice. Each prospective GDR holder should consult his, her or its own solicitor, independent financial advisor or tax advisor for legal, financial or tax advice. Holders of GDRs must make their own on-going examination of the Bank and the terms of the GDRs, including the risks involved. See "*Risk Factors*".

Forward-Looking Statements

Certain statements in this Prospectus may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These statements appear in a number of places in this Prospectus and include statements regarding the Bank's intent, belief or current expectations or those of the Bank's Management (as defined below) with respect to, among other things:

- changes in economic, political, social or legal conditions in Egypt and the other markets in which the Bank and its customers operate;
- the Bank's results of operations, financial condition, future economic performance and any plans regarding its business;
- the Bank's competitive position and the effect of such competition on its results of operations;
- trends affecting the Bank's financial condition or results of operations;
- the Bank's plans, including those related to new products or services and anticipated customer demand for such products or services and potential acquisitions;
- the Bank's growth and investment programmes, the relevant anticipated capital expenditure and the success of its investments programmes;
- the Bank's intentions to contain costs, increase operating efficiency and promote best practices;
- assumptions made by the Bank's Management;
- the impact of the on-going global financial crisis;

- the potential impact of regulatory actions on the Bank's business, prospects, financial condition, cash flows and results of operations; and

- the timing, impact and other uncertainties of future actions.

These forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "is expected to", "will", "will continue", "should", "approximately", "would be", "seeks", or "anticipates" or similar expressions or comparable terminology, or the negatives thereof. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results, performance or achievements of the Bank may differ materially from those expressed or implied in the forward-looking statements as a result of various factors. The information contained in this Prospectus, including, without limitation, the information under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Selected Statistical and Other Data*", "*Business*", "*The Banking Sector in Egypt*" and "*The Arab Republic of Egypt*", identifies important factors that could cause such differences. In addition, many other factors could affect the Bank's actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements.

The Bank is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Bank, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus, As a result of these risks, uncertainties and assumptions, prospective holders of GDRs should not place undue reliance on these forward-looking statements.

Presentation of Financial and Certain Other Information

Financial Statements

The audited consolidated financial statements of the Bank as at and for the years ended 31 December 2011, 2012 and 2013 (the "**Financial Statements**") are included elsewhere in this Prospectus.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Bank also prepares statutory annual audited consolidated financial statements under Egyptian Financial Reporting Standards, as amended, and the instructions of the CBE approved by the Board of Directors on 16 December 2008.

Currencies

Unless otherwise specified or the context so requires, references to "**Egyptian Pounds**" and "**EGP**" are to the lawful currency of Egypt, references to "**U.S. Dollars**" and "**U.S.$**" are to the lawful currency of the United States of America, references to "**Euros**" and "**€**" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union (the "**EU**"), as amended, and references to "**British Pounds Sterling**", "**GBP**" and "**£**" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland. Where Egyptian Pounds amounts have been translated into U.S. Dollars, they have been so translated for convenience only at the rates indicated. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into U.S. Dollars at that or any other rate. See "*Risk Factors—Risks Relating to the Bank—Exchange Rate Risks*".

Historical Exchange Rate Information

The table below shows, for the periods indicated, the high, low, average and period-end exchange rates between the Egyptian Pound and the U.S. Dollar expressed as the number of Egyptian Pounds per U.S.$1.00 and as published by the CBE.

	High	Low	Average	Period End
		(*EGP per U.S.$1.00*)		
Year ended 31 December				
2013	7.018	6.389	6.864	6.939
2012	6.375	6.029	6.070	6.319
2011	6.035	5.796	5.948	6.032

Source: CBE

These rates may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this Prospectus. The average is computed using the exchange rates set on each business day during the period.

Rounding

Certain amounts, which appear in this Prospectus, have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as the totals in certain tables may not be an arithmetic aggregation of the figures, which precede them. Rounding conventions have been observed.

Certain Definitions

Information in this Prospectus relates to the Bank and its consolidated subsidiary and, where the context so permits, the term "**Bank**" or "**Group**" refers to the Bank, together with its consolidated subsidiary. References to the term "**Issuer**" refers to the Bank without its consolidated subsidiary. References to "**Management**" are to the Bank's senior management team. References to the "**Government**" are to the government of the Arab Republic of Egypt ("**Egypt**"). References to "**Shares**" are to ordinary shares of the Bank with a par value of EGP 10 per share.

Websites

The contents of the Bank's or any member of the Group's websites (including any materials that are hyper-linked thereon) do not form part of this Prospectus.

Information from Public Sources

Certain statistical and market information that is presented in this Prospectus has, unless otherwise stated herein, been extracted from documents and other publications released by the CBE, the Ministry of Finance and the Central Agency for Public Mobilization and Statistics ("**CAPMAS**"). Annual information presented in this Prospectus published by Government authorities is, unless otherwise noted, based on the Republic's fiscal year. The Republic's fiscal year commences on 1 July of each year and ends on 30 June of the following year. Accordingly, the year commencing 1 July 2013 and ending 30 June 2014 is referred to as "2013/14". All information from public sources is subject to revision and update. All figures from public sources for the year 2012/13 and subsequent periods should be considered preliminary.

The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Where third-party information has been used in this Prospectus, the source of such information has been identified.

Enforcement of Foreign Judgments

The Bank is incorporated under the laws of Egypt. None of the members of the board of directors or other principal officers of the Bank is a resident of the United States, the majority of the members of the board of directors or other principal officers of the Bank is resident outside of the United Kingdom and substantially all of the assets of the Bank are located outside of the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States or the United Kingdom or other jurisdictions outside Egypt upon the Bank or any directors and executive officers or to enforce against any of them judgments of courts in the United States or the United Kingdom or other jurisdictions outside Egypt, including judgments predicated upon civil liabilities under the securities laws of the United States or the United Kingdom.

Enforcement of foreign court judgments in Egypt is subject to the following conditions:

- the foreign courts rendering the relevant judgment must offer reciprocal treatment to judgments obtained in the courts of the Egypt; if such reciprocal treatment is not offered by the foreign court where the judgment is obtained, the Egypt's courts will re-examine the merits of the case;
- the courts of Egypt are not exclusively competent to hear the dispute which was the subject of the foreign judgment, and the foreign court is shown to have been competent to hear the dispute in accordance with its own respective laws;
- the parties to the dispute were duly notified and properly represented in the proceedings;
- the judgment is final and conclusive in accordance with the laws of its place of issuance; and
- the judgment does not conflict with a prior Egyptian judgment on the same subject matter and is not contrary to public policy in Egypt.

Egyptian counsel to the Bank has advised that they are not aware of any Egyptian court decision that was enforced by the courts of the United Kingdom, which would satisfy the first criterion above. Egyptian courts are competent to hear disputes brought against Egyptians whether or not resident in Egypt, which may result in the rejection of the request of *exequatur* of a non-Egyptian judgment rendered against the Bank. Further, since a review of whether the judgment conflicts with Egyptian public policy is a matter for Egyptian courts to decide, foreign court judgments would not be enforceable without being re-examined on the merits. The only exception is where an international treaty providing for the recognition and enforcement of judgments in civil cases exists between Egypt and the country where the judgment is rendered. No such treaty exists between Egypt and the United States or the United Kingdom for the reciprocal enforcement of foreign court judgments.

Available Information

For so long as any Rule 144A GDRs or the Shares represented thereby are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Rule 144A GDRs or to any prospective purchaser of such restricted Rule 144A GDRs designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

DIVIDEND POLICY

Dividend Policy

Holders of GDRs will be entitled to any dividends the Bank may declare or pay. The owner of each GDR will be entitled to receive from the Depositary an amount equal to the net dividends received by the Depositary per Share, subject to the fees and expenses of the Depositary and any applicable withholding tax. Dividends on the Shares will be paid in Egyptian Pounds but holders of GDRs will receive any payments of dividends in U.S. Dollars (if necessary, converted by the Depositary as soon as practicable at the then applicable EGP/U.S.$ exchange rate. See "*Terms and Conditions of the Global Depositary Receipts*".

Dividends are determined and paid in accordance with Egyptian legislation and the provisions of the Bank's articles of association. See "*Description of the Share Capital of the Bank and Certain Requirements of Egyptian Legislation—Summary of the Memorandum and Articles of Association—Dividends and Liquidation*".

Although the Bank has no written dividend policy, the Bank aims to increase the level of cash dividends paid year-on-year, while maintaining a sufficient equity cushion and capital required for the Bank's growth. The Bank is in the process of formalising a written dividend policy.

Dividends Paid

The following table sets forth the cash dividends paid by the Bank to shareholders on the Shares for the periods indicated.

Year ended 31 December	**Total Dividends Paid(1)**	**Dividends paid per Share(2)**
	(*EGP millions*)	(*EGP*)
2013	900(3)	1.00
2012	747	0.83
2011	594	0.66
2010	590	0.66
2009	438	0.49

Notes:

(1) Before taxes.

(2) Adjusted to reflect the impact of stock dividends effective 5 December 2013. The calculation for current and previous periods is based on the new number of Shares.

(3) Proposed dividend to be approved by the general meeting of shareholders (the "**General Meeting**").

At the General Meeting held on 4 March 2014, the Bank's General Assembly approved the distribution of dividends out of the Bank's net profits in 2013 of EGP 1 per Share. Total dividends paid in respect of 2013 represented 34% of the Bank's net profits (after taxation) for that year.

CAPITALISATION AND LONG-TERM INDEBTEDNESS

The following table sets forth the Bank's capitalisation and long-term indebtedness as at 31 December 2013.

	As at 31 December 2013
	(*EGP millions*)
Long-term debt	
Long-term loans	132
Total long-term debt	**132**
Equity	
Issued and paid in capital	9,002
Reserves	203
Reserve for employee stock ownership plan	190
Retained earning	2,245
Total equity	**11,640**
Total capitalisation and long-term indebtedness	**11,772**

There has been no material change in the capitalisation and long-term indebtedness of the Bank since 31 December 2013.

SELECTED FINANCIAL INFORMATION OF THE BANK

The selected financial information for the Bank, including the financial ratios and statistical data, set forth below as at, and for the years ended 31 December 2013, 2012 and 2011 is derived from, should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements, which are included in this Prospectus and the information set forth under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Statistical and Other Data" elsewhere in this Prospectus.

Selected Income Statement and Statement of Financial Position Data

The following tables set forth selected information from the Financial Statements.

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
INCOME STATEMENT			
Interest and similar income	9,521	7,859	5,471
Interest and similar expense	(4,470)	(3,950)	(2,786)
Net interest income	**5,050**	**3,910**	**2,685**
Fee and commission income	1,436	1,034	931
Fee and commission expense	(129)	(107)	(88)
Net fee and commission income	**1,307**	**926**	**843**
Dividend income	17	29	48
Net trading income	767	575	382
(Losses) Gain from financial investments	(29)	(27)	39
Goodwill impairment	(91)	(110)	–
Administrative expenses	(1,936)	(1,604)	(1,454)
Other operating (expenses) income	(387)	(330)	(255)
Impairment (charge) for credit losses	(916)	(610)	(321)
Intangible Assets impairment and amortisation	(33)	(276)	(67)
Bank's share in the profits of associates	22	31	5
Profit before income tax	**3,773**	**2,513**	**1,905**
Current income tax expense	(1,182)	(887)	(449)
Deferred income tax	12	33	6
Net profit for the year	**2,603**	**1,659**	**1,463**
Attributable to:			
Equity holders of the bank	2,603	1,658	1,464
Non-controlling interest	(0)	1	(1)
Net profit for the year	**2,603**	**1,659**	**1,463**
		(EGP)	
Earning per share			
Basic	2.89	1.84	1.63
Diluted	2.85	1.82	1.61

	As at 31 December		
	2013	2012	2011
		(EGP millions	
STATEMENT OF FINANCIAL POSITION DATA			
Assets			
Cash and balances with Central Bank	4,805	5,394	7,492
Due from banks	9,004	8,048	8,528
Treasury bills and other governmental notes	23,665	11,193	10,701
Financial assets held for trading	2,286	1,515	675
Loans and advances to banks	132	1,179	1,396
Loans and advances to customers	41,733	40,698	39,670
Derivative financial instruments	103	137	147
Financial investments			
Available for sale	23,378	21,177	15,422
Held to maturity	4,197	4,216	39
Investments in associates	193	165	107
Investment property	10	10	13
Other assets	3,192	2,610	1,602
Goodwill	—	91	200
Intangible assets	—	33	309
Deferred tax assets	84	71	96
Property, plant and equipment	999	712	669
Total assets	**113,782**	**97,251**	**87,065**
Liabilities and equity			
Liabilities			
Due to banks	1,373	1,715	3,341
Due to customers	96,846	78,729	71,468
Derivative financial instruments	115	119	114
Reverse repos treasury bonds	—	3,176	1,440
Repos – AFS corporate bonds	—	—	—
Other liabilities	1,990	1,606	1,237
Current tax liability	1,182	887	449
Long-term loans	132	80	99
Other provisions	455	315	271
Total liabilities	**102,093**	**86,628**	**78,419**
Equity			
Issued and paid in capital	9,002	5,972	5,935
Reserves	203	2,688	928
Reserve for employee stock ownership plan (ESOP)	190	165	137
Retained earning	2,245	1,750	1,600
Total equity attributable to equity holders of the parent	**11,641**	**10,575**	**8,600**
Non-controlling interest	47	48	46
Total equity	**11,688**	**10,623**	**8,646**
Total liabilities, equity and non-controlling interest	**113,782**	**97,251**	**87,065**
Contingent liabilities and commitments			
Letters of credit, guarantees and other commitments	16,182	14,898	12,560

Selected Financial Information, Ratios and Operating Data

The following table sets forth selected financial information, related ratios and operating data for the Bank as at, and for the years ended, 31 December 2013, 2012 and 2011. The selected financial ratios and operating data set forth in the table have been derived from management reports, accounting records and the Financial Statements.

	As at and for the year ended 31 December		
	2013	2012	2011
	(EGP millions, except as indicated, all figures are unaudited)		
Profitability			
Return on average total assets (%)[(1)(2)]	2.9	2.5	2.0
Return on average equity (%)[(1)(3)]	26.5	22.9	18.7
Adjusted return on average shareholder's equity (%)[(1)(4)]	34.3	28.3	23.6
Net interest spread (%)[(1)(5)]	5.1	4.5	3.6
Net interest margin (%)[(1)(6)]	5.4	4.7	3.7
Non-interest income/total income (%)[(7)]	27.6	26.8	31.6
Non-interest income/average total assets (%)[(1)]	1.9	1.6	1.6
Operating expenses/total income (%)[(8)]	27.0	30.9	39.6
Operating expenses/average total assets (%)[(1)]	1.8	1.8	1.9
Taxes paid/profit before tax (%)[(9)]	28.0	27.7	21.5
Cost income ratio[(10)]	26.5	30.6	40.0
Asset Quality			
Contingent liabilities	16,182	14,898	12,560
Non-performing loans[(11)]	1,803	1,610	1,209
Provisions for loan losses	2,864	1,931	1,457
Provisions for loans and guarantees (net)/average total gross loans (%)[(1)(12)]	6.39	4.42	3.66
Provisions for loan losses/non-performing loans (%)[(12)]	159	120	121
Non-performing loans (net)/total gross loans (%)[(12)]	4.0	3.6	2.8
Non-performing loans (net)/total shareholder's equity (%)[(12)]	20.1	18.7	17.0
Capital Adequacy[(13)]			
Risk-weighted assets	70,080	65,251	55,367
Contingent liabilities	16,182	14,898	12,560
Net total regulatory capital[(14)]	9,496	8,869	8,526
Total capital adequacy ratio (%)[(15)]	13.5	13.6	13.8
Core capital adequacy ratio (%)[(16)]	12.5	12.2	12.5
Average shareholder's equity/average total assets (%)[(1)]	11.0	10.9	10.75
Liquidity			
Liquid assets [(17)]/total customer deposits (%)	38.7	27.3	35.4
Loans (net)/total assets (%)	36.7	44.6	48.0
Operating Data			
Employees (number)[(18)]	5,460	5,181	4,867
Branches (number)	125	112	110
Outlet (number)	27	44	44
On-line ATMs (number)	555	516	492
Total assets per employee[(18)]	21.9	19.3	19.0
Total assets per branch	747.4	602.3	555.2
Total customer deposits per branch	637.1	504.7	464.1
Year-on-year inflation rate (%)	11.7	4.7	9.6

Notes:

(1) Averages are calculated as the average of the opening and closing balances for each relevant period.

(2) Calculated by dividing net income for the year by average total assets.

(3) Calculated by dividing net income for the year by the sum of average total equity and net profit for the year.

(4) Calculated by dividing net profit for the year by average total equity.

(5) Net interest spread is calculated by subtracting the cost of fund *(i.e.,* interest expense divided by average interest-bearing liabilities) from loan yield (*i.e.,* interest income for the year divided by average interest-earning assets, excluding provisions for loan losses). Interest-earning assets are defined as comprising the total of debt securities, customer loans and amounts due from banks, including the CBE. Interest-bearing liabilities are defined as comprising the total of customer deposits and amounts due to banks, including the CBE.

(6) Calculated by dividing net interest income for the year by average interest-earning assets, excluding provisions for loan losses.

(7) Calculated by dividing non-interest income for the year by total income. Non-interest income includes net fee and commission income, profit (losses) on financial investments, dividends on shares and mutual fund certificates, net trading income, and other operating income (expense). Total income includes net interest income and non-interest income.

(8) Calculated by dividing operating expenses by total income. Operating expenses include administrative expenses, goodwill amortisation and intangible assets amortisation.

(9) Calculated by dividing income tax expense and deferred tax by profit before income tax.
(10) Calculated by dividing operating expenses by total income, excluding releases/(charges) of other provisions.
(11) Non-performing loans are those loans classified as "sub-standard," "doubtful" and "bad" loans in accordance with credit risk classifications defined by the CBE. Non-performing loans do not include non-performing off-balance sheet credit exposures or allowable collateral reductions.
(12) Net provisions charged for non-performing loans. Provisions are calculated taking into consideration allowable collateral reductions. See "*Selected Statistical and Other Data—Analysis of Loans by Credit Quality*."
(13) The Bank is required to comply with the capital adequacy regulations of the CBE. There are certain differences between these requirements and the capital adequacy guidelines issued by the Basel Committee. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Bank—Capital Adequacy*" and "*The Banking Section in Egypt—Banking Supervision—Capital Adequacy*."
(14) Total regulatory capital consists of core (Tier 1) capital (paid-up capital and reserves) plus supplementary (Tier 2) capital (provisions, other reserves and an allowance for the increase in market value of trading securities in the Bank's portfolio).
(15) Calculated by dividing total regulatory capital by the sum of risk-weighted assets and contingent liabilities.
(16) Calculated by dividing Tier 1 core capital by risk weighted assets and contingent liabilities.
(17) Includes cash, due from banks and Government treasury bills and other governmental notes.
(18) Based on the average monthly employee numbers for the relevant period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis has been prepared by the Bank's Management based upon the Financial Statements, which are included in this Prospectus. The selected financial and operating data set forth below, which, subject to rounding, has been extracted without material adjustment from the Financial Statements, together with the related discussion and analysis, should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements, as well as the information set forth under the captions "Selected Financial Information of the Bank" and "Selected Statistical and Other Data" included in this Prospectus. Unless otherwise indicated, all figures are expressed in or derived from amounts in Egyptian Pounds.

Introduction

The Bank is a full-service, Egyptian commercial bank, which (according to figures compiled by the Bank), as at 31 December 2013 was the most profitable Egyptian bank by net income, the largest private sector bank in Egypt in terms of revenue and had the largest loan and deposit market share among all Egyptian private sector banks.

The Bank's core business is focused on corporate and consumer banking. The Bank provides a wide range of wholesale banking products and services to its corporate clients, financial institutions and Government entities. The Bank's corporate activities are extensive, cover most economic sectors in Egypt and include the financing of large-scale infrastructure and other projects and arranging syndicated loans. The Bank offers a wide range of consumer banking products and services, including personal loans, auto loans, deposit accounts, residential property and finance and credit and debit cards. As at 31 December 2013, the Bank had 571,407 customers, as compared to 525,269 customers as at 31 December 2012.

According to figures compiled by the Bank, as at 31 October 2013, the Bank's market share of deposits was 7.6%, its share of loans and advances was 8.3%, and its share of total banking sector assets was 6.7%.

As at 31 December 2013, the Bank had a network of 152 branches and units located throughout Egypt, as well as a wide range of alternative distribution channels comprised of more than 555 ATMs, internet banking, 8,683 points-of-sale and a call centre.

In addition to traditional asset and liability products, the Bank offers wealth management securitisation, direct investment and treasury services to its clients. The Bank also offers asset management, investment banking, brokerage, research, insurance, leasing, factoring and security services through its subsidiaries and associate companies.

Shares of the Bank were first listed on the Cairo and Alexandria Stock Exchange (since renamed the Egyptian Exchange (the "**EGX**")) in February 1995, and Shares in the form of GDRs were first listed on the London Stock Exchange in July 1996. As at 31 December 2013, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, owned 9.1% of the Bank's Shares. In March 2014, Actis CIB Mauritius Limited sold a portion of its interest in the Bank, representing 2.6% of the Bank's total Shares, to international investors. On 19 May 2014, Actis CIB Mauritius Limited sold its remaining 6.5% interest in the Bank to Fairfax Financial Holdings Ltd.

For the year ended 31 December 2013, the Bank's net profit was EGP 2,603 million, as compared to EGP 1,659 million for the year ended 31 December 2012 and EGP 1,463 million for the year ended 31 December 2011. As at 31 December 2013, the Bank's total assets were EGP 113,782 million, as compared to EGP 97,251 million for the year ended 31 December 2012 and EGP 87,065 million for the year ended 31 December 2011. As at 31 December 2013, the Bank's return on average assets was 2.9%, as compared to 2.5% as at 31 December 2012 and 2.0% as at 31 December 2011. As at 31 December 2013, the Bank's return on average common equity was 26.5%, as compared to 22.9% as at 31 December 2012 and 18.7% as at 31 December 2011.

Critical Accounting Policies

The Bank's accounting policies are integral to understanding the results of operations and financial condition presented in the Financial Statements and notes thereto. The Bank's significant accounting policies are described in Note 2 to the Financial Statements appearing elsewhere in this Prospectus. In addition, the preparation of the Financial Statements requires the Bank to make judgments, estimates and assumptions. See Note 2.3 to the Financial Statements. Estimates, judgments and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

Key Factors Affecting the Bank's Results of Operations

The Bank's financial condition and results of operations are affected by numerous factors. The Bank's Management believes that the following set out below are of particular importance.

The Current Economic Environment

Almost all of the Bank's operations are conducted in, and its assets and customers are located in, Egypt. Consequently, the Bank's results of operations and financial condition are materially and significantly affected by Government policy and political and economic developments in, or affecting, Egypt. In particular, the general level of economic growth and inflation rates are critical factors affecting the Bank's performance. See "*The Arab Republic of Egypt*".

Since 2005, the CBE has taken active steps to modernise its monetary policy formulation and operations. Several institutional and operational changes have been initiated to facilitate monetary policy formulation and assessment and provide the foundations for formally adopting an inflation-targeting regime once certain conditions have been met. In addition, the CBE has been implementing the banking sector reform programme launched by the Government in September 2004. Improvements as a result of the programme have included the consolidation of the banking sector, the divesture of state-owned banks' stakes in joint venture banks, the strengthening of the capital base of Egyptian banks, the ongoing restructuring of the remaining state-owned banks, and the strengthening of the supervisory capacity of the CBE. "*The Banking Sector in Egypt*".

Fluctuations in Interest Rates

Changes in interest rates affect the Bank's net interest income, net interest margin and overall results of operation. Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the CBE, adverse domestic and international economic conditions and political factors.

The Bank is exposed to risks resulting from mismatches between the interest rates on its interest-bearing liabilities and interest-earning assets. To the extent that the Bank's assets may reprice more frequently than its liabilities, if interest rates fall, the Bank's interest expense will increase more rapidly than its interest income, which could negatively affect interest margins. The Bank has developed a number of interest rate management policies, which are strengthened by a system of limits and reporting requirements to control and monitor interest rate risk.

Although nearly all of the Bank's assets are match-funded within the risk appetite limits set by the Bank's Board of Directors, an increase in interest rates may generally raise the Bank's funding costs and may also increase interest income in the future, but overall demand for new loans may be reduced and the risk of customer defaults may increase.

Fluctuations in Exchange Rates

Fluctuations in exchange rates impact the Bank's financial condition and results of operations. The Bank maintains open currency positions, which give rise to exchange rate risk. The Bank's exposure to exchange rate risk may increase. A significant portion of the Bank's exposure to exchange rate risk also depends on numerous factors beyond its control, such as overall market trading activity, fluctuations in interest-rate levels and exchange rates, government actions and general market volatility.

Taxation

Income tax expense represents the sum of the current and deferred tax expense. The current tax expense is the expected tax payable on the taxable income for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax expense is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the book value of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Descriptions of Principal Income Statement Items

Descriptions of the principal income statement items are set forth below.

Interest and similar income

The Bank generates interest and similar income from loans and advances to customers, loans and advances to banks, from balances with banks and other financial institutions, including, *inter alia*, the CBE, and from investment securities, including, inter alia, treasury bills and bonds issued by the Government.

Fee and commission income

The Bank's fee and commission income from banking services is comprised principally of fees for the issuance of letters of credit, letters of guarantee and documents for collection, loan service charges, custody fees and fee income from retail activities, such as fees for cheque collections.

Dividend income

The Bank's dividends income is comprised principally of dividends paid by the Bank's subsidiary and associate companies of income from its available-for-sale equity securities.

Net trading income

The Bank's net trading income is comprised principally of income from foreign exchange operations and interest swap transactions and income from trading financial instruments.

Administrative expenses

The Bank's administrative expenses are comprised principally of costs relating staff wages and salaries costs.

Impairment (charge)/release for credit losses

The Bank's impairment charge or release for credit losses principally relate to impairment charges in respect of loans and advances to customers.

Results of Operations for the years ended 31 December 2013 and 2012

Net Interest Income

The following table sets forth the components of the Bank's net interest income, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	2012	% change
	(EGP millions)		(%)
Interest and similar income			
Banks	201	132	52.3
Clients	3,915	3,524	11.1
Total	**4,116**	**3,656**	**12.6**
Treasury bills and bonds	5,234	4,021	30.2
Reverse repos	27	17	58.8
Financial investments in held-to-maturity and available for sale debt instruments	143	164	(12.8)
Other	0	0	—
Total	**9,521**	**7,859**	**21.1**
Interest and similar expense			
Banks	92	181	(49.2)
Clients	4,345	3,450	25.9
Total	**4,437**	**3,631**	**22.2**
Financial instruments purchased with a commitment to re-sale (repos)	26	311	(91.6)
Finance expense related to financial lease contract	3	4	(25.0)
Other	4	4	0.0
Total	**4,470**	**3,950**	**13.2**
Net interest income	**5,050**	**3,910**	**29.2**

Net interest income increased by EGP 1,140 million, or 29.2%, to EGP 5,050 million for the year ended 31 December 2013 from EGP 3,910 million for the year ended 31 December 2012. This increase was principally due to an EGP 1,213 million, or 30.2%, increase in interest received from treasury bills and bonds issued by the Government. The Bank increased its holdings of treasury bills and other governmental notes issued by the Government (excluding repos) from EGP 11.2 billion as at 31 December 2012 to EGP 23.7 billion as at 31 December 2013. The increase in interest received from treasury bonds and bills issued by the Government was partially offset by an increase of EGP 895 million, or 25.9%, in interest paid on deposits and similar items to customers due to increased deposits and slightly higher interest rates paid by the Bank, as compared to those paid during the previous year. The Bank's management believes that the interest rates the Bank currently pays are generally similar to, or lower than, those of its competitors.

Net Income from Fees and Commissions

The following table sets forth the components of the Bank's net income from fees and commissions, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	2012	% change
	(EGP millions)		*(%)*
Fee and commission income			
Fee and commissions related to credit	761	470	61.9
Custody fee	167	134	24.6
Other fee	508	430	18.1
Total	**1,436**	**1,034**	**38.9**
Fee and commission expense			
Other fees paid	129	107	20.6
Total	**129**	**107**	**20.6**
Net income from fees and commissions	**1,307**	**926**	**41.1**

Net income from fees and commissions increased by EGP 381 million, or 41.1%, to EGP 1,307 million for the year ended 31 December 2013 from EGP 926 million for the year ended 31 December 2012. This increase was principally due to an EGP 291 million, or 61.9%, increase in fees and commissions related to credit, as a result of an increase in trade finance related fees and loan fees in 2013, as well as an EGP 78 million increase in other fees, as a result of an increase in credit and debit card fees in 2013.

Dividend Income

The following table sets forth the components of the Bank's dividend, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	2012	% change
	(EGP millions)		*(%)*
Trading securities	—	1	(100.0)
Available for sale securities	17	28	(39.3)
Total	**17**	**29**	**(41.4)**

Total dividend income decreased by EGP 12 million, or 41.4%, to EGP 17 million for the year ended 31 December 2013 from EGP 29 million for the year ended 31 December 2012. This decrease was principally due to an EGP 11 million, or 39.3%, decrease in dividend income from the Bank's available-for-sale securities as a result of the trend of preserving cash rather than paying dividends during times of uncertain economic conditions.

Net Trading Income

The following table sets forth the components of the Bank's net trading income, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	2012	% change
	(EGP millions)		*(%)*
Gain from foreign exchange	442	250	76.8
Forex gain from revaluations of trading assets and liabilities	4	3	33.3
(Loss) Gain from forward foreign exchange deals revaluation	(21)	7	(400.0)
(Loss) Gain from interest rate swaps revaluation	(1)	0	(100.0)
Gain (Loss) from currency swap deals revaluation	4	(3)	233.0
Net gains on trading securities	339	318	6.6
Total	**767**	**575**	**33.4**

Net trading income increased by EGP 192 million, or 33.4%, to EGP 767 million for the year ended 31 December 2013 from EGP 575 million for the year ended 31 December 2012. This increase was principally due to an EGP 192 million, or 76.8%, increase in profit from foreign exchange, principally due to market conditions in 2013.

Administrative Expenses

The following table sets forth the components of the Bank's administrative expenses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	**2012**	**% change**
	(EGP millions)		*(%)*
Staff costs			
Wages and salaries	(769)	(683)	12.6
Social insurance	(35)	(31)	12.9
Other benefits	(345)	(305)	13.1
Stock option	(89)	(79)	12.7
Depreciation	(199)	(179)	11.2
Maintenance	(119)	(81)	46.9
Premises and vehicles	(159)	(125)	27.2
Trainees expenses	(0)	(0)	0.0
Board meeting and director's expenses	(2)	(2)	0.0
Uniform expense	(1)	(4)	(75.0)
Other administrative expenses	(218)	(116)	87.9
Total	**(1,936)**	**(1,604)**	**20.7**

The Bank's administrative expenses are comprised of staff costs (principally including wages and salaries, social insurance and other benefits) and other administrative expenses, which comprise operating expenses including depreciation charges, premises costs, maintenance costs and loan stamp duty expenses. Total administrative expenses increased by EGP 332 million, or 20.7%, to EGP 1,936 million for the year ended 31 December 2013 from EGP 1,604 million for the year ended 31 December 2012. This increase was principally due to an EGP 102 million, or 87.9%, increase in other administrative expenses, as a result of the expansion of the Bank's branch network and renovation works, as well as an increase in the stamp duty tariffs for loans. Wages and salaries also increased by EGP 86 million, or 12.6%, as a result of the hiring of 326 new employees in 2013.

Other Operating (Expenses) Income

The following table sets forth the components of the Bank's other operating expenses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	**2012**	**% change**
	(EGP millions)		*(%)*
Forex gains (losses) from non-trading assets and liabilities revaluation	90	37	143.2
Gains from selling property, plant and equipment	1	2	(50.0)
(Charges) release of other provisions	(133)	(48)	177.1
Care services & cas trans. expense	(37)	(44)	(15.9)
CBE annual expense	(9)	(9)	0.0
Stamp duty tax	(158)	(138)	14.5
Consultants	(12)	(10)	20.0
IT communications	(67)	(50)	34.0
Utilities	(41)	(34)	20.6
Others	(20)	(36)	(44.4)
Total other operating expenses	**(387)**	**(330)**	**17.3**

Total other operating expenses increased by EGP 57 million, or 17.3%, to EGP 387 million for the year ended 31 December 2013 from EGP 330 million for the year ended 31 December 2012. This increase was principally due to an EGP 85 million, or 177.1%, increase in charges of other provisions, as a result of increased provisioning for contingent business and tax claims. The increase in other operating expenses was partially offset by an EGP 53 million, or 143.2%, increase in profits from non-trading assets and liabilities revaluations, as a result of a revaluation of the foreign currency component of the Bank's balance sheet.

Impairment (Charge) Release for Credit Losses

The following table sets forth the components of the Bank's impairment charge for credit losses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	2012	% change
	(EGP millions)		*(%)*
Loans and advances to customers	(916)	(610)	50.2
Held to maturity financial investments	—	—	—
Total	**(916)**	**(610)**	**50.2**

The Bank's impairment charge for credit losses increased by EGP 306 million, or 50.2%, to EGP 916 million for the year ended 31 December 2013 from EGP 610 million for the year ended 31 December 2012, as a result of the corresponding increase in impairment charges recorded on loans and advances to customers. This increase was principally due to the Bank's conservative provisioning policy.

Adjustments to Calculate the Effective Tax Rate

The following table sets forth information about the Bank's effective tax rate, for the periods indicated.

	For the year ended 31 December		
	2013	2012	%change
	(EGP millions, except where indicated)		*(%)*
Profit before tax	3,773	2,513	50.1
Tax settlement for prior years[1]	—	(65)	(100.0)
Profit after settlement	3,773	2,448	54.1
Tax rate (%)	*25.00*	*24.98*	*0.02*
Income tax based on accounting profit	943	611	54.3
Add / Deduct			
Non-deductable expenses	157	230	(31.7)
Tax exemptions	(72)	(82)	(12.2)
Effect of provisions	141	88	60.2
Depreciation	1	6	(83.3)
Income tax	**1,170**	**854**	**37.0**
Effective tax rate (%)	*31.01*	*34.88*	*(3.87)*

*Tax claims for the year ended on 31 December 2011

The Bank paid EGP 1,170 million in income taxes for the year ended 31 December 2013, as compared to EGP 854 million for the year ended 31 December 2012, an increase of EGP 316 million or 37%. This increase in income taxes was due to the improved profitability of the Bank in the year ended 31 December 2013.

In the year ended 31 December 2012, the Bank also paid EGP 65 million as part of a tax settlement in respect of changes to the tax treatment of treasury bills and bonds in 2011.

Net Profit

The following table sets forth the components of the Bank's net profit, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2013	**2012**	**% change**
	(EGP millions)		*(%)*
Net interest income	5,050	3,910	29.2
Net fees and commission income	1,307	926	41.1
Net operating income	**6,357**	**4,836**	31.5
Dividend income	17	29	(41.4)
Net trading income	767	575	33.4
(Losses) Gain from financial investments	(29)	(27)	7.4
Goodwill impairment	(91)	(110)	(17.3)
Administrative expenses	(1,936)	(1,604)	20.7
Other operating (expenses) income	(387)	(330)	17.3
Impairment (charge) for credit losses	(916)	(610)	50.2
Intangible Assets impairment and amortisation	(33)	(276)	(88.0)
Bank's share in the profits of associates	22	31	(29.0)
Profit before income tax	**3,773**	**2,513**	50.1
Income tax expense	(1,182)	(887)	33.3
Deferred tax	12	33	(63.6)
Net profit after tax	**2,603**	**1,659**	56.9

For the aforementioned reasons, the Bank's profit before income tax was EGP 3,773 million in the year ended 31 December 2013, as compared to EGP 2,513 million in the year ended 31 December 2012, an increase of EGP 1,260 million, or 50.1%. The Bank's net profit after tax was EGP 2,603 million in the year ended 31 December 2013, as compared to EGP 1,659 million in the year ended 31 December 2012, an increase of EGP 944 million, or 56.9%.

Results of Operations for the years ended 31 December 2012 and 2011

Net Interest Income

The following table sets forth the components of the Bank's net interest income, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	**2011**	**% change**
	(EGP millions)		*(%)*
Interest and similar income			
Banks	132	142	(7.0)
Clients	3,524	2,900	21.5
Total	**3,656**	**3,042**	**20.2**
Treasury bills and bonds	4,021	2,234	80.0
Reverse repos	17	22	(22.7)
Financial investments in held-to-maturity and available for sale debt instruments	164	173	(5.2)
Other	0	0	—
Total	**7,859**	**5,471**	**43.6**
Interest and similar expense			
Banks	181	188	(3.7)
Clients	3,450	2,568	34.3
Total	**3,631**	**2,756**	**31.7**
Financial instruments purchased with a commitment to re-sale (repos)	311	22	1,313.6
Finance expense related to financial lease contract	4	5	(20.0)
Other	4	3	33.3
Total	**3,950**	**2,786**	**41.8**
Net interest income	**3,910**	**2,685**	**45.6**

Net interest income increased by EGP 1,225 million, or 45.6%, to EGP 3,910 million for the year ended 31 December 2012 from EGP 2,685 million for the year ended 31 December 2011. This increase was principally due to an EGP 1,787 million, or 80.0%, increase in interest received from treasury bills and other Government notes. The Bank increased its holdings of treasury bills and other Government notes (excluding repos) from EGP 10.7 billion as at 31 December 2011 to EGP 11.2 billion as at 31 December 2012 and its holdings of repos from EGP 1.4 billion as at 31 December 2011 to EGP 3.2 billion as at 31 December 2012. The increase in interest received from treasury bonds and bills issued by the Government was partially offset by an increase of EGP 882 million, or 34.3%, in interest paid on deposits and similar items to customers due to increased deposits and generally higher interest rates paid by the Bank, as compared to those paid during the previous year. The Bank's management believes that the interest rates the Bank currently pays are generally similar to, or lower than, those of its competitors.

Net Income from Fees and Commissions

The following table sets forth the components of the Bank's net income from fees and commissions, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		*(%)*
Fee and commission income			
Fee and commissions related to credit	470	555	(15.3)
Custody fee	134	104	28.8
Other fee	430	272	58.1
Total	**1,034**	**931**	**11.1**
Fee and commission expense			
Other fees paid	107	88	21.6
Net income from fees and commissions	**926**	**843**	**9.8**

Net income from fees and commissions increased by EGP 83 million, or 9.8%, to EGP 926 million for the year ended 31 December 2012 from EGP 843 million for the year ended 31 December 2011. This increase was principally due to an EGP 158 million, or 58.1%, increase other fees, which comprised fees of the Bank's subsidiaries, correspondent fees, credit and debit card fees, recovery fees, operational fees and fund fees, as a result of an increase in credit and debit card fees. The increase in income of other fees was partially offset by an EGP 85 million, or 15.3%, decrease in fees and commission income related to credit, as well as an EGP 19 million, or 21.6%, increase in other fees paid, principally due to higher credit and debit card charges to the Bank, which was, in turn, due to the Bank's higher business volumes.

Dividend Income

The following table sets forth the components of the Bank's dividend, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		*(%)*
Trading securities	1	1	0.0
Available for sale securities	28	47	(40.4)
Total	**29**	**48**	(39.6)

Total dividend income decreased by EGP 19 million, or 39.6%, to EGP 29 million for the year ended 31 December 2012 from EGP 48 million for the year ended 31 December 2011. This decrease was principally due to an EGP 19 million, or 40.4%, decrease in dividend income from the Bank's available for sale securities as a result of the trend of preserving cash rather than paying dividends during times of uncertain economic conditions.

__Net Trading Income__

The following table sets forth the components of the Bank's net trading income, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		(%)
Gain from foreign exchange	250	293	(14.7)
Forex gain from revaluations of trading assets and liabilities	3	7	(57.1)
(Loss) Gain from forward foreign exchange deals revaluation	7	17	(58.8)
(Loss) Gain from interest rate swaps revaluation	0	(0)	—
Gain (Loss) from currency swap deals revaluation	(3)	1	(400.0)
Net gains on trading securities	318	64	396.9
Total	**575**	**382**	50.5

Net trading income increased by EGP 193 million, or 50.5%, to EGP 575 million for the year ended 31 December 2012 from EGP 382 million for the year ended 31 December 2011. This increase was principally due to an EGP 254 million, or 396.9%, increase in income from trading debt instruments as a result of the increase in the Bank's portfolio of debt instruments and, in particular, an increase in the Bank's portfolio of treasury bills and other governmental notes from EGP 10,701 million as at 31 December 2011 to EGP 11,193 million as at 31 December 2012. The increase in income from trading debt instruments was partially offset by an EGP 43 million, or 14.7%, decrease in profits from foreign exchange, principally due to market conditions.

__Administrative Expenses__

The following table sets forth the components of the Bank's administrative expenses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		(%)
Staff costs			
Wages and salaries	(683)	(605)	12.9
Social insurance	(31)	(25)	24.0
Other benefits	(305)	(227)	34.4
Stock option	(79)	(77)	2.6
Depreciation	(179)	(219)	(18.3)
Maintenance	(81)	(73)	11.0
Premises and vehicles	(125)	(145)	(13.8)
Trainees expenses	(0)	(0)	—
Board meeting and director's expenses	(2)	(1)	100.0
Uniform expense	(4)	(0)	—
Other administrative expenses	(116)	(82)	41.5
Total	**(1,604)**	**(1,454)**	**10.3**

Total administrative expenses increased by EGP 150 million, or 10.3%, to EGP 1,604 million for the year ended 31 December 2012 from EGP 1,454 million for the year ended 31 December 2011. This increase was principally due to an EGP 78 million, or 12.9%, increase in wages and salaries as a result of the hiring of 559 new employees in 2012. Other administrative expenses also increased by EGP 34 million, principally due to an overall increase in expenses as a result of the Bank's increased business activities in 2012.

Other Operating (Expenses) Income

The following table sets forth the components of the Bank's other operating expenses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		*(%)*
Forex gains (losses) from non-trading assets and liabilities revaluation	37	(53)	169.8
Gains from selling property, plant and equipment	2	3	(33.3)
(Charges) release of other provisions	(48)	48	(200.0)
Care services & cas trans. expense	(44)	(38)	15.8
CBE annual expense	(9)	(6)	50.0
Stamp duty tax	(138)	(97)	42.3
Consultants	(10)	(7)	42.9
IT communications	(50)	(47)	6.4
Utilities	(34)	(34)	0.0
Others	(36)	(25)	44.0
Total other operating expenses	**(330)**	**(255)**	**29.4**

Total other operating expenses increased by EGP 75 million, or 29.4%, to EGP 330 million for the year ended 31 December 2012 from EGP 255 million for the year ended 31 December 2011. This increase was principally due to the recognition of a charge of other provisions of EGP 48 million in 2012, as compared to a release of EGP 48 million in 2011, as a result of provisioning relating to increased trade finance activities. Other expenses also increased by EGP 11 million, principally due to expenses corresponding to increased business activities. The increase in other operating expenses was partially offset by the recognition of EGP 37 million in profits from non-trading assets and liabilities revaluations, as compared to a loss of EGP 53 million in 2011. The profits recorded in 2012 were principally due to the revaluation of the foreign currency component of the Bank's balance sheet.

Impairment (Charge) Release for Credit Losses

The following table sets forth the components of the Bank's impairment charge for credit losses, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		*(%)*
Loans and advances to customers	(610)	(322)	89.4
Held to maturity financial investments	—	2	(100.0)
Total	**(610)**	**(321)**	**90.0**

The Bank's impairment charge for credit losses increased by EGP 289 million, or 90.0%, to EGP 610 million for the year ended 31 December 2012 from EGP 321 million for the year ended 31 December 2011. This increase was principally due to the downgrading of credit quality rating for loans granted to the tourist sector.

Adjustments to Calculate the Effective Tax Rate

The following table sets forth information about the Bank's effective tax rate, for the periods indicated.

	For the year ended 31 December		
	2012	2011	%change
	(EGP millions, except where indicated)		*(%)*
Profit before tax	2,513	1,905	31.9
*Tax settlement for prior years	(65)	—	—
Profit after settlement	2,448	1,905	28.5
Tax rate (%)	*24.98*	*24.97*	*0.01*
Income tax based on accounting profit	611	476	28.4
Add / Deduct			
Non-deductable expenses	230	105	119.0
Tax exemptions	(82)	(184)	(55.4)
Effect of provisions	88	46	91.3
Depreciation	6	(0)	—
Income tax	**854**	**442**	**93.2**
Effective tax rate (%)	*34.88*	*23.21*	*11.67*

Note:

(1) Tax claims for the year ended on 31 December 2011.

The Bank paid EGP 854 million in income taxes for the year ended 31 December 2012, as compared to EGP 442 million for the year ended 31 December 2011, an increase of EGP 412 million or 93.2%. This increase in income taxes was due to the improved profitability of the Bank in the year ended 31 December 2012 and an EGP 102 million (or 55.4%) reduction in tax exemptions in the year ended 31 December 2012 due to a reduction in returns from treasury bills and bonds, corporate bonds, dividends and capital gains from mutual funds. The effects of the Bank's increased provisioning in 2012 on its profitability for the year ended 31 December 2012 also contributed to the increase in income taxes.

In the year ended 31 December 2012, the Bank also paid EGP 65 million as part of a tax settlement in respect of changes to the tax treatment of treasury bills and bonds in 2011.

Net Profit

The following table sets forth the components of the Bank's net profit, and the percentage changes therein, for the periods indicated.

	For the year ended 31 December		
	2012	2011	% change
	(EGP millions)		(%)
Net interest income	3,910	2,685	45.6
Net fees and commission income	926	843	9.8
Net operating income	**4,836**	**3,528**	**37.1**
Dividend income	29	48	(39.6)
Net trading income	575	382	50.5
(Losses) Gain from financial investments	(27)	39	(169.2)
Goodwill impairment	(110)	—	100.0
Administrative expenses	(1,604)	(1,454)	10.3
Other operating (expenses) income	(330)	(255)	29.4
Impairment (charge) for credit losses	(610)	(321)	90.0
Intangible assets impairment and amortisation	(276)	(67)	311.9
Bank's share in the profits of associates	31	5	520.0
Profit before income tax	**2,513**	**1,905**	**31.9**
Income tax expense	(887)	(449)	97.6
Deferred tax	33	6	450.0
Net profit after tax	**1,659**	**1,463**	**13.4**

For the aforementioned reasons, the Bank's net profit before tax was EGP 2,513 million in the year ended 31 December 2012, as compared to EGP 1,905 million in the year ended 31 December 2011, an increase of EGP 608 million, or 31.9%. The Bank's net profit after tax was EGP 1,659 million in the year ended 31 December 2012, as compared to EGP 1,463 million in the year ended 31 December 2011, an increase of EGP 196 million, or 13.4%.

Financial Position and Liquidity

Total Assets

According to figures compiled by the Bank's management, the Bank is the largest Egyptian private bank in terms of total assets and has experienced growth in its balance sheet in recent periods.

As at 31 December 2013

Cash and balances with the CBE decreased by EGP 589 million, or 10.9%, to EGP 4,805 million as at 31 December 2013, as compared to EGP 5,394 million as at 31 December 2012. Cash and balances held at the CBE are non-interest bearing. Cash and balances with the CBE represented 4.2% of the Bank's total assets as at 31 December 2013 and 5.5% as at 31 December 2012.

The Bank increased its amounts due from banks during the period by EGP 956 million, or 11.9%, to EGP 9,004 million as at 31 December 2013, as compared to EGP 8,048 million as at 31 December 2012, principally as a result of the Bank's increase of its exposure to non-Egyptian banks by EGP 658 million during the period. Amounts due from banks represented 7.9% of the Bank's total assets as at 31 December 2013 and 8.3% as at 31 December 2012.

The Bank's holdings of treasury bills and other government notes increased by EGP 12,472 million, or 111.4%, during the period to EGP 23,665 million as at 31 December 2013 from EGP 11,193 million as at 31 December 2012. This increase was a result of a strengthening of the securities portfolio by EGP 12,472 million. Treasury bills and other government notes represented 20.8% of the Bank's total assets as at 31 December 2012 and 11.5% as at 31 December 2012.

In the year ended 31 December 2013, net loans and advances to banks and customers decreased by EGP 12 million, or 0.0%, to EGP 41,865 million as at 31 December 2013, as compared to EGP 41,877 million as at 31 December 2012. Loans and advances to customers and banks represented 36.8% of the Bank's total assets as at 31 December 2013 and 43.1% as at 31 December 2012.

The Bank increased its investments held to maturity and investments available for sale, by EGP 2,182 million, or 8.6%, to EGP 27,575 million as at 31 December 2013, as compared to EGP 25,393 million as at 31 December 2012. This increase is largely due to the Bank's increased holdings of unlisted available for sale instruments. These investments represented 24.2% of the Bank's total assets as at 31 December 2013 and 26.1% as at 31 December 2012.

As a result of the foregoing, total assets increased by EGP 16,531 million, or 17%, to EGP 113,782 million as at 31 December 2013, as compared to EGP 97,251 million as at 31 December 2012.

As at 31 December 2012

Cash and balances with the CBE decreased by EGP 2,098 million, or 28.0%, to EGP 5,394 million as at 31 December 2012, as compared to EGP 7,492 million as at 31 December 2011. Cash and balances with the CBE represented 5.5% of the Bank's total assets as at 31 December 2012 and 8.6% as at 31 December 2011.

The Bank reduced its amounts due from banks during the period by EGP 480 million, or 5.6%, to EGP 8,048 million as at 31 December 2012, as compared to EGP 8,528 million as at 31 December 2011, principally as a result of the Bank's reduction of its exposure to non-Egyptian banks by EGP 900 million during the period, while increasing its exposure to Egyptian banks by EGP 357 million during the period. Amounts due from banks represented 8.3% of the Bank's total assets as at 31 December 2012 and 9.8% as at 31 December 2011.

The Bank's holdings of treasury bills and other government notes increased by EGP 492 million, or 4.6%, during the period, to EGP 11,193 million as at 31 December 2012 from EGP 10,701 million as at 31 December 2011. Treasury bills and other government notes represented 11.5% of the Bank's total assets as at 31 December 2012 and 12.3% as at 31 December 2011.

In the year ended 31 December 2012, loans and advances to banks and customers increased by EGP 811 million, or 2.0%, to EGP 41,877 million as at 31 December 2012, as compared to EGP 41,066 million as at 31 December 2011. Loans to customers and banks represented 43.1% of the Bank's total assets as at 31 December 2012 and 47.2% as at 31 December 2011.

The Bank increased its investments held to maturity and investments available for sale, by EGP 9,932 million, or 64.2%, to EGP 25,393 million as at 31 December 2012, as compared to EGP 15,461 million as at 31 December 2011. This increase is largely due to the Bank's increased holdings of treasury bills and bonds issued by the Government held as investments held to maturity and investments available for sale. These investments represented 26.1% of the Bank's total assets as at 31 December 2012 and 17.8% as at 31 December 2011.

As a result of the foregoing, total assets increased by EGP 10,186 million, or 11.7%, to EGP 97,251 million as at 31 December 2012, as compared to EGP 87,065 million as at 31 December 2011.

Total Liabilities

As at 31 December 2013

Total liabilities increased by EGP 15,465 million, or 17.9%, to EGP 102,093 million as at 31 December 2013, as compared to EGP 86,628 million as at 31 December 2012. See "*Selected Statistical and Other Data*".

As at 31 December 2012

Total liabilities increased by EGP 8,209 million, or 10.5%, to EGP 86,628 million as at 31 December 2012, as compared to EGP 78,419 million as at 31 December 2011. See "*Selected Statistical and Other Data*".

Liquidity

The Bank's treasury department, which is supervised by the Bank's risk management division and reports directly to the Bank's assets and liability committee ("**ALCO**"), is responsible for the management of the Bank's liquidity. The CBE imposes statutory minimum liquidity ratios of 20.0% in local currency and 25.0% in foreign currency. As at 31 December 2013, the Bank's liquidity ratios, calculated in accordance with CBE guidelines, were above both the minimum levels set by the CBE and the Bank's internal rules.

As at 31 December 2013, the Egyptian Pound liquidity ratio of the Bank was 72.7%, as compared to 57.9%, as at 31 December 2012. This improvement was principally due to an increase in customer deposits and the Bank's resulting increase in its holdings of treasury bills and bonds issued by the Government. See "*Selected Statistical and Other*

Data—Deposits and Other Funding Sources". As at 31 December 2013, the foreign currency liquidity ratio of the Bank was 41.6%, as compared to 43.5%, as at 31 December 2012, principally due to a decline in foreign currency deposits.

The following table sets forth the overall liquidity ratios of the Bank as at the dates indicated.

	As at 31 December		
	2013	**2012**	**2011**
		(%)	
Liquid assets[1]/total assets	55.9	47.6	41.8
Customer deposits/total deposits	98.6	97.9	95.5
Net loans/customer deposits	43.2	53.2	57.5
Net loans/total assets	36.8	44.6	48.0

Note:

(1) Liquid assets as defined in accordance with CBE regulations for the definition of local and foreign currency liquid assets (Local currency assets include: cash, CBE reserves over the required 10%, dividends and purchased commercial papers, treasury-bills, traded Government notes, financial instruments issued by the Egyptian Mortgage Refinance Company, 3 month discounted bills, and net amounts due from local banks. Foreign currency assets include: cash and gold, total CBE foreign currency reserve, dividends and purchased commercial papers, treasury-bills and Eurobonds, 3 month discounted bills, net amounts due from local banks and amounts due from foreign banks.

Capital Adequacy

As at 31 December 2013, the Bank's authorised capital was EGP 20,000 million and the Bank's issued capital was EGP 9,002 million, consisting of 900,243,569 Shares, each with a nominal value of EGP 10, all of which are fully paid. As provided for in its Articles of Association, the Bank retains 5% of its net profit for each year in a legal reserve and will continue to do so until the level of this reserve reaches an amount equivalent to 50% of the Bank's issued share capital. As at 31 December 2013, and before appropriation, the legal reserve amounted to EGP 490 million, or 5.5% of the Bank's issued share capital, whereas after appropriation, the legal reserve amounted to EGP 621 million, or 6.8% of the Bank's issued share capital.

The Bank's management monitors its capital adequacy and use of regulatory capital on a daily basis using techniques based on the guidelines developed by the Basel Committee, as implemented by the banking supervision unit of the CBE. The Bank reports to the CBE on a quarterly basis.

The following table sets forth an analysis of the Bank's capital adequacy ratios as the dates indicated, calculated in accordance with Basel I.

	As at 31 December 2011[(1)(2)]
	(EGP millions, except %)
Tier 1 Capital	
Share capital (net of the treasury shares)	5,935
General reserves	2,055
Legal reserve	319
Other reserve	(475)
Retained earnings	—
Total qualifying tier 1 Capital	**7,833**
Tier 2 Capital	
General risk provision	692
45% of the increase in fair value than the book value for available for sale and held to maturity investments	—
Total qualifying tier 2 Capital	**692**
Total capital (1 + 2)	**8,526**
Risk weighted assets and contingent liabilities	
Risk weighted assets	50,176
Contingent liabilities	5,191
Total	**55,367**
Capital adequacy ratio (%)[(3)]	**15.40%**

Notes:

(1) Restated in order to reflect the appropriation account for the year 2010.

(2) Figures for the years ended 31 December 2013 and 2012 are not available.

(3) Calculated based on separate financial statements (Basel I, in compliance with IFRS).

The following table sets forth an analysis of the Bank's capital adequacy ratios as the dates indicated, calculated in accordance with Basel II.

	As at 31 December	
	2013	**2012**(1)(2)
	(EGP millions, except %)	
Tier 1 Capital		
Share capital (net of the treasury shares)	9,002	5,972
Reserves	1,002	3,910
Retained earnings (losses)	—	54
Total deductions from tier 1 capital common equity	(727)	(5)
Total qualifying tier 1 capital	**9,277**	**9,931**
Tier 2 Capital		
45% of special reserve	1	42
45% of the Increase in fair value than the book value for available for sale and held to maturity investments	22	148
Impairment provision for loans and regular contingent liabilities	743	709
Total qualifying tier 2 capital	**766**	**899**
Total capital (1 + 2)	**10,043**	**10,830**
Risk weighted assets and contingent liabilities		
Total credit risk	59,515	56,891
Total market risk	2,430	1,995
Total operational risk	8,136	6,478
Total	**70,080**	**65.364**
Capital adequacy ratio *(%)*(3)	**14.33%**	**16.57%**

Notes:
(1) The figures as at 31 December 2012 have been restated in order to reflect the appropriation account for the year ended 31 December 2012**.**
(2) Figures for the year ended 31 December 2011 are not available.
(3) Based on consolidated financial statement figures .

Return on Average Assets and Return on Average Equity

The Bank realised a return on average assets of 2.9% for the year ended 31 December 2013, as compared to 2.5% for the year ended 31 December 2012 and 2.0% for the year ended 31 December 2011. The improved return on average assets in 2013 and 2012 was due to year-on-year improvements in efficiency and higher growth in profits than average assets.

The Bank's return on average equity was 26.5% for the year ended 31 December 2013, as compared to 22.9% for the year ended 31 December 2012 and 18.7% for the year ended 31 December 2011. The improved return on average equity in 2013 and 2012 was due to year-on-year improvements in efficiency and higher growth in profits than average assets.

Cash Flows

The following table sets forth certain information regarding the principal items of the statement of cash flows for the periods indicated:

	For the year ended 31 December			% change between the years ended 31 December	
	2013	2012	2011	2012 and 2013	2011 and 2012
	(EGP millions)			*(%)*	
Net cash provided from operating activities	7,220	9,037	4,126	(20.1)	119.0
Net cash (used in) investing activities	(3,457)	(9,271)	(2,247)	(62.7)	312.6
Net cash (used in) financing activities	(713)	(608)	(617)	17.3	(1.5)

Net Cash Provided from Operating Activities

For the year ended 31 December 2013, net cash provided from operating activities was EGP 7,220 million, as compared to EGP 9,037 million for the year ended 31 December 2012, reflecting a decrease of EGP 1,817 million, or 20.1%. This decrease was primarily attributable to (i) a EGP 642 million decrease in amounts due from banks; (ii) a EGP 9,145 million decrease in treasury bills and other governmental notes; and (iii) a EGP 3,176 million decrease in reverse repos. This decrease was partially offset by a EGP 18,117 million increase in amounts due to banks.

For the year ended 31 December 2012, net cash provided from operating activities were EGP 9,037 million, as compared to EGP 4,126 million for the year ended 31 December 2011, reflecting an increase of EGP 4,911 million, or 119.0%. This increase was primarily attributable to (i) a EGP 522 million increase in amounts due from banks; (ii) a EGP 758 million increase in treasury bills and other governmental notes; and (iii) a EGP 1,422 million decrease in loans and advances to banks and customers. This increase was partially offset by a EGP 753 million decrease in trading financial assets and a EGP 1,626 million decrease in amounts due to banks.

Net Cash (Used in) Investing Activities

For the year ended 31 December 2013, net cash used in investing activities were EGP 3,457 million, as compared to EGP 9,271 million for the year ended 31 December 2012, reflecting a decrease of EGP 5,814 million, or 62.7%. This decrease was primarily attributable to a EGP 7,463 million, or 26.6% decrease in cash used in the purchases of available for sale financial instruments in 2013, as well as the use of EGP 4,177 million to purchase held to maturity financial investments in 2012, as compared to zero in 2013. This decrease was partially offset by a EGP 530 million, or 116.3%, increase in cash used in purchases of property, plant and equipment.

For the year ended 31 December 2012, net cash flows used in investing activities were EGP 9,271 million, as compared to EGP 2,247 million for the year ended 31 December 2011, reflecting an increase of EGP 7,024 million, or 312.6%. This increase was primarily due to a EGP 4,177 million, or 83,440.0% increase in purchases of held to maturity financial investments and a EGP 10,170 million, or 124.2%, increase in purchases of available for sale financial investments. This increase was partially offset by a EGP 5,343 million, or 145.0%, increase in proceeds from selling available for sale financial investments.

Net Cash (Used in) Financing Activities

For the year ended 31 December 2013, net cash used in financing activities were EGP 713 million, as compared to EGP 608 million for the year ended 31 December 2012, reflecting an increase of EGP 105 million, or 17.3% This increase was primarily attributable to EGP 782 million, or 26.5%, in respect of dividends paid in 2013, which was partially offset by the recognition of a EGP 100 million increase in long-term loans receipts in 2013.

For the year ended 31 December 2012, net cash flows used in financing activities were EGP 608 million, as compared to EGP 617 million for the year ended 31 December 2011, reflecting a decrease of EGP 9 million, or 1.5%. This decrease was primarily attributable to a EGP 38 million, or 15.2%, capital increase, EGP 5 million in receipts of long term loans and EGP 24 million in respect of long-term loans paid.

SELECTED STATISTICAL AND OTHER DATA

The selected statistical information and other data set forth below have been extracted, subject to rounding, without material adjustment from the Financial Statements, which are included elsewhere in this Prospectus, and from management reports and accounting records. The selected statistical information and other data set forth below should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements, as well as the information set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Prospectus. Unless otherwise indicated, all figures are expressed in or derived from amounts in Egyptian Pounds.

All average balances are calculated as the average of daily balances. Were a different method of calculating averages to be used, such as using averages of quarterly balances, the averages so determined may be materially different from those set forth in this Prospectus.

Average Balance Sheet and Interest Rates

The following table sets forth the average balances of the Bank's interest-earning assets and interest-bearing liabilities, together with weighted average rates and the corresponding amount of interest income (expense) for the periods indicated.

	For the year ended 31 December(1)								
	2013			2012			2011		
	Average balance(2)	Average interest rate(3)	Interest income / (expense)	Average balance(2)	Average interest rate(3)	Interest income / (expense)	Average balance(2)	Average interest rate(3)	Interest income / (expense)
	(EGP millions)	*(%)*	*(EGP millions)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(EGP millions)*	*(%)*	*(EGP millions)*
Interest-earning assets									
Cash and balances with Central Bank	5,282	0.00	—	4,739	0.00	—	5,548	0.00	—
Due from banks	9,525	1.50	143	8,401	0.65	55	10,261	0.80	82
Treasury bills and other governmental notes	16,944	11.42	1,935	12,465	12.09	1,506	8,266	10.98	908
Trading financial assets	1,538	18.00	277	920	19.91	183	347	18.24	63
Net loans and advances	44,171	9.18	4,053	42,598	8.65	3,683	39,969	7.67	3,066
Financial investments available-for-sale	19,887	13.83	2,751	16,672	12.94	2,157	14,032	10.53	1,478
Financial investments held-to-maturity	4,153	16.39	680	3,108	16.37	509	135	6.49	9
Total interest-earning assets	**101,500**	**9.69**	**9,839**	**88,903**	**9.10**	**8,093**	**78,559**	**7.14**	**5,606**
Interest-bearing liabilities									
Due to banks	625	8.93	56	4,271	9.94	424	1,718	8.33	143
Due to customers	90,042	4.82	4,339	75,485	4.57	3,449	67,885	3.78	2,567
Long-term loans	71	7.00	5	82	3.51	3	96	5.58	5
Total interest-bearing liabilities	**90,739**	**4.85**	**4,400**	**79,839**	**4.86**	**3,877**	**69,700**	**3.90**	**2,716**

Notes:

(1) Unaudited.

(2) Average balances are calculated on as the arithmetic average of the daily balances for the relevant period.

(3) Average interest rates are calculated as the ratio of interest income/expense to the average balance for the relevant period.

The average interest rate on interest-earning assets increased to 9.69% for the year ended 31 December 2013, as compared to 9.10% for the year ended 31 December 2012 and 7.14% for the year ended 31 December 2011. The increase in the average interest rate on interest-earning assets in 2013, as compared to 2012, was primarily due to increases in the average balances of net loans and advances, financial investments available-for sale and financial investments held-to-maturity. The increase in the average interest rate on interest-earning assets in 2012, as compared to 2011, was primarily due to higher average balances of treasury bills and other governmental notes, net loans and advances, financial investments available-for-sale and financial investments held-to-maturity.

The average interest rate on interest-bearing liabilities decreased to 4.85% for the year ended 31 December 2013, as compared to 4.86% for the year ended 31 December 2012, after having increased from 3.90% for the year ended 31 December 2011. The decrease in the average interest rate on interest-bearing liabilities in 2013, as compared to 2012, was primarily due to lower average balances of amounts due to banks. The increase in the average interest rate on interest-bearing liabilities in 2012, as compared to 2011, was primarily due to higher average balances of amounts due to banks and amounts due to customers.

Loan Portfolio

Total net loans and advances to customers increased by EGP 1,035 million, or 2.5%, to EGP 41,733 million as at 31 December 2013 from EGP 40,698 million as at 31 December 2012, after having increased by EGP 1,028 million, or 2.6%, from EGP 39,670 million as at 31 December 2011. The increase in the Bank's loan portfolio in 2013 was primarily due to increases in overdraft facilities and direct loans granted by the Bank to corporate customers. The increase in the Bank's loan portfolio in 2012 was primarily due to an increase in personal loans granted by the Bank to individual customers and syndicated loans granted by the Bank to corporate customers.

Loans by Customer and Type of Loan

The following table sets forth an analysis of the Bank's gross loan portfolio, by customer and type of loan, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Individual						
Overdraft	1,174	18.0	1,220	20.4	953	20.5
Credit cards	766	11.8	661	11.0	576	12.4
Personal loans	4,181	64.2	3,617	60.5	2,659	57.2
Mortgages	383	5.9	464	7.8	420	9.0
Other loans	11	0.2	20	0.3	40	0.9
Total gross individual loans	**6,515**	**100.0**	**5,982**	**100.0**	**4,648**	**100.0**
Corporate						
Overdraft	4,911	12.7	4,289	11.5	4,239	11.5
Direct loans	24,126	62.2	23,196	62.4	24,265	65.8
Syndicated loans	9,631	24.8	9,589	25.8	8,245	22.4
Other loans	109	0.3	88	0.2	102	0.3
Total gross corporate loans	**38,776**	**100.0**	**37,161**	**100.0**	**36,851**	**100.0**
Total gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**

As at 31 December 2013, 85.6% of total gross loans and advances to customers were granted to corporate customers and 14.4% of total gross loans and advances to individual customers, as compared to 86.1% of total gross loans and advances to customers granted to corporate customers and 13.9% of total gross loans and advances to customers granted to individual customers as at 31 December 2012 and 88.8% of total gross loans and advances to customers granted to corporate customers and 11.2% of total gross loans and advances to customers granted to individual customers as at 31 December 2011.

Total gross loans and advances to corporate customers increased by EGP 1,615 million, or 4.3%, to EGP 38,776 million as at 31 December 2013 from EGP 37,161 million as at 31 December 2012, after having increased by EGP 310 million, or 0.8%, from EGP 36,851 million as at 31 December 2011. The increase in the Bank's corporate loan portfolio in 2013 was primarily due to an EGP 930 million, or 4.0%, increase in direct loans granted by the Bank as a result of an increase in direct loans granted to corporations in the food and agricultural sectors and an EGP 622 million, or 14.5%, increase in overdraft facilities granted by the Bank as a result of an increase in working capital financing. The increase in the Bank's corporate loan portfolio in 2012 was primarily due to an EGP 1,344 million increase in syndicated loans granted by the Bank as a result of syndicated loans granted to a number of the Bank's major clients. The increase in syndicated loans in 2012 was partially offset by an EGP 1,069 million decrease in direct loans granted by the Bank, principally due to the repayment of a loan by one of the Bank's major clients.

Total gross loans and advances to individual customers increased by EGP 533 million, or 8.9%, to EGP 6,515 million as at 31 December 2013 from EGP 5,982 million as at 31 December 2012, after having increased by EGP 1,334 million, or 28.7%, from EGP 4,648 million as at 31 December 2011. The increase in the Bank's individual loan portfolio in 2013 was primarily due to an EGP 564 million, or 15.6%, increase in personal loans granted by the Bank as a result of an increase in the scope of the Bank's unsecured personal loan programmes, which was expanded to focus on programmes targeting higher yields, as well as an EGP 105 million, or 15.9% increase in credit cards granted by the Bank as a result of an increase in demand for credit cards. These increases were partially offset by an EGP 81 million, or 17.5%, decrease in mortgages granted by the Bank as a result of the impact of delays to mortgage reform legislation in 2013. The increase in the Bank's individual loan portfolio in 2012 was primarily due to an EGP 958 million increase in personal loans granted by the Bank, as well as an EGP 267 million increase in overdraft facilities granted by the Bank as a result of the Bank's increased focus on retail activities.

The Bank's 20 largest borrowers accounted for 32.7% of total loans and advances to customers as at 31 December 2013. The Bank's three single largest borrowers accounted for 3.4%, 2.4% and 2.3% of total loans and advances to customers as at 31 December 2013.

Loans by Economic Sector

The following table sets forth an analysis of the Bank's gross loan portfolio, by economic sector, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Financial institutions	702	1.5	797	1.8	1,037	2.5
Manufacturing	17,402	38.4	15,893	36.8	15,795	38.1
Real estate	2,059	4.5	2,265	5.2	1,965	4.7
Wholesale and retail trade	505	1.1	670	1.6	654	1.6
Government sector	1,598	3.5	1,251	2.9	1,224	2.9
Other activities	16,510	36.5	16,285	37.7	16,177	39.0
Individual	6,515	14.4	5,982	13.9	4,648	11.2
Total gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**

Since 31 December 2011, loans and advances to customers have been concentrated predominantly in the government, manufacturing and other activities sectors.

Loans and advances to customers in the manufacturing sector accounted for 38.4% of total gross loans and advances to customers as at 31 December 2013, 36.8% of total gross loans and advances to customers as at 31 December 2012 and 38.1% of total gross loans and advances to customers as at 31 December 2011. Total gross loans and advances to customers in the manufacturing sector increased by EGP 1,509 million, or 9.5%, to EGP 17,402 million as at 31 December 2013 from EGP 15,893 million as at 31 December 2012, after having increased by EGP 98 million, or 0.6%, from EGP 15,795 million as at 31 December 2011.

Gross loans and advances to customers conducting other activities accounted for 36.5% of total gross loans and advances to customers as at 31 December 2013, 37.7% of total gross loans and advances to customers as at 31 December 2012 and 39.0% of total gross loans and advances to customers as at 31 December 2011. Total gross loans and advances to customers conducting other activities increased by EGP 225 million, or 1.4%, to EGP 16,510 million as at 31 December 2013 from EGP 16,285 million as at 31 December 2012, after having increased by EGP 108 million, or 0.7%, from EGP 16,177 million as at 31 December 2011. Other activities comprise the Bank's microfinance activities.

Total gross loans and advances to individual customers increased by EGP 533 million, or 8.9%, to EGP 6,515 million as at 31 December 2013 from EGP 5,982 million as at 31 December 2012, after having increased by EGP 1,334 million, or 28.7%, from EGP 4,648 million as at 31 December 2011. The increase in the Bank's individual loan portfolio in 2013 was primarily due to an EGP 564 million, or 15.6%, increase in personal loans granted by the Bank as a result of an increase in the scope of the Bank's unsecured personal loan programmes, which was expanded to focus on programmes targeting higher yields, as well as an EGP 105 million, or 15.9% increase in credit cards granted by the Bank as a result of an increase in demand for credit cards. These increases were partially offset by an EGP 81 million, or 17.5%, decrease in mortgages granted by the Bank as a result of the impact of delays to mortgage reform legislation in 2013. The increase in the Bank's individual loan portfolio in 2012 was primarily due to an EGP 958 million increase in personal loans granted by the Bank, as well as an EGP 267 million increase in overdraft facilities granted by the Bank as a result of the Bank's increased focus on retail activities.

Loans by Geographic Location

The following table sets forth an analysis of the Bank's gross loan portfolio, by geographic location, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Cairo	36,273	80.1	33,308	77.2	32,091	77.3
Alexandria, Delta and Sinai	7,728	17.1	9,656	22.4	8,445	20.3
Upper Egypt	1,290	2.8	178	0.4	964	2.3
Total gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**

Since 31 December 2011, 100.0% of the Bank's total gross loans and advances to customers were loans to customers in Egypt.

Gross loans and advances to customers in Cairo accounted for 80.1% of total loans and advances to customers as at 31 December 2013, 77.2% of total loans and advances to customers as at 31 December 2012 and 77.3% of total loans and advances to customers as at 31 December 2011. Total gross loans and advances to customers in Cairo increased by EGP 2,965 million, or 8.9%, to EGP 36,273 million as at 31 December 2013 from EGP 33,308 million as at 31 December 2012, after having increased by EGP 1,217 million, or 3.8%, from EGP 32,091 million as at 31 December 2011. The increase in total loans and advances to customers in Cairo in 2013 was primarily due to the general economic conditions in Egypt. The increase in total loans and advances to customers in Cairo in 2012 was primarily due to increased focus on this area.

Total gross loans and advances to customers in Alexandria, Delta and Sinai decreased by EGP 1,928 million, or 20.0%, to EGP 7,728 million as at 31 December 2013 from EGP 9,656 million as at 31 December 2012, after having increased by EGP 1,211 million, or 14.3%, from EGP 8,445 million as at 31 December 2011. The decrease in total loans and advances to customers in Alexandria, Delta and Sinai in 2013 and the decrease in 2012 was primarily due to the general economic conditions in Egypt.

Total gross loans and advances to customers in Upper Egypt increased by EGP 1,112 million, or 624.7%, to EGP 1,290 million as at 31 December 2013 from EGP 178 million as at 31 December 2012, after having decreased by EGP 786 million, or 81.5%, from EGP 964 million as at 31 December 2011. The increase in total loans and advances to customers in Upper Egypt in 2013 and the decrease in 2012 was primarily due to the general economic conditions in Egypt.

Loans by Currency

The following table sets forth an analysis of the Bank's gross loan portfolio, by currency, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Egyptian Pounds	25,863	57.1	25,149	58.3	23,621	56.9
U.S. Dollars	18,702	41.3	17,250	40.0	16,656	40.1
Euros	646	1.4	698	1.6	1,103	2.7
British Sterling	46	0.1	38	0.1	28	0.1
Other	34	0.1	8	0.0	92	0.2
Total gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**

The Bank lends in Egyptian Pounds and foreign currencies, principally U.S. Dollars, depending on customer requirements.

Foreign currency facilities are generally not extended to accommodate transactions between local companies and the conversion of any foreign currency exposure to local currency is subject to CBE approval. In addition, the offering of foreign currency facilities is subject to the directives of senior management and the concurrence of the Bank's treasury group as to matters of availability and gapping. Foreign currency facilities are generally required to be repaid in such foreign currency.

Loans and advances to customers denominated in Egyptian Pounds generally carry a higher/lower interest rate than loans in U.S. Dollars.

In recent years, the currency mix of the Bank's loans has remained relatively stable. Loans and advances to customers denominated in Egyptian Pounds accounted for the largest proportion of lending accounting for 57.1% of total gross loans and advances as at 31 December 2013, 58.3% of total gross loans and advances as at 31 December 2012 and 56.9% of total gross loans and advances as at 31 December 2011. Loans and advances to customers denominated in U.S. Dollars accounted for the largest proportion of the Bank's foreign currency lending and 41.3% of total gross loans and advances as at 31 December 2013, 40.0% of total gross loans and advances as at 31 December 2012 and 40.1% of total gross loans and advances as at 31 December 2011.

Loans by Maturity

The following table sets forth an analysis of the Bank's gross loan portfolio, by maturity, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Up to one month	29,729	65.6	23,384	54.2	23,771	57.3
One to three months	6,465	14.3	8,057	18.7	8,227	19.8
Three months to one year	5,190	11.5	7,336	17.0	5,781	13.9
One year to five years	3,112	6.9	3,512	8.1	3,332	8.0
Over five years	795	1.8	854	2.0	389	0.9
Total gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**

The Bank's loan portfolio is principally comprised of loans and advances to customers with maturities of up to one month, which accounted for 65.6% of total gross loans and advances as at 31 December 2013, 54.2% of total gross loans and advances as at 31 December 2012 and 57.3% of total gross loans and advances as at 31 December 2011.

Lending Policies and Credit Approval Procedures

The Bank has established guidelines for the analysis of credit applications. An applicant's creditworthiness and credit history are the most important criteria in the Bank's determination to provide, renew or increase a credit facility, regardless of the type of borrower. Available guarantees and other collateral are also assessed, although the availability of security will not replace the underlying study of the applicant's creditworthiness.

In measuring the credit risk of loans and facilities to banks and customers, the Bank examines (i) the probability of default by the client or counterparty; (ii) the Bank's current exposure to the counterparty; and (iii) the likely recovery ratio if the counterparty defaults.

The Bank assesses the probability of default of individual counterparties using an internal rating system, which combines statistical analysis with the judgement of the Bank's credit officers. The rating tools are kept under review and are upgraded as necessary. The rating scale comprises four categories: performing loans, loans subject to regular watching; loans on the watch list and non-performing loans.

The loan application process is comprised of three stages: (i) the preparation stage, during which the credit approval application is prepared and agreed upon by the Institutional Banking Group; (ii) a review stage, during which the application is then presented to the Credit Administration Department and the Credit Exposure Management Department for review and agreement; and (iii) an approval stage, during which the application is submitted to the relevant approval body for final approval.

The body approving a particular loan is determined based on the proposed amount, tenor and risk rating for each facility and borrower as set out in the following table:

	2 years	5 years	7 years	Over 7 years
	(percentages of the Bank's capital base / amounts in EGP millions)			
Risk Ratings 1 and 2				
High Lending and Investment Committee(1).......	25.0%	25.0%	25.0%	25.0%
Senior Credit Committee(2)................................	1,500	1,500	1,500	—
Credit Committees(3)..	1,300	1,150	1,00	—
Risk Ratings 3 and 4				
High Lending and Investment Committee(1).......	25.0%	25.0%	25.0%	25.0%
Senior Credit Committee(2)................................	1,400	1,300	1,200	—
Credit Committees(3)..	1,100	900	700	—
Risk Rating 5				
High Lending and Investment Committee(1).......	25.0%	25.0%	25.0%	25.0%
Senior Credit Committee(2)................................	1,300	1,150	1,000	—
Credit Committees(3)..	700	500	300	—
Risk Rating 6				
High Lending and Investment Committee(1).......	25.0%	25.0%	25.0%	25.0%
Senior Credit Committee(2)................................	1,200	1,000	800	—
Credit Committees(3)..	300	100	—	—

Notes:

(1) See "*Asset Liability and Risk Management—Principal Committees—High Lending and Investment* Committee".

(2) The Senior Credit Committee is comprised of three members and meets at least twice per month.

(3) Each Credit Committee is comprised of three members and meets at least twice per month.

The Bank manages its level of credit risk by establishing limits on the amount of loans that may be granted to a single borrower and groups of borrowers, as well as within geographical and industry sectors. The exposure to credit risk is also managed through the regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by amending the Bank's lending limits, as appropriate.

The Bank's Credit Administration Department is responsible for, *inter alia*, reviewing and agreeing all credit, correspondent banks and investment approval applications and pricing memoranda to ensure that all administrative requirements have been fulfilled and that relevant guidelines are adhered to and preparing comprehensive portfolio review reports on quarterly basis. The Bank's Credit Exposure Management Department is responsible for, *inter alia*, reviewing and agreeing institutional banking credit applications and ensuring compliance with the Bank's policies and CBE regulations, as well as monitoring credit facilities and reporting any deficiencies, preparing and presenting portfolio analysis reports to the Board of Director's Risk and Audit Committees to assess portfolio concentration and setting and regularly reviewing country exposure limits in co-ordination with the Correspondent Banking Department and the Bank's Credit Policy Guide and Credit Manual.

Margins, which differ depending on the type of facility granted, are also monitored on an on-going basis by the Loan, Letters of Credit and Letters of Guarantee Departments, as applicable, are reported on a daily basis and form part of a monthly compliance report. If the applicable margin shrinks by 30% or more, additional security for the facility may be required. If the applicable margin shrinks by 40% or more, the Bank may liquidate the existing security or collateral in order to settle the outstanding facility. Any changes to the margin requirements must be approved by the High Lending and Investment Committee, following consultation with the Treasury Group, and any exceptions to the margin limits are approved on a case-by-case basis by the Senior Credit Committee, following consultation with the Treasury Group.

If a loan is non-performing, the Bank may restructure the loan. The Bank's restructuring activities include rescheduling arrangements, obligatory management programmes and modification and deferral of payments. The application of restructuring policies is based on indicators or criteria of credit performance set by the Bank's management. As at 31 December 2013, EGP 3.0 million of corporate loans had been renegotiated, as compared to EGP 2.9 million as at 31 December 2012 and EGP 2.8 million as at 31 December 2011.

Loan Classification Policies

In addition to the four categories of the Bank's internal credit ratings referred to above, the Bank's Management classifies loans and advances based on more detailed subgroups in accordance with CBE regulations. The Bank calculates any required provisions for impairment of loans on the basis of the ratings determined by the CBE.

The following table sets forth a summary of the CBE loan classification scheme and the Bank's internal rating policy, as well as the related provisioning levels expressed as a percentage of the outstanding amount of the loan.

CBE Rating	CBE Categorisation	Provision (%)	Bank's Internal Rating	Bank's Internal Categorisation
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	Non-performing loans
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

According to CBE regulations, performing loans (loans classified as 1-7) are loans that are performing or up to three months overdue. Sub-standard loans (classified as 8) are loans over three months but less than six months overdue. Doubtful loans (classified as 9) are overdue by more than six months, but by less than 12 months. Loans overdue by more than one year are classified as bad loans (classified as 10). With respect to loans classified 8-10, the CBE has established guidelines in addition to payment defaults, such as problems affecting cash flow, deterioration in collateral value and competitive environment, to be taken into account when classifying a particular non-performing loan.

In accordance with applicable CBE regulations and the Bank's policies, the Bank provisions for non-performing loans in respect of principal only. The Bank calculates accrued interest on non-performing loans and accounts for such amounts on its balance sheet.

Analysis of Loans by Credit Quality

The Bank estimates loan loss impairments on a monthly basis, applying the policies described above. In addition, the Bank may also make additional provisions for possible loan losses on a case-by-case basis based on the Bank's experience and the Bank's Management's judgement as to the level of losses likely to be incurred. For this reason, actual provisioning levels may differ from the stated provisioning rates.

The following tables set forth information on the credit quality of the Bank's loan portfolio as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Neither past due nor impaired [(1)]	40,727	89.9	40,779	94.5	39,842	96.0
Past due but not impaired[(2)]	2,791	6.2	785	1.8	479	1.2
Individually impaired[(3)]	1,773	3.9	1,578	3.7	1,179	2.8
Gross loans and advances to customers	**45,291**	**100.0**	**43,143**	**100.0**	**41,500**	**100.0**
Less:						
Impairment provision	2,843	—	1,901	—	1,419	—
Unamortised bills discount	7	—	22	—	45	—
Interest in suspense	708	—	521	—	365	—
Net	**41,733**	**—**	**40,698**	**—**	**39,670**	**—**

Notes:
(1) Loans which are neither past due nor impaired are classified as performing loans and advances.
(2) Loans which are past due but not impaired are classified as performing loans and advances with past dues of less than 90 days.
(3) Loans which are individually impaired are classified as non-performing loans and advances.

As at 31 December 2013, 89.9% of gross loans and advances to customers were classified as neither past due nor impaired, as compared to 94.5% as at 31 December 2012 and 96.0% as at 31 December 2011.

Impairment balances increased by EGP 942 million, or 49.6%, to EGP 2,843 million as at 31 December 2013 from EGP 1,901 million as at 31 December 2012, after having increased by EGP 482 million, or 34.0%, from EGP 1,419 million as at 31 December 2011. The increase in impairment balances in 2013 and 2012 was primarily due to the year-on-year increase in size of the Bank's loan portfolio, as well as the effect of difficult economic conditions in Egypt on the Bank's loan portfolio.

The following table sets forth an analysis of the classification of the Bank's individual loan portfolio as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Performing loans	6,194	96.8	5,696	97.0	4,345	96.6
Regular watching	110	1.7	105	1.8	86	1.9
Watch list	46	0.7	34	0.6	23	1.5
Non-performing loans	48	0.8	38	0.6	42	1.9
Total net individual loans and advances to customers	**6,398**	**100.0**	**5,874**	**100.0**	**4,496**	**100.0**

The following table sets forth an analysis of the classification of the Bank's corporate loan portfolio as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Performing loans	32,631	90.5	32,259	91.2	32,787	92.1
Regular watching	1,970	5.5	2,342	6.6	1,696	4.8
Watch list	944	2.6	144	0.4	669	1.9
Non-performing loans	506	1.4	624	1.8	432	1.2
Total net corporate loans and advances to customers	**36,051**	**100.0**	**35,368**	**100.0**	**35,584**	**100.0**

As at 31 December 2013, 96.8% of net individual loans and advances to customers and 90.5% of corporate net loans and advances to customers were classified, according the Bank's internal rating system, as performing loans, as compared to 97.0% and 91.2%, respectively, as at 31 December 2012 and 96.6% and 92.1%, respectively, as at 31 December 2011.

The Bank classifies non-performing loans as loans overdue by more than 90 days. As at 31 December 2013, 0.8% of net individual loans and advances to customers and 1.4% of net corporate loans and advances to customers were classified as non-performing, as compared to 0.6% and 1.8%, respectively, as at 31 December 2012 and 1.9% and 1.2%, respectively, as at 31 December 2011. As at 31 December 2013, the ten largest non-performing loans accounted for 81.4% of total non-performing loans, as compared to 85.3% as at 31 December 2012 and 86.3% as at 31 December 2011.

Analysis for Impairment Provision

The following table sets forth an analysis of the impairment provision for loans and advances to individual customers as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Beginning balance	108	153	143
Charge (release) during the year	14	(18)	17
Write off during the year	(10)	(32)	(11)
Recoveries during the year	6	4	4
Ending balance	**117**	**108**	**153**

The following table sets forth an analysis of the impairment provision for loans and advances to corporate customers as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Beginning balance	1,793	1,267	1,112
Charge (release) during the year	911	639	271
Write off during the year	(88)	(155)	(145)
Recoveries during the year	45	15	11
Exchange revaluation difference	64	28	17
Ending balance	**2,726**	**1,793**	**1,267**

Policies Relating to Collateral

In accordance with the Bank's internal guidelines, longer-term financing and lending to corporate entities are generally secured by collateral, while revolving credit facilities are generally unsecured. The Bank will seek collateral from borrowers as soon as there is an indication of impairment for the loan or advance.

The principal forms of collateral accepted by the Bank for loans and advances are mortgages over residential properties, mortgages over business assets, such as premises and inventory, and mortgages over financial instruments, such as debt securities and equity. The Bank considers a loan to be fully secured if it is secured by one or a combination of the following: cash collateral, time deposits, treasury bills, bonds or equivalent sovereign rated instruments, Bank certificates of deposits, pledged savings accounts, securities in the Osoul Money Market Fund, Hemaya Capital Protected Fund, or the Thabat Fixed Income Fund, approved letters of guarantee issued by foreign banks (against foreign currency exposure) or corporate letters of guarantee (from companies with a minimum A-1+ rating for facilities of up to one year and AAA rating for facilities over one year, as rated by S&P or equivalent).

Contingent Liabilities

In the normal course of business, the Bank makes contractual commitments on behalf of its customers, and, in order to meet the financing needs of its customers, is a party to financial instruments with off-balance sheet risk. Such commitments take the form of guarantees, letters of credit in favour of third parties, whereby the Bank agrees to make payments for customers' accounts under certain conditions or in the event of default by a customer and receives a contract-indemnity from the customer, and customer acceptances. These services are normally provided on a fee basis.

The following table sets forth an analysis of the Bank's letters of credit, guarantees and other commitments, as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Letters of guarantee	14,959	12,788	11,264
Letters of credit (import and export)	751	933	753
Customers acceptances	472	1,177	543
Total	**16,182**	**14,898**	**12,560**

Contingent liabilities increased by EGP 1,284 million, or 8.6%, to EGP 16,182 million as at 31 December 2013 from EGP 14,898 million as at 31 December 2012, after having increased by EGP 2,338 million, or 18.6%, from EGP 12,560 million as at 31 December 2011. The increase in contingent liabilities in 2013 was primarily due to an EGP 2,171 million, or 17.0%, increase in letters of guarantee issued by the Bank as a result of the downgrade of Egypt's credit rating in 2013, which, in turn, lead to increased demands for secured payment instruments such as letters of guarantee, which was partially offset by an EGP 705 million, or 59.9%, decrease in customers acceptances for the same reason. The increase in contingent liabilities in 2012 was primarily due to an EGP 1,524 million, or 13.5%, increase in letters of guarantee issued by the Bank as a result of increased demand for such instruments from the Bank's clients, as well as an EGP 634 million, or 116.8%, increase in customers acceptances as a result of an increase in trade finance activities in 2012.

As at 31 December 2013, the ten most significant customer exposures of the Bank under contingent liabilities amounted to 24% of aggregate contingent liabilities, as compared to 28% as at 31 December 2012 and 35% as at 31 December 2011.

Loans and Advances to Banks

Total net loans and advances to banks decreased by EGP 1,047 million, or 88.8%, to EGP 132 million as at 31 December 2013 from EGP 1,208 million as at 31 December 2012, after having decreased by EGP 217 million, or 15.8%, from EGP 1,396 million as at 31 December 2011. The decrease in the Bank's loans and advances to banks in 2013 was primarily due to an EGP 1,054 million, or 87.3%, decrease in time and term loans as a result of certain liquidity management measures taken in response to the then prevailing market conditions. The decrease in the Bank's loans and advances to banks in 2012 was primarily due to the same reason.

Available-for-sale Financial Investments

Available-for-sale financial investments are those investments intended to be held for an indefinite period of time, which may be sold in response to the Bank's liquidity needs or changes in interest rates, exchange rates or equity prices. Total available-for-sale financial investments increased by EGP 2,201 million, or 10.4%, to EGP 23,378 million as at 31 December 2013 from EGP 21,177 million as at 31 December 2012, after having increased by EGP 5,755 million, or 37.3%, from EGP 15,422 million as at 31 December 2011. The increase in the Bank's available-for-sale financial investments in 2013 and 2012 was primarily due to increases in listed debt securities.

Available-for-sale Financial Investments by Type

The following table sets forth an analysis of the Bank's available-for-sale financial investments portfolio, by type, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	(%)	(EGP millions)	(%)	(EGP millions)	(%)
Listed debt instruments	22,556	96.5	20,608	97.3	14,534	94.2
Listed equity instruments	86	0.4	85	0.4	80	0.5
Unlisted instruments	735	3.1	485	2.3	808	5.2
Total available-for-sale financial investments	**23,378**	**100.0**	**21,177**	**100.0**	**15,422**	**100.0**

Since 31 December 2011, listed debt instruments have accounted for more than 90% of the Bank's available-for-sale financial investments, accounting for 96.5% of total available-for-sale financial investments as at 31 December 2013,

97.3% of total available-for-sale financial investments as at 31 December 2012 and 94.2% of total available-for-sale financial investments as at 31 December 2011.

Listed debt instruments increased by EGP 1,948 million, or 9.5%, to EGP 22,556 million as at 31 December 2013 from EGP 20,608 million as at 31 December 2012, after having increased by EGP 6,074 million, or 41.8%, from EGP 14,534 million as at 31 December 2011. The increase in listed debt instruments held in 2013 and 2012 was primarily due to the year-on-year increase in the Bank's portfolio of Government bonds.

Unlisted instruments increased by EGP 250 million, or 51.5%, to EGP 735 million as at 31 December 2013 from EGP 485 million as at 31 December 2012, after having decreased by EGP 323 million, or 40.0%, from EGP 808 million as at 31 December 2011. The increase in unlisted instruments held in 2013 was primarily due to the completion of additional equity investments. The decrease in unlisted instruments held in 2012 was primarily due to the sale of certain unlisted debt instruments.

Available-for-sale Financial Investments by Currency

The following table sets forth an analysis of the Bank's available-for-sale financial investments portfolio, by currency, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Egyptian Pounds	22,146	94.7	19,868	93.8	13,735	89.1
U.S. Dollars	1,232	5.3	1,310	6.2	1,655	10.7
Euros	—	—	—	0.0	31	0.2
British Sterling	—	—	—	0.0	—	0.0
Other	—	—	—	0.0	—	0.0
Total available-for-sale financial investments	**23,378**	**100.0**	**21,177**	**100.0**	**15,422**	**100.0**

As at 31 December 2013 94.7% of total available-for-sale financial investments was denominated in Egyptian Pounds, as compared to 93.8% of total available-for-sale financial investments as at 31 December 2012 and 89.1% of total available-for-sale financial investments as at 31 December 2011.

Available-for-sale Financial Investments by Maturity

The following table sets forth an analysis of the Bank's available-for-sale financial investments portfolio, by maturity, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Up to one month	664	2.8	1,323	6.2	3,467	22.5
One to three months	393	1.7	16	0.1	375	2.4
Three months to one year	2,816	12.0	4,018	19.0	1,794	11.6
One year to five years	13,568	58.0	11,737	55.4	8,541	55.4
Over five years	5,352	22.9	3,637	17.2	760	4.9
Non-interest bearing	587	2.5	448	2.1	484	3.1
Total available-for-sale financial investments	**23,378**	**100.0**	**21,177**	**100.0**	**15,422**	**100.0**

The Bank's portfolio of available-for-sale financial investments is principally comprised of investments with maturities of between one year and five years, which accounted for 58.0% of total available-for-sale financial investments as at 31 December 2013 and 55.4% of total available-for-sale financial investments as at each of 31 December 2012 and 31 December 2011.

As at 31 December 2012, the Bank had available-for-sale financial investments with maturities of three months to one year of EGP 4,018 million, as compared to EGP 1,794 million as at 31 December 2011. This increase was primarily due to the reclassification of a portion of treasury bills held by the Bank from medium-term to short-term as such securities became closer to maturity.

The Bank also increased its holding of securities with maturities of over five years in 2012 and again in 2013 in order to capitalise on its market expectations regarding the performance of sovereign debt yields.

Changes in Available-for-sale Financial Investments

The following table sets forth an analysis of the changes in available-for-sale financial investments as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Beginning balance	21,177	15,422	13,614
Addition	7,463	10,170	4,536
Deduction (selling, redemptions)	(4,519)	(5,343)	(2,135)
Exchange revaluation differences	124	60	55
Profit (losses) from fair value difference	(835)	896	(647)
Impairment (charges) release	(33)	(27)	(1)
Ending balance	**23,378**	**21,177**	**15,422**

Held-to-maturity Financial Investments

Available-for-sale financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's Management intends to hold until maturity. Total held-to-maturity financial investments decreased by EGP 19 million, or 0.5%, to EGP 4,197 million as at 31 December 2013 from EGP 4,216 million as at 31 December 2012, after having increased by EGP 4,177 million, or 10,710.3%, from EGP 39 million as at 31 December 2011. The decrease in the Bank's held-to-maturity financial investments in 2013 was primarily due to the decrease in unlisted instruments held. The increase in the Bank's held-to-maturity financial investments in 2012 was primarily due to the increase in listed debt instruments held.

Held-to-maturity Financial Investments by Type

The following table sets forth an analysis of the Bank's held-to-maturity financial investments portfolio, by type, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Listed debt instruments	4,170	99.4	4,155	98.6	12	30.8
Unlisted instruments	28	0.7	61	1.4	28	71.8
Total held-to-maturity financial investments	**4,197**	**100.0**	**4,216**	**100.0**	**39**	**100.0**

Listed debt instruments accounted for 99.4% of total held-to-maturity financial investments as at 31 December 2013, 98.6% of total held-to-maturity financial investments as at 31 December 2012 and 30.8% of total held-to-maturity financial investments as at 31 December 2011.

Listed debt instruments increased by EGP 15 million, or 0.4%, to EGP 4,170 million as at 31 December 2013 from EGP 4,155 million as at 31 December 2012, after having increased by EGP 4,143 million, or 34,525.0%, from EGP 12 million as at 31 December 2011. The increase in listed debt instruments held in 2013 and 2012 was primarily due to the year-on-year increase in the Bank's portfolio of Government bonds.

Unlisted instruments decreased by EGP 33 million, or 54.1%, to EGP 28 million as at 31 December 2013 from EGP 61 million as at 31 December 2012, after having decreased by EGP 33 million, or 117.9%, from EGP 28 million as at 31 December 2011. The decrease in unlisted instruments held in 2013 was primarily due to the sale of certain unlisted debt instruments. The increase in unlisted instruments held in 2012 was primarily due to the addition of new unlisted debt instruments to the Bank's securities portfolio.

Held-to-maturity Financial Investments by Currency

Since 31 December 2011, 100.0% of the Bank's held-to-maturity investments have been denominated in Egyptian Pounds.

Held-to-maturity Financial Investments by Maturity

The following table sets forth an analysis of the Bank's held-to-maturity financial investments portfolio, by maturity, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Up to one month	—	—	—	—	28	71.8
One to three months	—	—	—	—	—	—
Three months to one year	0	0.0	16	0.4	0	0.0
One year to five years	4,197	100.0	4,200	99.6	11	28.2
Over five years	—	—	—	—	—	—
Total held-to-maturity financial investments	**4,197**	**100.0**	**4,216**	**100.0**	**39**	**100.0**

The Bank's portfolio held-to-maturity financial investments is principally comprised of investments with maturities of between one year and five years, which accounted for 100.0% of total held-to-maturity financial investments as at 31 December 2013, 99.6% of total held-to-maturity financial investments as at 31 December 2012 and 28.2% as at 31 December 2011. The increase in investments with maturities of between one and five years since 31 December 2011 is due to the increase in listed debt instruments.

Changes in Held-to-maturity Financial Investments

The following table sets forth an analysis of the changes in held-to-maturity financial investments as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Beginning balance	4,216	39	299
Addition	—	4,177	5
Deduction (selling, redemptions)	(19)	—	(272)
Exchange revaluation differences	—	—	5
Profit (losses) from fair value difference	—	—	—
Impairment (charges) release	—	—	2
Ending balance	**4,197**	**4,216**	**39**

Derivatives

The Bank enters into derivatives transactions for hedging and non-hedging purposes, both on its own behalf and for customers. The Risk Group monitors risks associated with derivatives, particularly market risks, and derivative instruments are periodically marked-to-market to reflect their realisable values.

The following table sets forth the notional amount of the Bank's trading and hedging derivatives as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Foreign currency derivatives			
Forward foreign exchange contracts	1,250	1,997	1,325
Currency swaps	1,990	1,259	1,408
Options	38	771	509
Total foreign derivatives	**3,278**	**4,027**	**3,242**
Interest rate swaps	390	859	1,124
Commodities	—	12	128
Interest rate derivatives			
Government debt instruments hedging	604	550	525
Customers deposits hedging	3,848	4,293	3,661
Total financial derivatives	**8,120**	**9,741**	**8,680**

See Note 19 to the Financial Statements.

Investments and Other Earning Assets

The Bank's earning assets, other than loans, are comprised of the Bank's cash and balances with banks, trading financial assets, investments in associates, investments in available for sale investments and treasury bills and bonds issued by the Government. The Bank actively manages its investments, selling selective assets in order to generate profits or minimise loss, enhance the Bank's liquidity and funding base and maintain the diversity of its investment portfolio. Interbank placements are generally short-term, with the majority of placements made to the CBE or banks in Egypt and other OECD countries.

Applicable CBE regulations restrict investments that an Egyptian bank may hold in a single non-financial company to 40% of such company, and the total size of the aggregate investment portfolio of the bank is limited to 100% of such bank's capital base. Under CBE regulations, a bank's "**capital base**" includes paid-in capital, reserves and integrated capital, which includes general provisions, 45% of the difference between the market value and the book value for the bank's investments, and any subordinated loans. As at 31 December 2013, the Bank's capital base was EGP 9,496 million, as compared to EGP 8,869 million as at 31 December 2012 and EGP 7,630 million as at 31 December 2011 (calculated in accordance with Basel I), in each case prior to the appropriation of profits for the relevant year.

In addition, as a publicly listed company, the Bank must obtain an independent valuation and external auditor approval in respect of any proposed acquisition of more than 20% of a non-listed company. The Bank is also prohibited from investing as a "general partner" in any partnership.

Treasury Bills and Other Governmental Notes

The Bank maintains a portfolio of treasury bills and other Government notes. As at 31 December 2013, this portfolio had a net book value of EGP 23,665 million, as compared to EGP 11,193 million as at 31 December 2012 and EGP 10,701 million as at 31 December 2011. The increase in treasury bills and other Government notes held as at 31 December 2013, as compared to 31 December 2012 was primarily due to a strengthening of the securities portfolio by EGP 12,472 million.

Trading Financial Assets

The Bank's portfolio of equity instruments is relatively diversified, with investments in over 30 companies, as well as investments in mutual funds and debt instruments, which are primarily comprised of Government bonds. Investments in company shares was EGP 43 million as at 31 December 2013, as compared to EGP 16 million as at 31 December 2012 and EGP 19 million as at 31 December 2011. Investments in mutual funds was EGP 147 million, as compared to EGP 318 million as at 31 December 2012 and EGP 189 million as at 31 December 2011.

The following table sets forth an analysis of the Bank's portfolio of financial trading assets, by type of investment, as at the dates indicated.

	As at 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
Debt Instruments			
Governmental bonds	2,048	1,138	354
Other debt instruments	49	43	114
Total debt instruments	**2,097**	**1,181**	**468**
Equity Instruments			
Foreign company shares	43	16	19
Mutual funds	147	318	189
Total equity instruments	**190**	**334**	**207**
Total financial assets for trading	**2,286**	**1,515**	**675**

Investments in Associates

The following table sets forth an analysis of the Bank's investments in associates, by investment book value, as at the dates indicated.

	As at 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
Commercial Life Insurance	54	49	28
Corplease	88	70	65
Haykala for Investment	1	1	2
Egypt Factors	41	38	6
International Co. for Security and Services (Falcon)	8	6	6
Total	**193**	**165**	**107**

See "*Description of the Bank—Subsidiaries and Associates*" for a description of the activities of the Bank's key associated companies.

Principal Sources of Funding

The Bank's activities are primarily funded through its sizeable customer deposits. Other principal funding sources consist of interbank deposits, derivative instruments and long-term loans.

The following table sets forth the Bank's principal external sources of funding as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Due to banks	1,373	1.4	1,715	2.1	3,341	4.5
Due to customers	96,846	98.4	78,729	97.6	71,468	95.3
Derivative financial instruments	115	0.1	119	0.1	114	0.2
Long term loans	132	0.1	80	0.1	99	0.1
Total	**98,466**	**100.0**	**80,643**	**100.0**	**75,022**	**100.0**

Amounts due to Customers

The principal source of funding for the Bank is amounts due to customers (or customer deposits), which comprised 98.4% of total funding as at 31 December 2013, as compared to 97.6% as at 31 December 2012 and 95.3% as at 31 December 2011.

Total amounts due to customers increased by EGP 18,117 million, or 23.0%, to EGP 96,846 million as at 31 December 2013 from EGP 78,729 million as at 31 December 2012, after having increased by EGP 7,261 million, or 12.8%, from EGP 71,468 million as at 31 December 2011. The increase in amounts due to customers in 2013 was primarily due to increases in demand deposits, time deposits and savings deposits. The increase in amounts due to customers in 2012 was primarily due to increases in certificates of deposit and savings deposits.

Amounts due to Customers by Type

The following table sets forth an analysis of the Bank's amounts due to customers, by type, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Demand deposits	22,949	23.7	16,929	21.5	16,942	23.7
Time deposits	30,508	31.5	24,133	30.7	24,533	34.3
Certificates of deposit	25,259	26.1	24,299	30.9	18,820	26.3
Savings deposits	16,786	17.3	12,107	15.4	9,485	13.3
Other deposits	1,343	1.4	1,261	1.6	1,688	2.4
Total amounts due to customers	**96,846**	**100.0**	**78,729**	**100.0**	**71,468**	**100.0**

As at 31 December 2013, time deposits accounted for 31.5% of total amounts due to customers, as compared to 30.7% as at 31 December 2012 and 34.3% as at 31 December 2011, while certificates of deposit accounted for 26.1% of total amounts due to customers as at 31 December 2013, as compared to 30.9% as at 31 December 2012 and 26.3% as at 31 December 2011.

Demand deposits increased by EGP 6,020 million, or 35.6%, to EGP 22,949 million as at 31 December 2013 from EGP 16,929 million as at 31 December 2012, after having decreased by EGP 13 million, or 0.1%, from EGP 16,942 million as at 31 December 2011. The increase in the Bank's demand deposits in 2013 was primarily due to an increase in corporate demand deposits. The decrease in the Bank's demand deposits in 2012 was primarily due to a decrease in corporate demand deposits.

Time deposits increased by EGP 6,375 million, or 26.4%, to EGP 30,508 million as at 31 December 2013 from EGP 24,133 million as at 31 December 2012, after having decreased by EGP 400 million, or 1.6%, from EGP 24,533 million as at 31 December 2011. The increase in the Bank's time deposits in 2013 was primarily due to customer demand for time deposits as a result of the decline in interest rates in Egypt in 2013. The decrease in the Bank's time deposits in 2012 was primarily due to customer demand for certificates of deposit as a result of the increase in interest rates in Egypt in 2012.

Certificates of deposit increased by EGP 960 million, or 4.0%, to EGP 25,259 million as at 31 December 2013 from EGP 24,299 million as at 31 December 2012, after having increased by EGP 5,479 million, or 29.1%, from EGP 18,820 million as at 31 December 2011. The increase in the Bank's certificates of deposit in 2013 was lower than in 2012 as the Bank's competitors increased their interest rates on certificates of deposit in 2013, which increased competition for this product. The increase in the Bank's certificates of deposit in 2012 was primarily due to the increase in interest rates in Egypt in 2012, resulting in the Bank offering the highest rates of interest on its certificates of deposit in the market in 2012.

Savings deposits increased by EGP 4,679 million, or 38.6%, to EGP 16,786 million as at 31 December 2013 from EGP 12,107 million as at 31 December 2012, after having increased by EGP 2,622 million, or 27.6%, from EGP 9,485 million as at 31 December 2011. The increases in the Bank's savings deposit in 2013 and 2012 were primarily due to the restructuring of the Bank's savings account products in 2012, including the addition of new benefits and other features and the continuing impact of such restructuring in 2013.

The Bank's 20 largest depositors accounted for 19.4% of total amounts due to customers as at 31 December 2013, 19.2% as at 31 December 2012 and 24.2% as at 31 December 2011.

Amounts due to Customers by Customer

The following table sets forth an analysis of the Bank's amounts due to customers, by customer, as at the dates indicated.

	As at 31 December					
	2013		**2012**		**2011**	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Corporate deposits	48,300	49.9	36,659	46.6	37,122	51.9
Individual deposits	48,546	50.1	42,071	53.4	34,346	48.1
Total amounts due to customers	**96,846**	**100.0**	**78,729**	**100.0**	**71,468**	**100.0**

As at 31 December 2013, 49.9% of total amounts due to customers were corporate deposits, as compared to 46.6% as at 31 December 2012 and 51.9% as at 31 December 2011. Total corporate deposits increased by EGP 11,641 million, or 31.8%, to EGP 48,300 million as at 31 December 2013 from EGP 36,659 million as at 31 December 2012, after having decreased by EGP 463 million, or 1.2%, from EGP 37,122 million as at 31 December 2011. The increase in the Bank's corporate deposits in 2013 was primarily due to an increase in corporate demand deposits. The decrease in the Bank's corporate deposits in 2012 was primarily due to a decrease in corporate demand deposits.

As at 31 December 2013, 50.1% of total amounts due to customers were individual deposits, as compared to 53.4% as at 31 December 2012 and 48.1% as at 31 December 2011. Total individual deposits increased by EGP 6,475 million, or 15.4%, to EGP 48,456 million as at 31 December 2013 from EGP 42,071 million as at 31 December 2012, after having increased by EGP 7,725 million, or 22.5%, from EGP 34,346 million as at 31 December 2011. The increase in the Bank's individual deposits in 2013 was primarily due to an increase in savings accounts and time deposits. The increase in the Bank's individual deposits in 2012 was primarily due to an increase in certificates of deposit. See Note 28 to the Financial Statements.

Amounts due to Customers by Currency

The following table sets forth an analysis of the Bank's amounts due to customers, by currency, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Egyptian Pounds	64,618	66.7	47,925	60.9	41,652	58.3
U.S. Dollars	27,966	28.9	26,847	34.1	24,764	34.7
Euros	3,585	3.7	3,404	4.3	4,431	6.2
British Sterling	457	0.5	454	0.6	454	0.6
Other	220	0.2	100	0.1	167	0.2
Total amounts due to customers	**96,846**	**100.0**	**78,729**	**100.0**	**71,468**	**100.0**

In recent years, the currency mix of the Bank's amounts due to customers has remained relatively stable. Amounts due to customers denominated in Egyptian Pounds accounted for the largest proportion of lending accounting for 66.7% of total amounts due to customers as at 31 December 2013, 60.9% of amounts due to customers as at 31 December 2012 and 58.3% of amounts due to customers as at 31 December 2011. Amounts due to customers denominated in U.S. Dollars accounted for the largest proportion of the Bank's foreign currency deposits and 28.9% of total amounts due to customers as at 31 December 2013, 34.1% of amounts due to customers as at 31 December 2012 and 34.7% of total amounts due to customers as at 31 December 2011.

Amounts due to Customers by Maturity

The following table sets forth an analysis of the Bank's amounts due to customers, by maturity, as at the dates indicated.

	As at 31 December					
	2013		2012		2011	
	(EGP millions)	*(%)*	*(EGP millions)*	*(%)*	*(EGP millions)*	*(%)*
Up to one month	32,188	33.2	24,970	31.7	30,105	42.1
One to three months	14,485	15.0	12,100	15.4	6,718	9.4
Three months to one year	11,106	11.5	8,223	10.4	7,406	10.4
One year to five years	22,458	23.2	20,808	26.4	15,651	21.9
Over five years	87	0.1	471	0.6	733	1.0
Non-interest bearing	16,521	17.1	12,158	15.4	10,856	15.2
Total amounts due to customers	**96,846**	**100.0**	**78,729**	**100.0**	**71,468**	**100.0**

In recent years, the maturity mix of the Bank's amounts due to customers has remained relatively stable. The balance of amounts due to customers is principally comprised of deposits with maturities of up to one month, which accounted for 33.2% of total amounts due to customers as at 31 December 2013, 31.7% of total amounts due to customers as at 31 December 2012 and 42.1% of total amounts due to customers as at 31 December 2011.

Amounts due to Banks

Total amounts due to banks decreased by EGP 342 million, or 19.9%, to EGP 1,373 million as at 31 December 2013 from EGP 1,715 million as at 31 December 2012, after having decreased by EGP 1,626 million, or 48.7%, from EGP 3,341 million as at 31 December 2011. The decrease in amounts due to banks in 2013 was primarily due to an EGP 669 million increase in current accounts and an EGP 1,010 million decrease in deposits, as a result of the repayment of interbank amounts, which were replaced by an increase in customer deposits. The decrease in amounts due to banks in 2012 was primarily due to an EGP 1,502 million, or 52.8%, decrease in deposits due to banks, primarily local banks, as a result of the replacement of interbank amounts with lower cost repos. See Note 27 to the Financial Statements.

Long-term Loans

Outstanding amounts due under long-term loans made to the Bank increased by EGP 52 million, or 65.0%, to EGP 132 million as at 31 December 2013 from EGP 80 million as at 31 December 2012, after having decreased by EGP 19 million, or 19.2%, from EGP 99 million as at 31 December 2011. The increase in amounts outstanding under long-term loans in 2013 was primarily due to the entry into of a loan with the Social Fund for Development for a principal amount of EGP 100 million in 2013. The decrease in amounts outstanding under long-term loans in 2012 was primarily due to the repayment of loans on maturity in accordance with their terms. See Note 29 to the Financial Statements.

ASSET, LIABILITY AND RISK MANAGEMENT

General

The Bank's operations are subject to a variety of risks, some of which are not within its control. These include credit risk, market risk, liquidity risk and other operating risk. The Bank monitors and manages the maturities of its loans, interest rate exposure and credit quality in order to minimise the effect of any changes to the Bank's profitability and liquidity position. See "*Risk Factors—Risks Relating to the Bank*".

The Bank's risk policies aim to identify, analyse and manage the risks faced by the Bank, to set limits and controls on risks and to monitor compliance with those limits and risk levels. Risk management policies and procedures are reviewed regularly in order to reflect changes in market conditions, products and services offered by the Bank, as well as to reflect best practice standards.

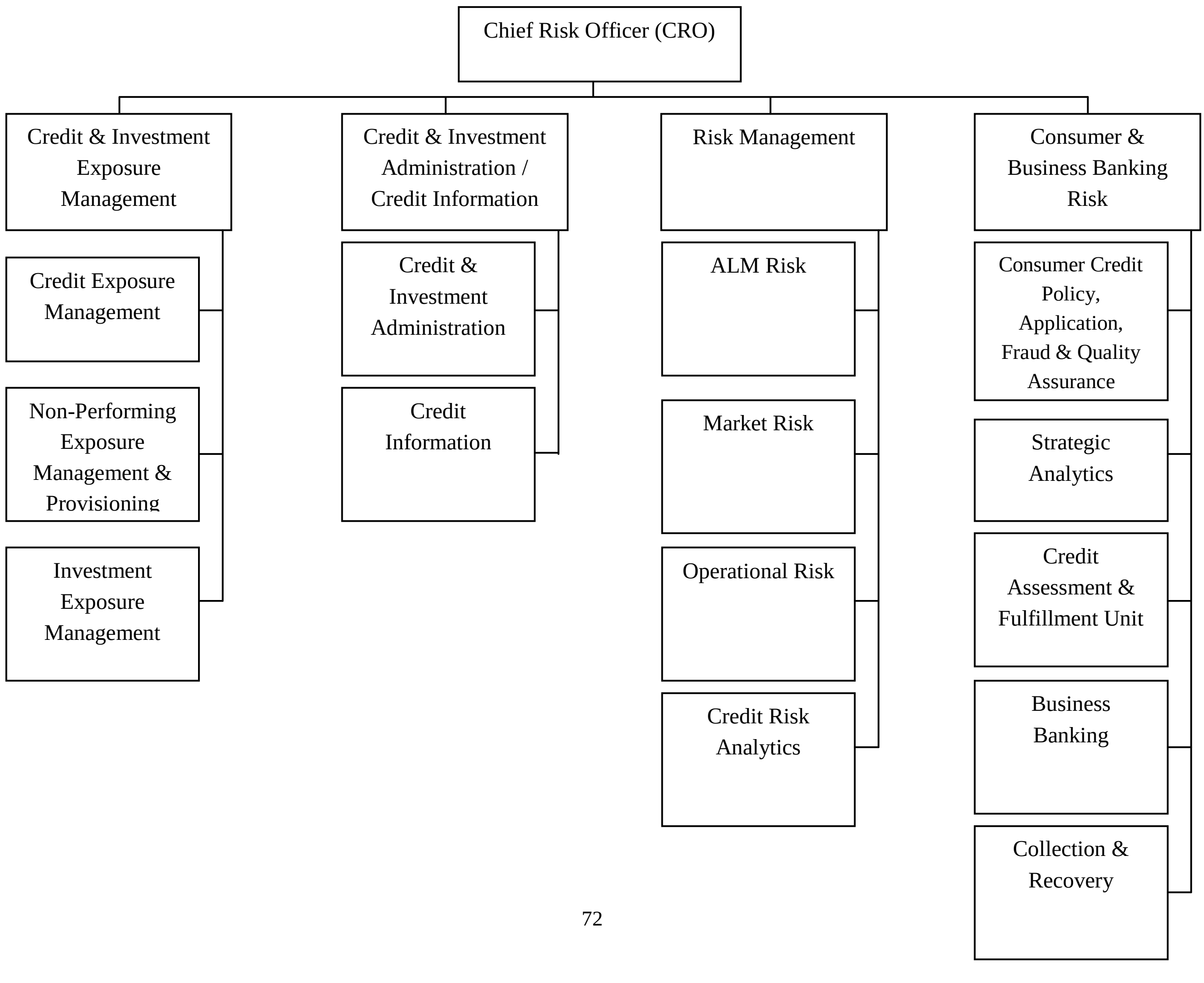
Board of Directors

The Board of Directors has overall responsibility for the oversight of the Bank's risk management framework, overseeing the management of key risks and approving its risk management policies. The Board of Directors has established a Risk Committee to assist in supervising the Bank's risk management framework. See "*Management and Corporate Governance—Corporate Governance—Risk Committee*".

The Board of Directors has approved 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.

Risk Group

The Bank's Risk Group provides independent oversight and support in connection with the Bank's risk management framework. The Risk Group identifies, measures, monitors, controls and reports risk exposures when measured against set limits to the Board of Directors and the Bank's senior management. The diagram below sets forth the organisational structure of the Risk Group.



The Chief Risk Officer manages the Risk Group, oversees the Bank's risk management framework (including the management of credit, market, operational, interest rate and liquidity risk) and is responsible for the credit and investment exposure management, consumer credit risk, credit and investment administration, credit information and risk management. The Chief Risk Officer reports directly to the Chairman of the Bank and may also report to the Bank's Board of Directors.

The Risk Management Department of the Risk Group is responsible for identifying, measuring, monitoring and controlling the asset and liability management and market and operational risk function and to ensure that Basel II and other risk analytics requirements are adequately managed. The Risk Management Department reports regularly to the Bank's senior management and the Board of Directors.

Credit Risk

The Bank is exposed to credit risk, which is the risk that a counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Accordingly, the Bank's management 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 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, industry sector and by country are approved quarterly by the Board of Directors.

The Bank's 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 these limits are monitored on a daily basis. 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.

To assist in its measurement of credit risk, the Bank has introduced a system of internal ratings. See "*Selected Statistical and Other Data—Lending Policies and Credit Approval Procedures*".

See Note 35.1 to the Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations arising from its financial liabilities as they fall due or to replace funds when they are withdrawn. The consequence of which may be a failure by the Bank to meet its obligations to repay depositors and to fulfil lending commitments.

The Bank's liquidity management process is carried out by the Assets and Liabilities Management Department and is monitored by the Bank's Risk Management Department. The Bank has adopted a comprehensive Liquidity Policy and Contingency Funding Plan, which provides for diversified funding sources, adequate liquidity buffer, substantial pool of liquid assets and decreased reliance on wholesale funding. As part of the Bank's liquidity management process it uses various gaps, stress testing, net stable funding and liquidity coverage rations and regulatory and internal liquidity ratios. To ensure that the Bank's liquidity is managed sufficiently it (i) maintains an active presence in global money markets; (ii) maintains a diverse range of funding sources with back-up facilities; (iii) monitors its balance sheet liquidity and advances to core funding ratios against internal and CBE regulations; and (iv) manages the concentration and profile of its debt maturities. The Assets and Liabilities Management Department conducts cash flow measurement and provides cash flow projections on a daily, weekly and monthly basis.

Sources of liquidity are regularly reviewed jointly by the Assets and Liabilities Management Department and the Consumer Banking Department to maintain a wide diversification of currencies, geographical area, depositors, products and tenors.

Maturities

The following table sets forth the undiscounted cash flows payable by the Bank under non—derivative financial liabilities by remaining contractual maturities (the maturities assumption for non-contractual products are based on behaviour studies).

	As at 31 December 2013					
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
			(EGP millions)			
Financial liabilities						
Due to banks	1,373	—	—	—	—	1,373
Due to customers	14,263	14,355	31,021	36,171	1,036	96,846
Long-term loans	28	5	49	49	—	132
Total liabilities (contractual and non-contractual maturity dates)	**15,664**	**14,361**	**31,070**	**36,221**	**1,036**	**98,351**
Total financial assets (contractual and non-contractual maturity dates)	**16,227**	**11,735**	**29,841**	**41,734**	**14,830**	**114,368**

See Note 35.3.3 to the Financial Statements.

Market Risk

Market risk is represented by fluctuations in fair value or future cash flow, including foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices that will reduce the Bank's income or the value of its portfolios. Market risk is measured, monitored and controlled by the Market Risk Management Department. In addition, regular reports are submitted to ALCO, Board of Directors Risk Committee and the heads of each business unit.

The Bank separates exposures to market risk into trading or non-trading portfolios. Trading portfolios include positions arising from market-making, position-taking and other positions designated as "marked-to-market". Non-trading portfolios include positions that primarily arise from the interest rate management of the Group's retail and commercial banking assets and liabilities and financial investments designated as "available-for-sale" and "held-to-maturity".

The Bank uses various measurement techniques to monitor and control market risk, including value at risk ("**VaR**") methodology, stress testing and non-technical measures such as asset cap and profit and loss versus stop loss limits. The Bank also undertakes various hedging strategies.

See Note 35.2 to the Financial Statements.

Interest Rate Risk

The Bank experiences interest rate risk when the values of its financial investments fluctuate as a result of changes in prevailing levels of market interest rates on both its fair value and cash flow risks. The Bank's interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. Interest rate risk primarily arises from the re-pricing maturity structure of interest-sensitive assets and liabilities and off-balance sheet instruments. In order to manage interest rate risk, the Board of Directors has established limits on the gaps of interest rate re-pricing that may be undertaken. These limits are monitored by the Bank's Risk Management Department. The Bank also uses duration, duration of equity and earnings-at-risk analytical tools to manage interest rate risk and enters into interest rate swaps in respect of certain of its long-term debt.

See Note 35.2.4 to the Financial Statements.

The following table sets forth the Bank's exposure to interest rate risk and shows the Bank's financial instruments at carrying amounts, categorised by the remaining maturity of re-pricing.

	As at 31 December 2013						
	Up to 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
				(EGP millions)			
Financial assets							
Cash and balances with central bank	—	—	—	—	—	4,805	4,805
Due from banks	4,588	3,966	286	—	—	164	9,004
Treasury bills and other governmental notes	3,528	2,996	18,219	—	—	—	24,743
Trading financial assets	185	—	—	1,672	376	54	2,286
Gross loans and advances to banks	4	116	3	30	—	—	154
Gross loans and advances to customers	29,729	6,465	5,190	3,112	795	—	45,291
Derivatives financial instruments (including IRS notional amount)	1,390	235	748	2,186	333	—	4,891
Financial investments							
Available for sale	664	393	2,816	13,568	5,352	587	23,378
Held to maturity	—	—	198	4,197	—	—	4,197
Investments in associates	—	—	—	—	—	193	193
Total financial assets	**40,087**	**14,173**	**27,261**	**24,764**	**6,856**	**5,802**	**118,942**
Financial liabilities							
Due to banks	347	—	—	—	—	1,026	1,373
Due to customers	32,188	14,485	11,106	22,458	87	16,521	96,846
Derivatives financial instruments (including IRS notional amount)	2,316	1,770	129	67	604	70	4,956
Long-term loans	28	5	49	49	—	—	132
Total financial liabilities	**34,880**	**16,261**	**11,285**	**22,574**	**691**	**17,616**	**103,307**
Total interest re-pricing gap	**5,207**	**(2,088)**	**15,976**	**2,190**	**6,165**	**(11,815)**	**15,635**

A negative gap denotes sensitivity and normally means that an increase in interest rates would have a negative effect on net interest income, while a decrease in interest rates would have a positive effect on net interest income. The positions are classified by the principal amount of the asset or liability that matures or is re-priced within the time period indicated.

Exchange Rate Risk

The Bank deals in a number of foreign currencies in accordance with its various lines of business. The Bank is exposed to foreign exchange rate risk as a result of fluctuations in foreign exchange rates and mismatches between its assets and liabilities, as well as through its off-balance sheet activities involving exposures to instruments denominated in different currencies. To minimise this risk, the Bank sets limits on the level of exposure by currency, and in the aggregate, for both overnight and intra-day positions, which are monitored daily.

The following table sets forth the Bank's exposure to foreign currency exchange rate risk and the Bank's financial instruments at carrying amounts, categorised by currency.

	As at 31 December 2013					
	EGP	**U.S.$**	**EUR**	**GBP**	**Other**	**Total**
			(EGP millions)			
Financial assets						
Cash and balances with central bank..	3,944	686	98	21	57	4,805
Due from banks.................................	160	5,570	2,824	387	64	9,004
Treasury bills and other governmental notes..	20,729	3,832	181	—	—	24,743
Trading financial assets......................	2,191	87	—	—	9	2,286
Gross loans and advances to banks.....	—	154	—	—	—	154
Gross loans and advances to customers	25,863	18,702	646	46	34	45,291
Derivatives financial instruments (including IRS notional amount)........	36	66	1	—	—	103
Financial investments						
Available for sale...............................	22,146	1,232	—	—	—	23,378
Held to maturity	4,197	—	—	—	—	4,197
Investments in associates	152	41	—	—	—	193
Total financial assets	**79,418**	**30,369**	**3,750**	**454**	**163**	**114,154**
Financial liabilities						
Due to banks......................................	320	1,032	20	1	7	1,373
Due to customers...............................	64,618	27,966	3,585	457	220	96,846
Derivatives financial instruments.......	31	82	2	—	—	115
Long-term loans	132	—	—	—	—	132
Total financial liabilities..................	**65,102**	**29,079**	**3,608**	**458**	**220**	**98,466**
Net on-balance sheet financial position	**14,316**	**1,290**	**143**	**(4)**	**(57)**	**15,688**

See Note 35.2.3 to the Financial Statements.

Operational Risk

Operational risk is the risk of losses resulting from inadequacies or failures of internal processes performed by employees, information systems and technology, as well as other internal and external events. The Bank has developed an operational risk framework and related policies and procedures to reduce operational risk exposure. This framework includes the implementation of a loss database, risk control self-assessment and the use of key risk indicators.

Anti-Money Laundering

The Bank's Anti Money Laundering Compliance Programme is in full compliance with CBE guidelines. The Bank's Anti Money Laundering Compliance Programme prohibits dealings with shell banks and firms, prohibits opening or maintaining anonymous or numbered accounts and requires continuous training programmes for existing and new employees. The Bank's Anti-Money Laundering policies include: (i) using standardised account opening forms that allow the bank to fully implement its Know Your Client ("**KYC**") policies; (ii) monitoring and reporting suspicious transactions; (iii) record and document retention policies, which require transaction records and documents to be maintained for a minimum of five years. The adequacy of the Bank's compliance function is reviewed by the Bank's internal audit function.

The Bank's Compliance Department was established in March 2007 as an independent entity to guard the Bank and its stakeholders against a full spectrum of compliance risks, including regulatory, governance, legal, fraud, reputational, money laundering and terrorism financing. The Anti-Money Laundering and Terrorism Financing Division of the Compliance Department is directly involved in monitoring transactions with branches and other business areas to ensure that all account opening requirements are obtained, KYC data are sufficient for new clients and that KYC information is updated for the Bank's existing customer base. The Division conducts spot checks on the Bank's branches to verify the adequacy of the Bank's Anti Money Laundering Compliance Programme and to address any identified gaps and has invested in an advanced automated Anti-Money Laundering solution to conduct more accurate analysis.

The Anti-Money Laundering and Terrorism Financing Division is also responsible for screening customer transactions, including incoming and outgoing payments for individuals and entities that appear on sanctions lists, as well as those between sanctioned countries. Since January 2013, the Anti-Money Laundering Division has been responsible for handling the preparation and implementation for FATCA (Foreign Account Tax Compliance Act) requirements for U.S. individuals and entities in co-ordination with other divisions of the Bank.

Principal Committees

The Bank has established the ALCO, the High Lending & Investment Committee, the Affiliates Committee, the Consumer Risk Committee, the Business Banking Committee, the Operational Risk Committee, the Sustainability Advisory Board and the Operations and IT Committee to assist with the Bank's risk management function.

Asset & Liability Committee

The overall asset and liability position of the Bank is monitored and managed by the ALCO. The ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations and risk profile to ensure that the Bank's activities comply with the risk guidelines and limits set by the Board of the Directors. The ALCO consists of five members and reports to the Board of Directors. The ALCO is chaired by a Chief Executive Officer and is composed of senior representatives from the Risk, Treasury, Institutional Banking and Consumer Banking groups.

High Lending and Investment Committee

The High Lending and Investment Committee's main responsibilities are to manage the assets side of the Bank's balance sheet and to monitor assets allocation, quality and development and the adequacy of provisions coverage. The High Lending and Investment Committee reviews and, if appropriate, approves the Bank's large credit facilities and equity investments. See "*Selected Statistical and Other Data—Lending Policies and Credit Approval Procedures*". The High Lending and Investment Committee consists of at least four senior executives of the Bank (comprising at least one Managing Director, the Chief Risk Officer and other senior officers) and reports to the Board of Directors. The High Lending and Investment Committee typically convenes once a week.

Affiliates Committee

The Affiliates Committee's main responsibilities are to steer and manage the Bank's affiliates and to act as a think tank for the setting and implementation of all strategic goals. The Affiliates Committee also proposes investment opportunities to the Board and is involved in the approval of annual and interim reviews and matters involving capital increases and redemptions The Affiliates Committee consists of six members, including one member of the Board of Directors, the Chief Executive Officer for Institutional Banking, the Chief Financial Officer, the Head of Direct Investments, the Head of Credit and Investment Exposure Management and a member of the Strategic Planning Department. The Affiliates Committee reports to the Board of Directors.

Consumer Risk Committee

The Consumer Risk Committee's main responsibilities are to manage, approve and monitor the quality and growth of the Bank's consumer and business banking portfolio in accordance with the current risk appetite of the Bank, the prevailing market trends and the guidelines set forth in the Bank's Consumer Credit Policy Guide, which is approved by the Board of Directors. The Consumer Risk Committee consists of five members, including the Chief Risk Officer, the Head of Retail and Business Banking and representatives of the Risk Group and other business departments, and reports to the Board of Directors.

Business Banking Committee

The Business Banking Committee's main responsibility is to review and, if appropriate, approve credit facilities for business banking transactions in line with the Bank's risk appetite, internal guidelines and taking into account prevailing market conditions. The Business Banking Committee consists of three members, including the Head of Retail and Business Banking and a senior representative from the Risk Group and another business area, and reports to the Board of Directors.

Operational Risk Committee

The Operational Risk Committee's main responsibilities are to oversee the Bank's operational risk management functions and processes and to oversee, approve and monitor the Bank's compliance with the operational risk framework and regulatory requirements. The Operational Risk Committee consists of eleven members, including the Chief Executive Officer for Consumer Banking and Operations, the Chief Risk Officer, the Chief Legal Officer, the Head of Risk Management, the Head of Central Operations, the Chief Compliance Officer, the Head of Financial Accounting and Regulatory Reporting, the Head of Retail Risk, the Head of Change Delivery and the Head of Operational Risk.

Sustainability Advisory Board

The Sustainability Advisory Board's main responsibilities are to develop strategic sustainability initiatives and corporate sustainability best practices in accordance with the Bank's Corporate Sustainability Framework, and to establish and monitor teams to conduct sustainability projects. The Sustainability Advisory Board consists of three Non-Executive Members of the Board of Directors (Dr. Ebeid (Chairman), Dr. Hassanein and Mr. Mirza), as well as the Heads of a number of Bank departments, as required. The Sustainability Advisory Board meets at least quarterly or more frequently, as required.

Operations and IT Committee

The Operations and IT Committee's main responsibilities are to oversee the Bank's operations and technology functions, as well as the management of operational and technological risks, to assist with development of the Bank's operations and technology strategy and to review investment opportunities in line with such strategy. The Operations and IT Committee consists of two Non-Executive Members of the Board of Directors (Mr. Mirza (Chairman) and Dr. Kamel). The Operations and IT Committee meets at least quarterly or more frequently, as required.

See also "*Management and Corporate Governance—Corporate Governance*".

BUSINESS

Introduction

The Bank is a full-service, Egyptian commercial bank, which (according to figures compiled by the Bank), as at 31 December 2013 was the most profitable Egyptian bank by net income, the largest private sector bank in Egypt in terms of revenue and had the largest loan and deposit market share among all Egyptian private sector banks.

The Bank's core business is focused on corporate and consumer banking. The Bank provides a wide range of wholesale banking products and services to its corporate clients, financial institutions and Government entities. The Bank's corporate activities are extensive, cover most economic sectors in Egypt and include the financing of large-scale infrastructure and other projects and arranging syndicated loans. The Bank offers a wide range of consumer banking products and services, including personal loans, auto loans, deposit accounts, residential property and finance and credit and debit cards. As at 31 December 2013, the Bank had 571,407 customers, as compared to 525,269 customers as at 31 December 2012.

According to figures compiled by the Bank, as at 31 October 2013, the Bank's market share of deposits was 7.6%, its share of loans and advances was 8.3%, and its share of total banking sector assets was 6.9%.

As at 31 December 2013, the Bank had a network of 125 branches and 27 units located throughout Egypt, as well as a wide range of alternative distribution channels comprised of more than 555 ATMs, internet banking, 8,683 points-of-sale and a call centre.

In addition to traditional asset and liability products, the Bank offers wealth management securitisation, direct investment and treasury services to its clients. The Bank also offers asset management, investment banking, brokerage, research, insurance, leasing, factoring and security services through its subsidiaries and associate companies.

Shares of the Bank were first listed on the Cairo and Alexandria Stock Exchange (since renamed the EGX) in February 1995, and Shares in the form of GDRs were first listed on the London Stock Exchange in July 1996. As at 31 December 2013, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, owned 9.1% of the Bank's Shares. In March 2014, Actis CIB Mauritius Limited sold a portion of its interest in the Bank, representing 2.6% of the Bank's total Shares, to international investors. On 19 May 2014, Actis CIB Mauritius Limited sold its remaining 6.5% interest in the Bank to Fairfax Financial Holdings Ltd.

For the year ended 31 December 2013, the Bank's net profit was EGP 2,603 million, as compared to EGP 1,659 million for the year ended 31 December 2012 and EGP 1,463 million for the year ended 31 December 2011. As at 31 December 2013, the Bank's total assets were EGP 113,782 million, as compared to EGP 97,251 million for the year ended 31 December 2012 and EGP 87,065 million for the year ended 31 December 2011. As at 31 December 2013, the Bank's return on average assets was 2.9%, as compared to 2.5% as at 31 December 2012 and 2.0% as at 31 December 2011. As at 31 December 2013, the Bank's return on average common equity was 26.5%, as compared to 22.9% as at 31 December 2012 and 18.7% as at 31 December 2011.

History

The Bank is incorporated in Egypt with the Commercial Registry Office for Investment-Giza Governorate № 69826. The duration of the Bank is 100 years from 8 May 1986. The Bank's registered office is located at Nile Tower Building, 21/23 Charles de Gaulle Street – Giza, P.O. Box 2430, Cairo, Egypt. The Bank's telephone number is +202 3747 2000.

The Bank was established in the form of an Egyptian joint stock company as a private commercial bank in 1975 as Chase National Bank (Egypt) S.A.E. as a joint venture between the National Bank of Egypt ("**NBE**"), which initially held 51% of the Bank's share capital and Chase Manhattan OBC, which initially held 49% of the Bank's share capital. The original purpose of the Bank was to provide trade and project financing, as well as other banking services to the increasing number of private sector companies, including multinational companies, in Egypt.

In 1987, Chase Manhattan OBC sold its shareholding in the Bank to NBE, which, as a result, held 99.9% of the Bank's share capital, with the remaining minority interest held by employee funds of NBE and the Bank. The Bank's name was also changed to Commercial International Bank (Egypt) S.A.E., its current name.

Between February and December 1992, NBE offered tranches of its shareholdings in the Bank to employees of the Bank and NBE. As a result of these offerings, NBE's shareholding was reduced to 69.9% as at December 1992 and the total number of shareholders increased to more than 4,800.

In November 2003, there was a public offering of new Shares in the Bank pursuant to which the Bank increased its issued share capital by 30%. The transaction marked the then largest public offering of shares by an Egyptian Company and raised approximately U.S.$115 million.

In 1996, the Bank and NBE completed an offering of GDRs representing 22.2% of the Bank's share capital. The GDRs are listed on the LSE. A further 130 million GDRs of the Bank's share capital were listed on the LSE in July 2005.

Between 1998 and 2006, the Bank established a number of strategic subsidiaries and associate companies to complement its core businesses. These companies include: CI Capital Holding Co. S.A.E. ("**CI Capital**"), which offers asset management, investment banking, brokerage and research services; Egypt Factors, a factoring company; Commercial International Life Insurance Company, which offers life insurance and retirement savings programmes; the Falcon Group, which offers security services; and Corporate Leasing Company (Egypt) S.A.E., which offers leasing services.

In 2006, a consortium led by Ripplewood Holdings acquired the NBE's remaining shareholding in the Bank.

In July 2009, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, acquired 50% of Ripplewood Holding's shareholding in the Bank for U.S.$244 million. Ripplewood Holdings sold its remaining interest in the Bank through the open market. As at 31 December 2013, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, owned 9.1% of the Bank's Shares. In March 2014, Actis CIB Mauritius Limited sold a portion of its interest in the Bank, representing 2.6% of the Bank's total Shares, to international investors. On 19 May 2014, Actis CIB Mauritius Limited sold its remaining 6.5% interest in the Bank to Fairfax Financial Holdings Ltd.

Strengths

According to statistics compiled by the Bank, the Bank is the leading Egyptian private sector bank in terms of profitability, revenue, net-worth, market capitalisation and loan and deposit market share. The Bank believes that its strong market position is due to the following competitive advantages:

- ***Experienced management team and staff***. The Bank's Chairman, Mr. Ezz Al-Arab joined the Bank in 1999 and has served as Chairman and Managing Director since 2002. A number of the other members of the Board of Directors also have significant experience in the banking industry having worked for a number of international and local banks. The Bank invests significant amounts in training for the professional development of its employees and has avoided the introduction of pay cuts since the recent political instability in Egypt in order to recruit and retain qualified personnel. The Bank benefits from the experience of its staff, which has seen several economic cycles and has been exposed to all of the major economic sectors in Egypt. The Bank believes that the experience of its senior management team and staff is a key strength as it seeks to continue to maintain and improve its operating performance.

- ***High liquidity***. The Bank benefits from high levels of liquidity, primarily due to its large customer deposit base. These high liquidity levels provide the Bank with a strong and stable funding base.

- ***Prudent risk management and focus on sound asset quality***. The Bank follows stringent risk management policies and procedures and has conservative credit approval processes and underwriting criteria, all of which are intended to maintain the quality of its assets. The Bank's Risk Group provides independent oversight and support across the Bank's enterprise risk management framework.

- ***Transparency and robust corporate governance***. The Bank has a culture of transparency and adheres to a robust corporate governance policy. The Bank's Board of Directors is comprised of seven non-executive directors (together with two executive directors) with backgrounds in banking and financial services, asset management, private equity and law (among others). The Board of Directors has established a number of corporate governance committees, including an audit committee, governance and compensation committee, risk committee, management committee and high lending and investment committee.

- ***Robust capital structure and high capital adequacy ratio.*** The recent developments in the world economy have demonstrated the importance of having a robust equity capital structure. The Bank's paid-in capital was EGP 9.0 billion as at 31 December 2013, the highest paid-in capital of all Egyptian banks, according to statistics compiled by the Bank. In addition, the Bank's Tier 1 capital adequacy ratio was 8,730 million as at 31 December 2013, above the minimum 10% ratio required by the CBE.

- ***Reliable and diversified deposit base.*** The Bank has a robust deposit base as a result of its extensive branch network throughout Egypt. In 2013, the Bank increased its market share from 7.2% of total deposits in Egypt as at 31 December 2012 to 7.6% of total deposits in Egypt as at 31 October 2013, an increase of 6%.

- ***Customer focus and customer relationships***. The Bank reviews and expands its product range on an ongoing basis in order to meet its customers' financial needs and has invested in the quality and breadth of its product range in order to enter new product markets and target additional customers. As a result, more than 700 of the largest corporations in Egypt bank with the Bank and the Bank has developed a number of long-term relationships with its customers with some spanning more than 35 years. Maintaining and building on its customer relationships has and continues to be an integral focus for the Bank and the Bank adjusts its strategy on an ongoing basis based on prevailing economic conditions and continuous changes in market demands.

Strategy

The Bank's overall strategy is to retain and strengthen its position as a leading private sector bank in Egypt offering a broad range of products to corporate and retail clients in Egypt. In addition to developing its core banking business in Egypt, the Bank plans to increase the cross-selling of the Bank's other businesses, such as insurance, leasing, factoring, securities brokerage, investment banking, security and asset management services in order to capture new business and expand the Bank's market share.

The key elements of the Bank's strategy are as follows:

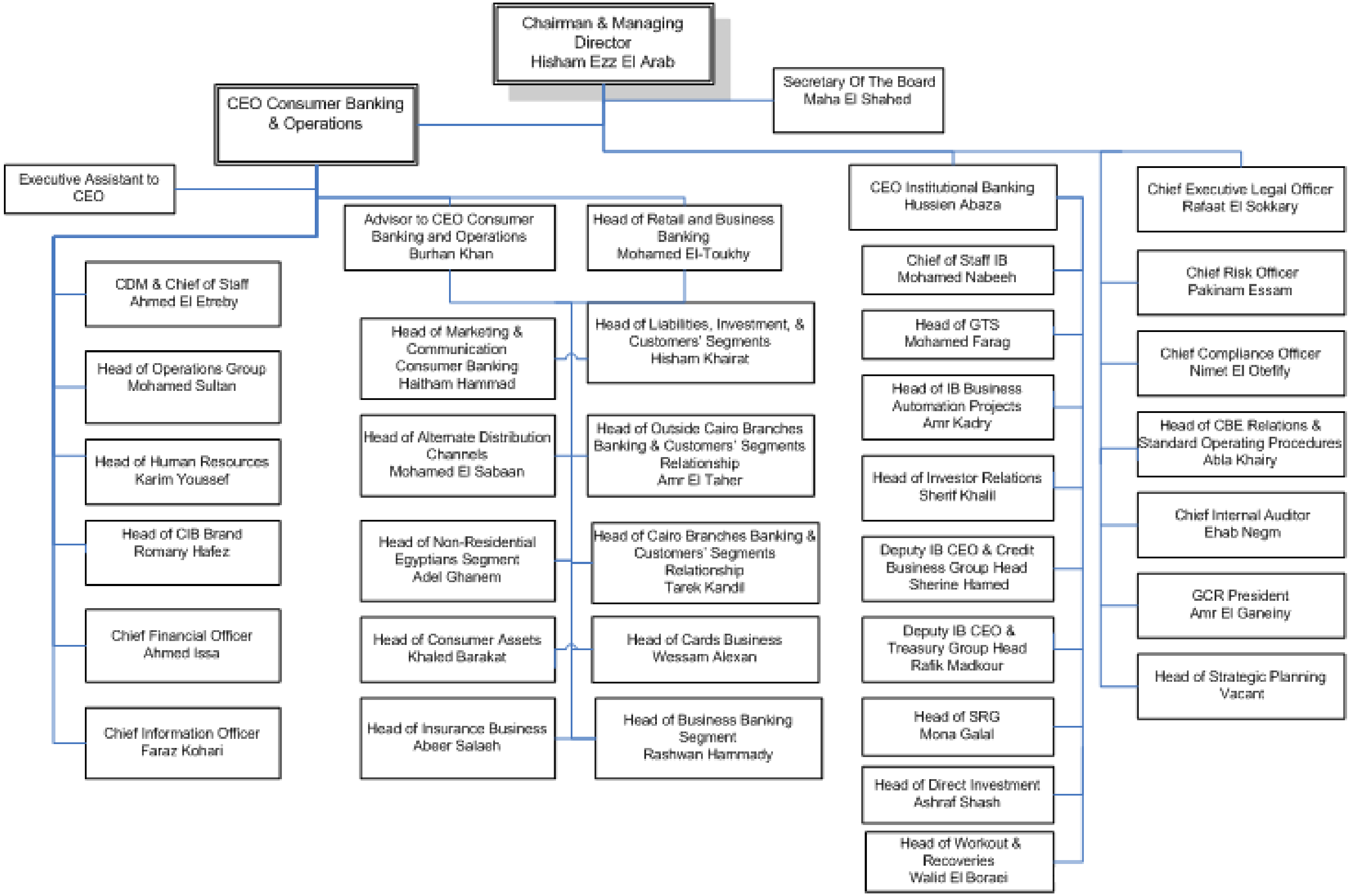
- to expand the Bank's loan portfolio, with a particular focus on increasing the financing of mid-cap projects;

- to grow the Bank's trade business services in order to enhance the Bank's fee income stream; and

- to continue to take advantage of new technology and alternative distribution channels and to promote the uptake of the Bank's e-trade platform and online portals.

Organisational Structure

The chart below sets forth the organisational structure and management reporting lines of the Bank:



Description of the Bank's Principal Business Activities

Institutional Banking

According to statistics compiled by the Bank, the Bank is Egypt's leading private institutional bank by market share of institutional loans (9.2%) and deposits (10.4%). The Bank provides banking and other services to institutions and corporations through nine key divisions:

- ***Corporate Banking Group***, which offers financing, underwriting and advisory services to corporate clients across a variety of industry sectors (see "*—Corporate Banking*");

- ***Debt Capital Markets Division***, which offers underwriting, structuring and arrangements services for large-scale project financing, syndicated loans, bond issues and securitisations (see "*—Debt Capital Markets Division)*;

- ***Direct Investment Group***, which acts as the Bank's investment arm, offering equity finance opportunities, which have commercial value for the Bank, to existing and potential clients (see "*—Direct Investment Group*");

- ***Financial Institutions Group***, which offers a variety of products and services through its Corresponding Banking Division (which acts as a point of contact for local and foreign banks working with the Bank), Non-Banking Financial Institutions Division (which provides credit facilities, liability products and services to all types of non-bank financial institutions) and Finance Programs and International Donor Funds Division (which manages sustainable development funds and credit lines provided by governmental entities and international agencies, as well as the Bank's microfinance portfolio);

- ***Strategic Relations Group***, which acts as a small focus group of professionals to provide tailor-made products and services to accommodate the unique business and operational needs of the Bank's global donor and development organisation clients; these products include secured and unsecured overdraft facilities, credit facilities, corporate credit cards, discounts on banking charges, tailored IT solutions, preferential rates on term deposits and current accounts, the installation of banking units at customer premises and special pricing for staff loans;

- ***Treasury and Capital Markets***, which offers products, including foreign exchange and money market trading activities, primary and secondary government debt trading, management of interest rate gaps and associated hedging and pricing of foreign and local currency deposits, to large corporate clients, global customer relations and business banking clients, retail and wealth clients, and the Bank's strategic relations clients. The Treasury and Capital Markets group also works with financial institutions, including funds, insurance companies and others.

- ***Asset and Liability Management,*** which is responsible for managing the Bank's liquidity and interest rate risk, managing the Bank's "Nostro" accounts, overseeing the Bank's proprietary book and settling loan and deposit prices (see "*Asset, Liability and Risk Management—Liquidity Risk*" and "*Asset, Liability and Risk Management—Market Risk—Interest Rate Risk*"); and

- ***Global Transaction Services***, which is responsible for introducing new distribution channels and products to corporate and business banking clients and oversees the product areas for trade finance, cash management and payments and global securities services. In 2013, the Global Transactions Services Group established a GDR desk to support GDR issuers; the Bank is also the sole provider of securitisation trustee services in Egypt.

Corporate Banking

The Bank's Corporate Banking Group offers financing, underwriting and advisory services to corporate clients across a wide variety of industry sectors. The products offered by the Corporate Banking Group include corporate lending, syndicated loan services, trade finance, foreign exchange operations, guarantee and payment and account services.

Customer Base

Traditionally, the Corporate Banking Group offered services to large companies with annual sales revenues in excess of EGP 150 million. In recent years, however, the Bank has expended its corporate banking offering to include companies with sales revenues in excess of EGP 50 million. The Bank is committed to increasing the range and volume of the services offered to medium-sized companies.

As at 31 December 2013, the Bank had over 600 corporate clients, of which more than 90% had annual sales revenues in excess of EGP 150 million. The Bank's corporate customer base represents some of the most important sectors of the Egyptian economy, including: oil and gas; power; petrochemicals; infrastructure; food and agribusiness; tourism; shipping and ports; and real estate.

Products and Services

The Bank provides corporate banking products and services to its corporate clients, including as follows:

<u>Corporate lending</u>. The Bank offers a wide range of credit products to corporate clients, including loans, credit lines, overdrafts, letters of credit and bank guarantees.

As at 31 December 2013, loans to corporate customers accounted for EGP 38,776 million, or 85.6% of the Bank's loan portfolio, as compared to EGP 37,161 million, or 86.1% of the Bank's loan portfolio, as at 31 December 2012 and EGP 36,851 million, or 88.8% of the Bank's loan portfolio, as at 31 December 2011. The Bank is committed to increasing its loan portfolio with an emphasis on financing mid-cap projects.

Debt Capital Markets Division

The Debt Capital Markets Division offers comprehensive and integrated corporate finance and investment-banking services, including underwriting, structuring and arranging large-scale project financings, syndicated loans, bond issues and securitisation transactions. The Debt Capital Markets Division also has a dedicated agency desk.

Despite the continued market turbulence, the Debt Capital Markets Division has successfully closed a number of important transactions worth more than EGP 14.5 billion in 2013, EGP 12.4 million in 2012 and EGP 10 billion in 2011, as well as completing a number of restructurings and refinancing of existing deals. In recent years, the Bank has been involved in deals in the petrochemicals, heavy equipment, oil and gas, telecommunications and real estate sectors, among others, and has acted as initial mandated lead arranger, agent, security agent or bookrunner (or a combination of such roles) in the majority of these transactions.

The Debt Capital Markets Division also structures and places complex securitisation structures, which the Bank views as a unique offering on the Egyptian market. In particular, the Bank won the *EMEA Finance* Best Structured Finance Deal in Africa 2013 for its launch of an EGP 158 million securitisation launched by Mansour Auto. In 2012, the Bank structured and placed the only local securitisation deal for non-bank financial institutions in the market.

Direct Investment Group

The Bank manages a proprietary equity portfolio of various domestic and regional entities. As at 31 December 2013, it had an equity stake in over 33 companies, representing a total investment of approximately EGP 1.3 billion. The Bank's investment activities are focused in Egypt and the MENA region and across all industry sectors. The Bank takes ownership interests of up to 40% of a company's paid in capital. Investments are typically held for between five and seven years.

The Bank's subsidiary, CI Capital, has also launched and manages eight mutual funds, see "*—Subsidiaries and Associates—CI Capital Holding Co. S.A.E.*".

Consumer and Business Banking

The Bank offers a full range of retail products and services, including personal loans, auto loans, deposit accounts, residential property finance, credit and debit cards and payroll services.

Deposits

The Bank offers a variety of interest-bearing bank accounts designed for different categories of retail customers. The Bank's deposit accounts include current and term accounts and are denominated in Egyptian Pounds and major foreign currencies, principally U.S. Dollars. Account terms vary from demand deposits to certificates of deposit with maturities of up to ten years. Tailored youth, minor, senior citizen and care accounts (through which donations can be made to others) are also offered by the Bank.

Total customer deposits (amounts due to customers) increased by EGP 18,117 million, or 23.0%, to EGP 96,846 million as at 31 December 2013 from EGP 78,729 million as at 31 December 2012, after having increased by EGP 7,261 million, or 10.2%, from EGP 71,468 million as at 31 December 2011. The increase in 2013 was primarily due to increases in demand deposits, time deposits and savings deposits, while the increase in 2012 was primarily due to increases in certificates of deposit and savings deposits. See "*Selected Statistical and Other Data—Principal Sources of Funding—Amounts due to Customers*".

Retail Lending

The Bank provides a wide range of loan products to retail customers. As at 31 December 2013, loans to individuals accounted for EGP 6,515 million, or 14.4% of the Bank's gross loan portfolio, as compared to EGP 5,982 million, or 13.9% of the Bank's gross loan portfolio as at 31 December 2012 and EGP 4,648 million, or 11.2% of the Bank's gross loan portfolio as at 31 December 2011.

The Bank currently extends the following types of loans to retail customers:

Auto loans. An auto loan may be given for a period of up to six years and a maximum of EGP 600,000 and can be up to 100% of the purchase price of the car. The Bank makes auto loans on both secured and unsecured bases, depending on the customer, and offers special products for self-employed customers.

Personal loans. The Bank offers several personal instalment loan products to meet consumers' short- and medium-term needs. The Bank offers consumer loan products with tenors of up to eight years in amounts from EGP 5,000 to EGP 500,000. For these products, the Bank has simplified its procedures in order to be able to make rapid decisions, including through the use of simplified standardised documents and the use of external credit bureaus. The Bank also offers specialised unsecured loan products to self-employed customers who own businesses that also bank with the Bank.

Residential Property Loans. The Bank offers several residential property products, providing loans to finance home purchases, residential construction and refurbishment and finishing. Mortgage loans offered by the Bank have maximum repayment periods of 20 years, which are available to self-employed customers, non-salaried customers and salaried customers who have transfer accounts with the Bank. Loan amounts range from a minimum of EGP 120,000 and a maximum of EGP 5,000,000. All of such loans are secured by a pledge of the purchased real estate.

Secured Overdraft facilities. The Bank offers secured overdraft facilities of amounts from EGP 10,000. All overdraft facilities are secured by certain savings accounts, certificate of deposits, funds, treasury bills or time deposits offered by the Bank.

Credit cards. According to figures published by the CBE, the Bank had 10.4% of the credit card market in Egypt (in terms of issued cards), as at 31 December 2013. As at 31 December 2013, the Bank had issued approximately 218,000 credit cards with an aggregate credit limit of approximately EGP 3.4 billion. The Bank processes its credit card transactions in house. The Bank currently offers its platinum card (with a credit limit starting from EGP 50,000), gold card (with a credit limit starting from EGP 10,000 up to EGP 49,999), classic card (with a credit limit starting from EGP 1,000 up to EGP 9,999), Heya card (which is exclusively for female clients with a credit limit of a minimum of EGP 10,000) and com card (which is designed for online shopping with a credit limit starting from EGP 500 up to EGP 3,000). In June 2014, the Bank launched a co-branded airline credit card with Egyptair, CIB-EGYPTAIR "Mileseverywhere", in co-operation with Mastercard.

Debit cards. According to figures published by the CBE, the Bank had approximately 6% of the debit card market in Egypt, as at 30 June 2013. As at 31 December 2013, the Bank has issued approximately 731,520 debit cards. The Bank processes its debit card transactions in house.

The Bank also issues special prepaid cards, including the International Student Identification Card (issued to young people (from 12 years old) with a maximum loading limit of EGP 17,000); the Hedeyati Card (a gift card with a maximum loading limit of EGP 2,000 or EGP 4,000 (depending on the type of card purchased); and the CIB-Thomas Cook Prepaid MasterCard (issued in co-operation with Thomas Cook to permit preloading in Egyptian Pounds and use worldwide in the relevant foreign currency).

Business Banking

In 2011, the Bank launched its "business banking" segment to acquire and develop business with retail enterprises and to offer tailor-made products and services. The business banking segment mainly serves small and medium sized ("**SME**") companies, which contribute almost 80% of Egypt's GDP.

The business banking segment offers financial packages (which, depending on the average balance deposited with the Bank, offer discounts on the Bank's fees and charges, the services of a dedicated relationship manager and offers and services from the Bank's subsidiary and associate companies), a business banking card to access accounts via the internet, tailor-made packages for companies within the education sector (including tuition fee payment and loan programmes, payroll services, point of sale services and wealth management services) and unsecured lending options for overdrafts, time loans and medium term loans. The Bank also offers business workshops and seminars to support its SME clients.

The business banking segment has grown each year since its launch in 2011. In 2013, new business banking clients reached 644, which represented an average of 54 new clients per month. The Bank intends to expand its distribution channels to additional locations across the Egypt, in particular to industrial zones, in order to further grow the business banking segment.

Payroll services

The Bank provides payroll services to over 188,000 employees, including for corporate businesses having a corporate relationship with the Bank, as well as retail businesses having a consumer relationship with the Bank. As at 31 December 2013, the Bank's payroll services assets portfolio was EGP 0.9 million, representing a 39% increase, as compared to 31 December 2012. As part of its payroll services, the Bank offers group life insurance policies and other special pricing and privileges for customers, depending on the package chosen. Generally, the Bank offers different pricing and benefits for its payroll services depending on the type of employer concerned.

Wealth Management

The Bank offers wealth management services to customers who maintain a minimum balance of EGP 500,000 with the Bank. Products offered to wealth management clients include a tailor-made savings account with an overdraft facility of up to 90%, preferential rates on time deposits and other preferential charges, credit and debit cards, special investment portfolios through CI Capital, secured personal loans and auto loans and mortgage loans with reduced pricing and other special features. The Bank has also established a specific segment for high-net worth clients, which offers further privileges.

Wealth management clients are offered, among other things, a dedicated wealth manager and service officers and tellers, a dedicated call centre and access to the Bank's lounges. The Bank's team of wealth managers is certified by the Chartered Investment Securities Institution through the International Certificate in Wealth Management.

As at 31 December 2013, the Bank had 23,293 wealth management clients, as compared to 18,902 wealth management clients as at 31 December 2012 and 15,216 wealth management clients as at 31 December 2011.

CIB Plus

In 2013, the Bank introduced CIB Plus, a new segment designed to cater to medium-net-worth individuals. CIB Plus offers simplified products, fast track services and personalised service offerings to its customers through a network of dedicated bankers. CIP Plus also aims to encourage its customers to grow their savings and product portfolios and offers an intermediate service before the relevant customer qualifies for the Bank's wealth management services.

Insurance

Since 2000, the Bank has offered life insurance programmes, including protection and savings packages. In 2011, the Bank also began offering general insurance. The Bank's life and general insurance programmes generate non-interest revenues in the form of fees for the Bank's consumer banking business.

Distribution Channels

As at 31 September 2013, the Bank had a network of 125 branches (including one smart branch with various fully interactive services) and 27 units located throughout Egypt. Branches offer the full range of the Bank's products and services. The Bank had more than 555 ATMs and 8,683 points-of sale as at 31 December 2013.

The Bank has a 24-hour call centre for current and prospective clients, which handles more than three million calls per year. The call centre supports all inquiries, requests and financial transactions.

The bank offers internet banking, telephone banking (including funds transfers), electronic settlement services, and e-payment facilities to settle customs, tax and other governmental payments. In 2013, the Bank had a 47% market share in the collection of government e-payments, making it the leading bank in Egypt for the provision of this service, according to statistics compiled by the Bank.

The Bank launched its new internet banking service in 2012, which is designed to allow future integration with other e-channels and to offer advanced services such as mobile banking and bill payment. The Bank estimates that more than 50% of its corporate clients use the Bank's online services. A further new online platform was introduced in the first quarter of 2013. Uses of the Bank's online services increased by more than 42% in 2013, as compared to 2012.

Subsidiaries and Associates

The following table sets forth certain information about the Bank's significant subsidiary and associates:

Name	Country of incorporation	Ownership Interest
CI Capital Holding Co. S.A.E	Egypt	99.98%
Commercial International Life Insurance	Egypt	45.0%
CORPLEASE	Egypt	43.0%
Haykala for Investment	Egypt	40.0%
Egypt Factors..	Egypt	39.0%
International Company for Security and Services (Falcon)	Egypt	40.0%

CI Capital Holding Co. S.A.E.

The Bank owns 99.98% of the issued share capital of CI Capital. CI Capital is the investment banking division of the Bank, which offers securities brokerage, asset management and investment banking advisory services, as well as equities and other research services, through a number of divisions and subsidiary companies. CI Capital is licensed by the Egyptian Capital Market Authority.

Investment Banking

Investment banking services are offered through CI Capital Investment Banking (the legal name of which is CI Investment Banking Co.), a subsidiary of CI Capital. CI Capital Investment Banking offers services for equity capital markets transactions (including private placements, initial public offerings, follow-on offerings, ADR and GDR listings and valuation advisory services), mergers and acquisitions (including buy-side and sell-side advisory services, asset disposal programmes and divestiture and management and leveraged buy-outs advisory services) and debt advisory services (in collaboration with the Bank) (including securitisations, corporate bonds and debt raising advisory services).

CI Capital Investment Banking has established itself as the number one investment bank in Egypt in 2013, according to statistics published by Zawya. Despite challenging market conditions, CI Capital Investment Banking had a successful year in 2013 during which it executed six deals with an aggregate transaction value of more than EGP 55 billion. Notable transactions conducted in 2013 included acting as sole local financial advisor on OCI N.V.'s U.S.7.3 billion acquisition of Orascom Construction Industries S.A.E, as well as high-profile transactions involving companies including Bechtel, El Sewedy Cables, Al Hokair and the Al Arafa Group.

Securities Brokerage

Securities brokerage services are offered through Commercial International Brokerage Company ("**CIBC**") and Dynamic Securities Brokerage Co., which are each subsidiaries of CI Capital. CIBC caters to institutions and high net worth individuals, while Dynamic Securities Brokerage Co. focuses on retail clients.

CI Capital offers a wide range of securities brokerage services for both retail and institutional investors and serves a wide range of global clients offering clients access to international equity markets in Egypt, Europe, the United States and the GCC. In 2013, according to statistics compiled by the EGX, CIBC was ranked as the second brokerage firm in Egypt by execution market share (with a traded volume of EGP 30.1 billion), while Dynamic Brokerage Co. moved from being ranked among the top 30 brokerage houses to among the top 20 brokerage houses according to the same source. As at 31 December 2013, according to statistics compiled by the EGX, CIBC and Dynamic Brokerage Co. had a combined market share of 12.1% of the Egyptian securities brokerage industry. Notable transactions conducted in 2013 included advising in connection with the EGP 12.2 billion Orascom Construction Industries mandatory tender offer.

Asset Management

Asset management services are offered through CI Asset Management, a subsidiary of CI Capital, and a leading institutional asset management firm in Egypt with total assets under management of approximately EGP 7.9 billion as at 31 December 2013.

CI Asset Management manages funds and portfolios on behalf of a wide range of clients, including public and private banks, governmental institutions, insurance companies and corporate entities. CI Asset Management has launched and manages eight funds: (i) Osoul, one of the largest money market funds in Egypt; (ii) Istethmar, an equity fund; (iii) Al Aman, a Sharia-compliant fund launched in co-operation with Faisal Islamic Bank of Egypt; (iv) BLOM MM Fund, a money-market fund; (v) Hemaya, a capital protected fund; (vi) Thabat, a fixed income fund; (vii) Rakhaa, United Bank of Egypt's Sharia-compliant money-market fund; and (viii) Banque du Caire, a fixed income fund launched in February 2013. In addition, in 2013, CI Asset Management launched a new money market fund for Arope Insurance, the first money market fund issued by an insurance company in Egypt.

CI Asset Management also provides portfolio management services for a wide range of the Bank's and CI Capital's clients and discretionary services to high-net-worth individuals and institutional investors.

In 2013, CI Asset Management was named "*Best Asset Manager in Egypt*" by Global Investor for the fourth consecutive year.

Research

Research services are offered through CI Capital Research, CI Capital's research department. Originally the research department of CIBC, CI Capital Research was established as a separate entity in 2005 and is staffed by industry and equity analysts covering all sectors of the Egyptian market and industries in other GCC countries. CI Capital Research provides equity and industry research and economic coverage and acts as a research centre for the Group. As at 31 December 2013, CI Capital Research covered almost 50 companies in Egypt, the United Arab Emirates, Saudi Arabia, Qatar and Oman, representing an aggregate market capitalisation of U.S.$ 85 billion.

Egypt Factors

Egypt Factors is a joint venture among the Bank (39.0% shareholding), Malta-based FIM Bank plc (40.0% shareholding) and the International Finance Corporation (20.0% shareholding). Egypt Factors is the first non-banking financial institution in Egypt to specialise in factoring and was the first company to be registered on the Egyptian Register for Factoring Companies. Egypt Factors provides factoring packages, including administration and commercial collection services, receivables funding and debt protection receivable management services aimed at supporting and promoting cross-border and domestic trade. Egypt Factors' key customer base comprises producers, manufacturers, traders service providers which conduct transactions based on short-term deferred payments, as well as domestic buyers from local and foreign sources. According to statistics compiled by Factor Chain International, in 2013, Egypt Factors achieved the highest volume of international trade handled through the Factor Chain International network among all Egyptian factoring companies for the fifth consecutive year and, according to the same source, was ranked third in the MENA region.

Commercial International Life Insurance Company

Commercial International Life Insurance Company ("**CIL**") is 45.0% owned by the Bank and 55.0% owned by Legal & General Overseas Holdings BV. CIL offers life insurance and retirement protection products to individual and corporate customers and pioneered the introduction of unit-linked products to the Egyptian market. As at 31 December 2013, CIL insured the lives of more than 350,000 individuals and provided retirement savings programmes for more than 56,000 individuals.

Falcon Group

International Security & Services Company S.A.E. (the "**Falcon Group**") is a joint venture among the Bank (40% shareholding), CIB Employees Fund (20% shareholding), Al Ahly for Marketing and Services (5% shareholding) and a number of other private entities (35% shareholding) and was established in 2006. The Falcon Group offers integrated security services through six main business lines, each of which operate as separate legal entities, as follows:

- ***Falcon Security Services Company***, which offers properties and premises protection, public event security, personal protection, corporate security and safety training and industrial security services. As at 31 December 2013, Falcon Security Services provided services to clients in 496 locations and, according to statistics compiled by the Falcon Group, had a 42% market share of the Egyptian security services industry.

- ***Falcon Security Electronic Solutions***, which offers security surveillance and counter surveillance equipment, access control equipment, fire systems, safety equipment and security fences.

- ***Falcon for Money Transfer Services***, which offers cash management and transit services, ATM services, money processing services and valuables transfer services. As at 31 December 2013, Falcon for Money Transfer Services had a fleet of 100 armoured vehicles and, according to statistics compiled by the Falcon Group, through the opening of its Ismailia branch in 2013, increased its market share to 33% of the Egyptian money transfer industry.

- ***Falcon Blue for Touristic Services***, which offers flight and hotel bookings, visa handling, tour arrangement and pilgrimages, medical insurance and other services.

- ***Falcon for General Services and Properties Management***, which offers cleaning and housekeeping, pest control, planting and maintenance services. As at 31 December 2013, Falcon for General Services and Properties Management provided services from 318 sites and, according to statistics compiled by the Falcon Group, had a 14% market share of the Egyptian property management industry.

- ***Falcon for Investment and Sports Marketing***, which organises tournaments and events and supplies necessary equipment.

In 2013, the Falcon Group commenced construction of its new headquarters, located in New Cairo. The first phase of construction, which comprises two basements and a ground floor is expected to cost EGP 15 million. The Falcon Group expects to expand its presence in its markets of operation through the opening of four further branches over the next three years, including the opening of a branch in Mansour in 2014, as well as through the growth of its fleet to 160 vehicles by 2016 (including an addition of 22 cars in 2014).

Corporate Leasing Company (Egypt) SAE

Corporate Leasing Company (Egypt) SAE ("**CORPLEASE**") is a joint venture among the Bank (43% shareholding), Deutsche Investitions- und Entwicklungsgesellschaft ("**DEG**") (22% shareholding) and UBAF-France (part of the Credit Agricole Group) (17% shareholding) and was established in 2004. CORPLEASE offers finance lease and operating lease products to the SME and corporate sectors. CORPLEASE also provides fleet management and vendor finance products, as well as structured leasing products. CORPLEASE covers all areas of Egypt through its offices in Cairo, Alexandria, Mansoura, Assiut, Hurghada and Suez. CORPLEASE also has a wholly-owned subsidiary incorporated in the Dubai International Financial Centre. Management believes that, in 2013 and 2012, CORPLEASE was one of the top three financial leasing companies in Egypt. In 2013, CORPLEASE's lease bookings more than doubled, as compared to 2012, due to increased demand for medium- and long-term financing.

Non-Core Activities

As part of its commitment to corporate social responsibility, the Bank undertakes a wide range of activities, including sponsoring promising talent, promoting health and environmental awareness and training and developing employees.

In 2010, the Bank established the CIB Foundation, a non-profit organisation aimed at enhancing health and nutritional services for underprivileged children in Egypt. The Foundation focuses on sustainable development initiatives and is governed by a seven member Board of Trustees chaired by the Chairman of the Bank. The Bank's shareholders allocate a proportion of the Bank's net profits to the CIB Foundation on an annual basis. In 2013, a budget of approximately EGP 35 million was allocated to the CIB Foundation.

IT and Management Information Systems

The Bank's central accounting and core banking operations have been automated since the Bank's incorporation and the Bank has upgraded its systems on a number of occasions.

Between 2010 and 2012, the Bank implemented a three-year information technology overhaul during which all of the Bank's key systems were either significantly overhauled or replaced and key technology upgrades were introduced with the aim of stabilising and securing all of the Bank's information technology system. In 2013, the Bank continued its efforts to improve its technological base.

Recent upgrades to the Bank's information technology systems have included moving all banking systems to a new core system aimed at developing the Bank's capacity to provide 24 hour banking services, introducing new infrastructure for key system, investment in a new online banking system, development of the Bank's analytical and reporting functions as part of its data warehouse strategy, the development of a new data centre to house all of the Bank's information technology infrastructure, investment in systems to address compliance and regulatory requirements (including implementation of Basel II functionality over the Bank's data warehouse) and the implementation of a business process orchestration project to provide processing automation capabilities across the Bank.

In July 2013, the Bank opened its principal data centre facility as its main production site, which provides IT services, in order to improve service quality. The Bank also has a second data centre facility designated as the Bank's operational disaster recovery site. The disaster recovery site stores a duplicate of all data held at the first facility. The Bank is in the process of upgrading its disaster recovery site. The upgrade works are expected to cost U.S.$2.6 million and to be completed by the end of September 2014. In addition, the Bank has designed and implemented a business continuity planning process that is intended to minimise the risk of service and data loss in the event of a disaster or other information technology threat.

Competition

The Bank faces competition from both domestic and foreign banks and from foreign financial institutions operating in Egypt. Competition is intense and is expected to become stronger, both as more foreign banks enter the market and as the Egyptian capital markets develop further. The Bank competes largely on customer service, and to a lesser extent price, offering competitive interest rates to attract deposits, and tight spreads and margins to promote its lending activities. See "*Risk Factors—Risks Relating to the Bank—Competition*".

The Bank considers QNB Alahli (formerly National Société General Bank), Arab African International Bank, Crédit Agricole and HSBC, which are the largest privately-held banks in Egypt, to be its main competitors.

The following table sets forth the market share of the Bank and its principal competitors in Egypt in terms of total assets as at 30 September 2013.

	Total assets *(EGP billions)*(1)	**Market share** *(%)*
Commercial International Bank	**109**	**6.7**
QNB Alahli	76	4.7
Arab African International Bank	58	3.6
HSBC Bank Egypt	58	3.6
Crédit Agricole.	28	1.7
Total market(2)	**1,620**	**100.0**

Notes:

(1) Peer data and Bank data is based on company financial statements as at and for the period ended 30 September 2013.

(2) "Total market" includes banks other than the banks listed in this table.

The following table sets forth the market share of the Bank and its principal competitors in Egypt in terms of total loans and advances as at 30 September 2013.

	Total lending *(EGP billions)*[(1)]	Market share *(%)*
Commercial International Bank.	**45**	**8.3**
QNB Alahli	42	7.6
Arab African International Bank	25	4.6
HSBC Bank Egypt	21	3.9
Crédit Agricole.	14	2.5
Total market[(2)]	**549**	**100.0**

Notes:

(1) Peer data and Bank data is based on company financial statements as at and for the period ended 30 September 2013.

(2) "Total market" includes banks other than the banks listed in this table.

The following table sets forth the net profit of the Bank and its principal competitors in Egypt as at 30 September 2013

	Net profit *(EGP millions)* [(1)]
Commercial International Bank.	**45**
QNB Alahli	42
Arab African International Bank	25
HSBC Bank Egypt	21
Crédit Agricole.	14
Total market[(2)]	**—**

Notes:

(1) Peer data and Bank data is based on company financial statements as at and for the period ended 30 September 2013.

(2) "Total market" includes banks other than the banks listed in this table.

(3) The total market net profit is unavailable. Accordingly, market share estimates are also unavailable.

Capital Expenditure

The Bank has historically funded its capital expenditure requirements from current cashflows. The Bank's capital expenditure for the years ended 31 December 2013, 2012 and 2011 was EGP 507 million, EGP 221 million and EGP 109 million, reflecting, among other trends, increased investment in information technology and building and construction.

The following table sets out information on the Bank's capital expenditure for the periods indicated.

	For the year ended 31 December		
	2013	**2012**	**2011**
		(EGP millions)	
Land	4	—	—
Building and construction	215	1	19
Information technology	162	97	46
Automobiles	9	5	8
Fitting out works	50	80	17
Machinery and equipment	55	28	17
Furniture and furnishings	12	10	2
Total	**507**	**221**	**109**

The Bank's principal investments currently in progress include funding the expansion of the Bank's branch network and core banking systems, enhancement of the Bank's reporting tools, as well as the enhancement of the Bank's offering of alternative distribution channels. An aggregate amount of EGP 608 million has been budgeted and approved by the Board of Directors for the current stage of such projects, all of which are located in Egypt. These investments are being funded by the Bank's internal cash flows.

The following table sets forth the Bank's principal future investments for which firm commitments have been made:

	For the year ended 31 December
	2014
	(EGP millions)[1]
Land	0.2
Building and construction	251.6
Information technology	128.0
Automobiles	8.0
Fitting out works	65.7
Machinery and equipment	139.9
Furniture and furnishings	14.6
Total	**608.0**

Note:
(1) Estimated figures.

The Bank's principal future investments include funding the further expansion of the Bank's branch network and core banking systems, further enhancement of the Bank's reporting tools, as well as the further enhancement of the Bank's offering of alternative distribution channels, which are expected to cost an aggregate of EGP 3 billion (based on projected figures, which will be further reviewed and approved by the Bank's Board of Directors on an annual basis). The projects are expected to be funded from the Bank's internal cash flows and are expected to be completed by 2018.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the recent past (covering the 12 months immediately preceding the date of this Prospectus) a significant effect on the financial position or profitability of the Issuer or the Group.

Property

As at 31 December 2013, the Bank held property in the form of land (amounting to a book value of EGP 65 million) and buildings (amounting to a book value of EGP 416 million). There are no major encumbrances on the Bank's properties.

The Bank owns 91 of its branch properties, including its head office in Giza. Of the other 64 branches, 22 are subject to long-term renewable leases and 42 are subject to medium-term renewable leases as at 31 December 2013, the Bank's operating rent expense was approximately EGP 61 million.

The Bank owns no other properties other than four warehouses, situated close to its branches, which are used for document storage purchase and an apartment block which overlooks the River Nile and title to which was vested in the Bank in the course of a remedial loan settlement.

Insurance

The Bank maintains insurance coverage in line with market practice in the Egyptian banking sector. The Bank maintains a number of insurance policies in respect of its branches and its head office, covering (among other things) cash in vaults and strongrooms, losses due to robbery and any political or violent accidents, both on and off Bank premises, technical damage to electronic equipment, risk insurance covering buildings, fixtures and fittings, contents and electronic equipment, vehicle insurance against accident, riots, strikes and terrorism, third party insurance (including loss of life) in respect of visitors to Bank premises, drivers, passengers and dispatch riders and a banker's blanket bond policy in respect of fraud and negligence, fidelity guarantee, computer crime, professional indemnity, directors' and officers' liability insurance and securities coverage, both on and off the Bank's premises. Insurance policies have been issued by Misr Insurance company, Allianz Egypt, GIG Insurance Company and Arab Orient Takaful Insurance Company.

Employees

The following table sets forth the number of employees of the Group as at the dates indicated:

	As at 31 December		
	2013	**2012**	**2011**
Head office and branches	5,193	4,867	4,517
Subsidiaries	297	314	350
Total	**5,490**	**5,181**	**4,867**

The Bank has experienced no material labour disputes or strikes and believes employee relations to be good. As the date of the Prospectus, the Bank does not have any collective bargaining agreements with its employees or a trade union.

The Bank has established a share incentive plan for its employees. See "*Description of the Share Capital of the Bank and Certain Requirements of Egyptian Legislation—Share Capital—History of the Share Capital of the Bank—Employee Share Ownership Plans Programme*".

Training and Development

The Bank has a training programme providing both internal and external training for its employees, to help expand and develop their technical, management and business skills. In particular, the Bank operates a number of Leadership and Development programmes, which aim to create a unified vision for all senior management, as well as specialised training for specific departments, including wealth management and specialised programmes for the Operations Department.

Transactions with Related Parties

As part of its ordinary business activities, the Bank deals with related parties (companies having common directors and sister financial institutions). Transactions between the Bank and related parties are subject to and carried out in accordance with CBE regulations. As at the date of this Prospectus, all banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

The following table sets forth details of the Bank's loans, advances, deposits and contingent liabilities with related parties as at the dates indicated.

	As at 31 December		
	2013	2012	2011
		(EGP millions)	
Loans and advances	799	660	781
Deposits	256	244	232
Contingent liabilities	75	115	198
Total	**1,130**	**1,019**	**1,013**

The following table sets forth details of the Bank's other transactions with related parties for the periods indicated.

	For the year ended 31 December					
	2013		2012		2011	
	Income	**Expense**	**Income**	**Expenses**	**Income**	**Expense**
	(EGP millions)	*(EGP millions)*	*(EGP millions)*	*(EGP millions)*	*(EGP millions)*	*(EGP millions)*
International Co. for Securities Services	1	40	1	66	2	61
Corplease Co.	63	48	67	52	85	52
Commercial International Life Insurance Co.	2	1	3	2	2	2

See Note 38 to the Financial Statements.

THE ARAB REPUBLIC OF EGYPT

Egypt is located in North Africa, bordering the Mediterranean Sea, the Red Sea, Libya, the Gaza Strip, Israel and Sudan. With a population of 72.6 million according to the 2006 Census which is estimated to have grown to 83.7 million in 2012 according to CAPMAS projections of 2.2% average growth rate per year, Egypt is the most populous country in the Middle East and the third most populous country on the African continent.

Recent Events

Following the uprising in Tunisia, which led to the departure of its long-standing president in December 2010, political unrest in Egypt, has led to demonstrations and protests in Cairo, Alexandria and a number of other Egyptian cities, leading to the Revolution in January 2011. Following 18 days of violent protests with protestors demanding the overthrow of President Hosni Mubarak, President Mubarak dissolved the Government, resigned and handed power to the SCAF, which suspended the Egyptian constitution and announced that it would govern Egypt until parliamentary elections were held. Demonstrations and protests, which often escalated into violence, continued throughout 2011 and sporadically since in response to the perceived slow pace of political change.

Egypt experienced continued political uncertainty and instability over the course of 2012. Although power was transferred to the lower house of Egypt's bicameral parliament (the Council of Representatives) and the upper house (the Shoura Council) was elected, the SCAF issued the Interim Declaration on 17 June 2012 granting itself more extensive powers and dissolving the Council of Representatives following a ruling of the Supreme Constitutional Court that the law on parliamentary elections was unconstitutional.

Presidential elections were held in June 2012 and were won by the Freedom and Justice Party candidate, Mr. Mohammed Morsi, who took office on 30 June 2012. President Morsi revoked the Interim Declaration and transferred all legislative powers to the Presidency. On 22 November 2012, President Morsi issued a decree, which, among other things, exempted his decisions from judicial review and tasked a constitutional assembly with drafting a new constitution. This decree sparked further unrest with protestors, who argued its effect was to immunise the actions of the President from judicial challenge and to grant him far-reaching prerogative powers. The President rescinded the majority of the decree on 20 December 2012. The new Egyptian Constitution was approved by parliament on 30 November 2012, although the vote was boycotted by many members. It was approved by popular referendum on 26 December 2012.

There were further violent protests and unrest in January 2013 and then in June 2013, following President Morsi's appointment of his allies as regional leaders in 13 of Egypt's 27 governorships. In July 2013, the military removed President Morsi amid mass demonstrations calling for his resignation. Supreme Court Chief Justice Adly Mansour was appointed as interim President. Mr. Hazem El-Bablawi was appointed Prime Minister of President Mansour's interim government in July 2013. Prime Minister El-Bablawi resigned on 1 March 2014, and Mr. Ibrahim Mahlab was appointed to replace Mr. El-Bablawi on 1 March 2014.

Following further protests and demonstrations in August 2013, a state of emergency was declared and a curfew was imposed (which was lifted in November 2013). In September 2013, the military launched a campaign against militants in northern Sinai and a court banned the Muslim Brotherhood of Egypt from carrying out any activities in Egypt. A new law restricting public protests was passed in November 2013. In December 2013, the Government declared the Muslim Brotherhood of Egypt a terror organisation following a bomb blast in Mansoura.

In January 2014, the new Egyptian Constitution was overwhelmingly approved by Egyptians voting in a referendum, although voter turn-out was relatively low.

Presidential elections were held in May 2014 and Abdel Fattah Al-Sisi was sworn in as President of the Republic on 8 June 2014. According to figures announced by the President of the Supreme Committee for the Presidential elections, President Al-Sisi won 96.9% of the presidential vote with an estimated turnout of approximately 47%. On 9 June 2014, the Prime Minister, Ibrahim Mahlab, tendered his cabinet's resignation to the newly inaugurated President Al-Sisi. President Al-Sisi reappointed Mr. Mahlab as Prime Minister on 9 June 2014 and asked him to form a new interim government. The interim government was sworn in on 17 June 2014 and consists of 34 ministers, mainly those from the previous interim government. President Al-Sisi announced on 22 June 2014 that the parliamentary election process would begin before 18 July 2014, although there can be no assurance that the parliamentary elections will be held on or before 18 July 2014, or when a new government will be formed thereafter.

The interim and new Government is likely to continue to face socio-economic challenges and risks of instability that often accompany political transition. These challenges, together with the incidents of social and political unrest and violence in Egypt and across the Middle East, have had a significant adverse effect on the Egyptian economy.

See "*Risk Factors-Risks Relating to Egypt—Political and Security Concerns*" and "*Risk Factors—Risks Relating to Egypt—Economic concerns*".

Egyptian Economy

The following table sets forth certain economic indicators for the periods indicated.

	2010/11(1)	**2011/12**(1)	**2012/13**(1)
Domestic Economy			
Real GDP (*LE billions*)	1,309.9	1,508.5	1,677.4
Real GDP Growth Rate) (*%*)(2)	1.8	2.2	2.1
Real GDP per capita (*LE*)	17,233	19,356	20,957
Consumer Price Index in Urban Areas (*%*)(3)	11.0	8.7	6.9
Balance of Payments			
Exports of Goods (FOB) (*U.S.$ millions*)	26,993	25,072	25,971
Imports of Goods (CIF) (*U.S.$ millions*)	(54,096)	(59,211)	(57,513)
Current Account Balance (*U.S.$ millions*)	(6,088)	(10,146)	(5,582)
Overall Balance (*U.S.$ millions*)	(9,754)	(11,278)	237
Net International Reserves (*U.S.$ millions*)	26,564	15,534	14,936
Months of Import Coverage	5.9	3.1	3.1
Gross External Debt/GDP (%)	15.2	13.2	17.3
Net foreign direct investment (*U.S.$ millions*)	2,189	3,982	3,005
Net foreign direct investment (*% of GDP*)	0.9	1.5	1.1
Public Finance			
Total Revenues (*LE billions*)	265,286	303,622	350,322
Total Expenditures (*LE billions*)	401,866	470,992	588,188
Overall Balance (*LE billions*)	(134,460)	(166,705)	(239,719)
Overall Deficit (*% of GDP*)	9.8	10.6	13.7
Primary Deficit (*% of GDP*)	3.6	4.0	5.3

Sources: The Ministry of Finance, CBE and CAPMAS.

Notes:

(1) The Egyptian government publishes annual figures for the year beginning 1 July and ending 30 June the following year. See "*Information from Public Sources*".

(2) Real GDP is calculated using constant prices with the year 2006/07 as the base year.

(3) Annual rate of change.

Having grown significantly during the period 2004/05-2009/10, the growth rates of the Egyptian economy has grown at a slower rate since the Revolution, with annual real GDP growth rates of 1.8% in 2010/11, 2.2% in 2011/12 and 2.1% in 2012/13. This continued growth was primarily attributable to the diversified nature of the Egyptian economy, with a broad range of sectors, including agriculture, manufacturing and tourism, all contributing significantly to GDP, thereby reducing the economy's reliance on any one sector. See "*Risk Factors—Risks Relating to Egypt—Economic concerns*".

Inflation, as measured by the CPI, has decreased from 11.0% in 2010/11 to 8.6% in 2011/12 and 6.9% in 2012/13. Inflation has, however, increased in recent months, reaching 10.1% in September 2013. due primarily to higher prices of fresh vegetables, poultry and, to a lesser extent, several other food items. Meanwhile, the prices of retail items, other services and paid services has remained broadly unchanged. See "*Risk Factors—Risks Relating to Egypt—Inflation*".

The external sector has weakened since the Revolution, with net international reserves shrinking considerably from U.S.$26.6 billion as at 30 June 2011 to U.S.$15.5 billion as at 30 June 2012 and U.S.$14.9 billion as at 30 June 2013. Net international reserves have since recovered, to an extent, reaching U.S.$17.0 billion as at 31 December 2013.

Between 1991 and 2003, the exchange rate of the Egyptian Pound was pegged to the U.S. Dollar. In January 2003, the CBE abandoned the U.S. Dollar peg and the Egyptian Pound now floats freely against foreign currencies. In the period from June 2003 to 31 December 2014, the value of the Egyptian Pound has depreciated against the U.S. Dollar from U.S.$1.00 = LE 6.03 to U.S.$1.00 = LE 6.94, or 13.1%.

Net foreign direct investment in Egypt ("**FDI**") had begun to decline prior to the Revolution began to decline from U.S.$8.1 billion in 2008/09 primarily as a consequence of the global financial crisis and subsequently as a result of the Revolution, with FDI falling to U.S.$2.2 billion in 2010/11, U.S.$4.0 billion in 2011/12 and U.S.$3.0 billion in 2012/13.

THE BANKING SECTOR IN EGYPT

Central Bank of Egypt

The CBE was founded in 1961 and is an autonomous public legal entity governed by Law № 88 of 2003, which outlines the CBE's authority and responsibilities. The CBE is the issuer of all Egyptian currency and banknotes. It is responsible for formulating and implementing monetary, credit and banking policy, maintaining price stability, managing Egypt's gold and foreign reserves and regulating and supervising the banking sector.

Monetary Policy

Since 2005, the CBE has taken active steps to modernise its monetary policy formulation and operations. Several institutional and operational changes have been initiated to facilitate monetary policy formulation and assessment and provide the foundations for formally adopting an inflation-targeting regime once certain conditions have been met.

Institutional changes

- The Coordinating Council on Monetary Policy, headed by the prime minister, was established in January 2005 to enhance consistency between monetary and fiscal policy.

- A Monetary Policy Committee ("**MPC**") was established. It convenes every six weeks to decide on appropriate actions with respect to key policy rates. The MPC consists of nine members, including the CBE's governor and two deputy governors. To enhance transparency, the MPC's decisions are communicated to the market through a monetary policy statement, which is released on the CBE's external web-site following each MPC meeting.

Operational changes

- In December 2004, the CBE formally launched an online interbank system for foreign exchange trading, consolidating the supply of foreign exchange in the banking system whereby most banks became capable of satisfying their clients' foreign exchange needs, eroding the unofficial foreign exchange market and causing the Egyptian Pound to appreciate against the U.S. Dollar.

- In June 2005, the CBE introduced an interest rate corridor for the CBE's two standing facilities, the overnight lending and deposit facility. The interest rates on the two standing facilities define the ceiling and floor of the corridor. By setting the rates on the standing facilities, the MPC determines the corridor within which the overnight rate can fluctuate. Steering the overnight rate within this interest rate corridor is an operational target of the CBE.

- In October 2009, the CBE introduced a new core inflation index derived from the CPI index published monthly by CAPMAS, but which excludes fruit and vegetable prices, which largely depend on volatile weather and harvest conditions, and administered prices. The index has helped the CBE better communicate its views on underlying inflationary pressures. The new index is expected to serve as an important tool in preventing inflationary spill-over from food and certain energy price volatility. The CBE also launched a specialised monetary policy page on its website and plans to introduce a periodical Monetary Policy Report in 2010.

The Egyptian Banking Sector

The CBE has been implementing the banking sector reform programme launched by the Government in September 2004. Since then, significant progress has been made in the banking sector, foreign exchange market and monetary policy. Improvements have included the consolidation of the banking sector, the divestiture of state-owned banks' stakes in joint venture banks, the strengthening of the capital base of Egyptian banks, the sale of 80% of Bank of Alexandria to Italy's Intesa Sanpaolo Group, the ongoing restructuring of the remaining state-owned banks, and the strengthening of the supervisory capacity of the CBE.

In 2002, the Egyptian banking sector comprised seven fully state-owned banks (including four commercial banks, a real estate bank, an industrial development bank and an agricultural bank) and 50 private banks (of which 25 were foreign majority-owned, including 15 branches of foreign banks). Subsequent banking reform has been primarily driven by an increase in the minimum capital requirement for banks from EGP 100 million to EGP 500 million, leading to a structural change in Egypt's banking sector. The number of banks decreased from 52 banks in December 2004 to 40 banks in December 2013. The total number of branches increased from 2,841 in 2004 to 3,657 in 2013.

The divestiture of stakes in joint venture banks has had a positive impact on Egypt's banking sector by bringing about the entry of a number of European and regional banks (such as Intesa Sanpaolo, Piraeus Bank, and Union National Bank). International banks which were already active in the Egyptian banking sector (such as Crédit Agricole, Barclays Bank and Société Générale) have consolidated their positions in the market either through new acquisitions or through raising their shareholdings in their existing Egyptian subsidiaries.

The following table sets forth the aggregate financial position of all banks operating in Egypt as at the dates indicated.

	As at 30 June		
	2011	**2012**	**2013**
		(EGP millions)	
Assets			
Cash	14,830	14,534	29,227
Securities and investments	474,178	555,326	653,889
Treasuries	*248,478*	*284,503*	*355,028*
CBE Notes & Certificates of Deposit	*159,991*	*210,101*	*234,672*
Balances with domestic banks	117,010	104,269	131,326
Balances with foreign banks	96,080	75,905	77,012
Loans and discount balances	474,139	506,736	549,120
Other assets	93,455	109,390	123,275
Total Assets	**1,269,690**	**1,366,160**	**1,563,849**
Liabilities and Capital			
Capital	59,049	59,049	67,345
Reserves	22,056	22,056	25,539
Provisions	55,105	54,127	61,264
Long-term loans and bonds	26,180	27,840	30,312
Obligations to domestic banks	28,171	19,009	25,608
Obligations to foreign banks	15,168	14,792	15,222
Total deposits	957,037	1,023,517	1,186,985
Other liabilities	106,924	133,991	136,559
Total Liabilities	**1,269,690**	**1,366,160**	**1,563,849**

Source: CBE.

The following table sets forth the composition of deposits with all banks operating in Egypt, as at the dates indicated.

	As at 30 June		
	2011	**2012**	**2013**
		(EGP millions)	
Total Deposits	**841,524**	**900,381**	**1,055,075**
Demand Deposits	*122,118*	*125,448*	*158,241*
Time and Saving deposits	*719,406*	*774,933*	*896,834*
Local Currency Deposits	**664,552**	**714,341**	**830,867**
Demand Deposits	*80,820*	*80,483*	*103,089*
Time and Saving deposits	*583,732*	*633,858*	*727,778*
Foreign Currencies Deposits	**176,972**	**186,040**	**224,208**
Demand Deposits	*41,298*	*44,965*	*55,152*
Time and Saving deposits	*135,674*	*141,075*	*169,056*

Source: CBE.

Banking Supervision

The objective of the Banking Supervision unit at the CBE is to maintain the financial stability of the banking system as well as the soundness of banks operating in Egypt. The Banking Supervision unit aims to achieve this objective through on-site and off-site supervision, macro prudential surveillance and by implementing a risk-based approach to supervision.

In 2009, the CBE signed a protocol with the European Central Bank and seven European national central banks to assist the Banking Supervision Unit in the implementation of the Basel II framework in the Egyptian banking sector with the aims of improving risk and capital management and encouraging financial stability.

Reporting of prudential requirements, periodical financial data and credit registry data by banks takes place via electronic linkage between banks and the CBE. The first private credit bureau, I-Score, which was established by 27 Egyptian banks and the Social Fund for Development and commenced its operations in the first quarter of 2008, provides credit information on natural persons and SMEs to its members, including financial institutions, mortgage lenders, credit card companies and mobile phone operators.

The key regulations currently imposed by the CBE on the banking sector include the following:

- *Capital requirement*: The minimum requirement for paid up capital is EGP 500 million for domestic banks and U.S.$50 million for branches of foreign banks.

- *Capital adequacy*: Banks are required to maintain a capital base (Tier 1 and Tier 2) of at least 10% of risk weighted assets.

- *Reserve requirements*: Banks are required to maintain with the CBE, 14% of banks' deposits in local currency and 10% of banks' deposits in foreign currency. The reserve requirement for deposits in local currency was decreased from 14% to 12% then further to 10% during the first and second quarters of 2012, respectively. Local currency reserves are non-interest bearing, while foreign currency deposits receive interest at the London Interbank Bid Rate.

- *Liquidity requirements*: Banks must comply with a liquidity ratio of not less than 20% on the local portion of deposits and 25% in respect of the foreign portion.

- *Exposure limits*: On 29 December 2012, the CBE decided that a bank's long position in any single currency must not exceed 1% of its capital base, whilst total long positions in all currencies must not exceed 2% of the capital base. A bank's short position in any single currency must not exceed 10% of its capital base, whilst total short positions in all currencies must not exceed 20% of the capital base.

- *Asset classification and provisioning*: Instructions concerning asset classification and provisioning issued in 1991 were replaced by regulations issued by the CBE in May 2005, to be adopted by banks in December 2005. These regulations include standards for creditworthiness and provisioning, taking into consideration the obligor risk rating (ORR) for loans granted to business organisations, grading the credit risk inherent to the customer into ten categories, and required provision (0% to 5% as general provision, and 20%, 50%, 100% as specific provision). The regulations allow some collateral to be taken under specific conditions and include standards for consumer and SME lending and provisioning.

- *Credit exposure limits*: Permitted exposure to a single borrower and his related parties was amended in February 2006 to 20% and 25%, respectively compared to 30% in the past. Total exposures exceeding 10% of a bank's capital base should not exceed 8 times its capital base.

Current exposure limits to connected parties are as follows.

- Banks are not allowed to grant any type of credit facilities or guarantees to their directors, external auditors or their connected parties.

- The same applies to major shareholders who are not represented on the board of directors, and their connected parties.

- As for major shareholders not represented on the board of directors:

- For public companies, the exposure should not exceed 5% of a bank's capital base and the total exposures to these companies should not exceed 10% of a bank's capital base.

- For private companies, the exposure should not exceed 2% of a bank's capital base and the total exposures to these companies should not exceed 5% of a bank's capital base.

- Bank management other than board members and a bank's subsidiaries are treated on an arm's-length basis.

Bank placements/exposure with correspondents

Bank placements and exposure (excluding branches of foreign banks) with a single correspondent abroad should not exceed 10% of total placements and exposures with correspondents or U.S.$3 million, whichever is larger, taking into account that total placements and exposures should not exceed 40% of a bank's capital base.

Basel II and Basel III

The application of the executive instructions of Basel II standards to the Egyptian banking system commenced in 2012. For banks with their fiscal year ending in June, these standards will be binding as of June 2013 and, for the other banks, has been binding since December 2012. The application of the executive instructions of Basel III standards to the Egyptian banking system is expected to be implemented by 2018.

Equity Participation

Banks can own up to 40% of the issued capital in non-financial companies and 100% of financial companies. The total value of these shares must not exceed a bank's total capital base.

Developer and Acquisition Finance

Among other specified general rules, banks are required to increase the risk weights applicable to high risk transactions such as developer finance and acquisition finance.

SMEs

As part of the banking sector reform in Egypt, an initiative was launched to enhance access to finance with a special focus on SMEs. Accordingly, the CBE's board of directors' issued a decree in December 2008 exempting direct finance to certain SMEs from the reserve requirements and enhancing coordination between the relevant authorities.

Banking Sector Reporting Guidelines

In December 2008, the CBE issued new guidelines requiring banks to prepare their financial statements in accordance with IFRS with effect from 30 June 2011.

Ownership in Banks

The CBE's written consent is required to acquire a stake greater than 10% in an Egyptian bank, and the CBE must be notified if an ownership stake exceeds 5%.

Anti-Money Laundering Measures

Banks must know the identities and the legal status of their customers and report all suspicious transactions to the CBE. Each bank must appoint a compliance officer to ensure the effective application of the laws and to assess the effectiveness of such bank's anti-money laundering system.

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The management of the Bank's business is vested by its Board of Directors. The Articles of Association of the Bank provide that the number of Directors constituting the Bank's Board of Directors shall not be less than five nor more than eleven. The Board of Directors currently consists of seven members, one of which is an executive director.

The members of the Board of directors are elected by the General Meeting for a period of three years, renewable at the end of the term of office. The General Meeting of the Bank can appoint, replace or dismiss any member of the Board of Directors at any time.

Members of the Board of Directors elect a Chairman from among themselves. The Chairman of the Board of Directors' signature binds the bank, in additional to the signatures of those persons so delegated by the Board. In the event that the Chairman of the Board of Directors is temporarily incapacitated, the vice chairman shall assume his duties or, otherwise, the Board of Directors may appoint one of the other directors to assume his duties, in each case on an interim basis.

Pursuant to the Egyptian Companies Law, the primary functions of the Board of Directors are to manage the Bank and to undertake all matters not reserved by the Egyptian Companies Law and other applicable law to the General Meeting. See "*Description of the Share Capital of the Bank and Certain Requirements of Egyptian Legislation—Directors*". The Chairman, his deputies, managing directors of the Bank and any other director so designated has the authority to sign documents on behalf of the Bank.

The following table sets forth details of the members of the Board of Directors as at the date of this Prospectus.

Name	Age	Position	Length of service with the Bank	Expiration of Current Term
Mr. Hisham Ezz Al-Arab	57	Chairman and Managing Director	15 years	2016
Dr. Medhat Hassanein	75	Non-Executive Board Member	5 years	2016
Dr. Nadia Makram Ebeid	72	Non-Executive Board Member	8 years	2016
Mr. Jawaid Ahmed Mirza	56	Non-Executive Board Member	Less than one year	2016
Mr. Yasser Zaki Hashem	54	Non-Executive Board Member	Less than one year	2016
Dr. Sherif Hussein Kamel	49	Non-Executive Board Member	Less than one year	2016
Mr. Mark William Richards	47	Non-Executive Board Member	Less than one year	2016

The business address for each member of the Board of Directors is the registered office of the Bank at Nile Tower Building, 21/23 Charles de Gaulle Street – Giza, P.O. Box 2430, Cairo, Egypt.

Below are brief biographies of the members of the Board of Directors.

Mr. Hisham Ezz Al-Arab, Chairman and Managing Director

Mr. Ezz Al-Arab was appointed the Chairman and Managing Director of the Bank in 2002. Prior to joining the Bank, Mr. Ezz Al Arab acted as Managing Director at a number of international investment banks in London, including Deutsche Bank, J.P. Morgan and Bank of America Merrill Lynch. Mr. Ezz Al-Arab joined the Bank as Deputy Managing Director responsible for leading the Bank's modernisation and restructuring efforts in 1999 before being promoted to Chairman in 2002. Since June 2007, he has served as a Director of Master Card's South Asia, Middle East and Africa Region Advisory Board and a principal member of the American Chamber of Commerce. In 2012, Mr. Ezz Al-Arab was elected as a member of the Board of Trustees of the American University in Cairo (AUC). In March 2013, he was also elected as Chairman of the Federation of Egyptian Banks. Mr. Ezz Al-Arab also serves as Chairman of the Board of Trustees of CIB Foundation.

Dr. Medhat Hassanein, Non-Executive Board Member

Dr. Hassanein is a senior policy analyst with experience in institutional building, macro-policy analysis, financial economics, corporate finance and international financial management. He has previously served as an advisor to the Government, high-level advisory bodies and the donor community. Between 1999 and 2004, Dr. Hassanein served as Minister of Finance of Egypt. Dr. Hassanein has also served as Chairman and a Board Member of a number of public holding companies, private corporations and banks in Egypt, including HSBC Egypt. Mr. Hassanein currently works as a professor of Banking and Finance with the Management Department of the School of Business, Economics and Communication at the American University in Cairo. Mr. Hassanein holds a BA in Economics from Cairo University, an MBA from New York University and a PhD from Wharton School of Business, University of Pennsylvania.

Dr. Nadia Makram Ebeid, Non-Executive Board Member

Dr. Ebeid has held several managerial posts with the United Nations Development Program and the United Nations Food and Agriculture Organisation's Regional Office for the Near East and the council for Environment and Development Research. Between 1997 and 20012, she served as Egypt's First Minister of Environment, the first woman to assume this position in an Arab country. Since January 2004, Dr. Ebeid has worked as the Executive Director of the Centre for Environment and Development for the Arab Region and Europe.

Mr. Jawaid Ahmed Mirza, Non-Executive Board Member

Prior to joining the Bank, Mr. Mirza worked as a Financial Controller of Citibank in Pakistan before holding several senior regional positions at ABN-AMRO in Central Eastern Europe, Europe, Central Asia, the Middle East and Africa and becoming Corporate Executive Vice President and Chief Financial Officer responsible for the Asian region and Australia and New Zealand. In May 2013, Mr. Mizra was appointed to the Board of Directors and assumed the responsibilities of Managing Director overseeing the day-to-day operations of Consumer Banking, COO, Finance and Information Technology. In December 2013, Mr. Mirza became a Non-Executive Board member. Mr. Mirza holds qualifications in business management from institutions including Queens Business School and Wharton Business School.

Mr. Yasser Zaki Hashem, Non-Executive Board Member

Mr. Hashem is an Egyptian lawyer admitted to the Egyptian Bar Association and the Supreme Court of Egypt. Mr. Hashem worked as a Partner at Zaki Hashem & Partners before becoming Managing Partner in 1996. Mr. Hashem is also a member of both the Egyptian Society of International Law and the Licensing Executive Society and is an Honorary counsel to the British Ambassador in Egypt. Mr. Hashem holds a degree in Law from Cairo University.

Dr. Sherif Hussain Kamel, Non-Executive Board Member

Dr. Kamel is the founding Dean of the School of Business at the American University in Cairo and, since 2009, has served as a professor of Management Information Systems. Dr. Kamel previously held a number of positions at the American University in Cairo, including Associate Dean for Executive Education, Director of the Primary Professional Development Department and Director of the Institute of Management Development. Prior to joining the American University in Cairo, Dr. Kamel worked as a Director of the Regional IT Institution and at the Cabinet of Egypt Information and Decision Support Centre. Dr. Kamel is a member of a number of organisations, including the World Bank Knowledge Advisory Commission, the American Chamber of Commerce in Egypt, the U.S.-Egypt Business Council, the Association of African Business Schools, the Egyptian Council for Foreign Affairs and the Rotary Organisation. Dr. Kamel holds a PhD in Information Systems from the London School of Economics, an MBA and BA in Business Administration from the American University in Cairo and an MA in Islamic Art and Architecture from the American University in Cairo.

Mr. Mark Williams Richards, Non-Executive Board Member

Mr. Richards is a partner and the Head of Financial Services of Actis. Mr. Richards has 26 years of banking and financial services experience, including in the UK, Africa and Asia. Prior to joining Actis, Mr. Richards spent 18 years working in various positions at Barclays Bank plc, including working as Director of Group Corporate Development and Group Strategy, Chief Financial Officer and Head of Strategy, Planning and Corporate Development. Mr. Richards is a member of the World Economic Forum expert panel on SME development and is a regular contributor to financial press, including the Financial Times, The Banker and Business Day South Africa, as well as acting as a judge for "The Banker" magazine's annual awards.

Senior Management

The senior management of the Bank is comprised of the Bank's executive management team, as follows.

Name	Age	Position	Length of service with the Bank
Mr. Hisham Ezz Al-Arab...	57	Chairman and Managing Director	15 years
Mr. Hussein Abaza	52	Chief Executive Officer, Institutional Banking	25 years
Mr. Ahmed Maher Abdel-Wahed...........................	49	Chief Executive Officer, Consumer Banking and Operations	3 months
Mr. Mohamed Abdel Aziz El Toukhy....................	58	Head of Retail and Business Banking	35 years

The business address for each member of the Bank's senior management is the registered office of the Bank at Nile Tower Building, 21/23 Charles de Gaulle Street – Giza, P.O. Box 2430, Cairo, Egypt.

Below are brief biographies of the members of the Bank's senior management.

Mr. Hisham Ezz Al-Arab, Chairman and Managing Director

See "*—Board of Directors*".

Mr. Hussein Abaza, Chief Executive Officer, Institutional Banking

Mr. Abaza was appointed as Chief Executive Officer of Institutional Banking at the Bank in October 2011. Mr. Abaza began his career at Chase National Bank of Egypt (the Bank's predecessor) and also worked as Head of Research at EFG Hermes Asset Management. Prior to his current role, Mr. Abaza has held many positions at the Bank, including General Manager and Chief Risk Officer, Chief Operating Officer, Chairman of CIAM and member of the High Lending and Investment Committee, the Board of Directors Risk Committee and the Board of CI Capital. Mr. Abaza holds a BA in Business Administration from the American University in Cairo.

Mr. Ahmed Maher Abdel-Wahed, Chief Executive Officer, Consumer Banking and Operations

Mr. Abdel-Wahed was appointed as Chief Executive Officer of Consumer Banking and Operations at the Bank in December 2013. Mr. Abdel-Wahed has more than 25 years' experience working in international banks. He began his career at the Bank. Prior to returning to the Bank, Mr. Abdel-Wahed worked at HSBC for eleven years, serving in a number of executive roles, including, most recently acting as Regional Chief Operating Officer for the Middle East and North Africa. He also served as a member of the HSBC Group COO Strategy and Decision Making Executive Committees. Mr. Abdel-Wahed holds a degree from Cairo University.

Mr. Mohamed Abdel Aziz El Toukhy, Head of Retail and Business Banking

Mr. Toukhy began his career in 1979, working in the Bank's Trade Finance Department and has since held a number of positions at the Bank in the Operations, Branch Management and Corporate Banking Divisions. Mr. Toukhy was promoted to General Manger of Consumer Banking in July 2006. Mr. Toukhy was appointed as Head of Retail and Banking Business in February 2014.

Recent Changes

In May 2014, Mr. Daniel Paul Fletcher, who had represented the Actis Group on the Bank's Board of Directors, resigned as a Non-Executive Board Member following the sale by Actis CIB Mauritius Limited of its interest in the Bank.

Corporate Governance

As a company incorporated in Egypt and a London Stock Exchange listed GDR issuer, the Bank is not required to adopt the U.K. Corporate Governance Code issued by the Financial Reporting Council.

As a matter of best practice, however, the Bank has adopted and intends to comply with certain corporate governance structures and procedures. In 2012, the Bank's Compliance Department drafted a new Code of Corporate Governance for the Bank in line with CBE guidelines and best international practice, which the Bank is implementing. The Bank is in compliance with the corporate governance regime in Egypt.

In 2011, in line with new CBE directives on corporate governance, as well as international best practices that increasingly separate the roles of chairman and chief executive officer, the Bank appointed an additional managing director to be responsible for managing the Bank's business lines and ensuring effective day-to-day running of the Banks operations, leaving the Chairman, Managing Director to focus on the strategic direction of the Bank.

The Board of Directors has established five standing committees that assist the Board of Directors in fulfilling its corporate governance responsibilities. See also "*Asset, Liability and Risk Management—Principal Committees*".

Audit Committee

The Audit Committee is chaired by a non-executive director and comprises two further non-executive directors. The Audit Committee's mandate is to ensure compliance with the highest levels of professional conduct, reporting practices, internal processes and controls and to promote high standards of transparency and adherence to internal policies and procedures. The Audit Committee convened six times in 2013. The Audit Committee consists of Dr. Hassanein (Chairman), Mr. Kamel and Mr. Hashem.

Governance and Compensation Committee

The Governance and Compensation Committee is chaired by a non-executive director and comprises six further non-executive directors. The Governance and Compensation Committee's main responsibilities are to establish corporate governance standards for the Group, assess the effectiveness of the Board of Directors and determine the compensation of members of the Board of Directors. The Governance and Compensation Committee also determines the appropriate levels of compensation for the Bank's senior executives and ensures that compensation levels remain consistent with the Bank's objectives, performance, strategy and control environment. The Governance and Compensation Committee convened twice in 2013. The Governance and Compensation Committee consists of Dr. Ebeid (Chairman) and the other non-executive directors.

Risk Committee

The Risk Committee is chaired by a non-executive director and comprises two further non-executive directors and an executive director. The Risk Committee's main responsibilities are to assist the Board in its oversight of risk through establishing, monitoring and reviewing internal controls and risk management systems to ensure the Bank has the appropriate focus and measures in place. The Risk Committee also makes recommendations to the Board of Directors with respect to the Bank's risk strategy and risk limits. The Risk Committee convened four times in 2013. The Risk Committee consists of Mr. Richards (Chairman) and Mr. Mirza. A replacement for Mr. Fletcher (who, until May 2014, sat on the Risk Committee) will be appointed in due course.

Management Committee

The Management Committee is chaired by an executive director and comprises the Chairman and the executive management team. The Management Committee's main responsibilities are to implement the Bank's strategy as approved by the Board of Directors and to manage the day-to-day functions of the Bank to ensure compliance with the strategy, effective controls, risk assessment and the efficient use of resources in the Bank, as well as compliance with ethical standards, regulations and internal policies. The Management Committee also provides regular updates to the Board of Directors with respect to the Bank's financial condition and business activities and highlights any major issues. The Management Committee convened 12 times in 2013. The Management Committee consists of Mr. Ezz Al-Arab (Chairman) and the Bank's executive management team.

High Lending and Investment Committee

See "*Asset, Liability and Risk Management—Principal Committees—High Lending and Investment Committee*".

Other Directorships

In addition, to their directorships of the Bank (in the case of the members of the Board of Directors), the members of the Bank's Board of Directors and the Bank's senior management have held the following directorships within the past five years.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Mr. Hisham Ezz Al-Arab	Chairman of the Board of Trustees of CIB Foundation. Chairman of the Federation of Egyptian Banks Director of the South Asia, Middle East & Africa Region Advisory Board of MasterCard Incorporated.	—
Dr. Medhat Hassanein	Board Member of Directors Navisat Company. Chairman of the Board of Directors of Civil Aviation Finance Holding. Board Member of the Egyptian Holding Company for Airports and Air Navigation.	—
Dr. Nadia Makram Ebeid	Executive Director of the Centre for Environment and Development for the Arab Region and Europe (CEDARE). Trustee of CIB Foundation.	
Mr. Jawaid Mirza	Founder and Director of Focal One Consulting Firm.	
Mr. Yasser Hashem	Managing Partner of Zaki Hashem & Partners, Attorneys at Law.	
Dr. Sherif Kamel	—	Trustee of Sadat Academy for Management Sciences. Chairman of the Chevening Association in Egypt.
Mr. Mark Richards	Board Member of EMP Group. Board attendance rights for all Actis Financial Services investments.	Board Member of Diamond Bank, Nigeria
Mr. Hussein Abaza	Chairman of CI Capital.	Chairman of CI Asset Management. Chairman of CORPLEASE.
Mr. Ahmed Maher Abdel-Wahed	—	—
Mr. Mohamed Abdel Aziz El Toukhy	Board Member of CI Capital	Board Member of Contact Co. Chairman of CIL. Board Member of CIBC Co. Board Member of CORPLEASE.

Financial obligations of the Members of the Supervisory Board, Board of Directors in relation to the Issuer

As at 31 December 2013, there were no outstanding loans provided by the Bank to the members of its Board of Directors or its senior management.

Compensation

The aggregate amount of remuneration paid by the Bank to members of its Board of Directors and its senior management for services in all capacities provided to the Bank during 2013 was EGP 61.8 million, 2012 was EGP 62.5 million and 2011 was EGP 35.9 million.

There are no amounts set aside or accrued by the Bank or its subsidiaries to provide pension, retirement or other benefits to such persons.

Service Contracts

One of the members of the Board of Directors and members of senior management have service contracts with the Bank. These service contracts contain customary terms and conditions, including as to severance.

Interests of Directors

Certain members of the Bank's Board of Directors and senior management and employees have beneficial ownership interests in the Banks Shares, local stocks and GDRs.

The following table sets forth information on the holdings of the members of the Board of Directors in the Bank, together with any options over the Shares in the Bank as at 31 December 2013.

Name	Number of Shares	Percentage of Bank's total Shares
Mr. Hisham Ezz Al-Arab	—	—
Dr. Medhat Hassanein	90,000	0.009997
Dr. Nadia Makram Ebeid	3,375	0.0004
Mr. Jawaid Mirza	—	—
Mr. Yasser Hashem	—	—
Dr. Sherif Kamel	—	—
Mr. Mark Richards	—	—

None of the Directors hold options in respect of the Bank's Shares.

Conflicts of Interest

There are no actual or potential conflicts of interest between any duties owed by members of the Board of Directors or the Bank's senior management to the Bank and their private interests or other duties.

Litigation Statement about Members of the Board of Directors and Senior Management

As at the date of this Prospectus, no member of the Board of Directors or the Bank's senior management for at least the previous five years:

- have had any convictions in relation to fraudulent offences;
- have held an executive function in the form of a senior manager or a member of the administrative, management or supervisory body of any company at the time of, or preceding, a bankruptcy, receivership or liquidation of such company; or
- have been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or has been disqualified by a court from acting as a member of an administrative, management or supervisory body of a company or from performing a management role at any company.

PRINCIPAL SHAREHOLDERS

As at 31 January 2014 (being the latest practicable date prior to the publication of this Prospectus), the Bank had more than 11,912 shareholders, with only one (not including the Depositary) owning a 5.0% or more shareholding.

The following table lists the Bank's shareholders of record, as indicated on its share register, as at 20 May 2014, that held 5.0% or more of its outstanding Shares.

Name	Number of Shares	Percentage of Bank's total Shares
Fairfax Financial Holdings Ltd.	58,457,602	6.5
Depositary	212,248,526	23.6

To the Bank's knowledge, no other person or entity controls more than 5.0% of the Bank's Shares.

All holders of the Bank's Shares have the same voting rights. The Bank is not aware of any arrangements that may result in a change of control.

As at 31 December 2013, Actis CIB Mauritius Limited, an emerging markets private equity firm, managed by Actis LLP, owned 9.1% of the Bank's Shares. In March 2014, Actis CIB Mauritius Limited sold a portion of its interest in the Bank, representing 2.6% of the Bank's total Shares, to international investors. On 19 May 2014, Actis CIB Mauritius Limited sold its remaining 6.5% interest in the Bank to Fairfax Financial Holdings Ltd.

The Bank has not entered into any form of shareholders' agreement with Fairfax Financial Holdings Ltd.

In July 2009, the Bank, Actis CIB (Mauritius) Limited, Actis LLP and Ripplewood Holdings LLC entered into a letter agreement (the "Letter Agreement") in respect of certain corporate and governance rights, including the right of the Actis Group to appoint a director to the Bank's Board of Directors. All rights under the Letter Agreement have fallen away following the respective sales by the Actis Group Ripplewood Holdings LLC of their interests in the Bank.

DESCRIPTION OF THE SHARE CAPITAL OF THE BANK AND CERTAIN REQUIREMENTS OF EGYPTIAN LEGISLATION

The material provisions of the Bank's memorandum and articles of association in effect of the date of this Prospectus, as well as certain requirements of Egyptian law, are described below. This description is not complete and is qualified in its entirety by reference to the Bank's memorandum and articles of association and any applicable Egyptian law.

Share Capital

As at 31 December 2013, the Bank's authorised capital was EGP 20,000 million. Of the authorised capital of the Bank, 900,243,569 shares of EGP 10 each are issued and fully paid, all of which rank *pari passu* in all respects.

The following table sets forth the authorised and issued share capital of the Bank as at the dates indicated.

	Authorised capital	**Issued and fully-paid**	
Date	**Nominal Amount**	**Number**	**Nominal Amount**
	(EGP)		*(EGP)*
31 December 2013	20,000,000,000	900,243,569	9,002,435,690
31 December 2012	20,000,000,000	597,227,541	5,972,275,410
31 December 2011	20,000,000,000	593,456,299	5,934,562,990

The Shares are in registered and dematerialised form and are denominated in Egyptian Pounds. Shares are freely transferable.

The Shares cannot be held in certificated form and are registered with MISR for Central Clearing, Depositary and Registry ("**MCDR**"). The Shares are eligible for clearing and settlement through MCDR and any shareholder may request an extract from the share register showing that shareholder's shareholding and the Bank is entitled at any time to request a detailed statement of the registered owners of the Shares from MCDR. All transfers of Shares (with the exception of the GDRs) are transacted on the EGX, recorded on the electronic book-entry system of MCDR and reflected in the statements of account issued by the relevant authorised book-keeping companies.

There are no (i) Shares held by or on behalf of the Bank or any subsidiaries of the Bank; (ii) convertible securities or securities with warrants in relation to the Bank; and (iii) terms or acquisition rights or obligations over authorised but unissued capital of the Bank or any undertakings to increase the capital of the Bank. In addition, there is no capital of any member of the group, which is under option or agreed conditionally or unconditionally to be put under option.

History of the Share Capital of the Bank

Since 1 January 2011, there have been the following changes in the issued share capital of the Bank:

- pursuant to a decision of the Board of Directors dated 22 December 2011, the Bank's issued and fully paid share capital was increased by EGP 37,712,420 on 27 March 2012 in connection with the issuance of a third tranche of Shares under the Employee Share Ownership Plans Programme (see "*—Employee Share Ownership Plans Programme*");

- pursuant to a decision of the Board of Directors dated 24 October 2012, the Bank's issued and fully paid share capital was increased by EGP 29,348,380 on 11 February April 2013 in connection with the issuance of a fourth tranche of Shares under the Employee Share Ownership Plans Programme;

- pursuant to a decision of the Extraordinary General Assembly dated 15 July 2013, the Bank's issued and fully paid share capital was increased by EGP 3,000,811,900 on 19 November 2013 in connection with the distribution of one share for every two outstanding shares through the capitalisation of the General Reserve; and

- pursuant to a decision of the Board of Directors dated 10 December 2013, the Bank's issued and fully paid share capital was increased by EGP 79,298,740 on 23 March 2014 in connection with the issuance of a fifth tranche of Shares under the Employee Share Ownership Plans Programme.

Employee Share Ownership Plans Programme

In June 2006, the Extraordinary General Assembly of the Bank's shareholders resolved to establish an incentive programme for the Bank's employees and managers through employee share ownership plans pursuant to which the Bank would issue new shares totalling a maximum of 5% of its issued and fully-paid capital at par value over five years as determined by the Board of Directors. In April 2011, a further Extraordinary General Assembly of the Bank's shareholders resolve to continue the employee share ownership plans, authorising the issuance of new shares totalling a maximum of 5% of its issued and fully-paid capital at par value over five years beginning in 2011, as determined by the Board of Directors.

Employees must have worked at the Bank for at least three years to participate in the Employee Share Ownership Plans Programme and must have been in post as at the date of the implementation of the plan. The number of shares granted to each employee annually is based on the employee's title, position, performance and ranking. The final approval of amounts granted is reserved to the Bank's Management Committee, apart from for those reporting directly to the Chairman and Executive Directors, the allocations for which are subject to the approval of the Governance and Compensation Committee. The granting of Shares under the plan is subject to a vesting period of three years, subject to certain exceptions, during which the employee must remain an employee of the Bank.

Denomination of Shares

The Shares are denominated in Egyptian Pounds.

Summary of the Memorandum and Articles of Association

The Memorandum and Articles of Association of the Bank contain provisions, among others, to the following effect:

Objects

The objects for which the Bank is established include:

- to assist industrial and economic development in Egypt generally, through its registration as a commercial bank; to undertake all banking and financial operations inside Egypt and abroad and, in particular, all documentary credit operations, acceptance of promissory notes, foreign currency and other operations relating to the facilitation of trade; to grant short- and long-term credit facilities to foreign and local companies and to participate in the establishment of the currency and capital markets and to generally enhance foreign investment in Egypt; the Bank shall conduct operations to facilitate commercial trade between Egypt and foreign countries, in addition to financing and servicing the investments necessary to develop and support the national economy;
- to undertake all operations that the Bank deems necessary to undertake banking and financing operations or that will assist the Bank to achieve the same, including:
    - lending moneys or providing secured and unsecured credit facilities of any duration, whether in local or foreign currency and to issue, discount and deal in bills, promissory notes, assignments, convertible securities, documentary credits and other bonds or credit that the Bank may issue and issue letters of guarantees or provide other forms of guarantee, as well as borrowing moneys or entering into other arrangements, including mortgages, to obtain financing for the Bank to settle its obligations under such loans;
    - accepting funds through deposits, loans or safe keeping, to undertake agency operations and to maintain moneys and other types of wealth as an investment agent for third parties and to manage persons' property more generally;
    - undertaking all subscription operations and obtaining possession, managing, developing, leasing and disposing of wealth in all its kinds, whether real estate or personal (including shares and other securities) inside of Egypt and abroad and participating in capital markets and currency markets (whether in borrowing operations or participation in capital) and all security stock exchange operations on behalf of third parties and undertaking investment fund activities pursuant to the capital market law and regulation;
    - acting as financial agent or financial representative to present recommendations in financial and economic matters and to provide consultancy services;

- possessing all or part of entities, business companies, trade names, goodwill or other assets of any company or person as a full or partial guarantee for any loan granted by the Bank, in lieu of payment or for the extension of the term of loans granted by the Bank;
- investing the Bank's surplus funds in securities and other investments;
- submitting applications to obtain licences and approvals to conduct the Bank's business;
- acquiring property or other rights;
- paying employee benefits, including bonuses;
- establishing affiliate companies in Egypt or abroad to undertake financial activities and other activities as may be permissible in accordance with applicable laws; and
- undertaking all other activities ancillary to or achieving the foregoing objectives and participating in, or merging with, entities that have similar objectives to the Bank (following receipt of the applicable approvals).

Rights Attaching to Shares

Attendance and Voting Rights

Under the Egyptian Companies Law, there are two types of General Meeting, Ordinary and Extraordinary.

An Ordinary General Meeting is convened annually by the Chairman of the Board. The Board of Directors may also call an Ordinary General Meeting if deemed necessary or if requested to do so by one of the Bank's auditors or by the shareholders holding or representing at least 5% of the issued capital of the Bank.

Ordinary General Meetings are convened to consider, among other matters, the election and removal of directors, the supervision and remuneration of the Board of Directors, the approval of the Bank's balance sheet and financial statements, the appointment of the Bank's auditors and the approval of their remuneration, the distribution of dividends and any other issue submitted by the Board of Directors, shareholders or any competent authority. The Ordinary General Meeting must be held within three months of the end of the Bank's financial year. The quorum for an Ordinary General Assembly Meeting is shareholders holding or representing at least 25% of the issued share capital of the Bank for an initial meeting. There are no quorum requirements for adjourned meetings, which must be held within thirty days of the first meeting. At least five members of the Board of Directors must be present at the Ordinary General Meeting. Resolutions of the Ordinary General Meeting are passed if approved by those holding the majority of Shares present or represented at the meeting.

General Meetings may be called by a notice to be published twice in two daily newspapers (one of which must be in Arabic). The second publication shall be at least five days after the first publication and at least fifteen days before the date of the General Meeting. The notice must be sent via registered mail evidenced in the Bank's ledger.

Extraordinary General Meetings are convened by the Board of Directors or by Shareholders representing at least 10% of the issued share capital of the Bank for certain serious matters. The quorum for an Extraordinary General Meeting is shareholders holding or representing 50% of the Bank's issued share capital for an initial meeting. The quorum requirement for an adjourned meeting is shareholders holding or representing 25% of the Bank's issued share capital. Resolutions of the Extraordinary General Meeting are passed if approved by shareholders holding or representing a majority of two-thirds of the Shares present or represented in the meeting or a majority of three-quarters in the event of a resolution to alter the Bank's capital, dissolve of the Bank, merge the Bank with another entity or change the objects of the Bank.

Any shareholder may attend the General Meeting in person or by proxy. Any proxy must be in writing and must be given to a shareholder (who is not a board member), except in the case of a shareholder, which is a legal person, which may give a proxy to whomever it chooses as its representative. No one shareholder may represent by proxy more than 10% of the Bank's Shares or 20% of those Shares represented in the meeting. Every ten Shares shall have one vote in the General Meeting.

Transfer of Shares

Pursuant to the Bank's Articles of Association, there shall be no restriction on the transfer of Shares of the Bank, whether the sale is in Egyptian Pounds or a foreign currency. The Shares shall be registered with one of the companies licensed to undertake central depositary or management of securities registers. The Shares shall be transferred by virtue of registration of the sale before the EGX.

Law № 88 of 2003 on the Central Bank, Banking Sector and Money (the "**Banking Law**") regulates the ownership of the share capital of banks in Egypt. Article 50 of the Banking Law requires any person (whether natural or legal) owning more than 5% and less than 10% of a bank's issued capital to notify the CBE within fifteen days.

Pursuant to articles 50 and 51 of the Banking Law, the CBE must approve any ownership in excess of 10% of the Bank's issued share capital (or any other percentage that constitutes actual control over the Bank). This approval must be obtained before acquiring ownership of the Shares or the acquisition will be void. In calculating the 10% (or any other percentage constituting actual control) of a natural person's ownership, the ownership of such person's relatives (up to the fourth degree) shall be taken into account. Similarly, the ownership interests of legal persons shall include the interests of the members of its board of directors and shareholders, whether natural or legal persons. The ownership of any legal entity controlled by the purchaser shall also be included in this calculation.

Article 51 of the Banking Law defines actual control of a natural or legal person as an ownership interest that permits the holder to control the appointment of the majority of the board members of the bank or to control in any manner its resolutions or the resolutions of a General Meeting.

CBE approval is also required under the Banking Law for acquisitions of ownership interests in excess of 10% acquired through inheritance or legacy.

Restrictions on the Deposit of Shares

Article 15 of the executive regulations of the Banking Law issued on 22 of March 2004 states that the restrictions on the share ownership described above also apply to the beneficial owners of shares or global depository receipts. The registered owner (*i.e.*, the Depositary) shall be obliged to follow the rules of such restrictions on behalf of the beneficial owners.

The CBE granted an approval to the Depositary on 26 July 2004 to increase the percentage of its ownership of the Bank's issued capital from 30% to 40% (EGP 1,300 million) without prejudice to the Law № 93 2000 issuing the Law of Depositary and Central Registry of Securities (the "**Depositary Law**"). According to Decree № 17 of 2014 of the Egyptian Financial Supervisory Authority, the Depositary must be registered with the Egyptian Financial Supervisory Authority to undertake its activities in respect of the GDRs. Such registration must take place on or before 30 June 2014. The decree requires the Depositary to (i) maintain the confidentiality of information and avoid conflicts of interest; (ii) maintain a separation between its depositary and other activities; and (iii) provide the Egyptian Financial Supervisory Authority with all required data and information in respect of the beneficial owners of GDRs, as well as in respect of the issuance or cancellation of GDRs issued against Egyptian securities. The Depositary is in the process of applying for registration under the decree.

Dividends and Liquidation

Net profit after taxation is available for distribution in accordance with the requirements of Egyptian law and the Bank's Articles of Association, as follows:

The Bank is required to establish and maintain a legal reserve to which an amount equal to 5% of annual net profits after taxation must be transferred each year unless the legal reserve is in excess of 50% of paid-in capital. The legal reserve is distributable only upon the liquidation of the Bank.

After the allocation of 5% of net profits to the legal reserve (if required), the Bank's shareholders may determine in a General Meeting to make a distribution of the net profits, in which case, net profits are required to be allocated as follows:

- a distribution to shareholders of an amount equal to 5% of the paid-in share capital of the Bank as a first dividend. If net profits are insufficient for such distribution, the shortfall may not be used to increase the payment above 5% in any subsequent year;

- a distribution of an amount not less than 10% of the Bank's profits and not exceeding the aggregate salaries of the Bank's employees to be distributed to the Bank's employees as recommended by the Board of Directors and approved by the shareholders at the General Meeting;

- a distribution of a maximum of 5% of net profits to the Board of Directors, as remuneration in line with the rules adopted by the Board of Directors; and

- a further distribution of the balance to shareholders as an additional dividend or to retained earnings, the general reserve or the special reserve as may be allocated by the shareholders at the General Meeting on the recommendation of the Board of Directors.

Payment of dividends is made through the MCDR and the Depositary and dividends must be available to be claimed annually as of the dates specified by the Board of Directors at the General Meeting, such date to be within 30 days of the General Meeting. Under Egyptian law, rights to dividends not claimed within five years of the date of payment become barred by the statute of limitations and are paid to the State Treasury. There are no additional dividend restrictions imposed under Egyptian law in respect of non-resident holders.

In the event of the liquidation of the Bank, the assets of the Bank remaining after the payment of its debts, liquidation expenses and all of its remaining obligations will be distributed first to repay in full the nominal value of the Shares, the surplus, if any, will then be distributed *pro rata* among the shareholders.

Repurchase of Shares

Pursuant to the Banking Law, the Bank is prohibited from accepting its own Shares as a security for credit facilities or from dealing in its Shares in any manner unless such Shares have been acquired by the Bank as a result of a settlement of indebtedness for the account of a third party and, provided that, the Bank shall sell such shares within six months from obtaining title to them.

Changes in Share Capital

Pursuant to the Egyptian Companies Law, an issuance of new Shares within the Bank's authorised capital may be effected by a resolution of the Bank's Board of Directors setting out the amount of the increase, the price of the new Shares to be issued and the extent to which existing shareholders are to have priority to subscribe for the new Shares. In the event of an increase of the Bank's authorised capital or an increase of the Bank's issued capital in excess of the authorised capital, an Extraordinary General Meeting will be required. Any premium payable on the issue of new Shares is paid into the special reserve. In addition, approval of the General Authority for Investment is required for any increase.

The Bank's share capital may be reduced by a resolution of the Bank's shareholders passed at an Extraordinary General Meeting, with the necessary approval of the General Authority for Investment.

An increase of the Bank's authorised share capital may be effected by a resolution of the shareholders' passed at an Extraordinary General Meeting. For such a resolution to be effective, the approval of the General Authority for Investment must be obtained.

Increases in share capital may be effected by the issue of new Shares, pursuant to a recommendation of the Board and a shareholders' resolution at an Extraordinary General Meeting either by incorporation of free reserves, for cash or for assets contributed in kind. The newly-issued Shares representing any bonus issue are distributed pro rata among shareholders, unless a shareholder waives (in writing) its right to subscribe for such Shares.

As the Bank is listed on the EGX, the Bank must also comply with the EGX Listing Rules issued on 28 January 2014. In the event of a capital increase or reduction, these rules require the Bank to submit all the necessary documentation in relation to the amendment, including a disclosure report prepared in accordance with the standard Egyptian Financial Supervisory Authority (the "**EFSA**") form. The decision of the Board of Directors relating to any capital amendment must include a delegation of power to the Chairman to undertake necessary procedures relating to the capital amendment before the relevant authorities. The EGX will publish the disclosure report and the procedures relating to the capital amendment may not be commenced until such publication. The Bank must include details of any capital increase, including the use, in the annual report of the Board of Directors (to be approved by the General Meeting) for the next two financial years.

Directors

Pursuant to the Bank's Articles of Association, the management of the Bank shall be undertaken by a Board of Directors composed of at least five members and not exceeding eleven members to be appointed by the General Meeting in accordance with the provisions of the Banking Law and applicable regulations.

Pursuant to the Banking Law, the opinion of the Governor of the CBE must be observed in the appointment of the Chairman and the Board of Directors, as well as in the appointment of the Bank's executive management. The Governor of the CBE may request the replacement of the Chairman, any director or the executive management, following consultation with the Board of Directors, if such person is found to be in violation of regulations governing the safety depositor funds and assets. If such request is not complied with by the Board of Directors, the Governor of the CBE may remove such Chairman, board member or executive management personnel by virtue of a reasoned resolution.

The General Meeting of the Bank can appoint, replace or dismiss any member of the Board of Directors at any time. Members of the Bank's Board of Directors may not be members of the board of any other banks regulated by the CBE.

Mandatory Offers

As a publicly listed company, the Bank is subject to the mandatory tender offer rules set out in Capital Market Law № 95 of 1992 (the "**Capital Market Law**"). Under Article 8 of the Capital Market Law, if any transaction would result in an acquirer obtaining more than 10% of a company listed on the EGX (or 5% if the acquirer is a board member or an employee of the relevant company), then the acquirer must notify the company two weeks prior to concluding the transfer by registered letter. The company must then notify all of its shareholders holding at least 1% of the shares and must notify and the EGX within one week of receiving the prospective purchaser's notice. If these procedures are not complied with, the transaction will be nullified.

Pursuant to the executive regulations of the Capital Market Law, any person who acquires 5% of the voting rights or capital of a company listed on the EGX (or any multiple thereof (or 3% and multiples thereof for board members and employees of the relevant company)) but not exceeding one third of the voting rights or capital of such company, must notify the EFSA and EGX within two working days from the date of conclusion of the transaction. This provision is without prejudice to Article 8 of the Capital Market Law. If the percentage acquired reaches 25% or more (but does not exceed one third) of the issued capital of the relevant company or its voting rights, the disclosure provided to the EFSA and the EGX must include details of the purchaser's future investments plan and direction in relation to the management of the company.

If any person, through one or more transactions, acquires more than one third of the voting rights or capital of the company, the purchaser must conduct a mandatory tender offer to acquire 100% of the share capital of the company.

In addition to the above, any shareholder owning more than one third and up to 50% of the shares or voting rights may then only acquire a further 2% of the share capital or voting rights of the company every twelve months, otherwise the mandatory tender offer requirements will be triggered (subject to certain conditions and restrictions). If a shareholder at any point of time owns more than 50% of the company's share capital, then it shall be obliged to issue an obligatory tender offer for 100% of the shares.

Any shareholder owning more than 50% and less than 75% of the shares or voting rights may then only acquire a further 2% of the share capital or voting rights of the company every twelve months, otherwise the mandatory tender offer requirements will be triggered (subject to certain conditions and restrictions).

Any reference to a shareholder or a person includes any related party, which is defined to include persons having entered into an agreement with respect to the acquisition of the company, those with voting agreements, affiliated and sister companies and companies under the common control of a person.

Accordingly, if any person (through shares or GDRs), alone or together with its related parties, acquires voting rights in excess of the above thresholds, such person will be obliged to conduct a mandatory tender offer. This requirement does not apply to the Depositary owning shares in its capacity as registered owner.

TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following terms and conditions (subject to completion and amendment and excepting sentences in italics) will apply to the GDRs, will constitute a contract between the Holders (as defined therein) and the Depositary to which the Bank is not a party and will be endorsed on each Global Depositary Receipt certificate:

The Global Depositary Receipts (the "**GDRs**") evidenced by this certificate are issued in respect of ordinary shares (the "**Shares**") in Commercial International Bank (Egypt) S.A.E. (the "**Company**") pursuant to and subject to an agreement (such agreement, as amended from time to time, being hereinafter referred to as the "**Original Deposit Agreement**") dated 30th July, 1996, as most recently amended and restated on 1 July 2014 (as amended and restated, the "**Deposit Agreement**" and made between the Company and The Bank of New York Mellon (the "**Depositary**")). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed Commercial International Bank (Egypt) S.A.E. as custodian (the "**Custodian**") to receive and hold on its behalf the share certificates in respect of certain Shares (the "**Deposited Shares**") and all rights, securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares (together with the Deposited Shares, the "**Deposited Property**"). The Depositary shall hold Deposited Shares for the benefit of the Holders (as defined below) as bare trustee in proportion to the number of Shares in respect of which the GDRs held by them are issued. In these terms and conditions (the "**Conditions**"), references to the "Depositary" are to The Bank of New York Mellon and/or any other depositary which may from time to time be appointed under the Deposit Agreement, references to the "Custodian" are to Commercial International Bank (Egypt) S.A.E. or any other custodian from time to time appointed under the Deposit Agreement and references to the "**Office**" mean, in relation to the Custodian, its office in Cairo or such other office as from time to time may be designated by the Custodian with the approval of the Depositary.

References in these Conditions to the "Holder" of any GDR shall mean the person registered as holder on the books of the Depositary maintained for such purpose. These Conditions include summaries of, and are subject to, the detailed provisions of the Deposit Agreement, which includes the form of the certificates in respect of the GDRs. Copies of the Deposit Agreement are available for inspection at the specified office of the Depositary and each Agent (as defined in Condition 17) and at the Office of the Custodian. Holders are deemed to have notice of and be bound by all of the provisions of the Deposit Agreement. Terms used in these Conditions and not defined herein but which are defined in the Deposit Agreement have the meanings ascribed to them in the Deposit Agreement.

1. **Deposit of Shares and other securities**

1.1 After the initial deposit of Shares in connection with the Offering, unless otherwise agreed by the Depositary and the Company and permitted by applicable law, only the following may be deposited under the Deposit Agreement:

1.1.1 Shares issued as a dividend, free distribution or bonus issue on Deposited Shares pursuant to Condition 5;

1.1.2 Shares subscribed or acquired by Holders from the Company through the exercise of rights distributed by the Company to such persons in respect of Deposited Shares pursuant to Condition 7;

1.1.3 securities issued by the Company to the Holders in respect of Deposited Shares as a result of any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares or otherwise pursuant to Condition 10; and

1.1.4 any other Shares in issue after 30th October, 1996.

References in these Conditions to "Deposited Shares" or "Shares" shall include any such securities, where the context permits.

1.2 The Depositary will issue GDRs in respect of Shares accepted for deposit under this Condition. The Depositary may, in accordance with the terms of the Deposit Agreement and upon delivery of a duly executed order (in a form reasonably approved by the Depositary) and a duly executed certificate substantially in the form of (a) Schedule 3, Part I of the Deposit Agreement by or on behalf of any investor who is to become the beneficial owner of the Regulation S GDRs or (b) Schedule 3, Part III of the Deposit Agreement by or on behalf of any investor who is to become the beneficial owner of Rule 144A GDRs from time to time execute and deliver further GDRs having the same terms and conditions as the GDRs which are then outstanding in all respects (or the same in all respects except for the first dividend payment on the Shares corresponding to such further

GDRs) and, subject to the terms of the Deposit Agreement, the Depositary shall accept for deposit any further Shares in connection therewith, so that such further GDRs shall form a single series with the already outstanding GDRs. References in these Conditions to the GDRs include (unless the context requires otherwise) any further GDRs issued pursuant to this Condition and forming a single series with the already outstanding GDRs. Under the Deposit Agreement the Company must inform the Depositary if any Shares issued by it which may be deposited under this Condition do not, by reason of the date of issue or otherwise, rank pari passu in all respects with the other Deposited Shares. Subject to the provisions of Conditions 5, 7 and 10, if the Depositary accepts such Shares for deposit it will arrange for the issue of temporary GDRs in respect of such Shares which will form a different class of GDRs from the other GDRs until such time as the Shares which they represent become fully fungible with the other Deposited Shares.

1.3 The Depositary will refuse to accept Shares for deposit whenever it is notified in writing that the Company has restricted the transfer of such Shares to comply with ownership restrictions under applicable Egyptian law or that such deposit would result in any violation of applicable Egyptian laws or governmental or stock exchange regulations. The Depositary will also refuse to accept certain Shares for deposit when notified in writing by the Company that the Deposited Shares or GDRs or any depositary receipts representing Shares are listed on a U.S. securities exchange registered under Section 6 of the United States Securities Exchange Act of 1934 or quoted on a U.S. automated interdealer quotation system (within the meaning of Rule 144A(d)(3) under the United States Securities Act of 1933, as amended (the "**Securities Act**")), unless the Company has notified the Depositary that it has received evidence satisfactory to it that such securities were not when issued of such class of securities so listed or quoted and accompanied by evidence satisfactory to the Depositary that any Shares presented for deposit are eligible for resale pursuant to Rule 144A under the Securities Act. The Depositary may also refuse to accept Shares for deposit if such action is deemed necessary or desirable by the Depositary, in good faith, at any time or from time to time because of any requirement of law or of any government or governmental authority, body or commission or stock exchange or under any provision of the Deposit Agreement or for any other reason.

1.4 The Depositary may issue GDRs against rights to receive Shares from the Company (or any agent of the Company recording Share ownership). No such issue of GDRs will be deemed a "Pre-Release" as defined in Condition 1.5.

1.5 Unless requested in writing by the Company to cease doing so, and notwithstanding the provisions of Condition 1.2, the Depositary may execute and deliver GDRs or issue interests in a Regulation S Master GDR or an Rule 144A Master GDR, as the case may be, prior to the receipt of Shares (a "**Pre-Release**"). The Depositary may, pursuant to Condition 2, deliver Shares upon the receipt and cancellation of GDRs, which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such GDR has been Pre-Released. The Depositary may receive GDRs in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation from the person to whom GDRs or Deposited Property are to be delivered (the "**Pre-Releasee**") that such person, or its customer, (i) owns or represents the owner of the corresponding Deposited Property or GDRs to be remitted (as the case may be), (ii) assigns all beneficial right, title and interest in such Deposited Property or GDRs (as the case may be) to the Depositary in its capacity as such and for the benefit of the Holders, (iii) will not take any action with respect to such GDRs or Deposited Property (as the case may be) that is inconsistent with the transfer of beneficial ownership (including without the consent of the Depositary, disposing of such Deposited Property or GDRs, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralised with cash or such other collateral as the Depository determines in good faith will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days' notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of GDRs which are outstanding at any time as a result of Pre-Release will not normally represent more than thirty per cent. of the total number of GDRs then outstanding; provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate and may, with the prior written consent of the Company, change such limits for the purpose of general application. The Depositary will also set dollar limits with respect to such transactions hereunder with any particular Pre-Releasee hereunder on a case by case basis as the Depositary deems appropriate. The collateral referred to in sub-paragraph (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations in connection herewith, including the Pre-Releasee's obligation to deliver Shares and/or other securities or GDRs upon termination of a transaction anticipated hereunder (and shall not, for the avoidance of doubt, constitute Deposited Property hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing including, without limitation, earnings on the collateral.

1.6 The person to whom a Pre-Release of Rule 144A GDRs or Rule 144A Shares is to be made pursuant to this Condition 1.5 shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 3 Part III of the Deposit Agreement. The person to whom any Pre-Release of Regulation S GDRs or Regulation S Shares is to be made pursuant to this paragraph shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 3 Part I of the Deposit Agreement.

2. **Withdrawal of Deposited Property**

2.1 Subject to Condition 2.2 below at any time after 30th October, 1996, any Holder may request withdrawal of, and the Depositary shall thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence that such person is the Holder of and entitled to the relative GDR and such other evidence as the Depositary may reasonably require at the specified office of the Depositary or any Agent accompanied by:

2.1.1 a duly executed order (in a form approved by the Depositary) requesting the Depositary to cause the Deposited Property being withdrawn to be delivered at the Office of the Custodian, or (at the request, risk and expense of the Holder) at the specified office from time to time of the Depositary or any Agent (located in the Arab Republic of Egypt or such other place as permitted under applicable law from time to time) to, or to the order in writing of, the person or persons designated in such order;

2.1.2 a certificate substantially in the form of Schedule 3, Part II or Part IV, as appropriate, of the Deposit Agreement and . available from the Depositary or the Custodian;

2.1.3 the payment of such fees, duties, charges and expenses as may be required under these Conditions or the Deposit Agreement: and

2.1.4 the surrender (if appropriate) of the GDR certificates in definitive registered form to which the Deposited Property being withdrawn is attributable.

2.2 Certificates for withdrawn Deposited Shares will contain such legends, and withdrawals of Deposited Shares will be subject to the grant of such approvals as may be required by applicable laws or the By-laws of the Company and to such transfer restrictions or certifications, as the Company or the Depositary may from time to time determine to be necessary for compliance with applicable laws and the By-laws of the Company. The Depositary will not accept for surrender and withdrawal any GDRs which would require the delivery to the withdrawing GDR Holder by the Depositary of fractions of Shares.

2.3 Upon production of such documentation and the making of such payment as aforesaid in accordance with Condition 2.1, the Depositary will direct the Custodian, with a copy of such direction being simultaneously sent to the Company for information, within a reasonable time after receiving such direction from such Holder, to deliver at its Office to, or to the order in writing of, the person or persons designated in the accompanying order:

2.3.1 a certificate for, or other appropriate instrument of title to, the relevant Deposited Shares, registered in the name of the Depositary or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and

2.3.2 all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof as aforesaid, provided however that the Depositary may make delivery at its specified office in New York of any Deposited Property which is in the form of cash;

Provided that the Depositary (at the request, risk and expense of any Holder so surrendering a GDR):

(a) will direct the Custodian to deliver the certificate for, or other instruments of title to, the relevant Deposited Shares and any document relative thereto and any other documents referred to in Condition 2.3.1 (together with any other property forming part of the Deposited Property which may be held by the Custodian or its agents and is attributable to such Deposited Shares); and/or

(b) will deliver any other property forming part of the Deposited Property which may be held by the Depositary and is attributable to such GDR (accompanied by such instruments of transfer in blank or to the person or persons specified in such order and such other documents, if any, as are required by law for the transfer thereto),

in each case at the specified office from time to time of the Depositary, if any, or any Agent (located in the Arab Republic of Egypt or such other place as is permitted under applicable law from time to time) as designated by the surrendering Holder in such accompanying order as aforesaid.

2.4 Delivery by the Depositary, any Agent and the Custodian of all certificates, instruments, dividends or other property forming part of Deposited Property as specified in this Condition will be made subject to any laws or regulations applicable thereto.

2.5 The Depositary shall be entitled, at its reasonable discretion, at such times as it shall determine, to suspend the issue or transfer of GDRs (and the deposit of Shares) generally or in respect of particular Shares. In particular, to the extent that it is in its opinion practicable for it to do so, the Depositary will refuse to accept Shares for deposit, to execute and deliver GDRs or to register transfers of GDRs if it has been notified by the Company in writing that the Deposited Shares or GDRs or any depositary receipts corresponding to Shares are listed on a U.S. Securities Exchange or quoted on a U.S. automated inter dealer quotation system unless accompanied by evidence satisfactory to the Depositary that any such Shares are eligible for resale pursuant to Rule 144A under the Securities Act. Further, the Depositary may suspend the withdrawal of Deposited Property during any period when the Register, or the register of shareholders of the Company is closed or, generally or in one or more localities, suspend the withdrawal of Deposited Property or deposit of Shares if deemed necessary or desirable or advisable by the Depositary in good faith at any time or from time to time, in order to comply with any applicable law or governmental or stock exchange regulations or any provision of the Deposit Agreement or for any other reason. The Depositary shall (unless otherwise notified by the Company) restrict the withdrawal of Deposited Shares where the Company notifies the Depositary in writing that such withdrawal would result in ownership of Shares exceeding any limit under any applicable law, government resolution or the Company's constitutive documents or would otherwise violate any applicable laws.

3. **Transfer and ownership**

GDRs are in registered form. Title to the GDRs passes by registration in the records of the Depositary. The Holder of any GDR will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in or any writing on it, or the theft or loss of any certificate issued in respect of it) and no person will be liable for so treating the Holder.

The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in violation of any applicable laws.

Interests in Rule 144A GDRs corresponding to the Master Rule 144A GDR may be transferred to a person whose interest in such Rule 144A GDRs is subsequently represented by the Master Regulation S GDR only upon receipt by the Depositary of written certifications (in the forms provided in the Deposit Agreement) from the transferor and the transferee to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act. Prior to expiration of the Distribution Compliance Period, no owner of Regulation S GDRs may transfer Regulation S GDRs or Shares represented thereby except in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act or to, or for the account of, a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act (each a "**QIB**") in a transaction meeting the requirements of such Rule 144A. There shall be no transfer of Regulation S GDRs by an owner thereof to a QIB except as aforesaid and unless such owner (i) withdraws Regulation S Shares from the Regulation S Facility in accordance with Clause 3.8 of the Deposit Agreement and (ii) instructs the Depositary to deliver the Shares so withdrawn to the account of the Custodian to be deposited into the Rule 144A Facility for issuance thereunder of Rule 144A GDRs to, or for the account of, such QIB. Issuance of such Rule 144A GDRs shall be subject to the terms and conditions of the Deposit Agreement, including, with respect to the deposit of Shares and the issuance of Rule 144A GDRs, delivery of the duly executed and completed written certificate and agreement required under the Deposit Agreement by or on behalf of each person who will be the beneficial owner of such Rule 144A GDRs certifying that such person is a QIB and agreeing that it will comply with the restrictions on transfer set forth therein and to payment of the fees, charges and taxes provided therein

4. **Cash distributions**

4.1 Whenever the Depositary shall receive from the Company any cash dividend or other cash distribution on or in respect of the Deposited Shares (including any liquidation surplus or other amounts received in the liquidation of the Company) or otherwise in connection with the Deposited Property, the Depositary, its Agent or Custodian shall as soon as practicable convert the same into United States dollars in accordance with Condition 8. The Depositary shall, if practicable in the opinion of the Depositary, give notice to the Holders of its receipt of such payment in accordance with Condition 23, specifying the amounts per GDR payable in respect of such dividend or distribution and the date, determined by the Depositary, for such payment and shall as soon as practicable distribute any such amounts to the Holders in proportion to the number of Deposited Shares represented by the GDRs so held by them respectively, subject to and in accordance with the provisions of Conditions 9 and 11; provided that:

4.1.1 in the event that any Deposited Shares shall not be entitled, by reason of the date of issue or transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative Holders shall be adjusted accordingly;

4.1.2 the Depositary will distribute only such amounts of cash dividends and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of currency in which the distribution is made by the Depositary, and any balance remaining shall be retained by the Depositary beneficially as an additional fee under Condition 16.1.4.

5. **Distribution of Shares**

Whenever the Depositary shall receive from the Company any distribution in respect of Deposited Shares which consists of a dividend in, or free distribution or bonus issue of Shares or shall subscribe or acquire Shares pursuant to Condition 7 below, the Depositary shall cause to be distributed to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, additional GDRs representing an aggregate number of Shares received pursuant to such dividend, distribution, subscription or acquisition by an increase in the number of GDRs evidenced by the Master GDRs or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; provided that, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, owing to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be lawful, the Depositary shall sell such Shares so received (either by public or private sale and otherwise at its discretion, subject to Egyptian laws and regulations) and distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

6. **Distributions other than in cash or Shares**

Whenever the Depositary shall receive from the Company any dividend or distribution in securities (other than Shares) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary shall distribute or cause to be distributed such securities or other property to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; provided that, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall deal with the securities or property so received, or any part thereof, in such way as the Depositary may determine to be equitable and practicable, including without limitation, by way of sale (either by public or private sale and otherwise at its discretion, subject to Egyptian laws and regulations) and (in the case of a sale) distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

7. **Rights Issues**

If and whenever the Company announces its intention to make any offer or invitation to the holders of Shares to subscribe for or to acquire Shares, securities or other assets by way of rights, the Depositary shall as soon as practicable give notice to the Holders, in accordance with Condition 23, of such offer or invitation, specifying, if applicable, the earliest date established for acceptance thereof, the last date established for acceptance thereof and the manner by which and time during which Holders may request the Depositary to exercise such rights as provided below or, if such be the case, specifying details of how the Depositary proposes to distribute the rights or the proceeds of any sale thereof. The Depositary will deal with such rights in the manner described below:-

(i) if and to the extent that the Depositary shall, at its discretion, deem it to be lawful and reasonably practicable, the Depositary shall make arrangements whereby the Holders may, upon payment of the subscription price in Egyptian pounds or other relevant currency together with such fees, taxes, duties, charges, costs and expenses as may be required under the Deposit Agreement and completion of such undertakings, declarations, certifications and other documents as the Depositary may reasonably require, request the Depositary to exercise such rights on their behalf with respect to the Deposited Shares and to distribute the Shares, securities or other assets so subscribed or acquired to the Holders entitled thereto by an increase in the numbers of GDRs corresponding to the Master GDRs or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; or

(ii) if and to the extent that the Depositary shall at its discretion, deem it to be lawful and reasonably practicable, the Depositary will distribute such rights to the Holders entitled thereto in such manner as the Depositary may at its discretion determine; or

(iii) if and to the extent that the Depositary deems any such arrangement and distribution as is referred to in paragraphs (i) and (ii) above to all or any Holders not to be lawful and reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary (a) will, PROVIDED THAT Holders have not taken up rights through the Depositary as provided in (i) above, sell such rights (either by public or private sale and otherwise at its discretion subject to all applicable laws and regulations) or (b) may, if such rights are not transferable, in its discretion, arrange for such rights to be exercised and the resulting Shares or securities sold and, in each case, distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

(iv)

(a) Notwithstanding the foregoing, in the event that the Depositary offers rights pursuant to Condition 7(i) (the "**Primary GDR Rights Offering**"), if authorised by the Company to do so, the Depositary may, in its discretion, make arrangements whereby in addition to instructions given by a Holder to the Depositary to exercise rights on its behalf pursuant to Condition 7(i), such Holder is permitted to instruct the Depositary to subscribe on its behalf for additional rights which are not attributable to the Deposited Shares represented by such Holder's GDRs ("**Additional GDR Rights**") if at the date and time specified by the Depositary for the conclusion of the Primary GDR Offering (the "**Instruction Date**") instructions to exercise rights have not been received by the Depositary from the Holders in respect of all their initial entitlements. Any Holder's instructions to subscribe for such Additional GDR Rights ("**Additional GDR Rights Requests**") shall specify the maximum number of Additional GDR Rights that such Holder is prepared to accept (the "**Maximum Additional Subscription**") and must be received by the Depositary by the Instruction Date. If by the Instruction Date any rights offered in the Primary GDR Rights Offering have not been subscribed by the Holders initially entitled thereto ("**Unsubscribed Rights**"), subject to Condition 7(iv)(c) and receipt of the relevant subscription price in Egyptian pounds or other relevant currency, together with such fees, taxes, duties, charges, costs and expenses as it may deem necessary, the Depositary shall make arrangements for the allocation and distribution of Additional GDR Rights in accordance with Condition 7(iv)(b).

(b) Holders submitting Additional GDR Rights Requests shall be bound to accept the Maximum Additional Subscription specified in such Additional GDR Request but the Depositary shall not be bound to arrange for a Holder to receive the Maximum Additional Subscription so specified but may make arrangements whereby the Unsubscribed Rights are allocated *pro rata* on the basis of the extent of the Maximum Additional Subscription specified in each Holder's Additional GDR Rights Request.

(c) In order to proceed in the manner contemplated in this Condition 7(iv), the Depositary shall be entitled to receive such opinions from Egyptian counsel and U.S. counsel as in its discretion it deems necessary which opinions shall be in a form and provided by counsel satisfactory to the Depositary and at the expense of the Company and may be requested in addition to any other opinions and/or certifications which the Depositary shall be entitled to receive under the Deposit Agreement and these Conditions. For the avoidance of doubt, save as provided in these Conditions and the Deposit Agreement, the Depositary shall have no liability to the Company or any Holder in respect of its actions or omissions to act under this Condition 7(iv) and, in particular, the Depositary will not be regarded as being negligent, acting in bad faith, or in wilful default if it elects not to make the arrangements referred to in Condition 7(iv)(a).

The Company has agreed in the Deposit Agreement that it will, unless prohibited by applicable law or regulation, give its consent to, and if requested use all reasonable endeavours (subject to the next paragraph) to facilitate, any such distribution, sale or subscription by the Depositary or the Holders, as the case may be, pursuant to Conditions 4, 5, 6, 7 or 10 (including the obtaining of legal opinions from counsel reasonably satisfactory to the Depositary concerning such matters as the Depositary may reasonably specify).

If the Company notifies the Depositary that registration is required in any jurisdiction under any applicable law of the rights, securities or other property to be distributed under Condition 4, 5, 6, 7 or 10 or the securities to which such rights relate in order for the Company to offer such rights or distribute such securities or other property to the Holders or owners of GDRs and to sell the securities corresponding to such rights, the Depositary will not offer such rights or distribute such securities or other property to the Holders or sell such securities unless and until the Company procures the receipt by the Depositary of an opinion from counsel reasonably satisfactory to the Depositary and the Company that a registration statement is in effect or that the offering and sale of such rights or securities to such Holders or owners of GDRs are exempt from registration under the provisions of such law. Neither the Company nor the Depositary shall be liable to register such rights, securities or other property or the securities to which such rights relate and they shall not be liable for any losses, damages or expenses resulting from any failure to do so.

If at the time of the offering of any rights, at its discretion, the Depositary shall be satisfied that it is not lawful or practicable (for reasons outside its control) to dispose of the rights in any manner provided in paragraphs (i), (ii), (iii) and (iv) above, the Depositary shall permit the rights to lapse. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Holders or owners of GDRs in general or to any Holder or owner of a GDR or Holders or owners of GDRs in particular.

8. Conversion of foreign currency

Whenever the Depositary shall receive any currency other than United States dollars by way of dividend or other distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the currency so received can, in the judgment of the Depositary be converted on a reasonable basis into United States dollars and distributed to the Holders entitled thereto, the Depositary shall as soon as practicable itself convert or cause to be converted by another bank, by sale or in any other manner that it may determine, the currency so received into United States dollars. If such conversion or distribution can be effected only with the approval or licence of any government or agency thereof, the Depositary, with the assistance of the Company, shall make reasonable efforts to apply, or procure that an application be made, for such approval or licence, if any, as it may consider desirable. If at any time the Depositary shall determine that in its judgment any currency other than United States dollars is not convertible on a reasonable basis into United States dollars and distributable to the Holders entitled thereto, or if any approval or licence of any government or agency thereof which is required for such conversion is denied or, in the opinion of the Depositary, is not obtainable, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute such other currency received by it (or an appropriate document evidencing the right to receive such other currency) to the Holders entitled thereto to the extent permitted under applicable law, or the Depositary may in its discretion hold such other currency (without liability for interest thereon) for the benefit of the Holders entitled thereto. If any conversion of any such currency can be effected in whole or in part for distribution to some (but not all) Holders entitled thereto pro rata to such Holders' respective entitlements, the Depositary may in its absolute discretion make such conversion and distribution in United States dollars to the extent possible to the Holders entitled thereto and may distribute the balance of such other currency received by the Depositary to, or hold such balance on non-interest bearing accounts for the account of, the Holders entitled thereto and notify the Holders accordingly.

9. **Distribution of any payments**

9.1 Any distribution of cash under Condition 4, 5, 6, 7, or 10 will be made by the Depositary to those Holders who are Holders of record on the record date established by the Depositary for that purpose (which shall be the same date as the corresponding record date set by the Company, or, if different from the record date set by the Company, and shall be as near as practicable to any record date set by the Company) and, if practicable in the opinion of the Depositary, notice shall be given promptly to Holders in accordance with Condition 23, in each case subject to any laws or regulations applicable thereto and (subject to the provisions of Condition 8) distributions will be made in United States dollars by cheque drawn upon a bank in New York City or, in the case of the Master GDRs, according to usual practice between the Depositary and Clearstream, Euroclear or DTC, as the case may be. The Depositary or the Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Conditions, the Deposit Agreement or under applicable law in respect of such GDR or the relative Deposited Property.

9.2 Delivery of any securities or other property or rights other than cash shall be made as soon as practicable to the entitled Holder, subject to any laws or regulations applicable thereto. If any distribution made by the Company with respect to the Deposited Property and received by the Depositary shall remain unclaimed at the end of three years from the first date upon which such distribution is made available to Holders in accordance with the Conditions and subject to any applicable laws (including, without limitation, U.S. federal laws and the escheat laws of the States of the United States), all rights of the Holders to such distribution or the proceeds of the sale thereof shall be extinguished and the Depositary shall (except for any distribution upon the liquidation of the Company when the Depositary shall retain the same) return the same to the Company for its own use and benefit and the Depositary shall have no obligation therefor or liability with respect thereto.

10. **Capital reorganisation**

Upon any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares or any other part of the Deposited Property or upon any reduction of capital, or upon any reorganisation, merger or consolidation of the Company or to which it is a party (except where the Company is the continuing corporation), the Depositary shall as soon as practicable give notice of such event to the Holders in accordance with Condition 23 and, in its discretion, may treat such event as a distribution and comply with the relevant provisions of Conditions 4, 5, 6 and 9 with respect thereto, or may execute and deliver additional GDRs in respect of Shares or may call for the surrender of outstanding GDRs to be exchanged for new GDRs which reflect the effect of such change or to be stamped in the appropriate manner so as to indicate the new number of Shares and/or the new securities evidenced by such outstanding GDRs or may adopt more than one of these courses of action.

11. **Withholding taxes and applicable laws**

11.1 Payments to Holders of dividends or other distributions made to Holders on or in respect of the Deposited Shares will be subject to deduction of Egyptian and other withholding taxes, if any, at the applicable rates. The Depositary and the Company shall have no liability whatsoever in respect of any determination made hereunder by any tax authority in relation to the appropriate rate of withholding applicable to any Holder or owner of a GDR. In so relying on the evidence provided by such owner in respect of his residency, the Company and the Depositary shall be indemnified by such owner from any and all losses, damages or expenses it incurs as a consequence of such reliance. In particular, if the Company is required by the tax authorities of the Arab Republic of Egypt in respect of such owner to deduct or withhold tax at the normal rate, such owner shall indemnify the Company and the Depositary against such difference in the relevant tax rates and expenses incurred.

11.2 If any governmental or administrative authorisation, consent, registration or permit or any report to any governmental or administrative authority is required under any applicable law in the Arab Republic of Egypt in order for the Depositary to receive from the Company Shares to be deposited under the Conditions, or in order for Shares, other securities or other property to be distributed under Condition 4, 5, 6 or 10, or to be subscribed under Condition 7 or to offer any rights or sell any securities represented by such rights relevant to any Deposited Shares, the Company shall apply for such authorisation, consent, registration or permit or shall file such report on behalf of the Holders within the time required under such law. In this connection, the Company has undertaken in the Deposit Agreement to the extent reasonably practicable, and provided that it does not involve unreasonable expense on behalf of the Company, to take such action as may be required in obtaining or filing the same. The Depositary shall not distribute GDRs, Shares, other securities or other property with respect to which such authorisation, consent or permit or such report has not been obtained or filed, as the case may be, and shall have no duties to obtain any such authorisation, consent or permit, or to file any such report.

12. **Voting rights**

12.1 Holders will have voting rights with respect to the Deposited Shares. The Company has agreed to notify the Depositary of any resolution to be proposed at a General Meeting of the Company and the Depositary will vote or cause to be voted the Deposited Shares in the manner set out in this Condition 12.

12.2 The Company has agreed with the Depositary that it will promptly provide to the Depositary sufficient copies, as the Depositary may reasonably request, of notices of meetings of the shareholders of the Company and the agenda therefor as well as written requests containing voting instructions by which each Holder may give instructions to the Depositary to vote for or against each and any resolution specified in the agenda for the meeting, which the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose (which shall be the same as the corresponding record date set by the Company or as near as practicable thereto) as soon as practicable after receipt of the same by the Depositary in accordance with Condition 23.

12.3 In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective Holder (or in the case of instructions received from the clearing systems should be received by authenticated SWIFT message) in accordance with the written request containing voting instructions and returned to the Depositary by such record date as the Depositary may specify.

12.4 The Depositary will exercise or cause to be exercised the voting rights in respect of the Deposited Shares so that a portion of the Deposited Shares will be voted for and a portion of the Deposited Shares will be voted against any resolution specified in the agenda for the relevant meeting in accordance with the voting instructions it has received.

12.5 If the Depositary is advised in the opinion referred to in Condition 12.8 below that it is not permitted by Egyptian law to exercise the voting rights in respect of the Deposited Shares differently (so that a portion of the Deposited Shares may be voted for a resolution and a portion of the Deposited Shares may be voted against a resolution) the Depositary shall, if the opinion referred to in Condition 12.8 below confirms it to be permissible under Egyptian law, calculate from the voting instructions that it has received from all Holders (x) the aggregate number of votes in favour of a particular resolution and (y) the aggregate number of votes opposed to such resolution and cast or cause to be cast in favour of or opposed to such resolution the number of votes representing the net positive difference between such aggregate number of votes in favour of such resolution and such aggregate number of votes opposed to such resolution.

12.6 The Depositary will only endeavour to vote or cause to be voted the votes attaching to Shares in respect of which voting instructions have been received, except that if no voting instructions are received by the Depositary (either because no voting instructions are returned to the Depositary or because the voting instructions are incomplete, illegible or unclear) from a Holder with respect to any or all of the Deposited Shares represented by such Holder's GDRs on or before the record date specified by the Depositary, such Holder shall be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company with respect to such Deposited Shares, and the Depositary shall give a discretionary proxy to a person designated by the Company to vote such Deposited Shares, PROVIDED THAT no such instruction shall be deemed given, and no such discretionary proxy shall be given, with respect to any matter as to which the Company informs the Depositary (and the Company has agreed to provide such information in writing as soon as practicable) that (i) the Company does not wish such proxy to be given, or (ii) such matter materially and adversely affects the rights of holders of Shares.

12.7 If the Depositary is advised in the opinion referred to in Condition 12.8 below that it is not permissible under Egyptian law or the Depositary determines that it is not reasonably practicable to vote or cause to be voted such Deposited Shares in accordance with Conditions 12.3, 12.4 or 12.5 the Depositary shall not vote or cause to be voted such Deposited Shares.

12.8 Where the Depositary is to vote in respect of each and any resolution in the manner described in Conditions 12.3, 12.4 or 12.5 above the Depositary shall notify the Chairman of the Company and appoint a person designated by him as a representative of the Depositary to attend such meeting and vote the Deposited Shares in the manner required by this Condition. The Depositary shall not be required to take any action required by this Condition 12 unless it shall have received an opinion from the Company's legal counsel (such counsel being reasonably acceptable to the Depositary) at the expense of the Company to the effect that such voting arrangement is valid and binding on Holders under Egyptian law and the statutes of the Company and that the Depositary is permitted to exercise votes in accordance with the provisions of this Condition 12 but that in doing so the Depositary will not be deemed to be exercising voting discretion.

12.9 By continuing to hold GDRs, all Holders shall be deemed to have agreed to the provisions of this Condition as it may be amended from time to time in order to comply with applicable Egyptian law.

12.10 The Depositary shall not, and the Depositary shall ensure that the Custodian and its nominees do not, vote or attempt to exercise the right to vote that attaches to the Deposited Shares, other than in accordance with instructions given or deemed given in accordance with this Condition."

13. **Documents to be furnished, recovery of taxes, duties and other charges**

The Depositary shall not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Shares or other Deposited Property or the GDRs, whether under any present or future fiscal or other laws or regulations, and such part thereof as is proportionate or referable to a GDR shall be payable by the Holder thereof to the Depositary at any time on request or may be deducted from any amount due or becoming due on such GDR in respect of any dividend or other distribution. In default thereof, the Depositary may for the account of the Holder discharge the same out of the proceeds of sale on the Cairo Stock Exchange or any other stock exchange on which the Shares may from time to time be listed or, otherwise on the over-the-counter market in Egypt, and subject to Egyptian law and regulation, of an appropriate number of Deposited Shares (being an integral multiple of the number of Shares in respect of which a single GDR is issued) or other Deposited Property and subsequently pay any surplus to the Holder. Any such request shall be made by giving notice pursuant to Condition 23.

14. **Liability**

14.1 In acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders or owners of GDRs or any other person.

14.2 Neither the Depositary, the Custodian, the Company, any Agent, nor any of their agents, officers, directors or employees shall incur any liability to any other of them or to any Holder or owner of a GDR or any other person with an interest in any GDRs if, by reason of any provision of any present or future law or regulation of Egypt or any other country or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control, or in the case of the Depositary, the Custodian, the Agent or any of their agents, officers, directors or employees, by reason of any provision, present or future, of the constitutive documents of the Company, any of them shall be prevented, delayed or forbidden from doing or performing any act or thing which the terms of the Deposit Agreement or these Conditions provide shall or may be done or performed; nor shall any of them incur any liability to any Holder or owner of GDRs or any other person with an interest in any GDRs by reason of any exercise of, or failure to exercise, any voting rights attached to the Deposited Shares or any of them or any other discretion or power provided for in the Deposit Agreement. Any such party may rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).

14.3 Neither the Depositary nor any Agent shall be liable (except for its own wilful default, negligence or bad faith or that of its agents, officers, directors or employees) to the Company or any Holder or owner of GDRs or any other person, by reason of having accepted as valid or not having rejected any certificate for Shares or GDRs or any signature on any transfer or instruction purporting to be such and subsequently found to be forged or not authentic or for its failure to perform any obligations under the Deposit Agreement or these Conditions.

14.4 The Depositary and its agents may engage or be interested in any financial or other business transactions with the Company or any of its subsidiaries or affiliates, or in relation to the Deposited Property (including without prejudice to the generality of the foregoing, the conversion of any part of the Deposited Property from one currency to another), may at any time hold or be interested in GDRs for its own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank, and not in the capacity of Depositary, in relation to matters arising under the Deposit Agreement (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to Holders or any other person for any profit arising therefrom.

14.5 The Depositary shall endeavour to effect any such sale as is referred to or contemplated in Conditions 5, 6, 7, 10, 13 or 21 or any such conversion as is referred to in Condition 8 in accordance with the Depositary's normal practices and procedures but shall have no liability (in the absence of its own wilful default, negligence or bad faith or that of its agents, officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion shall not be reasonably practicable.

14.6 The Depositary shall not be required or obliged to monitor, supervise or enforce the observance and performance by the Company of its obligations under or in connection with the Deposit Agreement or these Conditions.

14.7 The Depositary shall have no responsibility whatsoever to the Company, any Holders or any owner of GDRs or any other person as regards any deficiency which might arise because the Depositary is subject to any tax in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.

14.8 In connection with any proposed modification, waiver, authorisation or determination permitted by the terms of the Deposit Agreement, the Depositary shall not, except as otherwise expressly provided in Condition 22, be obliged to have regard to the consequence thereof for the Holders or the owners of GDRs or any other person.

14.9 Notwithstanding anything else contained in the Deposit Agreement or these Conditions, the Depositary may refrain from doing anything which could or might, in its opinion, be contrary to any law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

14.10 The Depositary may, in relation to the Deposit Agreement and these Conditions, act or take no action on the advice or opinion of, or any certificate or information obtained from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Company, the Depositary or otherwise, and shall not be responsible or liable for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons presenting Shares for deposit or GDRs for surrender or requesting transfers thereof.

14.11 Any such advice, opinion, certificate or information (as discussed in Condition 14.10 above) may be sent or obtained by letter, telex, facsimile transmission, telegram or cable and the Depositary shall not be liable for acting on any advice, opinion, certificate or information purported to be conveyed by any such letter, telex or facsimile transmission although (without the Depositary's knowledge) the same shall contain some error or shall not be authentic.

14.12 The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other communication, whether oral or written, signed or otherwise communicated on behalf of the Company by a director of the Company or by a person duly authorised by a Director of the Company or such other certificate from persons specified in Condition 14.10 above which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be occasioned by the Depositary acting on such certificate.

14.13 The Depositary shall have no obligation under the Deposit Agreement except to perform its obligations as are specifically set out therein without wilful default, negligence or bad faith.

14.14 The Depositary may delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons, whether being a joint Depositary of the Deposit Agreement or not and not being a person to whom the Company may reasonably object, all or any of the powers, authorities and discretions vested in the Depositary by the Deposit Agreement and such delegation may be made upon such terms and subject to such conditions, including power to sub-delegate and subject to such regulations as the Depositary may in the interests of the Holders think fit, provided that no objection from the Company to any such delegation as aforesaid may be made to a person whose financial statements are consolidated with those of the Depositary's ultimate holding company. Any delegation by the Depositary shall be on the basis that the Depositary is acting on behalf of the Holders and the Company in making such delegation. The Company shall not in any circumstances and the Depositary shall not (provided that it shall have exercised reasonable care in the selection of such delegate) be bound to supervise the proceedings or be in any way responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. However, the Depositary shall, if practicable and if so requested by the Company, pursue (at the Company's expense and subject to receipt by the Depositary of such indemnity and security for costs as the Depositary may reasonably require) any legal action it may have against such delegate or sub-delegate arising out of any such loss caused by reason of any such misconduct or default. The Depositary shall, within a reasonable time of any such delegation or any renewal, extension or termination thereof, give notice thereof to the Company. Any delegation under this Condition which includes the power to sub-delegate shall provide that the delegate shall, within a specified time of any sub-delegation or amendment, extension or termination thereof, give notice thereof to the Company and the Depositary.

14.15 The Depositary may, in the performance of its obligations hereunder, instead of acting personally, employ and pay an agent, whether a solicitor or other person, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money.

14.16 The Depositary shall be at liberty to hold or to deposit the Deposit Agreement and any deed or document relating thereto in any part of the world with any banking company or companies of good repute (including itself) whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers of good repute, and the Depositary shall not (in the case of deposit with itself, in the absence of its own negligence, wilful default, or bad faith or that of its agents, directors, officers or employees) be responsible for any losses, liability or expenses incurred in connection with any such deposit.

14.17 Notwithstanding anything to the contrary contained in the Deposit Agreement or these Conditions, the Depositary shall not be liable in respect of any loss or damage which arises out of or in connection with its performance or non-performance or the exercise or attempted exercise of, or the failure to exercise any of, its powers or discretions under the Deposit Agreement except to the extent that such loss or damage arises from the wilful default, negligence or bad faith of the Depositary or that of its agents, officers, directors or employees.

14.18 No provision of the Deposit Agreement or these Conditions shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment to it of such funds or adequate indemnity and security against such risk of liability is not assured to it.

14.19 For the avoidance of doubt, the Depositary shall be under no obligation to check, monitor or enforce compliance with any ownership restrictions in respect of GDRs or Shares under any applicable Egyptian law as the same may be amended from time to time. Notwithstanding the generality of Condition 3, the Depositary shall refuse to register any transfer of GDRs or any deposit of Shares against issuance of GDRs if notified by the Company, or the Depositary becomes aware of the fact, that such transfer or issuance would result in a violation of the limitations set forth above.

14.20 No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

15. **Issue and delivery of replacement GDRs and exchange of GDRs**

Subject to the payment of the relevant fees, taxes, duties, charges, costs and expenses and such terms as to evidence and indemnity as the Depositary may require, replacement GDRs will be issued by the Depositary and will be delivered in exchange for or replacement of outstanding lost, stolen, mutilated, defaced or destroyed GDRs upon surrender thereof (except in the case of the destruction, loss or theft) at the specified offices of the Depositary or (at the request, risk and expense of the Holder) at the specified office of any Agent.

16. **Depositary's fees, costs and expenses**

16.1 The Depositary shall be entitled to charge the following remuneration and receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the Holders in respect of its services under the Deposit Agreement:

(i) for the issue of GDRs (other than upon the issue of GDRs pursuant to the Offering) or the cancellation of GDRs: U.S.$5.00 or less per 100 GDRs (or portion thereof) issued or cancelled, including for the avoidance of doubt, but not limited to, a transfer from and between the Regulation S Master GDR and the Rule 144A Master GDR, which transfer shall be treated as a cancellation from one Master GDR and an issuance into the other Master GDR;

(ii) for issuing GDR certificates in definitive registered form in replacement for mutilated, defaced, lost, stolen or destroyed GDR certificates: a sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs and expenses involved;

(iii) for issuing GDR certificates in definitive registered form (other than pursuant to (ii) above): the greater of U.S.$1.50 per GDR certificate (plus printing costs) or such other sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work plus costs (including but not limited to printing costs) and expenses involved;

(iv) for receiving and paying any cash dividend or other cash distribution on or in respect of the Deposited Shares: a fee of U.S.$0.02 or less per GDR for each such dividend or distribution;

(v) in respect of any issue of rights or distribution of Shares (whether or not evidenced by GDRs) or other securities or other property (other than cash) upon exercise of any rights, any free distribution, stock dividend or other distribution: U.S.$0.05 or less per outstanding GDR for each such issue of rights, dividend or distribution;

(vi) a fee of U.S.$0.02 or less per GDR for depositary services, which shall accrue on the last day of each calendar year and shall be payable as provided in paragraph (viii) below, provided however that no fee will be assessed under this provision if a fee was charged in such calendar year under (iv) above; and

(vii) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents, in connection with the servicing of Deposited Shares or other Deposited Property which charge shall be assessed against Holders as of the date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders for such charge or deducting such charge from one or more cash dividends or other cash distributions,

together with all expenses (including currency conversion expenses), transfer and registration fees, taxes, duties and charges payable by the Depositary, any Agent or the Custodian, or any of their agents, in connection with any of the above.

16.2 The Depositary is entitled to receive from the Company the fees, taxes, duties, charges costs and expenses as specified in a separate agreement between the Company and the Depositary.

16.3 From time to time, the Depositary may make payments to the Company to reimburse and / or share revenue from the fees collected from GDR holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the GDR facilities established pursuant to the Deposit Agreement. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers or other service providers that are affiliates of the Depositary and that may earn or share fees and commissions.

17. **Agents**

17.1 The Depositary shall be entitled to appoint one or more agents (the "Agents") for the purpose, inter alia, of making distributions to the Holders.

17.2 Notice of appointment or removal of any Agent or of any change in the specified office of the Depositary or any Agent will be duly given by the Depositary to the Holders.

18. **Listing**

The Company has undertaken in the Deposit Agreement to use all reasonable endeavours to maintain, so long as any GDR is outstanding, a listing for the GDRs on the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange.

For that purpose the Company will pay all fees and sign and deliver all undertakings required by the UK Listing Authority and the London Stock Exchange in connection with such listings. In the event that the listing on the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange is not maintained, the Company has undertaken in the Deposit Agreement to use its best endeavours with the reasonable assistance of the Depositary (provided at the Company's expense) to obtain and maintain a listing of the GDRs on any other internationally recognised stock exchange in Europe.

19. **The Custodian**

The Depositary has agreed with the Custodian that the Custodian will receive and hold (or appoint agents approved by the Depositary to receive and hold) all Deposited Property for the account and to the order of the Depositary in accordance with the applicable terms of the Deposit Agreement, which include a requirement to segregate the Deposited Property from the other property of, or held by, the Custodian PROVIDED THAT the Custodian shall not be obliged to segregate cash comprised in the Deposited Property from cash otherwise held by the Custodian. The Custodian shall be responsible solely to the Depositary; provided that, if at any time the Depositary and the Custodian are the same legal entity, references to them separately in these Conditions and the Deposit Agreement are for convenience only and that legal entity shall be responsible for discharging both functions directly to the Holders and the Company. The Custodian may resign or be removed by the Depositary by giving 90 days' prior notice, except that if a replacement Custodian is appointed which is a branch or affiliate of the Depositary, the Custodian's resignation or discharge may take effect immediately on the appointment of such replacement Custodian. Upon the removal of or receiving notice of the resignation of the Custodian, the Depositary shall promptly appoint a successor Custodian (approved by the Company, such approval not to be unreasonably withheld), which shall, upon acceptance of such appointment, become the Custodian for the purposes of the Deposit Agreement. Whenever the Depositary in its discretion determines that it is in the best interests of the Holders to do so, it may terminate the appointment of the Custodian and, in the event of the termination of the appointment of the Custodian, the Depositary shall promptly appoint a successor Custodian, which shall, upon acceptance of such appointment, become the Custodian for the purposes of the Deposit Agreement on the effective date of such termination. The Depositary shall notify Holders of such change as soon as practically possible following such change taking effect in accordance with Condition 23. Notwithstanding the foregoing, the Depositary may temporarily deposit the Deposited Property in a manner or a place other than as herein specified; provided that in the case of such temporary deposit in another place, the Company shall have consented to such deposit, and such consent of the Company shall have been delivered to the Custodian. In case of transportation of the Deposited Property under this Condition, the Depositary shall obtain appropriate insurance at the expense of the Company if, and to the extent that, the obtaining of such insurance is reasonably practicable and the premiums payable are in the opinion of the Depositary of a reasonable amount

20. **Resignation and termination of appointment of the Depositary**

20.1 The Company may terminate the appointment of the Depositary under the Deposit Agreement by giving at least 120 days' notice in writing to the Depositary and the Custodian, and the Depositary may resign as Depositary by giving at least 120 days' notice in writing to the Company and the Custodian. Within 30 days after the giving of such notice, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23 and to the UK Listing Authority and the London Stock Exchange, where appropriate.

The termination of the appointment or the resignation of the Depositary shall take effect on the date specified in such notice; provided that no such termination of appointment or resignation shall take effect until the appointment by the Company of a successor depositary under the Deposit Agreement, the grant of such approvals as may be necessary to comply with applicable laws and with the By-laws of the Company for the transfer of the Deposited Property to such successor depositary and the acceptance of such appointment to act in accordance with the terms hereof by the successor depositary.

The Company has undertaken in the Deposit Agreement to use its best endeavours to procure the appointment of a successor Depositary with effect from the date of termination specified in such notice as soon as reasonably possible following notice of such termination or resignation. Upon any such appointment and acceptance, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23 and to the UK Listing Authority and the London Stock Exchange, where appropriate.

20.2 Upon the termination of appointment or resignation of the Depositary, the Depositary shall upon payment of all fees and charges owing to it deliver to its successor as depositary sufficient information and records to enable such successor efficiently to perform its obligations under the Deposit Agreement and shall deliver and pay to such successor Depositary all property and cash held by it under the Deposit Agreement. Upon the date when such termination of appointment or resignation takes effect, -the Deposit Agreement provides that the Custodian shall be deemed to be the Custodian thereunder for such successor depositary and shall hold the Deposited Property for such successor depositary and the Depositary shall thereafter have no obligation thereunder or under the Conditions.

21. **Termination of the Deposit Agreement**

21.1 Either the Company or the Depositary, but, in the case of the Depositary, only if the Company has failed to appoint a replacement Depositary within 90 days of the date on which the Depositary has given notice pursuant to Condition 20 that it wishes to resign, may terminate the Deposit Agreement by giving 90 days' notice to the other and to the Custodian- Within 30 days after the giving of such notice, notice of such termination shall be duly given by the Depositary to Holders of all GDRs then outstanding.

21.2 During the period beginning on the date of the giving of such notice by the Depositary to the Holders and ending on the date on which such termination takes effect, each Holder shall be entitled to obtain delivery of the Deposited Property relative to each GDR held by it, subject to the provisions of Condition 2.1 and upon compliance with Condition 2, payment by the Holder of the charge specified in Condition 16.1(i) and Clause 10.1.1(a) of the Deposit Agreement for such delivery and surrender, and payment by the Holder of any sums payable by the Depositary and/or any other expenses incurred by the Depositary (together with all amounts which the Depositary is obliged to pay to the Custodian) in connection with such delivery and surrender, and otherwise in accordance with the Deposit Agreement.

21.3 If any GDRs remain outstanding after the date of termination, the Depositary shall as soon as reasonably practicable sell the Deposited Property then held by it under the Deposit Agreement and shall not register transfers, shall not pass on dividends or distributions or take any other action, except that it will deliver the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, *pro rata* to Holders of GDRs which have not previously been so surrendered by reference to that proportion of the Deposited Property which is represented by the GDRs of which they are the Holders. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement and these Conditions, except its obligation to account to Holders for such net proceeds of sale and other cash comprising the Deposited Property without interest.

22. **Amendment of Deposit Agreement and Conditions**

22.1 All and any of the provisions of the Deposit Agreement and these Conditions (other than this Condition 22) may at any time and from time to time be amended by agreement between the Company and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of these Conditions (except to correct a manifest error) shall be duly given to the Holders by the Depositary, and any amendment (except as aforesaid) which shall increase or impose fees or charges payable by Holders or which shall otherwise, in the opinion of the Depositary, be materially prejudicial to the interests of the Holders (as a class) shall not become effective so as to impose any obligation on the Holders of the outstanding GDRs until the expiry of thirty calendar days after such notice shall have been given. During such period of thirty calendar days, each Holder shall be entitled to obtain, subject to and upon compliance with Condition 2 and subject to payment by the Holder of the charge specified in Condition 16.1(i) and Clause 10.1.1(a) of the Deposit Agreement for such delivery and surrender, and payment by the Holder of any sums payable by the Depositary and/or any other expenses incurred by the Depositary (together with all amounts which the Depositary is obliged to pay to the Custodian) in connection with such delivery and surrender, and otherwise in accordance with the Deposit Agreement, delivery of the Deposited Property relative to each GDR held by it upon surrender thereof. Each Holder at the time when any such amendment so becomes effective shall be deemed, by continuing to hold a GDR, to approve such amendment and to be bound by the terms thereof in so far as they affect the rights of the Holders. In no event shall any amendment impair the right of any Holder to receive, subject to and upon compliance with Condition 2, the Deposited Property attributing to the relevant GDR.

22.2 For the purposes of this Condition 22, an amendment shall not be regarded as being materially prejudicial to the interests of Holders if its principal effect is to permit the creation of GDRs in respect of additional Shares to be held by the Depositary which are or will become fully consolidated as a single series with the other Deposited Shares **PROVIDED THAT** temporary GDRs will represent such Shares until they are so consolidated.

22.3 The Company and the Depositary may at any time by agreement in any form amend the number of Shares represented by each GDR, provided that each outstanding GDR represents the same number of Shares as each other outstanding GDR, and at least 30 calendar days notice of such amendment is given to the Holders, but in no circumstances shall any amendment pursuant to this Condition 22.3 be regarded as an amendment requiring 30 calendar days notice in accordance with Condition 22.1.

23. **Notices**

23.1 Any and all notices to be given to any Holder shall be duly given if personally delivered, or sent by mail (if domestic, first class, if overseas, first class airmail) or air courier, or by telex or facsimile transmission confirmed by letter sent by mail or air courier, addressed to such Holder at the address of such Holder as it appears on the transfer books for GDRs of the Depositary, or, if such Holder shall have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address specified in such request.

23.2 Delivery of a notice sent by mail or air courier shall be effective three days (in the case of domestic mail or air courier) or seven days (in the case of overseas mail) after despatch, and any notice sent by telex transmission, as provided in this Condition, shall be effective when the sender receives the answer back from the addressee at the end of the telex and any notice sent by facsimile transmission, as provided in this Condition, shall be effective when the intended recipient has confirmed by telephone to the transmitter thereof that the recipient has received such facsimile in complete and legible form. The Depositary or the Company may, however, act upon any telex or facsimile transmission received by it from the other or from any Holder, notwithstanding that such telex or facsimile shall not subsequently be confirmed as aforesaid.

23.3 So long as GDRs are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange and the rules of the UK Listing Authority or the London Stock Exchange so require, all notices to be given to Holders generally will also be published in a leading daily newspaper having general circulation in the UK (which is expected to be the Financial Times).

24. **Reports and information on the Company**

24.1 The Company has undertaken in the Deposit Agreement (so long as any GDR is outstanding) to furnish the Depositary with a copy in the English language (and to make available to the Depositary, the Custodian and each Agent as many further copies as they may reasonably require to satisfy requests from Holders) of:

24.1.1 in respect of the financial year ending on 31st December 2013 and in respect of each financial year thereafter the non-consolidated (or, if published for holders of Shares, consolidated) balance sheets as at the end of such financial year and the non-consolidated (or, if published for holders of Shares, consolidated) statements of income for such financial year in respect of the Company, prepared in accordance with IFRS and reported upon by independent public accountants appointed in accordance with Egyptian law, as soon as practicable (and in any event within 180 days) after the end of such year; and

24.1.2 semi-annual non-consolidated (and, if published for holders of Shares, consolidated) financial statements for holders of Shares, as soon as practicable (and in any event within 120 days) after the same are published.

24.2 The Depositary shall upon receipt thereof give due notice to the Holders that such copies are available upon request at its specified office and the specified office of any Agent.

24.3 The Company has undertaken in a deed poll issued by it pursuant to and in the form set out in Exhibit A to the Deposit Agreement that, for as long as the GDRs are restricted securities as defined in Rule 144(a)(3) under the Securities Act and unless the Company becomes subject to and complies with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, or the information furnishing requirements of Rule 12g3-2(b) thereunder, to make available to any Holder, owner of a GDR or Share or prospective purchaser, upon the request of such Holder, owner of a GDR or Share or prospective purchaser, at the specified office of the Depositary all such information from time to time required to be delivered pursuant to Rule 144A(d)(4).

25. **Copies of Company notices**

On or before the day when the Company first gives notice, by mail, publication or otherwise, to holders of any Shares or other Deposited Property, whether in relation to the taking of any action in respect thereof or in respect of any dividend or other distribution thereon or of any meeting or adjourned meeting of such holders or otherwise, the Company has undertaken in the Deposit Agreement to transmit to the Custodian and the Depositary such number of copies of such notice and any other material (which in the opinion of the Company contains information having a material bearing on the interests of the Holders) furnished to such holders by the Company in connection therewith as the Depositary may reasonably request. Except as provided below, the Depositary shall, as soon as practicable after receiving notice of such transmission, give due notice to the Holders which notice may be given together with a notice pursuant to Condition 9.1, and shall make the same available to Holders in such manner as it may determine.

26. **Moneys held by the Depositary**

The Depositary shall be entitled to deal with moneys paid to it by the Company for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and shall not be liable to account to the Company or any Holder or any other person for any interest thereon, except as otherwise agreed and shall not be obliged to segregate such moneys from other moneys belonging to the Depositary.

27. **Severability**

If any one or more of the provisions contained in the Deposit Agreement or in these Conditions shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained therein or herein shall in no way be affected, prejudiced or otherwise disturbed thereby.

28. **Governing Law**

28.1 The Deposit Agreement, the GDRs and all non-contractual obligations arising from or connected with the Deposit Agreement or the GDRs are governed by and shall be construed in accordance with English law. The rights and obligations attaching to the Deposited Shares will be governed by Egyptian law except that the certifications set forth in Schedules 3 and 4 to the Deposit Agreement and any provisions relating thereto shall be governed by and construed in accordance with the laws of the State of New York. The Company has submitted in respect of the Deposit Agreement and Deed Poll to the jurisdiction of the English courts and the courts of the State of New York and any United States Federal Court sitting in the Borough of Manhattan, New York City.

28.2 The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the GDRs (including any dispute relating to the existence, validity or termination of the GDRs, or any non-contractual obligations arising out of or in connection with the GDRs, or the consequences of the nullity of the GDRs) and accordingly any legal action or proceedings arising out of or in connection with the GDRs ("Proceedings") may be brought in such courts. Without prejudice to the foregoing, the Depositary further agrees that any Proceedings may be brought in any New York State or United States Federal Court sitting in the Borough of Manhattan, New York City. The Depositary irrevocably submits to the non-exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

28.3 In the event that the Depositary is made a party to, or is otherwise required to participate in, any litigation, arbitration, or Proceeding (whether judicial or administrative) which arises from or is related to or is based upon any act or failure to act by the Company, or which contains allegations to such effect, upon notice from the Depositary, the Company has agreed to fully cooperate with the Depositary in connection with such litigation, arbitration or Proceeding.

28.4 The Depositary irrevocably appoints The Bank of New York Mellon, London Branch, (Attention: The Manager) of 48th Floor, One Canada Square, London, E14 5AL as its agent in England to receive service of process in any Proceedings in England based on any of the GDRs. If for any reason the Depositary does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

28.5 To the extent that the Company may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Company or its assets or revenues, the Company has agreed not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

28.6 The Company has submitted in respect of the Deposit Agreement to the jurisdiction of the courts of England and to the courts of the State of New York and any United States Federal Court sitting in the Borough of Manhattan, New York City. It has appointed agents for the service of process in England and in the Borough of Manhattan, New York City. The Company has also agreed in the Deposit Agreement to allow the Depositary to elect that Disputes are resolved by arbitration.

SUMMARY OF PROVISIONS RELATING TO THE GDRs WHILE IN MASTER FORM

The GDRs will initially be evidenced by (i) a single Regulation S Master GDR in registered form and (ii) a single Rule 144A Master GDR in registered form. The Rule 144A Master GDR will be deposited with The Bank of New York Mellon in New York as custodian for DTC and registered in the name of Cede & Co as nominee for DTC on the date the GDRs are issued. The Regulation S Master GDR will be deposited with The Bank of New York Mellon, London Branch as common depositary for Euroclear and Clearstream (and registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for the common depositary) on the date the GDRs are issued.

The Regulation S Master GDR and the Rule 144A Master GDR contain provisions which apply to the GDRs while they are in master form, some of which modify the effect of the Conditions of the GDRs set out in this document. The following is a summary of certain of those provisions. Words and expressions given a defined meaning in the Conditions shall have the same meanings in this section unless otherwise provided in this section.

The Master GDRs will only be exchanged for certificates in definitive registered form representing GDRs in the circumstances described in (i), (ii), (iii) or (iv) below in whole but not in part. The Depositary will irrevocably undertake in the Master GDRs to deliver certificates in definitive registered form representing GDRs in exchange for the relevant Master GDR to the Holders within 60 calendar days in the event that:

(i) DTC, in the case of the Rule 144A Master GDR, or Euroclear or Clearstream, in the case of the Regulation S Master GDR or any successor, notifies the Company in writing that it is unwilling or unable to continue as depositary and a successor depositary is not appointed within 90 calendar days; or

(ii) in respect of the Rule 144A Master GDR, DTC or any successor ceases to be a “clearing agency” registered under the United States Securities Exchange Act of 1934, as amended; or

(iii) Either DTC in the case of Rule 144A Master GDR, or Euroclear or Clearstream in the case of the Regulation S Master GDR, is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, and, in each case, no alternative clearing system satisfactory to the Depositary is available within 45 calendar days; or

(iv) the Depositary has determined that, on the occasion of the next payment in respect of the GDRs, the Depositary or its agent would be required to make any deduction or withholding from any payment in respect of the GDRs which would not be required were the GDRs in definitive registered form, provided that the Depositary shall have no obligation to so determine or to attempt to so determine.

Any exchange shall be at the expense (including printing costs) of the Issuer.

A GDR evidenced by an individual definitive certificate will not be eligible for clearing and settlement through Euroclear, Clearstream or DTC. Upon any exchange of a Master GDR for certificates in definitive registered form, or any exchange of interests between the Rule 144A Master GDR and the Regulation S Master GDR pursuant to Clause 4 of the Deposit Agreement, or any distribution of GDRs pursuant to Conditions 5, 7 or 10 or any reduction in the number of GDRs represented thereby following any withdrawal of Deposited Property pursuant to Condition 2, the relevant details shall be entered by the Depositary on the register maintained by the Depositary whereupon the number of GDRs represented by the Master GDR shall be reduced or increased (as the case may be) for all purposes by the number so exchanged and entered on the register. If the number of GDRs represented by a Master GDR is reduced to zero, such Master GDR shall continue in existence until the obligations of the Company under the Deposit Agreement and the obligations of the Depositary pursuant to the Deposit Agreement and the Conditions have terminated.

Payments, Distributions and Voting Rights

Payments of cash dividends and other amounts (including cash distributions) will, in the case of GDRs represented by the Regulation S Master GDR be made by the Depositary through Euroclear and Clearstream and, in the case of GDRs represented by the Rule 144A Master GDR, will be made by the Depositary through DTC, on behalf of persons entitled thereto upon receipt of funds therefor from the Issuer. A free distribution or rights issue of Shares to the Depositary on behalf of the Holders will result in the record maintained by the Depositary being marked up to reflect the enlarged number of GDRs represented by the relevant Master GDR.

Holders of GDRs will have voting rights as set out in the Conditions.

Surrender of GDRs

Any requirement in the Conditions relating to the surrender of a GDR to the Depositary shall be satisfied by the production by Euroclear or Clearstream (in the case of GDRs represented by the Regulation S Master GDR), or by DTC (in the case of GDRs represented by the Rule 144A Master GDR), on behalf of a person entitled to an interest therein of such evidence of entitlement of such person as the Depositary may reasonably require, which is expected to be a certificate or other documents issued by Euroclear or Clearstream or DTC, as appropriate. The delivery or production of any such evidence shall be sufficient evidence, in favour of the Depositary, any Agent and the Custodian of the title of such person to receive (or to issue instructions for the receipt of) all money or other property payable or distributable in respect of the Deposited Property represented by such GDRs.

Notices

For as long as the Regulation S Master GDR is registered in the name of a nominee for a common depository holding on behalf of Euroclear and Clearstream, and the Rule 144A Master GDR is registered in the name of DTC or its nominee, notices to Holders may be given by the Depositary by delivery of the relevant notice to Euroclear and Clearstream, or (as appropriate) DTC, for communication to persons entitled thereto in substitution for delivery of notices in accordance with Condition 23.

The Master GDRs shall be governed by and construed in accordance with English law.

TAXATION

The following summary of certain material United Kingdom, Egyptian and U.S. federal income tax consequences of ownership of the GDRs is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the GDRs, possibly on a retroactive basis, and could alter or modify the statements and conclusions set out herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the GDRs. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of the GDRs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as at the date of this Prospectus, and of any actual changes in applicable tax laws after such date.

Certain Material United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE GDRS; AND (C) EACH INVESTOR SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES BASED ON ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN THE GDRS.

The following is a description of certain material U.S. federal income tax consequences with respect to the acquisition, ownership and disposition of the GDRs. This description addresses only the U.S. federal income tax considerations applicable purchasers of the GDRs that will hold such GDRs as capital assets. This description does not purport to address all material tax consequences of the ownership of the GDRs and does not address aspects of U.S. federal income taxation that may be applicable to investors that are subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities, including “Section 401” pension plans;
- individual retirement accounts and other tax deferred accounts;
- persons that receive the GDRs as compensation for the performance of services;
- persons that will hold the GDRs as part of a “hedging”, “conversion”, integrated or constructive sale transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- persons that mark their securities to market;
- persons that are residents of Egypt for Egyptian tax purposes or that conduct a business or have a permanent establishment in Egypt;
- certain U.S. expatriates or former long-term residents of the United States;
- “dual resident” corporations;
- persons that have a “functional currency” other than the U.S. Dollar;
- holders that own or are deemed to own 10% or more, by voting power or value, of the equity interests of the Issuer;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes; or

- pass-through entities.

Further, this description does not address the alternative minimum tax or the U.S. federal gift and estate tax consequences of the acquisition, holding or disposition of the GDRs.

This description is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, in each case as in effect on the date of this prospectus, all of which are subject to change (or to changes in interpretation), possibly with retroactive effect.

U.S. Holders

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of a GDR that is:

- a citizen or individual resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States or any political subdivision thereof, including the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (ii) such trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

A "**Non-U.S. Holder**" is a beneficial owner of the GDRs that is not a U.S. Holder. If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) acquires or holds the GDRs, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the U.S. federal income tax consequences of acquiring, holding, or disposing of the GDRs.

For U.S. federal income tax purposes, an owner of GDRs generally will be treated as the owner of the Shares represented by such GDRs. No gain or loss will be recognised if you exchange GDRs for the Shares represented by those GDRs. Your tax basis in such Shares will be the same as your tax basis in such GDRs, and the holding period in such Shares will include the holding period in such GDRs. You should consult your own tax advisor about how to calculate your tax basis and holding period if you acquire GDRs at different times or with different purchase prices.

Distributions

U.S. Holders

U.S. Holders of the GDRs will include in gross income as foreign-source dividend income, when actually or constructively received by the U.S. Holder, the gross amount of any cash or the fair market value of any property distributed by the Issuer (before reduction for any Egyptian withholding taxes, if applicable) in respect of the GDRs to the extent such distribution is paid out of the Issuer's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The Issuer does not intend to compute (or to provide U.S. Holders with information necessary to compute) earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders generally will be required to treat all distributions as taxable ordinary dividend income.

Dividends will not be eligible for the dividends received deduction allowed to U.S. corporate shareholders in respect of dividends received from other U.S. corporations. Subject to the applicable holding period and other limitations, the U.S. Dollar amount of dividends received on the GDRs by certain non-corporate U.S. Holders will be subject to taxation at a maximum rate of 20% if the dividends are "qualified dividends". Dividends paid on the GDRs would be treated as qualified dividends if (1) the Issuer is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service (the "**IRS**") has approved for the purposes of the qualified dividend rules, (2) the Issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC (see the discussion below under "*—Passive Foreign Investment Issuer Considerations*"), and (3) certain additional conditions are met, including certain holding period requirements, the absence of certain risk-reduction transactions and the absence of an election to treat the dividend income as "investment income" pursuant to section 163(d)(4) of the Code.

If the Issuer pays a dividend in a currency other than the U.S. Dollar, any such dividend will be included in the gross income of the U.S. Holder in an amount equal to the U.S. Dollar value of the currency on the date of receipt by the Depositary, determined at the spot foreign currency/U.S. Dollar exchange rate on that date, regardless of whether the payment is in fact converted into U.S. Dollars at that time. U.S. Holders will have a tax basis in the currency received equal to its U.S. Dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible to the date such payment is converted into U.S. Dollars will be treated as ordinary income or loss and will be income to a U.S. Holder from sources within the United States for foreign tax credit limitation purposes.

As discussed in "*—Egyptian Tax Considerations*", under current law payments of dividends by the Issuer are currently not subject to Egyptian withholding tax. If payments of dividends were subject to Egyptian withholding tax for U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Egyptian taxes withheld by the Issuer, and as then having paid over the withheld taxes to the Egyptian taxing authorities. As a result of this rule the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

A U.S. Holder will generally be entitled to, subject to certain limitations, a credit against its federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Egyptian taxes withheld by the Issuer. Dividends will be treated as foreign source income for U.S. foreign tax credit purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends will generally constitute "passive category income". In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for foreign taxes imposed on a dividend. U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Egyptian taxes into U.S. Dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. Dollars at the spot rate on the date received by the Depositary. This difference in exchange rates may reduce the U.S. Dollar value of the credits for Egyptian taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to the dividend. However, cash basis and electing accrual basis U.S. Holders may translate Egyptian taxes into U.S. Dollars using the exchange rate on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

Non-U.S. Holders

Except for the possible imposition of U.S. backup withholding tax (see "*—Backup Withholding and Information Reporting*"), dividends paid to a Non-U.S. Holder in respect of the GDRs will not be subject to U.S. federal income tax unless such dividends are effectively connected with the conduct of a trade or business within the United States by such Non-U.S. Holder (and are attributable to a permanent establishment maintained in the United States by such Non-U.S. Holder if an applicable income tax treaty so requires as a condition for such Non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of income from the GDRs), in which case the Non-U.S. Holder generally will be subject to tax in respect of such dividends in the same manner as a U.S. Holder. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a U.S. branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, as adjusted for certain items, unless a lower rate applies under an applicable income tax treaty.

Sale or Exchange of GDRs

U.S. Holders

Upon a sale or other disposition of the GDRs (other than an exchange of GDRs for Shares), a U.S. Holder will recognise capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realised and the U.S. Holder's adjusted tax basis (determined in U.S. Dollars) in such GDRs. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for such GDRs exceeds one year. For non-corporate U.S. Holders, the United States income tax rate applicable to net long-term capital gain will not exceed 20%. The deductibility of capital losses is subject to significant limitations. Capital gains of a U.S. Holder will generally constitute U.S. source income for foreign tax credit purposes and as a result of the U.S. foreign tax credit limitation, foreign taxes, if any, imposed upon capital gains in respect of the GDRs may not be currently creditable. Subject to certain conditions, a capital loss recognised by a U.S. Holder will generally be allocated against U.S. source income for foreign tax credit purposes.

With respect to the sale or exchange of the GDRs where consideration is paid other than in U.S. Dollars, the amount realised generally will be the U.S. Dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the GDRs are treated as traded on an "established securities market", a cash basis taxpayer or, if it so elects, an accrual basis taxpayer, will determine the U.S. Dollar value of the amount realised by translating the amount received at the spot rate of exchange on the settlement date of the sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any currency exchange gain or loss realised on a subsequent conversion of the foreign currency into U.S. Dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States. However, if such foreign currency is converted into U.S. Dollars on the date received by the U.S. Holder, a cash basis or electing accrual basis U.S. Holder should not recognise any gain or loss on such conversion.

Non-U.S. Holders

Except for the possible imposition of U.S. backup withholding tax (see "—B*ackup Withholding and Information Reporting*"), a Non-U.S. Holder will not be subject to U.S. federal income tax in respect of gain recognised on a sale or other disposition of the GDRs unless (i) the gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (and is attributable to a permanent establishment maintained in the United States by such Non-U.S. Holder if an applicable income tax treaty so requires as a condition for such Non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of gain from a sale or other disposition of the GDRs), or (ii) in the case of a Non-U.S. Holder who is an individual, such holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions apply. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a U.S. branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, as adjusted for certain items, unless a lower rate applies under an applicable income tax treaty.

Passive Foreign Investment Company Considerations

Based upon our current estimates, expectations and projections of the value and classification of our assets, the sources and nature of the Issuer's income and the Issuer's use of the net proceeds of this offering, the Issuer believes that the GDRs should not be treated as stock of a PFIC for U.S. federal income tax purposes for the current year or in the foreseeable future, but this conclusion is a factual determination that is made annually and there can be no assurance that the Issuer will not be considered a PFIC for the current year or any subsequent year. The Issuer's actual PFIC status for its current taxable year will not be determinable until after the close of its current taxable year ending 31 December 2014 and accordingly, there is no guarantee that the Issuer will not be a PFIC for 2014 or any future taxable year.

In general, if an investor is a U.S. Holder, the Issuer will be a PFIC with respect to such investor if for any taxable year in which the investor held the GDRs:

- at least 75.0% of the Issuer's gross income for the taxable year is "passive income"; or
- at least 50.0% of the value, determined on the basis of a quarterly average, of the Issuer's assets is attributable to assets that produce or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, annuities and gains from assets that produce passive income. The Issuer will be treated as owning its proportionate share of the assets and earnings and its proportionate share of the income of any other corporation in which the Issuer owns, directly or indirectly, at least 25.0% by value of the stock of such other corporation. If the Issuer is a PFIC for any year during which an investor holds GDRs, such investor will generally be required to treat the GDRs as stock in a PFIC for all succeeding years which it holds GDRs, even if the Issuer does not otherwise meet the PFIC tests for such year.

The Issuer is unable to determine with certainty that it is not a PFIC because the application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Issuers generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS has issued a notice and has proposed regulations that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the "**active bank exception**"). The IRS notice and proposed regulations have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the proposed regulations have been outstanding since 1994 and will not be effective unless finalised.

The Issuer believes that it should qualify as an active bank under both the notice and the proposed regulations, assuming that the proposed regulations are finalised in their current form. Accordingly, based on the Issuer's present regulatory status under Egyptian law, the present nature of its activities and the present composition of its assets and sources of income, the Issuer does not believe it was a PFIC for the taxable year ending 31 December 2013 (the latest period for which the determination can be made) and the Issuer does not expect to be a PFIC for the current year or for any future years.

However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the market value of the Issuer's assets and shares, and because the proposed regulations (although proposed to be retroactive in application) are not currently in force, the Issuer's PFIC status may change and there can be no assurance that the Issuer will not be considered a PFIC for the current year or any subsequent year. If the Issuer is treated as a PFIC for any year in which an investor holds GDRs, and the investor is a U.S. Holder that did not make a mark-to-market election, as described below, such investors will be subject to special rules with respect to:

- any gain it realises on the sale or other disposition (including certain pledges) of its GDRs; and
- any excess distribution that the Issuer makes to it (generally, any distributions to it during a single taxable year that are greater than 125.0% of the average annual distributions received by it in respect of the GDRs during the three preceding taxable years or, if shorter, its holding period for the GDRs).

Under these rules:

- the gain or excess distribution will be allocated rateably over the investor's holding period for the GDRs;
- the amount allocated to the taxable year in which it realised the gain or excess distribution will be taxed as ordinary income;
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realised on the sale of the GDRs cannot be treated as capital, even if the investor holds the GDRs as capital assets. If the Issuer were a PFIC, certain subsidiaries and other entities in which it has a direct or indirect interest may also be PFICs ("**Lower-tier PFICs**"). Under attribution rules, a U.S. Holder would be deemed to own its proportionate shares of Lower-tier PFICs and would be subject to U.S. federal income tax according to the rules described above on (i) certain distributions by a Lower-tier PFIC and (ii) certain dispositions of shares of a Lower-tier PFIC, in each case as if the U.S. Holder held such shares directly, even though such U.S. Holder had not received the proceeds of those distributions or dispositions.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) may make a mark-to-market election. If an investor makes this election, it will not be subject to the PFIC rules described above. Instead, in general, it will include as ordinary income each year the excess, if any, of the fair market value of its GDRs at the end of the taxable year over its adjusted basis in its GDRs. These amounts of ordinary income will not be eligible for the favourable tax rates applicable to qualified dividend income or long-term capital gains. The investor will also be allowed to take an ordinary loss in respect of both (1) the excess, if any, of the adjusted basis of its GDRs over their fair market value at the end of the taxable year and (2) any loss realised on the actual sale or disposition of the GDRs, but in each case only to the extent of the net amount of previously included income as a result of the mark-to-market election. Any loss on an actual sale of its GDRs would be a capital loss to the extent it exceeds any previously included mark-to-market income not offset by previous ordinary deductions. An investor's basis in the GDRs will be adjusted to reflect any such income or loss amounts.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in applicable regulations. The GDRs are listed on the London Stock Exchange, and the Issuer expects, although no assurance can be given, that they will be regularly traded on the London Stock Exchange. It is unclear whether the London Stock Exchange constitutes a qualified exchange or market, and, even if the London Stock Exchange so qualifies, whether the GDRs will be treated as "marketable stock" for purposes of the mark-to-market rules. In addition, the mark-to-market election generally would not be effective for any Lower-tier PFICs. Investors are urged to consult their own tax advisors regarding the U.S. federal income tax consequences that would arise if the Issuer is treated as a PFIC while they hold GDRs.

In addition, notwithstanding any election an investor makes with regard to the GDRs, dividends that it receives from the Issuer will not constitute qualified dividend income to the investor if the Issuer is a PFIC either in the taxable year of the distribution or any preceding taxable year during which an investor held GDRs. Instead, an investor must include the gross amount of any such dividend paid by the Issuer out of the Issuer's accumulated earnings and profits (as determined for U.S. federal income tax purposes) in the investor's gross income, and it will be subject to tax at rates applicable to ordinary income.

If an investor holds GDRs that are treated as PFIC shares with respect to the investor, the investors will be required to file IRS Form 8621 in any year in which it has in effect a mark-to-market election, receives a direct or indirect distribution, or recognises gain on any direct or indirect disposition with respect to the GDRs. Additionally, under legislation enacted in 2010, if an investor holds GDRs in any year in which the Issuer is a PFIC, the U.S. Treasury Department may require the investor to file an annual report containing such information as the U.S. Treasury Department may require.

In addition, if the Issuer is a PFIC, it does not intend to prepare or provide an investor with the information necessary to make a "qualified electing fund" election, which, like the mark-to-market election, is a means by which U.S. taxpayers may elect out of the tax treatment that generally applies to PFICs.

Investors are urged to consult their tax advisors regarding the application of the PFIC rules to their investments in GDRs, including the availability and advisability of making an election to avoid the adverse tax consequences of the PFIC rules should the Issuer be considered a PFIC for any taxable year and the application of the recently enacted legislation to an investor's particular situation.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds made by a U.S. paying agent or other United States intermediary broker in respect of the GDRs, including to Non-U.S. Holders, may be subject to information reporting to the IRS and to 28% backup withholding. Backup withholding will not apply, however, to a holder who (i) furnishes a correct taxpayer identification number and makes any other required certification or (ii) is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a refund or a credit against such holder's U.S. federal income tax, provided that the required information is furnished to the IRS.

Possible Foreign Account Tax Compliance Act Withholding

A 30% withholding tax may be imposed on all or some of the payments on the GDRs after 31 December 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. This withholding tax, if it applies, could apply to any payment made with respect to the GDRs, and GDRs held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding. U.S. and non-U.S. holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the GDRs.

In addition, certain payments received by the Issuer may be subject to 30% withholding if the Issuer does not comply with reporting obligations imposed by FATCA. The Issuer intends to comply with FATCA to the extent necessary to avoid the imposition of such withholding.

Information Reporting Regarding Specified Foreign Financial Assets

Pursuant to the Hiring Incentives to Restore Employment Act enacted on 18 March 2010, an individual U.S. Holder may be required to submit to the IRS certain information with respect to his or her beneficial ownership of Ordinary Shares or GDRs, unless such Ordinary Shares or GDRs are held on his or her behalf by a financial institution, as defined in Section 6038D of the Code. The new law also imposes penalties if an individual U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their own tax advisors regarding the application of the new law in their particular circumstances.

Additional Tax on Investment Income

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds will be subject to a 3.8% Medicare contribution tax on unearned income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, GDRs, subject to certain limitations and exceptions.

United Kingdom Tax Considerations

General

The following paragraphs are based on current U.K. tax legislation and HM Revenue and Customs' practice at the date of this Prospectus each of which is subject to change, possibly with retrospective effect. The summary set out below is intended as a general guide for certain classes of investor and does not purport to constitute a comprehensive analysis of the tax consequences under U.K. law of the acquisition, ownership and sale of GDRs. It is not intended to be, nor should it be considered, legal or tax advice. Current and prospective holders of GDRs who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the U.K., should consult their own independent professional adviser immediately.

Except where indicated, the following summary only covers certain limited aspects of the U.K. tax consequences for holders of GDRs (a) who are individuals and resident in (and only in) the U.K. and domiciled in the U.K. for U.K. tax purposes; (b) individuals who, although not resident or domiciled in the U.K. for U.K. tax purposes carry on a trade, profession or vocation in the U.K. through a branch or agency in the U.K. to which the GDRs are attributable; (c) corporate bodies resident in the U.K. for U.K. taxation purposes; and (d) corporate bodies who, although not so resident, carry on a trade, profession or vocation through a permanent establishment in the U.K. to which the GDRs are attributable, and who (in all cases (a) to (d) above) do not have a branch or agency or permanent establishment outside the U.K. with which the holding of GDRs is connected and who are not treated as resident in any jurisdiction other than the U.K. for any tax purposes and whose investment in the GDRs (including any operations associated with such investments) are *bona fide* commercial transactions the purpose or one of which is not the avoidance of a liability of taxation ("**U.K. Holders**").

In addition, the following summary (a) only addresses the tax consequences for U.K. Holders of GDRs who are beneficial owners and hold the GDRs as capital assets, and does not address the tax consequences which may be relevant to certain other categories of holders, for example, dealers in securities or holders who have (or are deemed to have) acquired their GDRs by virtue of an office or employment, (b) does not address the tax consequences for U.K. Holders that are banks, financial institutions, insurance companies, collective investment schemes or persons connected with the Issuer or with depository arrangements or clearance services, intermediaries or persons who benefit from special exemption from U.K. tax, for example, pension schemes, charities and other tax-exempt organisations, (c) assumes that the U.K. Holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, either directly or indirectly, 10% or more of the shares (or any class thereof), the voting power, rights to profits or capital in the Issuer, and is not otherwise connected with the Issuer, (d) assumes that there will be no register kept in the U.K. by or on behalf of the Issuer or the Depositary in respect of the GDRs or the shares, (e) assumes that the GDRs will not be issued by, and the Shares will not be held by a depositary incorporated in the U.K., and (f) assumes that neither the GDRs nor the Shares will be paired with Shares issued by a company incorporated in the U.K.

Taxation of chargeable gains

Taxation of disposals

The disposal or deemed disposal of GDRs should be treated as a disposal of the underlying Shares for U.K. tax purposes, which may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax on the assumption that the Depositary acts merely as a nominee for the investor or as a bare trustee of the Shares. Accordingly, for capital gains purposes, the nominee or bare trustee should be ignored and the investor should be treated as holding the Shares directly.

In the alternative, it is possible that Her Majesty's Revenue & Customs ("**HMRC**") will treat the disposal of GDRs as the disposal of two separate assets, namely (i) the beneficial interest in the underlying Shares and (ii) the GDRs comprising the rights the GDR holder has against the Depositary pursuant to the Deposit Agreement. If HMRC were to take such a view, HMRC's published practice indicates that the GDRs should be disregarded and there should, therefore, only be a gain or loss calculated by reference to the value of the underlying Shares.

For a U.K. Holder, the principal factors that will determine the extent to which any such gain will be subject to capital gains tax are the extent to which the holder realises any other capital gains in that year, the extent to which the holder has incurred capital losses in that or any earlier year, and the level of the "annual exempt amount" for the tax year in which the disposal takes place. The "annual exempt amount" is an annual allowance for otherwise taxable gains of individuals up to the exempt amount for the relevant tax year. For the tax year 2013/14, the "annual exempt amount" is £10,900 and for the tax year 2014/15 the "annual exempt amount" is £11,000. Subject to the availability of any exemptions, reliefs, or allowable losses, a gain realised by a holder who is a U.K. resident individual will be subject to capital gains tax, currently at a rate of 18 or 28 per cent, or a combination of both rates, depending on whether the holder's taxable income for the year exceeds the basic rate income tax limit. An individual holder who is temporarily not resident in the U.K. may, in certain circumstances, be liable to capital gains tax in respect of gains realised whilst the holder is not resident in the U.K.

A disposal of GDRs by a U.K. Holder which is a body corporate may give rise to a chargeable gain or an allowable loss for the purposes of U.K. corporation tax depending on their circumstances. Chargeable gains for such a holder will be subject to corporation tax which, for periods on or after 1 April 2014 is charged at rates up to 21%, reducing to 20% with effect from 1 April 2015.

A corporate holder of GDRs which is resident in the U.K. is eligible for an indexation allowance which applies to reduce capital gains to the extent that (broadly speaking) they arise due to inflation. Indexation allowance may reduce a chargeable gain but not create any allowable loss.

Taxation of dividends

Tax liability for individual U.K. Holders

The references to "dividends" below are to dividends that are treated as income distributions for U.K. tax purposes. The current expectation of the Issuer is that dividends paid by it will be so treated.

U.K. Holders who are individuals will be subject to U.K. income tax on the gross amount of any dividends they receive (before the deduction of any Egyptian withholding tax) as increased by any U.K. tax credit available as described below (with potential credit for Egyptian tax deducted at source, as described below).

Individual U.K. Holders will generally receive a non-payable tax credit equal to one-ninth of the gross amount of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend additional rate (currently 37.5%) the effect of this tax credit is to reduce the effective rate of U.K. income tax payable in respect of such dividends to approximately 30.6% of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend upper rate (currently 32.5%), the effect of this credit is to reduce the effective rate of U.K. income tax payable in respect of such dividends to 25% of the dividend received (before the deduction of any Egyptian withholding tax). For individual U.K. Holders who are liable to U.K. income tax at the dividend ordinary rate (currently 10%) the effect of this credit is that they will have no further tax to pay on such dividends. For individual U.K. Holders who are liable to U.K. income tax at the dividend upper rate or the dividend additional rate, further credits against the U.K. income tax due would be available in respect of any Egyptian withholding tax suffered on the dividends received. An individual shareholder who is not subject to U.K. tax on dividends will not be entitled to claim payment of the tax credit in respect of such dividends. An individual's dividend income is treated as the top slice of their total income which is chargeable to U.K. income tax.

See "—*Egyptian Tax Considerations*" for information on Egyptian withholding tax on dividends paid by the Issuer.

Tax liability for corporate U.K. Holders

For U.K. Holders that are corporate bodies, dividends received will be subject to U.K. corporation tax unless those dividends benefit from one of the exemptions set out in Part 9A of the United Kingdom Corporation Tax Act 2009.

For U.K. Holders that are "small companies" for the purposes of that Part (broadly, a company with fewer than 50 employees and whose annual turnover and/or annual balance sheet total does not exceed €10 million), dividends should qualify for exemption from U.K. corporation tax provided that no deduction is allowed to any resident of a territory outside the United Kingdom in respect of the dividend, and the dividend is not made as part of a tax advantage scheme. For U.K. Holders that are not "small companies" for the purposes of that Part, dividends are also likely to qualify for exemption from U.K. corporation tax, provided that no deduction is allowed to any resident of a territory outside the United Kingdom in respect of the dividend, and subject to certain other detailed anti-avoidance provisions within Part 9A. U.K. Holders that are corporate bodies should seek their own advice in this regard.

Stamp duty and stamp duty reserve tax ("SDRT")

No U.K. stamp duty will be payable in connection with a transfer of the Shares provided that any instrument of transfer is executed and retained outside the U.K. and does not relate to any property situated or any matter or thing done or to be done in the U.K.

No U.K. SDRT will be payable in respect of any agreement to transfer the Shares.

No U.K. stamp duty or SDRT will be payable on the issue of the GDRs or their delivery into DTC, Euroclear or Clearstream (as applicable).

No U.K. stamp duty or SDRT will be payable on any transfer of the GDRs once they are issued into DTC, Euroclear or Clearstream (as applicable), where such transfer is effected in electronic book entry form in accordance with the procedures of DTC, Euroclear or Clearstream.

No U.K. stamp duty should be payable in respect of the transfer of GDRs, where the document of transfer is not executed in the U.K. and does not relate to any property situate or to any matter or thing done or to be done in the U.K. No U.K. SDRT should be payable in respect of any agreement to transfer GDRs.

Inheritance tax

U.K. inheritance tax may be chargeable on the death of, or in certain circumstances on a gift by, the holder of GDRs, where the holder is an individual who is domiciled or is deemed to be domiciled in the U.K. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor receives or retains some benefit.

Egyptian Taxation Considerations

The following is a summary of the principal tax consequences for holders of Shares or GDRs who are not resident in Egypt ("**Non-Residents**"). From an Egyptian taxation perspective, the withdrawal of ordinary shares from the deposit facility is considered as a transfer of Shares. This summary addresses only the tax consequences for Non-Resident investors who hold the Shares or GDRs as capital assets and does not address the tax consequences which may be relevant to other classes of Non-Resident investors, such as dealers in securities.

Dividend Withholding Tax

Dividends are not taxed under Egyptian tax law. Taxes are levied only on the corporation's net profit. Accordingly, there is currently no taxation, by withholding or otherwise, imposed on the payment of dividends by corporations.

Taxation of Capital Gains

Under Law № 89 of 1996, which amends the Capital Market Law and Tax Law № 91 of 2005, there is no capital gains tax levied in Egypt on the sale or exchange of listed shares.

Stamp Duty

Under Law № 9 of 2013 amending Stamp Duty Law № 111 of 1980, stamp duty is imposed on all transacted sales and purchases of securities, whether Egyptian or non-Egyptian, at a rate of 0.001% (*i.e.*, EGP 1 per EGP 1,000) incurred by the purchaser and 0.001% (*i.e.*, EGP 1 per EGP 1,000) incurred by the seller. The Executive Regulations of the law stipulate that this stamp duty will be levied on all types of securities whether listed or not.

Inheritance Tax

Under Law № 227 of 1996, Egypt has abolished all inheritance taxes. Accordingly, no inheritance taxes in Egypt will be chargeable on the death of an owner of shares.

TRANSFER RESTRICTIONS ON THE GDRs

None of the GDRs (or the Shares represented thereby) has been or will be registered under the Securities Act and the GDRs may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the GDRs are being offered and sold only:

(i) to persons reasonably believed to be QIBs in compliance with Rule 144A under the Securities Act or in reliance on another exemption from, or transaction not subject to, registration under the Securities Act; and

(ii) in offshore transactions in compliance with Regulation S under the Securities Act. As used in this document, the term "offshore transaction" has the meaning given to it in Regulation S.

Rule 144A GDRs

Each purchaser of Rule 144A GDRs pursuant to Rule 144A, by its acceptance thereof, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser:

  (i) is a QIB as that term is defined by Rule 144A under the Securities Act;

  (ii) is aware, and each beneficial owner of such Rule 144A GDRs has been advised, that the sale to it is being made in reliance on Rule 144A or another exemption from, or in transaction not subject to, the registration requirements of the Securities Act;

  (iii) is acquiring such Rule 144A GDRs for its own account or for the account of one or more QIBs; and

  (iv) if it is acquiring such Rule 144A GDRs for the account of one or more QIBs, has sole investment discretion with respect to each such account and has full power to make the acknowledgements, representations and agreements herein on behalf of each such account.

(2) The purchaser is aware that such Rule 144A GDRs (and the Shares represented thereby) have not been and will not be registered under the Securities Act and are being offered in the United States in reliance on Rule 144A only in transactions not involving any public offering in the United States within the meaning of the Securities Act and that such Rule 144A GDRs (and the Shares represented thereby) are subject to significant restrictions on transfer;

(3) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rule 144A GDRs (or the Shares represented thereby), such Rule 144A GDRs may be offered, sold, pledged or otherwise transferred only in accordance with the following legend, which the Rule 144A GDRs will bear unless otherwise determined by the Issuer and the Depositary in accordance with applicable law:

THIS RULE 144A MASTER GLOBAL DEPOSITARY RECEIPT AND THE ORDINARY SHARES OF COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E. REPRESENTED HEREBY (THE "**SHARES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF BY PURCHASING THE GDRs, AGREES FOR THE BENEFIT OF COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E. THAT THE GDRs AND THE SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER OF THE GDRs WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED

TO, NOTIFY ANY SUBSEQUENT PURCHASER OF SUCH GDRs OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THE BENEFICIAL OWNER OF SHARES RECEIVED UPON CANCELLATION OF ANY RULE 144A GLOBAL DEPOSITARY RECEIPT MAY NOT DEPOSIT OR CAUSE TO BE DEPOSITED SUCH SHARES INTO ANY DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, OTHER THAN A RULE 144A RESTRICTED DEPOSITARY RECEIPT FACILITY, SO LONG AS SUCH SHARES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THE SHARES OR ANY RULE 144A GLOBAL DEPOSITARY RECEIPTS.

(4) For so long as the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will not deposit such Shares into any depositary receipt facility in respect of shares established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility.

(5) Each purchaser of Rule 144A GDRs will be deemed to have acknowledged that the Issuer, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of such GDRs are no longer accurate, it shall promptly notify the Issuer. If it is acquiring such GDRs as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each account.

Prospective purchasers are hereby notified that the sellers of the Rule 144A GDRs may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S GDRs

Each purchaser of Regulation S GDRs pursuant to Regulation S, by its acceptance thereof, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) The purchaser:

  (i) is, and the person, if any, for whose account it is acquiring such Regulation S GDRs is, outside the Unites States for purposes of Rule 903 under the Securities Act;

  (ii) is not an affiliate of the Issuer or a person acting on behalf of such an affiliate; and

  (iii) is not a securities dealer or, if it is a securities dealer, it did not acquire such Regulation S GDRs (or the Shares represented thereby) from the Issuer or an affiliate thereof in the initial distribution of Regulation S.

(2) The purchaser is aware that such Regulation S GDRs (and the Shares represented thereby) have not been and will not be registered under the Securities Act, are being offered outside the United States in reliance on Regulation S, and are subject to significant restrictions on transfer.

(3) The purchaser will not offer, resell, pledge or otherwise transfer such Regulation S GDRs, except in accordance with the Securities Act and all applicable securities laws of each relevant state of the United States.

(4) If in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Regulation S GDRs (or the Shares represented thereby), such Regulation S GDRs may be offered, sold, pledged or otherwise transferred only in accordance with the following legend, which such Regulation S GDRs will bear unless otherwise determined by the Issuer and the Depositary in accordance with applicable law:

THIS REGULATION S MASTER GLOBAL DEPOSITARY RECEIPT AND THE ORDINARY SHARES OF COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E. REPRESENTED HEREBY (THE "**SHARES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE

UNITED STATES AND, PRIOR TO THE EXPIRATION OF A DISTRIBUTION COMPLIANCE PERIOD (DEFINED AS THE PERIOD ENDING 40 DAYS AFTER THE LATEST OF THE COMMENCEMENT OF THE GDR OFFERING, THE ORIGINAL ISSUE DATE OF THE GDRs AND THE LATEST ISSUE DATE WITH RESPECT TO THE ADDITIONAL GDRs, IF ANY, ISSUED TO COVER OVER-ALLOTMENTS) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES; **PROVIDED THAT** IN CONNECTION WITH ANY TRANSFER UNDER (B) ABOVE, THE TRANSFEROR SHALL PRIOR TO THE SETTLEMENT OF SUCH SALE, WITHDRAW THE SHARES FROM THE REGULATION S FACILITY (AS DEFINED IN THE DEPOSIT AGREEMENT) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE DEPOSIT AGREEMENT AND INSTRUCT THAT SUCH SHARES BE DELIVERED TO THE CUSTODIAN UNDER THE DEPOSIT AGREEMENT FOR DEPOSIT IN THE RULE 144A FACILITY (AS DEFINED IN THE DEPOSIT AGREEMENT) THEREUNDER AND THAT RULE 144A GLOBAL DEPOSITARY RECEIPTS REPRESENTED BY A RULE 144A MASTER GLOBAL DEPOSITARY RECEIPT BE ISSUED, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE DEPOSIT AGREEMENT, TO OR FOR THE ACCOUNT OF SUCH QIB.

UPON THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, THE GLOBAL DEPOSITARY RECEIPTS AND THE SHARES REPRESENTED THEREBY SHALL NO LONGER BE SUBJECT TO THE RESTRICTIONS ON TRANSFER PROVIDED IN THIS LEGEND IF, AT THE TIME OF SUCH EXPIRATION, THE OFFER AND SALE OF THE GLOBAL DEPOSITARY RECEIPTS AND THE SHARES REPRESENTED THEREBY BY THE HOLDER IN THE UNITED STATES WOULD NOT BE RESTRICTED UNDER THE SECURITIES LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES.

Each purchaser of Regulation S GDRs will be deemed to have acknowledged that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF THE HOLDERS OF THE GLOBAL DEPOSITARY RECEIPTS

Information relating to the Depositary

The Depositary is an entity established in the State of New York (under New York law) and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department.

The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286. A copy of the Depositary's Articles, as amended, together with copies of The Bank of New York Mellon Corporation's most recent financial statements and annual report are available for inspection at www.bnymellon.com or the principal office of the Depositary located at One Wall Street, New York, NY 10286 and at The Bank of New York Mellon, One Canada Square, London E14 5AL.

Rights of Holders

Relationship of Holders with the Depositary

The rights of Holders against the Depositary are governed by the Conditions and the Deposit Agreement, which are governed by English law (except that the certifications to be given upon deposit or withdrawal of Shares (in Schedules 3 and 4 of the Deposit Agreement) are governed by the laws of the State of New York). The Depositary and the Bank are parties to the Deposit Agreement. Holders of GDRs have contractual rights against the Depositary under the Conditions in relation to cash held by the Depositary, and rights against the Depositary under the Conditions under a bare trust in respect of Deposited Property other than cash (including Deposited Shares, which are ordinary shares of the Bank represented by GDRs) deposited with the Depositary under the Deposit Agreement, and certain limited rights against the Bank by virtue of the Deed Poll.

Voting

With respect to voting of Deposited Shares and other Deposited Property represented by GDRs, the Conditions and the Deposit Agreement provide that, if instructed by the Bank, the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose voting materials and instructions for voting. The Deposit Agreement and the Conditions provide that the Depositary will endeavour to exercise or cause to be exercised the voting rights with respect to Deposited Shares in accordance with voting instructions it has received from Holders, subject to applicable Egyptian laws.

Delivery of Shares

The Deposit Agreement and the Conditions provide that the Deposited Shares can only be delivered out of the Regulation S and Rule 144A GDR facilities to, or to the order of, a Holder of related GDRs upon receipt and cancellation of such GDRs.

Rights of the Bank

The Bank has broad rights to remove the Depositary under the terms of the Deposit Agreement, but no specific rights under the Deposit Agreement, which are triggered in the event of the insolvency of the Depositary.

Insolvency of the Depositary

Applicable insolvency law

If the Depositary becomes insolvent, the insolvency proceedings will be governed by U.S. law applicable to the insolvency of banks.

Effect of applicable insolvency law in relation to cash

The Conditions state that any cash held by the Depositary for Holders is held by the Depositary as banker. Under current U.S. law, it is expected that any cash held for Holders by the Depositary as banker under the Conditions would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash and such cash would be also be available to general creditors of the Depositary or the U.S. Federal Deposit Insurance Corporations ("**FDIC**").

Effect of applicable insolvency law in relation to non-cash assets

The Deposit Agreement states that the Deposited Shares and other non-cash assets, which are held by the Depositary for Holders, are held by the Depositary as bare trustee and, accordingly, the Holders will be tenants in common for such Deposited Shares and other non-cash assets. Under current U.S. and English law, it is expected that any Deposited Shares and other non-cash assets held for Holders by the Depositary on trust under the Conditions would not constitute assets of the Depositary and that Holders would have ownership rights relating to such Deposited Shares and other non-cash assets and be able to request the Depositary's liquidator to deliver to them such Depositary Shares and other non-cash assets, and such Depositary Shares and other non-cash assets would be unavailable to general creditors of the Depositary or the FDIC.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders in the circumstances required by the Conditions or otherwise engages in a default for which it would be liable under the terms of the Conditions, the Depositary will be in breach of its contractual obligations under the Conditions. In such case, Holders will have a claim under English law against the Depositary to the extent that the Depositary is in breach of its contractual obligations under the Conditions.

The Custodian

The Custodian is Commercial International Bank (Egypt) S.A.E. an entity established under Egyptian law. The Custodian holds securities for the Depositary subject to a custody agreement between the Custodian and the Depositary which is governed by New York law.

The Custodian may resign or be discharged from its duties by 90 days' prior notice. Notice of any change of Custodian shall be given to Holders by the Depositary immediately upon such change. The Depositary shall promptly appoint a successor Custodian (approved by the Bank (such approval not to be unreasonably withheld or delayed) and by the relevant authority in Egypt, if any), which shall upon acceptance of such appointment and the expiry of any applicable notice period, become the Custodian and the retiring Custodian shall take all practicable steps to promptly vest the Deposited Property and the relevant records in the replacement Custodian.

Relationship of Holders of GDRs with the Custodian

The Holders do not have any contractual relationship with, or rights enforceable against, the Custodian. All of the Bank's Shares, including the Deposited Shares, will be held through the local central securities depository, MCDR. The account of the Depositary will be shown in the books of MCDR as the registered owner of a global account containing the Deposited Shares and managed by the Custodian.

Default of the Custodian

Failure to deliver cash

Cash payments from the Bank (which are expected to be denominated in EGP) will initially be received by the Depositary in an account held with the Custodian in the Depositary's name. Subject to Egyptian legislation (which currently permits amounts in EGP to be removed from Egypt and converted into U.S. dollars by the Depositary without restriction), amounts received from the Bank by the Depositary will then be exchanged for U.S. dollars in accordance with the Conditions and the U.S. dollars will be received by the Depositary in New York. After deduction of any fees and expenses of the Depositary, the U.S. dollars will then be paid by the Depositary to the Holders in accordance with the Conditions. If the Custodian fails to deliver cash to the Depositary as required under the custody agreement or otherwise engages in a default for which it would be liable under the terms of the custody agreement, the Custodian will be in breach of its contractual obligations under the custody agreement. In such case, the Depositary would have a claim under New York law against the Custodian for the Custodian's breach of its contractual obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

Failure to deliver non-cash assets

If the Custodian fails to deliver Deposited Shares or other non-cash assets held for the Depositary as required by the Depositary, the Custodian will be in breach of its obligations to the Depositary. In such case, the Depositary will have a claim under New York law against the Custodian for the Custodian's breach of its obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

The Depositary's obligations

The Depositary has no obligation to pursue a claim for breach of obligations against the Custodian on behalf of Holders. The Depositary is not responsible for and shall incur no liability in connection with or arising from default by the Custodian. Holders will have a claim against the Depositary under the Conditions to the extent that any act or omission to act on the part of the Custodian constitutes wilful default, negligence or bad faith of the Depositary, or its agents, officers, directors or employees.

Applicable law

The custody agreement is governed by New York law.

Bankruptcy of the Custodian

Applicable law

If the Custodian becomes bankrupt, the bankruptcy proceedings will be governed by applicable Egyptian law.

Effect of applicable bankruptcy law in relation to cash

Cash held by the Depositary on deposit with the Custodian may be reimbursed to the Depositary in the event of the Custodian's bankruptcy if it is allocated in a separate account in the Depositary's name and, provided that such reimbursement is approved by the trustee in bankruptcy and the competent court. Any remaining cash would form part of the Custodian's insolvent estate and would be available to satisfy the claims of the Custodian's creditors generally. Under the Egyptian Commercial Code, in the event of the Custodian's bankruptcy, creditors may request the annulment of any transaction entered into within a two year period prior to the date the Custodian is judged to be bankrupt if there is evidence that such transaction harmed the interests of the creditors and the third party beneficiaries of such transaction knew at that time that the Custodian had suspended payments to its creditors.

Effect of applicable bankruptcy law in relation to non-cash assets

The Depositary will have ownership rights in the Deposited Shares held by the Custodian at the time of its bankruptcy and applicable Egyptian legislation provides for the redelivery of non-cash assets, such as the Deposited Shares to their owners. Once redelivered, the Deposited Shares would be transferred into an account maintained for the Depositary by another custodian appointed by the Depositary.

The Depositary's liability

The Depositary is only liable to Holders for loss incurred by Holders as a result of the Custodian's bankruptcy to the extent such loss arises from the wilful default, negligence or bad faith of the Depositary or that of its agents, officers, directors or employees.

The Depositary's obligations

The Depositary has no obligation to pursue a claim in the Custodian's bankruptcy on behalf of the Holders. The Depositary has no responsibility for, and will incur no liability in connection with or arising from, the insolvency of any custodian. In the event of the bankruptcy of the Custodian, the Holders have no direct recourse to the Custodian under the Deposit Agreement, though the Depositary can remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

PERSONS HOLDING THE BENEFICIAL TITLE TO GDRS OR INTERESTS THEREIN ARE REMINDED THAT THE ABOVE DOES NOT CONSTITUTE LEGAL ADVICE AND IN THE EVENT OF ANY DOUBT REGARDING THE EFFECT OF THE DEFAULT OR INSOLVENCY OF THE DEPOSITARY OR THE CUSTODIAN, SUCH PERSONS SHOULD CONSULT THEIR OWN ADVISORS IN MAKING A DETERMINATION.

CLEARING AND SETTLEMENT

Clearing and Settlement of GDRs

Custodial and depositary links have been established between Euroclear, Clearstream and DTC to facilitate the initial issue of the GDRs and cross-market transfers of the GDRs associated with secondary market trading.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of dividends and other payments with respect to book-entry interests in the GDRs held through Euroclear or Clearstream will be credited, to the extent received by the Depositary, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

DTC

DTC has advised the Bank as follows:

DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerised book-entry changes in DTC participants' accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the GDRs holding through DTC will receive, to the extent received by the Depositary, all distributions of dividends or other payments with respect to book-entry interests in the GDRs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant U.S. tax laws and regulations. See "*Taxation—Certain Material United States Federal Income Tax Considerations*".

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the GDRs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the GDRs, may be limited.

Registration and Form

Book-entry interests in the GDRs held through Euroclear and Clearstream will be represented by the Regulation S Master GDR registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee for The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream. Book-entry interests in the GDRs held through DTC will be represented by the Rule 144A Master GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by The Bank of New York Mellon in New York as custodian for DTC. As necessary, the Depositary will adjust the amounts of GDRs on the relevant register for the accounts of the common depositary and nominee, respectively, to reflect the amounts of GDRs held through Euroclear, Clearstream and DTC, respectively. Beneficial ownership in the GDRs will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream and DTC.

The aggregate holdings of book-entry interests in the GDRs in Euroclear, Clearstream and DTC will be reflected in the book-entry accounts of each such institution. Euroclear, Clearstream and DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the GDRs, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of GDRs registered in the name of the common depositary for Euroclear and Clearstream and the nominee for DTC. The Depositary will be responsible for ensuring that payments received by it from the Issuer for holders holding through Euroclear and Clearstream are paid to Euroclear or Clearstream as the case may be, and the Depositary will also be responsible for ensuring that payments, if any, received by it from the Issuer for holders holding through DTC are received by DTC. The address for DTC is P.O. Box 5020, New York, New York 10274, United States. The address for Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address for Clearstream is 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg.

The Issuer will not impose any fees in respect of the GDRs; however, holders of book-entry interests in the GDRs may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream or DTC and certain fees and expenses payable to the Depositary in accordance with the terms and conditions of the GDRs. See "*Terms and Conditions of the Global Depositary Receipts*".

Global Clearance and Settlement Procedures

Initial Settlement

The GDRs will be in global form evidenced by the two Master GDRs. Purchasers electing to hold book-entry interests in the GDRs through Euroclear and Clearstream accounts will follow the settlement procedures applicable to depositary receipts. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the GDRs through DTC will follow the delivery practices applicable to depositary receipts.

Secondary Market Trading

Transfer Restrictions

For a description of the transfer restrictions relating to the GDRs, see "*Transfer Restrictions*".

Trading between Euroclear and Clearstream Participants

Secondary market sales of book-entry interests in the GDRs held through Euroclear or Clearstream to purchasers of book-entry interests in the GDRs through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear or Clearstream and will be settled using the normal procedures applicable to depositary receipts.

Trading between DTC Participants

Secondary market sales of book-entry interests in the GDRs held through DTC will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to depositary receipts, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream Purchaser

When book-entry interests in the GDRs are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the DTC participant must send to DTC a delivery free of payment instruction at least two business days prior to the settlement date. DTC will, in turn, transmit such instruction to Euroclear or Clearstream, as the case may be, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant. On the settlement date, DTC will debit the account of its DTC participant and will instruct the Depositary to instruct Euroclear or Clearstream, as the case may be, to credit the relevant account of the Euroclear or Clearstream participant, as the case may be. In addition, on the settlement date, DTC will instruct the Depositary to (1) decrease the amount of book-entry interests in the GDRs registered in the name of a nominee for DTC and represented by the Rule 144A Master GDR and (2) increase the amount of book-entry interests in the GDRs registered in the name of the common depositary for Euroclear and Clearstream and represented by the Regulation S Master GDR.

Trading between Clearstream/Euroclear Seller and DTC Purchaser

When book-entry interests in the GDRs are to be transferred from the account of a Euroclear or Clearstream participant to the account of a DTC participant, the Euroclear or Clearstream participant must send to Euroclear or Clearstream a delivery free of payment instruction at least one business day prior to the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant, as the case may be. On the settlement date, Euroclear or Clearstream, as the case may be, will debit the account of its participant and will instruct the Depositary to instruct DTC to credit the relevant account of Euroclear or Clearstream, as the case may be, and will deliver such book-entry interests in the GDRs free of payment to the relevant account of the DTC participant. In addition, Euroclear or Clearstream, as the case may be, shall on the settlement date instruct the Depositary to (1) decrease the amount of the book-entry interests in the GDRs registered in the name of the common depositary and evidenced by the Regulation S Master GDR and (2) increase the amount of the book-entry interests in the GDRs registered in the name of a nominee for DTC and represented by the Rule 144A Master GDR.

General

Although the foregoing sets out the procedures of Euroclear, Clearstream and DTC in order to facilitate the transfers of interests in the GDRs among participants of Euroclear, Clearstream and DTC, none of Euroclear, Clearstream or DTC are under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Depositary, the Custodian or their respective agents will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective participants of their respective obligations under the rules and procedures governing their operations.

INDEPENDENT AUDITORS

The Financial Statements included in this Prospectus have been audited in accordance with international standards on auditing by Allied for Accounting & Auditing, a member of Ernst & Young Global, of Ring Road Zone, #10 A Rama Tower, El Kattamaya, Egypt ("**E&Y**"). E&Y are independent auditors and are registered with the Egyptian Financial Supervisory Authority. E&Y does not have any material interest in the Bank.

E&Y is registered as a third country audit entity in accordance with the requirements of article 45 of the Statutory Audit Directive (2006/43/EC) (as implemented in the United Kingdom).

E&Y has given and has not withdrawn its written consent to the inclusion of its independent auditors' report in relation to the Financial Statements in the form and context in which it appears and has authorised the contents of such report for the purposes of paragraph 5.5.4(R)(2)(f) of the Prospectus Rules. This declaration is included in the Prospectus in compliance with item 23.1 of Annex X of Commission Regulation (EC) № 809/2004, as amended.

For the purposes of Prospectus Rule 5.5.4(R)(2)(f), E&Y accepts responsibility for the independent auditors' report as part of this Prospectus and declares that it has taken all reasonable care to ensure that the information contained in the independent auditors' report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex X of Commission Regulation (EC) № 809/2004, as amended.

ADDITIONAL INFORMATION

1. It is expected that the Additional GDRs will be admitted, to the Official List on or about 4 July 2014. Application will be made for the Additional GDRs to be traded on the LSE through its IOB. The GDRs will trade on the IOB on a T+3 settlement basis.

2. The Issuer has obtained all consents, approvals and authorisations required in Egypt in connection with the issue of the GDRs.

3. Copies of the following documents, in physical form, will be available for inspection free of charge, during usual business hours on any business day (Saturday, Sunday and public holidays excepted), at the registered office of the Issuer, for a period of one year following the publication of the Prospectus:

- this Prospectus;
- the Articles of Association (English translation); and
- the Financial Statements.

4. The registered office of the Issuer is at Nile Tower Building, 21/23 Charles de Gaulle Street, Giza, P.O. Box 2430, Cairo, Egypt. The Issuer's telephone number is +202 3747 2000.

5. The currency of the GDRs is U.S. Dollars.

6. In the event that certificates in definitive form are issued in exchange for the Master GDRs, the Issuer will appoint an agent in the United Kingdom for so long as the GDRs are listed on the London Stock Exchange.

7. There has been no significant change in the financial or trading position of the Group since 31 December 2013, the end of the last financial period for which audited financial information has been published.

8. The table below sets forth the names, country of incorporation and ownership of each of the Issuer's significant subsidiary and associates as at the date of this Prospectus:

Name	Country of incorporation	Ownership Interest
CI Capital Holding Co. S.A.E	Egypt	99.98%
Commercial International Life Insurance	Egypt	45.0%
CORPLEASE..	Egypt	43.0%
Haykala for Investment	Egypt	40.0%
Egypt Factors	Egypt	39.0%
International Company for Security and Services (Falcon)	Egypt	40.0%

9. Holders of GDRs may contact the Depositary with questions relating to the transfer of GDRs on the books of the Depositary at 101 Barclay Street, New York, New York, 10286, U.S.A.

10. The LSE trading symbol for the Rule 144A GDRs is "41JB" and the LSE trading symbol for the Regulation S GDRs is "CBKD".

11. The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer within the two years immediately preceding the date of this Prospectus and are, or may be, material or have been entered into at any time by the Issuer and contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the Bank at the date of this Prospectus:

    Deposit Agreement dated 30 July 1996, as most recently amended and restated on 1 July 2014, between the Bank and the Depositary

    The Deposit Agreement between the Issuer and the Depositary dated 30 July 1996, as most recently amended and restated on 1 July 2014, which includes the terms and conditions of the GDRs, as described in "T*erms and Conditions of the Global Depositary Receipts*".

12. The total costs and expenses relating to the listing are estimated be less than U.S.$500,000. The Bank will receive no proceeds from the listing.

13. The ISIN for the Rule 144A GDRs is US2017121060 and the CUSIP number for the Rule 144A GDRs is 201712106.

14. The ISIN for the Regulation S GDRs is US2017122050 and the Common Code for the Regulation S GDRs is 006820972.

15. No natural or legal person involved in the issue of the Additional GDRs has an interest (including a conflicting interest) in the issue of the Additional GDRs.

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Financial Statement

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www.cibeg.com

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Independent auditor's report to the shareholders of the Commercial International Bank SAE

We have audited the accompanying financial statements of Commercial International Bank SAE and its subsidiaries ("the Bank"), which comprise the statement of financial position as at 31 December 2011, 2012, and 2013, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information. This report is required by item 20.1 of Annex X of Commission Regulation (EC) 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.4R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex X to Commission Regulation (EC) 809/2004, consenting to its inclusion in the prospectus.

Management's responsibility for the financial statements

The Bank's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respect, the consolidated financial position of the Bank as of 31 December 2011, 2012 and 2013 and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Declaration

For the purposes of Prospectus Rule 5.5.4R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex X of Commission Regulation (EC) 809/2004.

Emad Hafez Ragheb

Partner

18 May 2014

Cairo

Consolidated income statement for the year ended December 31, 2013 , 2012 and 2011

	Notes	Dec. 31, 2013 EGP	Dec. 31, 2012 EGP	Dec. 31, 2011 EGP
Interest and similar income		**9,520,697,141**	7,859,311,839	5,470,990,831
Interest and similar expense		**(4,470,406,355)**	(3,949,578,414)	(2,785,925,592)
Net interest income	3	**5,050,290,786**	3,909,733,425	2,685,065,239
Fee and commission income		**1,436,107,685**	1,033,628,014	930,569,533
Fee and commission expense		**(128,827,179)**	(107,365,742)	(87,622,734)
Net fee and commission income	4	**1,307,280,506**	926,262,272	842,946,799
Dividend income	5	**16,915,364**	28,593,116	48,234,254
Net trading income	6	**767,392,333**	574,575,176	381,692,480
(Losses) Gain from financial investments	22	**(28,672,126)**	(26,909,306)	38,669,156
Goodwill impairment		**(90,613,402)**	(109,853,826)	-
Administrative expenses	7	**(1,935,784,026)**	(1,604,224,467)	(1,453,734,650)
Other operating (expenses) income	8	**(386,603,691)**	(330,040,011)	(254,950,294)
Impairment (charge) for credit losses	9	**(915,581,874)**	(609,971,077)	(320,648,863)
Intangible Assets impairment and amortization	39	**(33,422,415)**	(275,930,679)	(67,467,240)
Bank's share in the profits of associates	12	**22,096,535**	30,866,252	5,412,918
Profit before income tax		**3,773,297,990**	2,513,100,875	1,905,219,799
Current income tax expense		**(1,182,253,358)**	(887,265,476)	(448,586,285)
Deferred income tax		**12,148,228**	33,338,781	6,374,868
Net Profit for the year		**2,603,192,860**	1,659,174,180	1,463,008,382
Attributable to:				
Equity holders of the bank		**2,603,303,817**	1,658,364,210	1,463,518,588
Non-controlling interest		**(110,957)**	809,970	(510,206)
Net Profit for the year		**2,603,192,860**	1,659,174,180	1,463,008,382
Earning per share	11			
Basic		**2.89**	1.84	1.63
Diluted		**2.85**	1.82	1.61

Hisham Ezz El-Arab
Chairman and Managing Director

Statement of other comprehensive income for the year ended December 31, 2013 , 2012 and 2011

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
	EGP	EGP	EGP
Profit for the year	**2,603,192,860**	1,659,174,180	1,463,008,382
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net (Loss)/gain on available-for-sale financial assets	**(873,843,799)**	876,708,657	(704,925,127)
Other comprehensive income for the year	**(873,843,799)**	876,708,657	(704,925,127)
Total comprehensive income for the year	**1,729,349,061**	2,535,882,837	758,083,255
Attributable to:			
Equity holders of the bank	**1,729,460,017**	2,535,072,866	758,593,462
Non-controlling interests	**(110,957)**	809,971	(510,206)

Consolidated statement of financial position as at December 31, 2013 , 2012 , 2011 and 2010

	Notes	Dec. 31, 2013 EGP	Dec. 31, 2012 EGP	Dec. 31, 2011 EGP	Jan. 31, 2011 EGP
Assets					
Cash and balances with Central Bank	13	**4,804,974,237**	5,393,974,124	7,492,064,510	5,675,241,791
Due from banks	14	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826
Treasury bills and other governmental notes	15	**23,665,428,816**	11,193,466,093	10,700,842,183	9,200,144,805
Financial assets held for trading	16	**2,286,484,581**	1,515,325,502	675,325,450	1,585,747,835
Loans and advances to banks	17	**132,422,732**	1,178,867,739	1,395,594,609	125,833,038
Loans and advances to customers	18	**41,733,251,712**	40,698,313,773	39,669,785,864	35,048,707,895
Derivative financial instruments	19	**103,085,537**	137,459,759	146,544,656	139,263,948
Financial investments					
- Available for sale	21	**23,378,104,482**	21,177,427,597	15,421,546,277	13,613,839,805
- Held to maturity	21	**4,197,176,655**	4,215,787,960	39,159,520	299,250,313
Investments in associates	23	**192,752,878**	165,198,634	106,676,167	96,827,733
Investment property	24	**9,695,686**	10,395,686	12,774,686	28,695,664
Other assets	25	**3,191,933,105**	2,609,889,576	1,601,512,921	1,573,211,267
Goodwill	39	**-**	90,613,401	200,467,227	200,467,227
Intangible Assets	39	**-**	33,422,415	309,353,104	376,820,344
Deferred tax assets	10.2	**83,557,219**	71,450,183	96,018,092	117,602,829
Property, plant and equipment	26	**998,747,051**	711,681,812	669,318,793	757,726,428
Total assets		**113,781,565,581**	97,251,094,642	87,065,213,578	75,894,063,748
Liabilities and equity					
Liabilities					
Due to banks	27	**1,373,410,040**	1,714,862,716	3,340,794,517	1,322,279,909
Due to customers	28	**96,845,683,408**	78,729,121,488	71,467,935,259	63,364,177,278
Derivative financial instruments	19	**114,878,583**	119,099,260	114,287,990	113,551,040
Reverse repos treasury bonds		**-**	3,175,711,661	1,440,000,000	-
Repos - AFS corporate bonds		**-**	-	-	379,141,239
Other liabilities	30	**1,990,010,609**	1,606,087,643	1,237,264,454	1,413,956,901
Current Tax Liability		**1,182,253,358**	887,265,476	448,586,285	431,731,217
Long term loans	29	**132,153,227**	80,495,238	99,333,376	129,113,426
Other provisions	31	**454,699,000**	315,488,382	270,801,909	318,891,119
Total liabilities		**102,093,088,225**	86,628,131,865	78,419,003,790	67,472,842,129
Equity					
Issued and paid in capital	32	**9,002,435,690**	5,972,275,410	5,934,562,990	5,901,443,600
Reserves	33	**203,343,242**	2,688,474,302	928,055,123	369,478,631
Reserve for employee stock ownership plan (ESOP)		**190,260,456**	164,761,120	137,354,418	149,520,858
Retained earning		**2,245,023,512**	1,749,932,015	1,599,880,711	1,953,812,891
Total equity attributable to equity holders of the parent		**11,641,062,900**	10,575,442,847	8,599,853,242	8,374,255,980
Non-controlling interest		**47,414,456**	47,519,931	46,356,546	46,965,639
Total equity		**11,688,477,356**	10,622,962,778	8,646,209,788	8,421,221,619
Total liabilities , equity and non-controlling interest		**113,781,565,581**	97,251,094,643	87,065,213,578	75,894,063,748
Contingent liabilities and commitments					
Letters of credit, guarantees and other commitments	37	**16,182,439,160**	14,897,739,005	12,559,553,516	11,879,698,713

Hisham Ezz El-Arab
Chairman and Managing Director

Consolidated statement of changes in shareholders' equity

Dec. 31, 2011	Capital	Reserve for employee stock ownership plan	Retained earning	Reserves	Total	Non-controlling interest	Total equity
	Attributable to equity holders of the parents						
							EGP
Beginning balance at January 2011	5,901,443,600	149,520,858	1,953,812,891	369,478,631	8,374,255,980	46,965,639	8,421,221,619
Profit for the year	-	-	1,463,518,588	-	1,463,518,588	(510,206)	1,463,008,382
Other comprehensive income	-	-	-	(704,925,127)	(704,925,127)	-	(704,925,127)
Total comprehensive income	-	-	1,463,518,588	(704,925,127)	758,593,461	(510,206)	758,083,255
Capital increase	33,119,390	-	-	-	33,119,390	-	33,119,390
Reserve for employees stock ownership plan (ESOP)	-	77,459,887	-	-	77,459,887	-	77,459,887
Dividend	-	-	(612,778,964)	-	(612,778,964)	-	(612,778,964)
Transferred to reserves	-	(89,626,327)	(1,173,875,293)	1,263,501,619	-	-	-
Change during the period	-	-	(30,796,512)	-	(30,796,512)	(98,887)	(30,895,399)
Balance at 31 December 2011	**5,934,562,990**	**137,354,418**	**1,599,880,711**	**928,055,123**	**8,599,853,242**	**46,356,546**	**8,646,209,788**
Profit for the year	-	-	1,658,364,210	-	1,658,364,210	809,971	1,659,174,181
Other comprehensive income	-	-	-	876,708,657	876,708,657	-	876,708,657
Total comprehensive income	-	-	1,658,364,210	876,708,657	2,535,072,867	809,971	2,535,882,838
Capital increase	37,712,420	-	-	-	37,712,420	-	37,712,420
Reserve for employees stock ownership plan (ESOP)	-	79,068,829	-	-	79,068,829	-	79,068,829
Dividend	-	-	(618,004,404)	-	(618,004,404)	-	(618,004,404)
Transferred to reserves	-	(51,662,127)	(832,048,395)	883,710,522	-	-	-
Change during the year	-	-	(58,260,105)	-	(58,260,105)	353,414	(57,906,691)
Balance at 31 December 2012	**5,972,275,410**	**164,761,120**	**1,749,932,015**	**2,688,474,302**	**10,575,442,846**	**47,519,931**	**10,622,962,778**
Profit for the year	**-**	**-**	**2,603,303,817**	**-**	**2,603,303,817**	**(110,957)**	**2,603,192,861**
Other comprehensive income	**-**	**-**	**-**	**(873,843,799)**	**(873,843,799)**	**-**	**(873,843,799)**
Total comprehensive income	**-**	**-**	**2,603,303,817**	**(873,843,799)**	**1,729,460,018**	**(110,957)**	**1,729,349,062**
Capital increase	**3,030,160,280**	**-**	**-**	**(3,000,811,900)**	**29,348,380**	**-**	**29,348,380**
Reserve for employees stock ownership plan (ESOP)	**-**	**89,181,563**	**-**	**-**	**89,181,563**	**-**	**89,181,563**
Dividend	**-**	**-**	**(782,223,893)**	**-**	**(782,223,893)**	**-**	**(782,223,893)**
Transferred to reserves	**-**	**(63,682,227)**	**(1,325,842,412)**	**1,389,524,639**	**-**	**-**	**-**
Change during the period	**-**	**-**	**(146,015)**	**-**	**(146,015)**	**5,482**	**(140,533)**
Balance at 31 December 2013	**9,002,435,690**	**190,260,456**	**2,245,023,512**	**203,343,242**	**11,641,062,900**	**47,414,456**	**11,688,477,356**

Consolidated cash flow statement for the year ended December 31, 2013 , 2012 and 2011

	Dec. 31, 2013 EGP	Dec. 31, 2012 EGP	Dec. 31, 2011 EGP
Cash flow from operating activities			
Profit before income tax	**3,773,297,990**	2,513,100,875	1,905,219,799
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation	**219,013,135**	178,967,642	198,710,245
Impairment charge for credit losses	**915,581,874**	609,971,077	322,276,483
Other provisions charges	**132,957,495**	51,872,777	4,217,707
Trading financial investments revaluation differences	**11,861,371**	(86,525,026)	49,692,862
Intangible assets impairment	**33,422,415**	275,930,679	67,467,240
Goodwill impairment	**90,613,402**	109,853,826	-
Available for sale and held to maturity investments foreign exchange revaluation	**(124,230,792)**	(60,242,239)	(60,380,784)
Financial investments impairment charge (release)	**(6,136,494)**	8,033,536	(373,389)
Utilization of other provisions	**(10,383,612)**	(13,886,192)	(4,068,833)
Other provisions no longer used	**(141,521)**	(531,054)	(50,567,704)
Exchange differences of other provisions	**16,778,256**	7,230,941	2,329,620
Profits from selling property, plant and equipment	**(740,692)**	(2,387,583)	(2,716,747)
Profits from selling financial investments	**(4,362,940)**	(519,013)	(37,608,880)
Profits from selling associates	**-**	-	(1,873,813)
Exchange differences of long term loans	**-**	-	164,819
Shares based payments expense	**89,181,563**	79,068,829	77,459,887
Share of profits in associates	**(22,096,535)**	(30,866,252)	(5,412,918)
Real estate investments impairment charges	**-**	(371,000)	300,000
Finance expense related to financial lease contract	**3,457,194**	3,892,778	4,886,324
Operating gains before changes in operating assets and liabilities	**5,118,072,109**	3,642,594,601	2,469,721,918
Net decrease (increase) in assets and liabilities			
Due from banks	**(642,434,022)**	521,695,379	(1,851,562,990)
Treasury bills and other governmental notes	**(9,149,658,764)**	758,289,224	(1,729,254,403)
Trading financial assets	**(783,020,450)**	(753,475,026)	860,729,523
Derivative financial instruments	**30,153,546**	13,896,165	(6,543,758)
Loans and advances to banks and customers	**(904,074,806)**	(1,421,772,116)	(6,213,116,023)
Other assets	**(544,594,696)**	(1,015,446,313)	21,744,773
Reverse repos	**(3,175,711,661)**	1,735,711,661	1,060,858,761
Due to banks	**(341,452,676)**	(1,625,931,801)	2,018,514,608
Due to customers	**18,116,561,920**	7,261,186,229	8,103,757,981
Other liabilities	**383,922,966**	368,823,189	(176,692,447)
Income tax paid	**(887,265,476)**	(448,586,285)	(431,731,217)
Net cash provided from operating activities	**7,220,497,991**	9,036,984,907	4,126,426,726
Cash flow from investing activities			
Purchase of associates	**(7,527,299)**	(27,656,215)	(18,000,000)
Proceeds from selling associates	**-**	-	2,873,813
Purchases of property, plant and equipment	**(530,107,783)**	(245,076,179)	(160,349,036)
Redemption of held to maturity financial investments	**18,611,305**	-	270,207,161
Purchases of held to maturity financial investments	**-**	(4,176,628,441)	(5,000,000)
Purchases of available for sale financial investments	**(7,463,491,687)**	(10,169,757,165)	(4,536,303,691)
Proceeds from selling property, plant and equipment	**740,692**	2,387,583	2,716,747
Proceeds from selling available for sale financial investments	**4,523,701,229**	5,343,312,219	2,181,457,020
Proceeds from selling real estate investments	**700,000**	2,750,000	15,620,978
Net cash (used in) investing activities	**(3,457,373,543)**	(9,270,668,198)	(2,246,777,008)

Consolidated cash flow statement for the year ended December 31, 2013 , 2012 and 2011 (Cont.)

	Dec. 31, 2013 EGP	Dec. 31, 2012 EGP	Dec. 31, 2011 EGP
Cash flow from financing activities			
Long term loans receipts	**100,217,671**	5,397,518	217,778
Long term loans paid	**(48,559,682)**	(24,235,656)	(30,162,646)
Dividend paid	**(782,223,893)**	(618,004,404)	(612,778,964)
Capital increase	**29,348,380**	37,712,420	33,119,390
Payments related to finance lease	**(11,816,481)**	(8,755,622)	(7,473,676)
Net cash (used in) financing activities	**(713,034,005)**	(607,885,744)	(617,078,118)
Net increase (decrease) in cash and cash equivalent during the year	**3,050,090,444**	(841,569,035)	1,262,571,600
Beginning balance of cash and cash equivalent	**8,479,129,062**	9,320,698,097	8,058,126,497
Cash and cash equivalent at the end of the year	**11,529,219,504**	8,479,129,062	9,320,698,097
Cash and cash equivalent comprise:			
Cash and balances with Central Bank	**4,804,974,237**	5,393,974,123	7,492,064,507
Due from banks	**9,003,950,890**	8,047,820,388	8,528,229,519
Treasury bills and other governmental notes	**23,665,428,816**	11,193,466,093	10,700,842,183
Obligatory reserve balance with CBE	**(3,224,658,841)**	(3,093,283,199)	(3,014,779,811)
Due from banks (time deposits) more than three months	**(5,507,738,568)**	(4,999,770,079)	(5,564,290,818)
Treasury bills with maturity more than three months	**(17,212,737,030)**	(8,063,078,264)	(8,821,367,483)
Total cash and cash equivalent	**11,529,219,504**	8,479,129,062	9,320,698,097

Notes to the consolidated financial statements for the year ended December 31, 2013, 2012 and 2011

1. Corporate information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 125 branches, and 27 units employing 5193 employees at the balance sheet date.

Commercial international Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange and GDR in London Stock Exchange.

CI Capital Holding Co S.A.E. it was established as a joint stock company on April 9th, 2005 under the capital market law no. 95 of 1992 and its executive regulations. Financial register no. 166798 on April 10th, 2005 and the company have been licensed by the Capital Market Authority to carry out its activities under license no. 353 on May 24th, 2006.

As of December 31, 2013 the Bank directly owns 54,988,500 shares representing 99.98% of CI Capital Holding Company's capital and on December 31, 2013 CI Capital Holding Co. Directly owns the following shares in its subsidiaries:

	December 31, 2013	December 31, 2012	December 31, 2011
Company name	**Ownership%**	**Ownership%**	**Ownership%**
CIBC Co.	96.60	96.60	96.60
CI Assets Management	95.72	95.72	95.72
CI Investment Banking Co.	99.26	96.30	96.30
Dynamic Brokerage Co.	99.97	99.97	99.97
CI for Research Co.*	0.00	96.32	96.32

*CI for Research Co. was liquidated with no major impact on consolidated financial statement.

2. Accounting policies

2.1. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis , except for available for sale investments, derivative financial instruments , financial assets and liabilities classified as trading or held at fair value through profit or loss, equity settled share–based payments, all of which have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The consolidated financial statements are presented in Egyptian pound (EGP).

2.2 FIRST-TIME ADOPTION OF IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB.

These financial statements, for the year ended 31 December 2013, are the first the Bank has prepared in accordance with IFRS for periods up to and including the year ended 31 December 2010, the Bank prepared its financial statements in accordance with CBE rules issued on 16 December 2008. Accordingly, the Bank has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2013, together with the comparative period data as at and for the year ended 31December 2012 and 2011, as described in the accounting policies. In preparing these financial statements, the Bank's opening statement of financial position was prepared as at 1 January 2011, the Bank's date of transition to IFRS. This note explains the principal adjustments made by the Bank in restating its statement of financial position as at 1 January 2011 and the financial statements as at and for the year ended 31 December 2011 prepared according to CBE rules.

Exemptions applied

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain IFRS. The accounting policies of the bank in according with CBE rules issued on 16 December 2008 in respect of those exemptions are consistent with those required in the IFRS and IFRIC interpretations at its effective date. Accordingly, there are no exemptions applied from the retrospective applications.

Estimates

The estimates at 1 January 2011, 31 December 2011 and 2012 are consistent with those made for the same dates in accordance with CBE rules issued on 16 December 2008 and in light with the prevailing Egyptian laws and there few adjustments to reflect any differences in accounting policies.

Reconciliation of equity as at 1 January 2011 (date of transition to IFRS)

	Jan. 01, 2011 CBE	Remeasurement	Jan. 01, 2011 IFRS
Assets			
Cash and balances with Central Bank	5,675,241,791		5,675,241,791
Due from banks	7,054,682,826		7,054,682,826
Treasury bills and other governmental notes **(A)**	8,821,003,566	379,141,239	9,200,144,805
Financial assets held for trading	1,585,747,835		1,585,747,835
Loans and advances to banks	125,833,038		125,833,038
Loans and advances to customers	35,048,707,895		35,048,707,895
Derivative financial instruments	139,263,948		139,263,948
Financial investments			
- Available for sale	13,613,839,805		13,613,839,805
- Held to maturity	299,250,313		299,250,313
Investments in associates	96,827,733		96,827,733
Investment property	28,695,664		28,695,664
Other assets	1,573,211,267		1,573,211,267
Goodwill **(B)**	160,373,782	40,093,445	200,467,227
Intangible Assets	376,820,344		376,820,344
Deferred tax assets	117,602,829		117,602,829
Property, plant and equipment **(C)**	708,330,987	49,395,441	757,726,428
Total assets	75,425,433,623	468,630,125	75,894,063,748
Liabilities and equity			
Liabilities			
Due to banks	1,322,279,909		1,322,279,909
Due to customers	63,364,177,278		63,364,177,278
Derivative financial instruments	113,551,040		113,551,040
Repos - AFS corporate bonds **(A)**	-	379,141,239	379,141,239
Other liabilities **(C,D)**	1,131,786,879	282,170,022	1,413,956,901
Current tax liability	431,731,217		431,731,217
Long term loans	129,113,426		129,113,426
Other provisions	318,891,119		318,891,119
Total liabilities	66,811,530,868	661,311,261	67,472,842,129
Equity			
Issued and paid in capital	5,901,443,600		5,901,443,600
Reserves **(E)**	698,925,842	(329,447,211)	369,478,631
Reserve for employee stock ownership plan (ESOP)	149,520,858		149,520,858
Retained earnings **(F)**	1,817,046,816	136,766,075	1,953,812,891
Total equity attributable to equity holders of the parent	8,566,937,116	(192,681,136)	8,374,255,980
Non-controlling interest	46,965,639		46,965,639
Total equity	8,613,902,755	(192,681,136)	8,421,221,619
Total liabilities , equity and non-controlling interest	75,425,433,623	468,630,125	75,894,063,748
Contingent liabilities and commitments			
Letters of credit, guarantees and other commitments	11,879,698,713		11,879,698,713

Reconciliation of equity as at 31 December 2011

	Dec. 31, 2011 CBE	Remeasurement	Dec. 31, 2011 IFRS
Assets			
Cash and balances with Central Bank	7,492,064,510		7,492,064,510
Due from banks	8,528,229,519		8,528,229,519
Treasury bills and other governmental notes **(A)**	9,260,842,183	1,440,000,000	10,700,842,183
Financial assets held for trading	675,325,450		675,325,450
Loans and advances to banks	1,395,594,609		1,395,594,609
Loans and advances to customers	39,669,785,864		39,669,785,864
Derivative financial instruments	146,544,656		146,544,656
Financial investments			
- Available for sale	15,421,546,277		15,421,546,277
- Held to maturity	39,159,520		39,159,520
Investments in associates	106,676,167		106,676,167
Investment property	12,774,686		12,774,686
Other assets	1,601,512,921		1,601,512,921
Goodwill **(B)**	120,280,337	80,186,890	200,467,227
Intangible Assets	309,353,104		309,353,104
Deferred tax assets	96,018,092		96,018,092
Property, plant and equipment **(C)**	630,508,089	38,810,704	669,318,793
Total assets	85,506,215,984	1,558,997,594	87,065,213,578
Liabilities and equity			
Liabilities			
Due to banks	3,340,794,517		3,340,794,517
Due to customers	71,467,935,259		71,467,935,259
Derivative financial instruments	114,287,990		114,287,990
Reverse repos treasury bonds **(A)**	-	1,440,000,000	1,440,000,000
Other liabilities **(C,D)**	1,006,001,610	231,262,844	1,237,264,454
Current tax liability	448,586,285		448,586,285
Long term loans	99,333,376		99,333,376
Other provisions	270,801,909		270,801,909
Total liabilities	76,747,740,946	1,671,262,844	78,419,003,790
Equity			
Issued and paid in capital	5,934,562,990		5,934,562,990
Reserves **(E)**	1,512,539,164	(584,484,041)	928,055,123
Reserve for employee stock ownership plan (ESOP)	137,354,418		137,354,418
Retained earnings **(F)**	1,127,661,920	472,218,791	1,599,880,711
Total equity attributable to equity holders of the parent	8,712,118,492	(112,265,250)	8,599,853,242
Non-controlling interest	46,356,546		46,356,546
Total equity	8,758,475,038	(112,265,250)	8,646,209,788
Total liabilities , equity and non-controlling interest	85,506,215,984	1,558,997,594	87,065,213,578
Contingent liabilities and commitments			
Letters of credit, guarantees and other commitments	12,559,553,516		12,559,553,516

Reconciliation of equity as at 31 December 2012

	Dec. 31, 2012 CBE	Remeasurement	Dec. 31, 2012 IFRS
Assets			
Cash and balances with Central Bank	5,393,974,124		5,393,974,124
Due from banks	8,047,820,388		8,047,820,388
Treasury bills and other governmental notes **(A)**	8,017,754,432	3,175,711,661	11,193,466,093
Financial assets held for trading	1,515,325,502		1,515,325,502
Loans and advances to banks	1,178,867,739		1,178,867,739
Loans and advances to customers	40,698,313,773		40,698,313,773
Derivative financial instruments	137,459,759		137,459,759
Financial investments			
- Available for sale	21,177,427,597		21,177,427,597
- Held to maturity	4,215,787,960		4,215,787,960
Investments in associates	165,198,634		165,198,634
Investment property	10,395,686		10,395,686
Other assets	2,609,889,576		2,609,889,576
Goodwill **(B)**	-	90,613,401	90,613,401
Intangible Assets	33,422,415		33,422,415
Deferred tax assets	71,450,183		71,450,183
Property, plant and equipment **(C)**	683,455,846	28,225,966	711,681,812
Total assets	93,956,543,614	3,294,551,028	97,251,094,642
Liabilities and equity			
Liabilities			
Due to banks	1,714,862,716		1,714,862,716
Due to customers	78,729,121,488		78,729,121,488
Derivative financial instruments	119,099,260		119,099,260
Reverse repos treasury bonds **(A)**	-	3,175,711,661	3,175,711,661
Other liabilities **(C,D)**	1,298,163,266	307,924,377	1,606,087,643
Current tax liability	887,265,476		887,265,476
Long term loans	80,495,238		80,495,238
Other provisions	315,488,382		315,488,382
Total liabilities	83,144,495,826	3,483,636,038	86,628,131,864
Equity			
Issued and paid in capital	5,972,275,410		5,972,275,410
Reserves **(E)**	2,792,191,234	(103,716,932)	2,688,474,302
Reserve for employee stock ownership plan (ESOP)	164,761,120		164,761,120
Retained earnings **(F)**	1,835,300,093	(85,368,078)	1,749,932,015
Total equity attributable to equity holders of the parent	10,764,527,857	(189,085,010)	10,575,442,847
Non-controlling interest	47,519,931		47,519,931
Total equity	10,812,047,788	(189,085,010)	10,622,962,778
Total liabilities , equity and non-controlling interest	93,956,543,614	3,294,551,028	97,251,094,642
Contingent liabilities and commitments			
Letters of credit, guarantees and other commitments	14,897,739,005		14,897,739,005

Reconciliation of income statement for the year ended 31 December 2011

	Dec. 31, 2011 CBE	Remeasurement	Dec. 31, 2011 IFRS
Interest and similar income	5,470,990,831		5,470,990,831
Interest and similar expense **(I)**	(2,781,039,268)	(4,886,324)	(2,785,925,592)
Net interest income	2,689,951,563	(4,886,324)	2,685,065,239
			-
Fee and commission income	930,569,533		930,569,533
Fee and commission expense	(87,622,734)		(87,622,734)
Net fee and commission income	842,946,799	-	842,946,799
Dividend income **(G)**	61,506,980	(13,272,726)	48,234,254
Net trading income	381,692,480		381,692,480
Gain from financial investments	38,669,156		38,669,156
Goodwill impairment **(B)**	(40,093,445)	40,093,445	-
Administrative expenses **(H)**	(1,449,718,695)	(4,015,955)	(1,453,734,650)
Other operating (expenses) income **(H)**	(72,539,394)	(182,410,900)	(254,950,294)
Impairment (charge) for credit losses	(320,648,863)		(320,648,863)
Intangible Assets impairment and amortization	(67,467,240)		(67,467,240)
Bank's share in the profits of associates **(G)**	(7,859,808)	13,272,726	5,412,918
Net profit before income tax	2,056,439,533	(151,219,734)	1,905,219,799
			-
Current income tax expense	(448,586,285)		(448,586,285)
Deferred income tax	6,374,868		6,374,868
Net profit for the year	1,614,228,116	(151,219,734)	1,463,008,382
Attributable to:			
Equity holders of the bank	1,614,738,322	(151,219,734)	1,463,518,588
Non-controlling interest	(510,206)	-	(510,206)
Net Profit for the year	1,614,228,116	(151,219,734)	1,463,008,381

Reconciliation of income statement for the year ended 31 December 2012

	Dec. 31, 2012 CBE	Remeasurement	Dec. 31, 2012 IFRS
Interest and similar income	7,859,311,839		7,859,311,839
Interest and similar expense **(I)**	(3,945,685,636)	(3,892,778)	(3,949,578,414)
Net interest income	3,913,626,203	(3,892,778)	3,909,733,425
			-
Fee and commission income	1,033,628,014		1,033,628,014
Fee and commission expense	(107,365,742)		(107,365,742)
Net fee and commission income	926,262,272	-	926,262,272
Dividend income **(G)**	33,110,823	(4,517,707)	28,593,116
Net trading income	574,575,176		574,575,176
(Losses) from financial investments	(26,909,306)		(26,909,306)
Goodwill impairment **(B)**	(10,426,511)	(99,427,315)	(109,853,826)
Administrative expenses **(H)**	(1,559,401,781)	(44,822,687)	(1,604,224,468)
Other operating (expenses) income **(H)**	(103,307,092)	(226,732,919)	(330,040,011)
Impairment (charge) for credit losses	(609,971,077)		(609,971,077)
Intangible Assets impairment and amortization **(J)**	(82,990,084)	(192,940,595)	(275,930,679)
Bank's share in the profits of associates **(G)**	26,348,545	4,517,707	30,866,252
Net profit before income tax	3,080,917,168	(567,816,295)	2,513,100,874
			-
Current income tax expense	(887,265,476)		(887,265,476)
Deferred income tax	33,338,781		33,338,781
Net profit for the year	2,226,990,473	(567,816,295)	1,659,174,179
Attributable to:			
Equity holders of the bank	2,226,180,503	(567,816,295)	1,658,364,209
Non-controlling interest	809,970	-	809,970
Net Profit for the year	2,226,990,473	(567,816,295)	1,659,174,179

Differences between Central Bank of Egypt (CBE) rules and International Financial Reporting Standards (IFRS)

(A) Repos – Treasury bills and other governmental notes:
According to CBE rules repos are netted against treasury bills and other governmental bonds on the balance sheet.
Under IFRS Repos are shown as a separate line item on the balance sheet.
Accordingly, the following adjustments have been made:

Treasury bills and other governmental notes	01-Jan-11	31-Dec-11	31-Dec-12
	EGP	EGP	EGP
Balance as per CBE	8,821,003,566	9,260,842,183	8,017,754,432
Adjustment to reclassify Repos as a separate line item in the balance sheet	379,141,239	1,440,000,000	3,175,711,661
Balance as per IFRS	**9,200,144,805**	**10,700,842,183**	**11,193,466,093**

Repos	01-Jan-11	31-Dec-11	31-Dec-12
	EGP	EGP	EGP
Balance as per CBE	-	-	-
Adjustment to classify repos as a separate line item.	379,141,239	1,440,000,000	3,175,711,661
Balance as per IFRS	**379,141,239**	**1,440,000,000**	**3,175,711,661**

(B) Goodwill
According to the Egyptian law and CBE rules, goodwill is amortized over a period of five years and tested for impairment annually. The bank then compares the amortization charge with the results of impairment test and charges the higher amount to the income statements.
According to IFRS goodwill is tested for impairment at balance sheet data, and impairment loss is charged to the income statement if any.
Accordingly, the following adjustment has been made:

	01-Jan-11	31-Dec-11	31-Dec-12
Goodwill	EGP	EGP	EGP
Balance as per CBE	160,373,782	120,280,337	-
Adjustment to reverse goodwill amortization.	40,093,445	80,186,890	90,613,401
Balance as per IFRS	**200,467,227**	**200,467,227**	**90,613,401**

According to the financial statements prepared in accordance with CBE, impairment losses relating to Goodwill were charged to other reserves.

According to the IFRS ,impairment losses should be charged to income statement.
The adjustment on income statement is shown as follows:

	2011	2012
Goodwill impairment / amorization	EGP	EGP
EAS	40,093,445	10,426,511
Adjustment to remove the effect of amortization as recognized under CBE rules.	(40,093,445)	(10,426,511)
Adjustment to record impairment over goodwill	0	109,853,826
IFRS	**0**	**109,853,826**

(C) Finance lease

According to the CBE rules, leases are recognized as operating leases where lease payments are charged to the income statement as rent charges.
According to IFRS the bank is required to recognize the fair market value of the lease contract or the present value of minimum lease payments whichever is less as an asset against a corresponding liability, recognize an interest expense on the lease obligation and depreciate expense on the lease asset.

(D) Staff and board of directors profit sharing

According to the Egyptian law and CBE rules, staff and members of the board of directors are eligible to a certain percentage of the bank's profit as a profit sharing. This is accounted for in the financial statements prepared in accordance with the CBE rules as dividends that is appropriated out of retained earnings when approved by the shareholders.
According to IFRS the bank has to accrue for such payments as staff bonuses and be charged to the income statement when incurred.
Accordingly, the following adjustments have been made for items (c) and (d) above:

	01-Jan-11	31-Dec-11	31-Dec-12
Other liabilities	EGP	EGP	EGP
Balance as per CBE	1,131,786,879	1,006,001,610	1,298,163,266
Adjustment to accrue for staff dividends	231,635,617	188,202,115	273,619,269
Adjustment to record finance lease	52,923,688	52,923,688	52,923,688
Adjustment to record payment of finance lease	(4,120,000)	(16,480,000)	(29,128,400)
To record related finance cost related to the finance lease.	1,730,717	6,617,041	10,509,820
Balance as per IFRS	**1,413,956,901**	**1,237,264,454**	**1,606,087,643**

	01-Jan-11	31-Dec-11	31-Dec-12
Property, plant and equipment	EGP	EGP	EGP
Balance as per CBE	708,330,987	630,508,089	683,455,846
Adjustment to record finance lease.	52,923,688	52,923,688	52,923,688
Adjustment to record accumulated depreciation related to finance lease	(3,528,247)	(14,112,984)	(24,697,722)
Balance as per IFRS	**757,726,428**	**669,318,793**	**711,681,812**

(E) Reserves

Banking risk reserve

According to the CBE rules, the bank has to calculate the loan loss provision based on discounted cash flow for non-performing loans and the probability of default for performing loans and charge the resulting amount to the income statement. At the same time the bank has to compute the loan loss provision using the CBE's risk ratings and compare the results with the above mentioned calculation and adjust difference between the two methodologies between retained earnings and bank risk reserve.

According to IFRS banking risk reserve does not exist.

Other reserve

According to the financial statements prepared in accordance with the CBE rules, a reserve was created against goodwill and intangible assets resulting from a step acquisition that took place in 2008.

According to IFRS, results of step acquisition should be charged to the income statement.

Accordingly, the following adjustments have been made:

	01-Jan-11	31-Dec-11	31-Dec-12
Reserves	EGP	EGP	EGP
Balance as per CBE	698,925,842	1,512,539,164	2,792,191,234
Adjustment to adjust banking risk reserve against retained earnings	(26,652,790)	(281,689,620)	(103,716,932)
Adjustment to adjust reserve arising from step acquisition against retained earnings	(302,794,421)	(302,794,421)	-
Balance as per IFRS	**369,478,631**	**928,055,123**	**2,688,474,302**

(F) Retained Earnings

The following is the effect of IFRS adjustment on retained earnings:

	01-Jan-11	31-Dec-11	31-Dec-12
Retained Earnings	EGP	EGP	EGP
CBE	1,817,046,816	1,127,661,920	1,835,300,093
Adjustment to adjust banking risk reserve against retained earnings	26,652,790	281,689,620	103,716,932
Adjustment to adjust reseve arising from step acquisition against retained earnings	302,794,421	302,794,421	302,794,421
Adjustment to record finance cost relating to finance lease	(1,730,717)	(6,617,041)	(10,509,820)
Adjustment to remove the effect of amortization of goodwill as recognized under CBE rules	40,093,445	80,186,890	90,613,401
Adjustment to record impairemet of Goodwill on income statement			(109,853,826)
Adjustment to record accruals for staff dividends	(231,635,617)	(188,202,115)	(273,619,269)
Adjustment to record depreciation expense for leased assets	(3,528,247)	(14,112,984)	(24,697,722)
Adjustment to record revetresal of rent relating to finance leased assets	4,120,000	16,480,000	29,128,400
Adjustment to record impairemet of intangibles on income statement			(192,940,595)
Balance as per IFRS	**1,953,812,891**	**1,599,880,711**	**1,749,932,015**

(G) Bank's share in the results of associates

According to the financial statements prepared in accordance with CBE rules, bank's share in the results of associates were classified under dividends income.

According to IFRS, bank's share in the results of associates are classified as a separate line item in the income statement.

Accordingly the following reclassification has been made has been made:

	31-Dec-11	31-Dec-12
Dividend income	EGP	EGP
Amount as per CBE	61,506,980	33,110,823
Reclass of the dividend income to bank share in profits of associates	(13,272,726)	(4,517,707)
Amount as per IFRS	**48,234,254**	**28,593,116**

	31-Dec-11	31-Dec-12
Bank share in profits of associates	EGP	EGP
Amount as per CBE	(7,859,808)	26,348,545
Reclass of the dividend income to bank share in profits of associates	13,272,726	4,517,707
Amount as per IFRS	**5,412,918**	**30,866,252**

(H) Other operating expenses

According to the financial statements prepared in accordance with the CBE rules, certain expenses were classified as other operating expense and certain expenses have been classified as administrative expenses.

According to IFRS certain reclassifications were required to be made between the above two mentioned expense categories.

Accordingly, the following adjustments have been made:

	31-Dec-11	31-Dec-12
Administrative expenses:	EGP	EGP
Amount as per CBE	1,449,718,695	1,559,401,781
Reclass from administrative to operating expenses	(182,410,900)	(226,732,919)
Adjustment to record BOD and staff expenses	188,202,117	273,619,268
Adjustment to record depreciation expense for leased assets	10,584,738	10,584,738
Adjustment to record reversal of rent for leased assets	(12,360,000)	(12,648,400)
Amount as per IFRS	**1,453,734,650**	**1,604,224,468**

	31-Dec-11	31-Dec-12
Other operating expenses:	EGP	EGP
Amount as per CBE	72,539,394	103,307,092
Reclass from administrative to operating expenses	182,410,900	226,732,919
Amount as per IFRS	**254,950,294**	**330,040,011**

(I) Finance Cost:

Due to the recognition of the finance lease, a finance cost is charged to the income statement and recorded as an Interest and similar expense follows:

	31-Dec-11	31-Dec-12
	EGP	EGP
Amount as per CBE	2,781,039,268	3,945,685,636
Adjustment to record finance cost relating to finance lease	4,886,324	3,892,778
Amount as per IFRS	**2,785,925,592**	**3,949,578,414**

(J) Intangible assets impairment & amortization:

According to the financial statements prepared in accordance with CBE, impairment losses relating to intangible assets were charged to other reserves.

According to IFRS, impairment charges should be charged to income statement.

Accordingly, the following adjustments have been made:

	2011	2012
Intangible assets impairment & amortization	EGP	EGP
Amount as per CBE	67,467,240	82,990,084
Adjustment to record impairment over intangible assets	-	192,940,595
Amount as per IFRS	**67,467,240**	**275,930,679**

Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 3.2.4.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the bank and its subsidiaries as at 31 December 2013, 2012 and 2011. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The bank has the majority of the voting or similar rights of an investee, the bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The bank's voting rights and potential voting rights

Consolidation of a subsidiary begins when the bank obtains control over the subsidiary and ceases when the bank loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the bank gains control until the date the bank ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the bank's accounting policies. All intra-bank assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the bank are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the bank loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the bank had directly disposed of the related assets or liabilities.

Loss of Control

When the bank loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investment in Associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those polices .

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The bank determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the bank calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the bank and its associate are recognised in the bank's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.3. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2014 is set out below in relation to the impairment of financial instruments and in the following notes:

•• Note 36 – determination of fair value of financial instruments with significant unobservable inputs;

•• Note 34 – recognition of deferred tax assets: availability of future taxable profit against which carryforward tax losses can be used;

•• Note 41 – impairment testing for CGUs containing goodwill: key assumptions underlying recoverable amounts; and

•• Notes 31and 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models. Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Bank's best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 37.

The bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are

available to measure fair value, maximising the use of relevant observable inputs and minimising the use of

unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The bank's valuation committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the valuation committee after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. valuers are normally rotated every three years. The valuation committee decides, after discussions with the Bank's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, "the direct investment exposure unit '' operating under "investment committee '' analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the bank's accounting policies. For this analysis, the valuation committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The valuation committee, in conjunction with the bank's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy Note 37.

Impairment of loans and advances

The Bank reviews its individually significant loans and advances at each statement-of-financial-position date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilisation, loan-to-collateral ratios, etc.), and judgements on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups). The impairment loss on loans and advances is disclosed in more detail in Note 20.

Impairment of available-for-sale investments

The Bank reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. This requires similar judgement as applied to the individual assessment of loans and advances. The Bank also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost. The impairment loss on available for sale investments is disclosed in more detail in Note 11.

Impairment of Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies .Tax losses can be used indefinitely.

2.4. Summary of significant accounting policies

(1) Foreign currency translation

The consolidated financial statements are denominated and presented in Egyptian pound, which is also the functional currency of the Bank. Transactions in foreign currencies are translated into Egyptian pound at exchange rates prevailing at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Egyptian pound at the exchange rates prevailing at the reporting date.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non–monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

Realized and unrealized gains or losses on exchange are credited or charged to the statement of consolidated income.

(2) Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

(iii) Derivatives recorded at fair value through profit or loss

The Bank uses derivatives such as interest rate swaps and futures, forward foreign exchange contracts and options on interest rates and foreign currencies. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in Net trading income.

(iv) Financial assets or financial liabilities held for trading

Financial assets or financial liabilities held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized in Net trading income. Interest and dividend income or expense is recorded in Net trading income according to the terms of the contract, or when the right to the payment has been established. Included in this classification are debt securities and .

(v) Available-for-sale financial investments

Available-for-sale investments include equity and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Bank has not designated any loans or receivables as available-for-sale.

After initial measurement, available for sale financial investments are subsequently measured at fair value.

Unrealized gains and losses are recognized directly in equity (Other comprehensive income) in the Available for sale reserve. When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the income statement in Other operating income. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR. Dividends earned whilst holding available-for-sale financial investments are recognized in the income statement as Other operating income when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the income statement in 'Impairment losses on financial investments' and removed from the Available-for-sale reserve.

(vi) Held-to-maturity financial investments

Held-to-maturity financial investments are non–derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the EIR less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in Interest and similar income in the income statement. The losses arising from impairment of such investments are recognized in the income statement line Credit loss expense. If the Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the Bank would be prohibited from classifying any financial asset as held to maturity during the following two years.

(vii) Loans and advances

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

-Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss.

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

-Those the bank , upon initial recognition designate as available for sale .

After initial measurement, amounts Loans and advances to customers are subsequently measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in Interest and similar income in the income statement. The losses arising from impairment are recognized in the income statement in impairment (charge) release for credit losses.

(3) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either:
  - The Bank has transferred substantially all the risks and rewards of the asset

    Or
  - The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

(ii) Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

(4) Sale and repurchase agreements

Securities sold with a commitment to repurchase at a specified future date (repos), continue to be recognized in the statement of consolidated financial position and are measured in accordance with related accounting policies for trading, FVIS, available for sale and other investments at amortized cost. The counterparty liability for amounts received under these agreements is included in due to banks and other financial institutions or customer deposits, as appropriate. The difference between the sale and the repurchase price is treated as special interest expense and is recognized over the life of the repo agreement on an effective yield basis.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos), are not recognized in the statement of consolidated financial position, as the bank does not obtain control over the assets. Amounts paid under these agreements are included in cash and balances with Central Banks, due from banks and other financial institutions or loans and advances, as appropriate. The difference between the purchase and the resale price is treated as special commission income and is recognized over the life of the reverse repo agreement on an effective yield basis.

(5) Impairment of financial assets

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

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Financial assets carried at amortized cost

The Bank assesses on each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or 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/s') and that loss event/s has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

- Cash flow difficulties experienced by the borrower (e.g, equity ratio, net income percentage of sales).
- A breach of contract , such as a default or delinquency in interest or principle payment.
- Initiation of bankruptcy proceedings.
- Deterioration of the borrower's competitive position.
- The bank, for economic or legal reasons relating to the borrowers financial difficulties granting the borrowers a concessions that the bank would not otherwise consider.
- Deterioration in the value of collateral or deterioration of the creditworthiness of the borrower.

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

The Bank estimates the period between a losses occurring and its identification for each specific portfolio. In general, the periods used vary between three months to twelve months.

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

- If the Bank determines that no objective evidence of impairment exists for an individually assessed financial 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.
- If the Bank determines that an objective evidence of financial asset impairment exist that is individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

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.

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

When a loan is uncollectible, it is written off against the related allowance for impairment.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized loss is reversed by adjusting the allowance account. The amount of the reserve is recognized in the consolidated income statement.

(ii) Available-for-sale financial investments

For available-for-sale financial investments, the Bank assesses at each reporting date whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as available-for-sale, the Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of Interest and similar income. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

In the case of equity investments classified as available for sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from equity and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognized in other comprehensive income.

(iv) Collateral valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as audited financial statements, and other independent sources.

(v) Collateral repossessed

The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Bank's policy.

(6)Impairment of non–financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Impairment losses relating to goodwill are not reversed in future periods.

(7) Hedge accounting

The Bank makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risks, the Bank applies hedge accounting for transactions which meet specified criteria.

At inception of the hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognized in the income statement in 'Net trading income'. For situations where the hedged item is a forecast transaction, the Bank also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the income statement.

Fair value hedges

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognized in the income statement in Net trading income. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the statement of financial position and is also recognized in the income statement in Net trading income. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the recalculated EIR method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the income statement.

(8) Offsetting Financial Assets and Financial Liabilities:

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the bank has legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the trading activities.

IFRS 7 and its amendments have no impact on the consolidated financial statements.

(9) Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Bank leases certain property, plant and equipment. Leases of property, plant and equipment where the Bank has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(10) Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that aredirectly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend income

Revenue is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

(iv) Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading.

(11) Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

(12) Property plant and equipment

Property and equipment (including equipment under operating leases where the Bank is the lessor) is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

Premises	25 years
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and furnishing	5 years
Calculators and air conditioners	8 years
Vehicles	5 years
IT	3/10 years
Fitting –out	3 years

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in Other operating income in the income statement in the year the asset is derecognised.

(13) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the bank elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the bank acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Bank re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

(14) Intangible assets

The Bank's other intangible assets include the value of computer software and customer core deposits acquired in business combinations.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial yearend. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

(15) Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

(16) Share–based payment transactions

Employees (including senior executives) of the Bank receive remuneration in the form of share–based payment transactions, whereby employees render services as consideration for equity instruments (equity–settled transactions).

Equity–settled transactions

The cost of equity–settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date) the cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period is recorded in Personnel expenses and represents the movement in cumulative expense recognised as at the beginning and end of that period.

Where the terms of an equity–settled award are modified, the minimum expense recognised in Personnel expenses is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share–based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity–settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non–vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(17) Employee Benefits

For defined contribution plans, the Bank pays contributions to the General Organization for Social Insurance (GOSI) as a percentage of the employees' salaries. The Bank's obligation is limited to these contributions which are expensed when due.

(18) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(19) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

(20) Equity reserves

The reserves recorded in equity (Other comprehensive income) on the Bank's statement of financial position

Include available-for-sale reserve, which comprises changes in fair value of available-for-sale investments.

(21) Segment reporting

The Bank's segment reporting is based on the following operating segments: Corporate Banking, SME's, Investment Banking and Retails Banking.

(22) Investment Property

"Investment Property" is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply services or for administrative purposes. The bank holds some investment property as a consequence of the ongoing rationalization of its retail branch network. Other property has been acquired through the enforcement of security over loans and advances. Investment property is initially measured at cost and tested for impairment through fair valuation to be allocated through fair value, in profit or loss.

Any gain or loss on disposal of an investment property (Calculated as the difference between the net proceeds from disposal and the carrying amount if the item) us recognized in profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the fate of reclassification becomes its cost for subsequent accounting.

(23) Earnings per Share

The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(24) Financial Guarantees and Loan Commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(25) Deposits

Deposits issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

2.5. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets, IFRS 9 (2010) introduces additions relating to financial liabilities. IFRS 9 (2013) introduces new requirements for hedge accounting. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets.

The IFRS 9 (2009) requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. For an investment in equity instrument that is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in OCI. No amount recognized in OCI would ever be reclassified to profit or loss at a later date. However, dividends on such investments would be recognized in profit or loss, rather than OCI, unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which and entity does not elect to present fair value changes in OCI would be measured at face value with changes in fair value recognized in profit or loss.

The standard requires derivatives embedded in contracts with a host that is a financial asset in the scope of the standard not to be separated; instead, the hybrid financial instrument is assessed in its entirety for whether I should be measured at amortized cost or fair value.

IFRS 9 (2010) introduces a new requirement in respect of financial liabilities designated under the fair value option to generally present fair value changes that are attributable to the liability's credit risk in OCI rather than in profit or loss. Apart from this change, IFRS 9 (2010) largely carries forward without substantive amendment the guidance on classification and measurement of financial liabilities from IAS 39.

IFRS 9 (2013) introduces new requirements for hedge accounting that align hedge accounting more closely with risk management. The requirements also established a more principles-based approach to hedge accounting and address inconsistencies and weaknesses in the hedge accounting model in IAS 39.

The mandatory effective date of IFRS 9 is not specified but will be determined when the outstanding phases are finalized. However, application of IFRS 9 is permitted.

The process if evaluating the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed. Given the nature of the operations, this standard is expected to have a pervasive impact on the financial statements.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Bank, since none of the entities in the Bank would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Bank**.**

IFRIC 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Bank does not expect that IFRIC 21 will have material financial impact in future financial statements.

3 . Net interest income

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Interest and similar income			
- Banks	201,284,007	132,463,454	142,055,284
- Clients	3,915,076,745	3,523,926,754	2,900,254,722
	4,116,360,752	3,656,390,208	3,042,310,006
Treasury bills and bonds	5,234,074,523	4,021,144,937	2,233,508,080
Reverse repos	27,135,663	17,423,270	22,223,513
Financial investments in held to maturity and available for sale debt instruments	143,080,215	164,324,240	172,702,607
Other	45,988	29,184	246,625
Total	9,520,697,141	7,859,311,839	5,470,990,831
Interest and similar expense			
- Banks	91,504,193	181,169,862	188,421,651
- Clients	4,345,497,789	3,449,759,729	2,567,626,091
	4,437,001,982	3,630,929,591	2,756,047,742
Financial instruments purchased with a commitment to re-sale (Repos)	25,580,494	310,995,070	22,306,090
Finance expense related to financial lease contract	3,457,194	3,892,778	4,886,324
Other	4,366,685	3,760,975	2,685,436
Total	4,470,406,355	3,949,578,414	2,785,925,592
Net interest income	5,050,290,786	3,909,733,425	2,685,065,239

4 . Net fee and commission income

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Fee and commission income			
Fee and commissions related to credit	761,430,244	470,471,721	554,737,120
Custody fee	166,688,052	133,589,290	103,680,402
Other fee	507,989,389	429,567,003	272,152,011
Total	1,436,107,685	1,033,628,014	930,569,533
Fee and commission expense			
Other fee	128,827,179	107,365,742	87,622,734
Total	128,827,179	107,365,742	87,622,734
Net income from fee and commission	1,307,280,506	926,262,272	842,946,799

5 . Dividend income

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Trading securities	-	578,098	874,720
Available for sale securities	16,915,364	28,015,018	47,359,534
Total	16,915,364	28,593,116	48,234,254

6 . Net trading income

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Gain from foreign exchange	442,009,259	249,583,425	293,331,214
Forex gain from revaluations of trading assets and liabilities	4,293,215	3,010,519	6,926,623
(Loss) Gain from forward foreign exchange deals revaluation	(20,513,102)	6,669,087	16,779,398
(Loss) Gain from interest rate swaps revaluation	(1,097,874)	212,030	(19,845)
Gain (Loss) from currency swap deals revaluation	4,095,705	(2,963,355)	548,800
Net gains on trading securities	338,605,130	318,063,470	64,126,290
Total	767,392,333	574,575,176	381,692,480

7 . Administrative expenses

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Staff costs			
- Wages and salaries	**(769,492,211)**	(682,603,778)	(604,574,324)
- Social insurance	**(34,795,512)**	(30,542,233)	(24,707,497)
- Other benefits	**(344,868,266)**	(304,561,262)	(226,543,587)
Stock option	**(89,181,563)**	(79,068,829)	(77,459,887)
Depreciation *	**(198,710,245)**	(178,967,642)	(219,013,135)
Maintenance	**(118,701,379)**	(81,227,131)	(73,186,811)
Premises & Vehicles improvements and maintenance	**(159,360,191)**	(124,653,604)	(144,817,837)
Internship expense	**(115,145)**	(76,973)	(85,056)
Board Meeting & Director's expense	**(1,654,850)**	(1,657,948)	(1,170,376)
Uniform expense	**(589,164)**	(4,487,362)	(444,970)
Other administrative expenses	**(218,315,500)**	(116,377,705)	(81,731,170)
Total	**(1,935,784,026)**	(1,604,224,467)	(1,453,734,650)
***include depreciation related to financial lease contract amounting to:**	**(12,034,047)**	(10,584,738)	(10,584,738)

8 . Other operating (expenses) income

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Forex gains (losses) from non-trading assets and liabilities revaluation	**89,858,233**	36,631,170	(53,338,683)
Gains from selling property, plant and equipment	**740,692**	2,387,583	2,716,747
(Charges) release of other provisions	**(133,065,974)**	(47,537,825)	48,030,153
Care Service & Cash Trans. Expense	**(36,986,989)**	(43,689,839)	(37,540,111)
CBE Annual Expense	**(8,698,922)**	(8,890,262)	(6,115,596)
Stamp duty tax	**(158,338,359)**	(138,411,415)	(97,343,974)
Consultants	**(12,248,697)**	(10,194,304)	(6,607,794)
IT communications	**(66,981,843)**	(49,899,392)	(46,599,621)
Utilities	**(41,365,905)**	(34,450,092)	(33,559,914)
Others	**(19,515,927)**	(35,985,635)	(24,591,501)
Total	**(386,603,691)**	(330,040,011)	(254,950,294)

9 . Impairment (charge) release for credit losses

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Loans and advances to customers	**(915,581,874)**	(609,971,077)	(322,276,483)
Held to maturity financial investments	**-**	-	1,627,620
Total	**(915,581,874)**	(609,971,077)	(320,648,863)

10 . Income Taxes

10.1 Adjustments to calculate the effective tax rate

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
Profit before tax	**3,773,297,990**	2,513,100,875	1,905,219,799
* Tax settlement for prior years	**-**	(65,137,014)	-
Profit after settlement	**3,773,297,990**	2,447,963,861	1,905,219,799
Tax rate	**25.00%**	24.98%	24.97%
Income tax based on accounting profit	**943,324,496**	611,490,965	475,804,950
Add / (Deduct)			
Non-deductible expenses	**156,665,426**	230,237,531	104,533,200
Tax exemptions	**(71,693,816)**	(82,115,715)	(184,124,927)
Effect of provisions	**140,691,487**	88,495,041	46,216,490
Depreciation	**1,117,537**	5,818,873	(218,295)
Income tax	**1,170,105,130**	853,926,696	442,211,417
Effective tax rate	**31.01%**	34.88%	23.21%

* *Tax claims for the year ended on December.31, 2011*

10.2 . Deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	Net balance at 1 January	Balance at 31 December 2013 Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets (depreciation)	(19,439,154)	(6,130,432)	(25,569,586)	-	(25,569,586)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	10,998,616	1,532,744	12,531,360	12,531,360	-
Other investments impairment	41,089,042	8,130,163	49,219,205	49,219,205	-
Reserve for employee stock ownership plan (ESOP)	38,801,679	8,574,561	47,376,240	47,376,240	-
Total Assets (Liabilities)	71,450,183	12,107,036	83,557,219	109,126,805	(25,569,586)

	Net balance at 1 January	Balance at 31 December 2012 Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets (depreciation)	(13,329,499)	(6,109,655)	(19,439,154)	-	(19,439,154)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	9,522,636	1,475,980	10,998,616	10,998,616	-
Other investments impairment	69,165,241	(28,076,199)	41,089,042	41,089,042	-
Reserve for employee stock ownership plan (ESOP)	30,659,714	8,141,965	38,801,679	38,801,679	-
Total Assets (Liabilities)	96,018,092	(24,567,909)	71,450,183	90,889,337	(19,439,154)

	Net balance at 1 January	Balance at 31 December 2011 Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets (depreciation)	(24,416,110)	11,086,611	(13,329,499)	-	(13,329,499)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	9,324,068	198,568	9,522,636	9,522,636	-
Other investments impairment	102,790,700	(33,625,459)	69,165,241	69,165,241	-
Reserve for employee stock ownership plan (ESOP)	29,904,171	755,543	30,659,714	30,659,714	-
Total Assets (Liabilities)	117,602,829	(21,584,737)	96,018,092	109,347,591	(13,329,499)

	Net balance at 1 January	Balance at 31 December 2010 Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets (depreciation)	(29,676,018)	5,259,908	(24,416,110)	-	(24,416,110)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	3,045,281	6,278,787	9,324,068	9,324,068	-
Other investments impairment	31,517,523	71,273,177	102,790,700	102,790,700	-
Reserve for employee stock ownership plan (ESOP)	32,345,800	(2,441,629)	29,904,171	29,904,171	-
Total Assets (Liabilities)	37,232,586	80,370,243	117,602,829	142,018,939	(24,416,110)

Recognised deferred tax assets

Recognition of deferred tax assets of EGP 109 million (2012: EGP 90 million, 2011: EGP 109 million and 142 million) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group's entities will have future taxable profits against which these assets can be utilised.

11 . Earning per share

(a) Basic earnings per share

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
(i) Profit attributable to ordinary shareholders (basic)			
Net profit for the year attributable to equity holders of the bank	**2,603,303,817**	1,658,364,210	1,463,518,588
(ii) Weighted - average number of ordinary shares (basic)			
Number of shares	**900,243,569**	900,243,569	900,243,569
Basic earning per share	**2.89**	1.84	1.63
(b) Diluted earnings per share			
(i) Profit attributable to ordinary shareholders (diluted)			
Net profit for the year attributable to equity holders of the bank	**2,603,303,817**	1,658,364,210	1,463,518,588
(ii) Weighted - average number of ordinary shares (diluted)			
Issued ordinary shares	**900,243,569**	900,243,569	900,243,569
Effect of ESOP program	**14,135,184**	10,995,837	8,254,677
Weighted - average number of ordinary shares diluted	**914,378,753**	911,239,406	908,498,246
Diluted earning per share	**2.85**	1.82	1.61

12 . Bank's share in the profits of associates

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP
- Commercial International Life Insurance co.	**4,300,952**	19,113,587	2,334,371
- Corplease co.	**16,738,415**	(5,361,425)	12,796,768
- Haykala for Investment	**294,583**	(759,353)	58,293
- Egypt Factors	**(1,117,268)**	18,065,323	(4,405,828)
- International. Co. for Appraisal and Collection.	**-**	-	(1,529,580)
- International Co. for Security and Services (Falcon)	**1,879,853**	(191,880)	(3,841,106)
Total	**22,096,535**	30,866,252	5,412,918

13 . Cash and balances with Central Bank

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP	Dec.31, 2010 EGP
Cash	**1,683,360,064**	1,744,700,680	1,891,659,489	1,399,250,089
Obligatory reserve balance with CBE				
- Current accounts	**3,121,614,173**	3,649,273,444	5,600,405,021	4,275,991,702
Total	**4,804,974,237**	5,393,974,124	7,492,064,510	5,675,241,791
Non-interest bearing balances	**4,804,974,237**	5,393,974,124	7,492,064,510	5,675,241,791

14 . Due from banks

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP	Dec.31, 2010 EGP
Current accounts	**630,960,653**	317,264,173	275,977,925	653,994,222
Deposits	**8,372,990,237**	7,730,556,215	8,252,251,594	6,400,688,604
Total	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826
Central banks	**3,225,196,041**	3,093,850,399	3,031,574,198	2,539,019,714
Local banks	**757,539,078**	590,696,679	234,102,521	825,623,131
Foreign banks	**5,021,215,771**	4,363,273,310	5,262,552,800	3,690,039,981
Total	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826
Non-interest bearing balances	**163,771,764**	152,732,954	149,987,713	289,402,609
Fixed interest bearing balances	**8,840,179,126**	7,895,087,434	8,378,241,806	6,765,280,217
Total	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826
Current balances	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826
Total	**9,003,950,890**	8,047,820,388	8,528,229,519	7,054,682,826

15 . Treasury bills and other governmental notes

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
91 Days maturity	6,534,713,622	3,182,683,419	1,913,702,116	2,126,041,239
182 Days maturity	7,197,085,800	4,022,757,000	2,559,925,000	3,830,900,000
364 Days maturity	11,010,949,677	4,458,084,085	6,861,223,570	3,659,550,000
Unearned interest	(1,077,320,283)	(470,058,411)	(634,008,503)	(416,346,434)
Net	**23,665,428,816**	11,193,466,093	10,700,842,183	9,200,144,805

16 . Financial assets held for trading

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Debt instruments				
- Governmental bonds	2,047,967,761	1,138,056,688	353,860,497	861,157,325
- Other debt instruments	48,870,658	43,043,738	114,241,177	182,776,556
Total	**2,096,838,419**	1,181,100,426	468,101,674	1,043,933,881
Equity instruments				
- Shares	43,071,616	15,877,742	18,677,035	74,031,984
- Mutual funds	146,574,546	318,347,334	188,546,741	467,781,970
Total	**189,646,162**	334,225,076	207,223,776	541,813,954
Total financial assets for trading	**2,286,484,581**	1,515,325,502	675,325,450	1,585,747,835

17 . Loans and advances to banks

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Time and term loans	153,833,294	1,208,166,369	1,433,545,112	128,527,576
Less:Impairment provision	(21,410,562)	(29,298,630)	(37,950,503)	(2,694,538)
Total	**132,422,732**	1,178,867,739	1,395,594,609	125,833,038
Current balances	102,219,834	1,172,317,036	1,304,111,350	125,833,038
Non-current balances	30,202,898	6,550,703	91,483,259	-
Total	**132,422,732**	1,178,867,739	1,395,594,609	125,833,038

Analysis for impairment provision of loans and advances to banks

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Beginning balance	29,298,630	37,950,503	2,694,538	46,351,691
Charge (release) during the year	(9,224,786)	(11,450,369)	34,736,518	(12,138,367)
Write off during the year	-	-	-	(31,649,180)
Exchange revaluation difference	1,336,718	2,798,496	519,447	130,394
Ending balance	**21,410,562**	29,298,630	37,950,503	2,694,538

18 . Loans and advances to customers

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP	Dec.31, 2010 EGP
Individual				
- Overdraft	**1,173,942,998**	1,220,222,219	952,982,877	695,995,810
- Credit cards	**765,623,964**	660,932,044	575,672,905	530,877,533
- Personal loans	**4,181,386,392**	3,616,553,758	2,659,469,004	1,960,327,857
- Mortgages	**383,143,670**	463,833,879	419,990,050	432,348,843
- Other loans	**10,841,736**	20,045,324	40,265,000	84,424,581
Total 1	**6,514,938,760**	5,981,587,224	4,648,379,836	3,703,974,624
Corporate				
- Overdraft	**4,910,810,545**	4,288,571,348	4,239,213,684	3,331,087,693
- Direct loans	**24,125,578,810**	23,196,204,054	24,265,367,037	21,584,681,502
- Syndicated loans	**9,630,556,651**	9,588,649,990	8,245,001,963	7,758,798,180
- Other loans	**109,231,797**	87,795,754	101,625,796	209,582,685
Total 2	**38,776,177,803**	37,161,221,146	36,851,208,480	32,884,150,060
Total Loans and advances to customers (1+2)	**45,291,116,563**	43,142,808,370	41,499,588,316	36,588,124,684
Less:				
Unamortized bills discount	**(6,634,495)**	(22,277,973)	(45,231,397)	(59,528,351)
Impairment provision	**(2,842,840,136)**	(1,901,222,402)	(1,419,409,102)	(1,255,187,888)
Interest in suspense	**(708,390,220)**	(520,994,222)	(365,161,953)	(224,700,550)
Net loans and advances to customers	**41,733,251,712**	40,698,313,773	39,669,785,864	35,048,707,895
Distributed to				
Current balances	**16,679,527,211**	16,908,542,925	17,307,625,654	13,178,840,189
Non-current balances	**25,053,724,501**	23,789,770,848	22,362,160,210	21,869,867,706
Total	**41,733,251,712**	40,698,313,773	39,669,785,864	35,048,707,895

Analysis for impairment provision of loans and advances to customers

	Individual					
Dec.31, 2013	**Overdraft**	**Credit cards**	**Personal loans**	**Real estate loans**	**Other loans**	**Total**
Beginning balance	10,753,047	8,328,331	74,435,554	13,376,859	1,090,931	107,984,722
Charged during the year	270,365	2,567,525	8,225,083	407,070	2,117,699	13,587,742
Write off during the year	(2,755,707)	(7,254,445)	-	-	-	(10,010,152)
Recoveries during the year	964,713	4,749,763	-	-	-	5,714,476
Ending balance	9,232,418	8,391,174	82,660,637	13,783,929	3,208,630	117,276,788

	Corporate				
Dec.31, 2013	**Overdraft**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total**
Beginning balance	209,551,228	1,242,015,939	336,568,605	5,101,908	1,793,237,680
Charged (Released) during the year	118,563,373	663,119,750	129,670,518	(134,722)	911,218,919
Write off during the year	-	(6,811,042)	(81,425,110)	-	(88,236,152)
Recoveries during the year	-	13,906,294	31,417,986	-	45,324,280
Exchange revaluation difference	6,088,062	41,099,887	16,830,672	-	64,018,621
Ending balance	334,202,663	1,953,330,828	433,062,671	4,967,186	2,725,563,348

	Individual					
Dec.31, 2012	Overdraft	Credit cards	Personal loans	Real estate loans	Other loans	Total
Beginning balance	20,377,614	42,290,218	76,502,471	11,876,297	1,593,932	152,640,532
Charged (Released) during the year	(9,624,567)	(8,977,018)	68,706	1,500,562	(503,001)	(17,535,318)
Write off during the year	-	(29,454,339)	(2,135,623)	-	-	(31,589,962)
Recoveries during the year	-	4,469,470	-	-	-	4,469,470
Ending balance	10,753,047	8,328,331	74,435,554	13,376,859	1,090,931	107,984,722

	Corporate				
Dec.31, 2012	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	167,655,394	790,797,773	306,628,666	1,686,738	1,266,768,571
Charged during the year	39,209,960	420,954,828	178,455,887	336,089	638,956,764
Write off during the year	-	-	(154,721,287)	-	(154,721,287)
Recoveries during the year	-	14,726,449	-	-	14,726,449
Exchange revaluation difference	2,685,874	15,536,889	6,205,339	3,079,081	27,507,183
Ending balance	209,551,228	1,242,015,939	336,568,605	5,101,908	1,793,237,680

Individual						
Dec.31, 2011	Overdraft	Credit cards	Personal loans	Real estate loans	Other loans	Total
Beginning balance	6,948,242	42,119,828	71,459,209	8,888,164	13,400,430	142,815,873
Charged (Released) during the year	13,429,372	5,306,910	6,589,871	2,988,133	(11,806,498)	16,507,788
Write off during the year	-	(8,858,433)	(2,273,609)	-	-	(11,132,042)
Recoveries during the year	-	3,721,913	727,000	-	-	4,448,913
Ending balance	20,377,614	42,290,218	76,502,471	11,876,297	1,593,932	152,640,532

Corporate					
Dec.31, 2011	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	149,208,018	759,961,827	200,640,880	2,561,291	1,112,372,016
Charged (Released) during the year	17,175,711	154,370,230	100,360,788	(874,553)	271,032,176
Write off during the year	-	(144,805,506)	-	-	(144,805,506)
Recoveries during the year	-	11,291,492	-	-	11,291,492
Exchange revaluation difference	1,271,665	9,979,730	5,626,998	-	16,878,393
Ending balance	167,655,394	790,797,773	306,628,666	1,686,738	1,266,768,571

Individual						
Dec.31, 2010	Overdraft	Credit cards	Personal loans	Real estate loans	Other loans	Total
Beginning balance	6,217,574	63,472,214	123,755,953	6,607,506	-	200,053,247
Charged (Released) during the year	730,668	(2,677,769)	(51,790,357)	2,280,658	13,400,430	(38,056,370)
Write off during the year	-	(21,890,799)	(762,282)	-	-	(22,653,081)
Recoveries during the year	-	3,216,182	255,895	-	-	3,472,077
Ending balance	6,948,242	42,119,828	71,459,209	8,888,164	13,400,430	142,815,873

Corporate					
Dec.31, 2010	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	143,233,239	731,698,517	180,395,034	2,462,719	1,057,789,509
Charged during the year	4,274,439	41,348,827	11,256,656	98,572	56,978,494
Write off during the year	-	(51,552,415)	-	-	(51,552,415)
Recoveries during the year	-	25,694,981	-	-	25,694,981
Exchange revaluation difference	1,700,340	12,771,917	8,989,190	-	23,461,447
Ending balance	149,208,018	759,961,827	200,640,880	2,561,291	1,112,372,016

19 . Derivative financial instruments

19.1 . Derivatives

In the ordinary course of business the bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

Derivatives include financial options and forwards, interest rate swaps and currency swaps, which create rights and obligations that have the effect of transferring between the parties of the instrument one or more of the financial risks inherent in an underlying primary financial instrument. On inception, a derivative financial instrument gives one party a contractual right to exchange financial assets or financial liabilities with another party under conditions that are potential favourable, or a contractual obligation to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable. However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract. Some instruments embody both a right and an obligation to make an exchange. Because the terms of the exchange are determined on inception of the derivative instruments, as prices in financial markets change those terms may become either favourable or unfavourable.

19.1.1 . For trading derivatives

	Dec.31, 2013			Dec.31, 2012			Dec.31, 2011			Dec.31, 2010		
	Notional amount	**Assets**	**Liabilities**	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives												
- Forward foreign exchange contracts	**1,250,176,084**	**13,375,501**	**18,954,700**	1,996,990,255	16,812,998	959,570	1,324,589,420	14,828,172	5,643,831	3,072,183,403	10,189,895	17,784,952
- Currency swap	**1,990,431,463**	**22,576,221**	**12,311,533**	1,258,600,443	9,781,221	3,612,239	1,408,305,712	54,023,412	13,909,846	5,252,345,990	95,810,458	46,796,806
- Options	**38,331,489**	**13,794,115**	**13,794,115**	770,698,823	7,723,601	7,723,601	509,022,896	2,251,502	2,251,502	129,589,977	587,555	587,555
Total 1		**49,745,837**	**45,060,348**		34,317,820	12,295,410		71,103,086	21,805,179		106,587,908	65,169,313
Interest rate derivatives												
- Interest rate swaps	**389,501,781**	**6,679,325**	**3,744,177**	859,324,209	12,630,731	8,739,696	1,124,316,614	15,667,505	11,842,172	2,116,390,500	18,033,720	32,936,778
Total 2		**6,679,325**	**3,744,177**		12,630,731	8,739,696		15,667,505	11,842,172		18,033,720	32,936,778
- Commodity	**-**	**-**	**-**	12,149,920	134,026	134,026	128,045,173	870,385	870,385	37,459,113	7,229,086	7,229,086
Total 3		**-**	**-**		134,026	134,026		870,385	870,385		7,229,086	7,229,086
Total assets (liabilities) for trading derivatives (1+2+3)		**56,425,162**	**48,804,525**		47,082,577	21,169,132		87,640,976	34,517,736		131,850,714	105,335,177

19.1.2 . Fair value hedge

	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives												
- Governmental debit instruments hedging	**603,658,200**	**-**	**57,476,340**	549,753,000	-	97,708,858	524,775,300	-	78,514,812	-	-	-
- Customers deposits hedging	**3,847,747,181**	**46,660,375**	**8,597,718**	4,293,389,812	90,377,182	221,270	3,661,135,640	58,903,680	1,255,442	1,159,112,554	7,413,234	8,215,863
Total 4		**46,660,375**	**66,074,058**		90,377,182	97,930,128		58,903,680	79,770,254		7,413,234	8,215,863
Total financial derivatives (1+2+3+4)		**103,085,537**	**114,878,583**		137,459,759	119,099,260		146,544,656	114,287,990		139,263,948	113,551,040
Distributed To:												
Current:		**53,548,320.53**	**46,769,231**		39,548,512	14,210,483		72,461,666	23,938,792		114,305,189	73,661,627
Non-current:		**49,537,216**	**68,109,352**		97,911,247	104,888,777		74,082,990	90,349,198		24,958,759	39,889,413
Total		**103,085,537**	**114,878,583**		137,459,759	119,099,260		146,544,656	114,287,990		139,263,948	113,551,040

20 . Hedging derivatives

20.1 . Fair value hedge

The Bank uses interest rate swap contracts to cover part of the risk of potential decrease in fair value of its fixed rate governmental debt instruments in foreign currencies and increase in fair value of its fixed rate customers deposits in foreign currencies. Gains or losses due to changes on fair value hedges for the year:

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Gains/(Losses) on:				
- Hedged instruments	**(11,860,738)**	13,313,629	(20,063,945)	(802,629)
- Hedged item attributable to hedged risk	**11,367,147**	(12,889,503)	19,992,883	608,038
Hedge ineffectiveness recognized immediately in income statement	**(493,591)**	424,126	(71,062)	(194,591)

21 . Financial investments

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
Available for sale	**EGP**	EGP	EGP	EGP
- Listed debt instruments with fair value	**22,556,422,828**	20,607,710,266	14,533,886,080	12,182,202,264
- Listed equity instruments with fair value	**86,327,447**	84,923,090	79,748,671	88,634,556
- Unlisted instruments	**735,354,207**	484,794,241	807,911,526	1,343,002,985
Total	**23,378,104,482**	21,177,427,597	15,421,546,277	13,613,839,805
Held to maturity				
- Listed debt instruments	**4,169,664,155**	4,154,712,549	11,647,020	64,181,945
- Unlisted instruments	**27,512,500**	61,075,411	27,512,500	235,068,368
Total	**4,197,176,655**	4,215,787,960	39,159,520	299,250,313
Total financial investment	**27,575,281,137**	25,393,215,557	15,460,705,797	13,913,090,118
Fixed interest debt instruments	**25,801,806,120**	23,621,268,407	12,988,814,770	11,515,986,698
Floating interest debt instruments	**1,097,845,069**	1,237,877,696	1,919,838,711	1,849,898,304
Total	**26,899,651,189**	24,859,146,103	14,908,653,481	13,365,885,002

	Available for sale financial investments	**Held to maturity financial investments**	**Total**
			EGP
Beginning balance 2010	7,429,977,151	590,057,209	8,020,034,360
Addition	9,474,625,202	10,098,568	9,484,723,770
Deduction (selling - redemptions)	(3,467,532,767)	(316,564,626)	(3,784,097,393)
Exchange revaluation differences for foreign financial assets	68,054,023	15,659,162	83,713,185
Gain (losses) from fair value difference	108,716,196	-	108,716,196
Impairment (charges) release	-	-	-
Ending Balance	13,613,839,805	299,250,313	13,913,090,118

	Available for sale financial investments	**Held to maturity financial investments**	**Total**
			EGP
Beginning balance 2011	13,613,839,805	299,250,313	13,913,090,118
Addition	4,536,303,691	5,000,000	4,541,303,691
Deduction (selling - redemptions)	(2,135,258,815)	(271,834,782)	(2,407,093,597)
Exchange revaluation differences for foreign financial assets	55,264,416	5,116,368	60,380,784
Gain (losses) from fair value difference	(647,348,588)	-	(647,348,588)
Impairment (charges) release	(1,254,232)	1,627,621	373,389
Ending Balance	15,421,546,277	39,159,520	15,460,705,797

	Available for sale financial investments	Held to maturity financial investments	Total
			EGP
Beginning balance 2012	15,421,546,278	39,159,519	15,460,705,797
Addition	10,169,757,165	4,176,628,441	14,346,385,606
Deduction (selling - redemptions)	(5,342,793,206)	-	(5,342,793,206)
Exchange revaluation differences	60,242,239	-	60,242,239
Gain (losses) from fair value difference	895,941,363	-	895,941,363
Impairment (charges) release	(27,266,242)	-	(27,266,242)
Ending Balance	21,177,427,597	4,215,787,960	25,393,215,557
Beginning balance 2013	**21,177,427,597**	**4,215,787,960**	**25,393,215,557**
Addition	**7,463,491,687**	**-**	**7,463,491,687**
Deduction (selling - redemptions)	**(4,519,338,289)**	**(18,611,305)**	**(4,537,949,594)**
Exchange revaluation differences for foreign financial assets	**124,230,792**	**-**	**124,230,792**
Gain (losses) from fair value difference	**(834,813,374)**	**-**	**(834,813,374)**
Impairment (charges) release	**(32,893,931)**	**-**	**(32,893,931)**
Ending Balance	**23,378,104,482**	**4,197,176,655**	**27,575,281,137**

22 . Gain (Losses) from financial investments

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Gain from selling available for sale financial instruments	**4,362,940**	519,013	37,608,880	203,689,153
Impairment (charges) of available for sale equity instruments	**(32,893,931)**	(27,859,838)	(1,254,232)	(9,844,647)
Impairment release of available for sale debt instruments	**-**	593,597	-	68,054,023
Gain (Loss) from selling investments in associates	**-**	-	2,444,535	(96)
Administration Expense to acquire held to maturity debt investments	**(141,135)**	(162,078)	(130,027)	(144,331)
Total	**(28,672,126)**	(26,909,306)	38,669,156	261,754,102

23 . Investments in associates

Dec.31, 2013	**Business activity**	**Company's country**	**Company's assets**	**Company's liabilities (without equity)**	**Company's revenues**	**Company's net profit**	**Investment book value**	**Stake %**
Associates							**EGP**	
- Commercial International Life Insurance	**Life Insurance**	**Egypt**	**2,202,120,593**	**2,124,146,722**	**302,442,516**	**5,621,494**	**53,757,396**	**45**
- Corplease	**Financial Leasing**	**Egypt**	**1,921,220,750**	**1,723,876,875**	**378,253,425**	**16,884,595**	**88,281,648**	**43**
- Haykala for investment	**Investment Banking**	**Egypt**	**4,573,801**	**199,111**	**581,125**	**478,935**	**1,465,478**	**40**
- Egypt Factors	**Factoring**	**Egypt**	**434,219,114**	**379,404,778**	**32,679,897**	**425,843**	**40,880,870**	**39**
- International Co. for Security and Services (Falcon)	**Security Services**	**Egypt**	**126,867,912**	**104,633,380**	**120,221,686**	**5,344,162**	**8,367,486**	**40**
Total			**4,689,002,170**	**4,332,260,866**	**834,178,649**	**28,755,029**	**192,752,878**	

The bank's ownership in its associates doesn't imply control only significant influence exists

Dec.31, 2012	Business activity	Company's Country	Company's Assets	Company's Liabilities (without equity)	Company's Revenues	Company's Net Profit	Investment book value	Stake %
Associates							EGP	
- Commercial International Life Insurance	Life Insurance	Egypt	1,768,401,691	1,711,942,438	253,087,786	(969,321)	49,456,445	45
- Corplease	Financial Leasing	Egypt	1,539,490,355	1,361,597,602	317,924,102	9,974,915	69,710,183	40
- Haykala for Investment	Investment Banking	Egypt	3,875,454	180,722	270,000	209,835	1,170,896	40
- Egypt Factors	Factoring	Egypt	203,984,151	151,643,286	18,514,114	(3,608,534)	38,373,478	39
- International Co. for Security and Services (Falcon)	Security Services	Egypt	91,085,635	79,197,211	106,514,090	1,219,081	6,487,632	40
Total			3,606,837,286	3,304,561,259	696,310,092	6,825,976	165,198,634	

Dec.31, 2011	Business activity	Company's Country	Company's Assets	Company's Liabilities (without equity)	Company's Revenues	Company's Net Profit	Investment book value	Stake %
Associates								
- Commercial International Life Insurance	Life Insurance	Egypt	1,532,549,363	1,469,720,530	108,295,223	791,813	28,272,975	45
- Corplease	Financial Leasing	Egypt	1,418,875,386	1,271,498,831	162,014,580	6,762,407	64,950,622	40
- Haykala for Investment	Investment Banking	Egypt	3,595,277	307,737	270,000	103,358	1,801,978	40
- Egypt Factors	Factoring	Egypt	179,815,258	165,064,735	18,440,302	(6,533,187)	5,752,704	39
- International Co. for Security and Services (Falcon)	Security Services	Egypt	62,511,444	46,751,684	71,809,412	(2,721,265)	5,897,888	40
Total			3,197,346,728	2,953,343,517	360,829,517	(1,596,874)	106,676,167	

Dec.31, 2010	Business activity	Company's Country	Company's Assets	Company's Liabilities (without equity)	Company's Revenues	Company's Net Profit	Investment book value	Stake %
Associates								
- Commercial International Life Insurance	Life Insurance	Egypt	1,597,541,347	1,539,900,007	223,889,211	3,147,882	25,938,603	45
- Corplease	Financial Leasing	Egypt	1,162,538,842	1,045,472,389	186,387,640	8,460,701	46,826,581	40
- Haykala for Investment	Investment Banking	Egypt	3,388,431	246,623	1,590,695	328,789	1,743,685	40
- Egypt Factors	Factoring	Egypt	189,004,746	164,773,230	14,896,877	(3,036,573)	9,450,291	39
- International. Co. for Appraisal and Collection.	Appraisal and Collection	Egypt	6,986,318	662,370	8,176,394	3,553,173	2,529,580	40
- International Co. for Security and Services (Falcon)	Security Services	Egypt	46,349,141	20,501,661	55,280,073	11,620,683	10,338,993	40
Total			3,005,808,825	2,771,556,280	490,220,890	24,074,655	96,827,733	

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
The bank's share of proft from continuing operations	**22,096,535**	30,866,252	5,412,918
The bank's share of post-tax profit from discountinued operations	**-**	-	-
The bank's share of other comprehensive income	**-**	-	-
The bank's share of total comprehensive income	**22,096,535**	30,866,252	5,412,918

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
The Dividends distributed to the bank from associates	**5,694,250**	4,517,707	13,272,726

24 . Investment properties *

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Building number 17 tiba st. Eldokki next to shooting club	**-**	-	-	7,600,000
Commercial unit number f 35 in arkadia mall (14 elbahr st. Boulak kornish el nile)	**432,000**	432,000	-	361,200
Appartment no. 70 in the third floor building 300 meters elgomhoria st. Port said	**-**	-	750,000	750,000
338.33 meters on a land and building the property number 16 elmakrizi st. Heliopolis	**-**	700,000	700,000	1,000,000
Villa number 113 royal hills 6th of october	**-**	-	2,000,000	2,000,000
Land area with 1468.85 meters elsaidi basin -markaz nabrouh eldakahlia	**1,121,965**	1,121,965	1,121,965	1,121,965
Land and a bulding in elmansoura elnahda street 766.3 meters	**3,463,000**	3,463,000	3,463,000	3,463,000
Agricultural area 1 feddan 14t and 17.25 shares near el azazi fakous elsharkia	**161,000**	161,000	222,000	222,000
Land number 16 mit khamis elmansoura (3 carats, 15 share)which equals 645 meters	**-**	-	-	1,935,000
Agriculutral area - markaz shebin eldakahlia	**4,517,721**	4,517,721	4,517,721	10,242,499
Total	**9,695,686**	10,395,686	12,774,686	28,695,664

** Including non registered properties by EGP 6,232,686 which were acquired against settlement of loans to customers and legal procedures is taking to registered these properties or sell them during the legal period.*

24 . Investment properties

	Fair Value * Dec.31, 2013 EGP
Commercial unit number f 35 in arkadia mall (14 elbahr st. Boulak kornish el nile)	**558,000**
Appartment no. 70 in the third floor building 300 meters elgomhoria st. Port said	**-**
338.33 meters on a land and building the property number 16 elmakrizi st. Heliopolis	**-**
Villa number 113 royal hills 6th of october	**-**
Land area with 1468.85 meters elsaidi basin -markaz nabrouh eldakahlia	**1,250,000**
Land and a bulding in elmansoura elnahda street 766.3 meters	**3,474,000**
Agricultural area 1 feddan 14t and 17.25 shares near el azazi fakous elsharkia	**161,000**
Land number 16 mit khamis elmansoura (3 carats, 15 share)which equals 645 meters	**-**
Agriculutral area - markaz shebin eldakahlia	**4,517,721**
Total	**9,960,721**

The Fair value of the group's investment property are categorized into level 3 of the fair value hierarchy.

Valuation techniques

The following table shows the valuation technique used in measuring the fair value of investment properties used.
A study of the market have been estimated based on the highest price , best use . To achieves the four tests :
1-Possible implementation.
2-Compatible with the laws and regulations
3-Achieve higher economic returns
4-Use Optimization

Level 3 fair value:

The following table shows a reconciliation from beginning balances to the closing balances for fair value measurments of the group's investment property.

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Beginning balance	**10,395,686**	12,774,686	28,695,664	42,485,364
Additions	**-**	432,000	-	-
Sales	**(700,000)**	(2,750,000)	(15,620,978)	(5,989,700)
Deprecation	**-**	-	-	-
Impairment	**-**	(61,000)	(300,000)	(7,800,000)
Ending balance	**9,695,686**	10,395,686	12,774,686	28,695,664

25 . Other assets

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Accrued revenues	**1,695,498,707**	1,632,481,861	894,579,720	797,806,076
Prepaid expenses	**131,518,888**	91,741,953	91,415,711	75,174,383
Advances to purchase fixed assets	**134,327,476**	96,919,829	103,989,488	53,943,061
Accounts receivable and other assets	**910,752,008**	644,824,093	438,653,639	453,103,600
Assets acquired as settlement of debts	**20,245,803**	8,977,329	6,180,933	4,630,353
Other debit balances	**299,590,223**	134,944,511	66,693,430	188,553,794
Total	**3,191,933,105**	2,609,889,576	1,601,512,921	1,573,211,267

26 . Property, plant and equipment

	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Balance as at Jan.1, 2011	60,575,261	386,747,041	711,666,472	41,294,565	249,926,926	298,209,496	115,547,453	**1,863,967,214**
Additions during the year 2011	-	19,324,100	46,387,590	7,696,268	17,312,320	17,257,733	2,324,598	**110,302,609**
Ending gross assets at end of the year 2011	**60,575,261**	**406,071,141**	**758,054,062**	**48,990,833**	**267,239,246**	**315,467,229**	**117,872,051**	**1,974,269,823**
Accu.depreciation as at Jan.1, 2011	-	141,165,205	501,268,563	24,306,999	207,345,143	164,887,364	67,267,511	**1,106,240,785**
Depreciation 2011	-	20,705,025	87,061,107	2,514,879	33,648,921	41,024,460	13,755,853	**198,710,245**
Accu.depreciation at end of the year 2011	**-**	**161,870,230**	**588,329,670**	**26,821,878**	**240,994,064**	**205,911,824**	**81,023,364**	**1,304,951,030**
Net book value 2011	**60,575,261**	**244,200,911**	**169,724,392**	**22,168,955**	**26,245,182**	**109,555,405**	**36,848,687**	**669,318,793**
Balance as at Jan.1, 2012	60,575,261	406,071,141	758,054,062	48,990,833	267,239,246	315,467,229	117,872,051	**1,974,269,823**
Additions during the year 2012	-	1,066,148	97,399,721	5,263,978	80,196,178	27,873,150	9,531,487	**221,330,662**
Ending gross assets at end of the year 2012	**60,575,261**	**407,137,289**	**855,453,783**	**54,254,811**	**347,435,424**	**343,340,379**	**127,403,538**	**2,195,600,485**
Accu.depreciation as at Jan.1, 2012	-	161,870,230	588,329,670	26,821,878	240,994,064	205,911,824	81,023,364	**1,304,951,030**
Depreciation 2012	-	19,129,849	68,083,994	5,365,491	35,822,477	39,626,658	10,939,173	**178,967,642**
Accu.depreciation at end of the year 2012	**-**	**181,000,079**	**656,413,664**	**32,187,369**	**276,816,541**	**245,538,482**	**91,962,537**	**1,483,918,672**
Net book value 2012	**60,575,261**	**226,137,210**	**199,040,119**	**22,067,442**	**70,618,883**	**97,801,897**	**35,441,001**	**711,681,812**
Balance as at Jan.1, 2013	60,575,261	407,137,289	855,453,783	54,254,811	347,435,424	343,340,379	127,403,538	**2,195,600,485**
Additions during the year 2013	3,924,261	214,973,061	161,704,212	8,609,546	49,901,395	54,582,943	12,382,955	**506,078,373**
Ending gross assets at end of the year 2013	**64,499,522**	**622,110,350**	**1,017,157,995**	**62,864,357**	**397,336,819**	**397,923,322**	**139,786,493**	**2,701,678,858**
Accu.depreciation as at Jan.1, 2013	-	181,000,079	656,413,664	32,187,369	276,816,541	245,538,482	91,962,537	**1,483,918,672**
Depreciation 2013	-	24,795,643	72,485,723	4,033,008	40,116,114	54,844,414	22,738,233	**219,013,135**
Accu.depreciation at end of the year 2013	**-**	**205,795,722**	**728,899,387**	**36,220,377**	**316,932,655**	**300,382,896**	**114,700,770**	**1,702,931,807**
Net book value 2013	**64,499,522**	**416,314,628**	**288,258,608**	**26,643,980**	**80,404,164**	**97,540,426**	**25,085,723**	**998,747,051**

According to first-time adoption of IFRS,IAS17 requires an entity entering into a finance lease to recognize the fair market value of the contract or the present value of minimum lease payments whichever is less as an asset against corresponding liability.

The bank had calculated the PV of the 1st contract dated first of September 2010 amounted to EGP 52,923,687 using the interest rate on taxable treasury bonds maturing in the same period which is 12.8%.

Also the bank had calculated the PV of the 2nd contract dated 15 of June 2013 amounted to EGP 13,378,237 using the interest rate on taxable treasury bonds maturing in the same period which is 14.50%.

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
Net book value include financial lease assets (Xerox machines) amount equal to	**38,810,704**	28,225,967	29,570,157

27 Due to banks

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP	Dec.31, 2010 EGP
Current accounts	**1,038,717,040**	369,862,716	493,794,517	628,594,359
Deposits	**334,693,000**	1,345,000,000	2,847,000,000	693,685,550
Total	**1,373,410,040**	1,714,862,716	3,340,794,517	1,322,279,909
Central banks	**3,853,779**	7,546,231	46,941,713	67,074,769
Local banks	**313,337,889**	1,362,363,985	2,905,759,685	110,476,364
Foreign banks	**1,056,218,372**	344,952,500	388,093,119	1,144,728,776
Total	**1,373,410,040**	1,714,862,716	3,340,794,517	1,322,279,909
Non-interest bearing balances	**1,026,035,993**	354,394,897	398,317,328	528,398,567
Fixed interest bearing balances	**347,374,047**	1,360,467,819	2,942,477,189	793,881,342
Total	**1,373,410,040**	1,714,862,716	3,340,794,517	1,322,279,909
Current balances	**1,038,717,040**	369,862,716	493,794,517	628,594,359
Non-current balances	**334,693,000**	1,345,000,000	2,847,000,000	693,685,550
Total	**1,373,410,040**	1,714,862,716	3,340,794,517	1,322,279,909

28 Due to customers

	Dec.31, 2013 EGP	Dec.31, 2012 EGP	Dec.31, 2011 EGP	Dec.31, 2010 EGP
Demand deposits	**22,949,345,699**	16,928,995,312	16,942,060,088	16,663,118,908
Time deposits	**30,507,692,856**	24,133,038,485	24,532,817,359	21,893,614,059
Certificates of deposit	**25,259,128,705**	24,299,048,221	18,819,931,329	15,205,693,671
Saving deposits	**16,786,188,314**	12,106,727,204	9,484,866,150	8,321,204,407
Other deposits	**1,343,327,834**	1,261,312,266	1,688,260,333	1,280,546,233
Total	**96,845,683,408**	78,729,121,488	71,467,935,259	63,364,177,278
Corporate deposits	**48,299,667,997**	36,658,501,586	37,121,552,736	34,044,137,028
Individual deposits	**48,546,015,411**	42,070,619,902	34,346,382,523	29,320,040,250
Total	**96,845,683,408**	78,729,121,488	71,467,935,259	63,364,177,278
Non-interest bearing balances	**24,292,673,533**	18,190,307,578	18,630,320,421	17,943,665,141
Fixed interest bearing balances	**72,553,009,875**	60,538,813,910	52,837,614,838	45,420,512,137
Total	**96,845,683,408**	78,729,121,488	71,467,935,259	63,364,177,278
Current balances	**70,206,368,513**	51,870,912,649	50,501,255,584	47,852,478,276
Non-current balances	**26,639,314,895**	26,858,208,839	20,966,679,675	15,511,699,002
Total	**96,845,683,408**	78,729,121,488	71,467,935,259	63,364,177,278

Included in customers accounts were deposits of EGP 250,502,870 held as collateral for irrevocable commitments under import letters of credit. The fair value of those deposits approximates the carrying amount.

29 Long term loans

	Interest rate %	Maturity date	Maturing through next year	Balance on Dec.31, 2013	Balance on Dec.31, 2012	Balance on Dec.31, 2011	Balance on Dec.31, 2010
			EGP	EGP	EGP	EGP	EGP
Financial Investment & Sector Cooperation (FISC)	3.5 - 5.5 depends on maturity date	3-5 years	555,556	**555,556**	19,095,238	13,697,720	34,363,003
United Nations Industrial Development Organization (UNIDO)	1	2011	-	**-**	-	-	60,014
Support to Private Sector Industry Environmental Protection II (KFW)	9 - 10.5	2012	-	**-**	-	3,285,048	8,966,582
Agricultural Research and Development Fund (ARDF)	3.5 - 5.5 depends on maturity date	3-5 years	28,310,000	**31,380,000**	61,400,000	78,570,000	78,352,222
Social Fund for Development (SFD)	3 months T/D or 9% which is more	3-6 years	35,486,000	**100,217,671**	-	167,326	417,000
Spanish Cooperation Microfinance Fund (SCMF)	0.5	2012	-	**-**	-	3,613,282	6,954,605
Total			64,351,556	**132,153,227**	80,495,238	99,333,376	129,113,426

30 Other liabilities

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Accrued interest payable	**564,960,679**	430,377,730	258,540,766	203,493,541
Accrued expenses	**351,865,685**	256,350,678	183,928,633	124,551,148
Accounts payable	**793,830,976**	751,986,322	542,102,889	621,434,035
Financial lease obligation	**35,866,863**	34,305,108	43,060,730	50,534,405
Other payables	**76,107,527**	6,644,076	97,779,582	20,622,735
Brokerage clients - credit balances	**167,378,879**	126,423,729	111,851,854	393,321,037
Total	**1,990,010,609**	1,606,087,643	1,237,264,454	1,413,956,901
Distributed to:				
Current	**1,969,353,957**	1,582,657,594	1,202,959,346	1,370,896,171
Non Current	**20,656,652**	23,430,049	34,305,108	43,060,730

31 . Other provisions

Dec.31, 2013	**Beginning balance**	**Charged amounts**	**Exchange revaluation difference**	**Utilized amounts**	**Reversed amounts**	**Ending balance**
						EGP
Provision for income tax claims	**14,962,108**	**3,625,000**	**-**	**(4,541,827)**	**-**	**14,045,281**
Provision for legal claims	**28,619,510**	**1,321,932**	**1,851**	**(753,510)**	**(141,521)**	**29,048,262**
Provision for Stamp duty	**-**	**31,000,000**	**-**	**-**	**-**	**31,000,000**
Provision for contingent liabilities	**257,900,431**	**88,074,156**	**16,745,849**	**-**	**-**	**362,720,436**
Provision for other claim	**14,006,333**	**8,936,407**	**30,556**	**(5,088,275)**	**-**	**17,885,021**
Total	**315,488,382**	**132,957,495**	**16,778,256**	**(10,383,612)**	**(141,521)**	**454,699,000**

Dec.31, 2012	Beginning balance	Charged amounts	Exchange revaluation difference	Utilized amounts	Reversed amounts	Ending balance
						EGP
Provision for income tax claims	16,553,685	-	-	(1,591,577)	-	14,962,108
Provision for legal claims	35,171,960	4,924,686	11,983	(10,958,065)	(531,054)	28,619,510
Provision for contingent liabilities	210,103,042	40,594,506	7,202,883	-	-	257,900,431
Provision for other claim	8,973,222	6,353,586	16,075	(1,336,550)	-	14,006,333
Total	270,801,909	51,872,778	7,230,941	(13,886,192)	(531,054)	315,488,382

Dec.31, 2011	Beginning balance	Charged amounts	Exchange revaluation difference	Utilized amounts	Reversed amounts	Ending balance
						EGP
Provision for income tax claims	17,210,280	-	-	(656,595)	-	16,553,685
Provision for legal claims	34,719,567	2,021,413	-	-	(1,569,020)	35,171,960
Provision for contingent	256,708,900	-	2,321,223	(178,971)	(48,748,110)	210,103,042
Provision for other claim	10,001,798	2,196,294	8,397	(3,233,267)	-	8,973,222
Provision for end of service	250,574	-	-	-	(250,574)	-
Total	318,891,119	4,217,707	2,329,620	(4,068,833)	(50,567,704)	270,801,909

Dec.31, 2010	Beginning balance	Charged amounts	Exchange revaluation difference	Utilized amounts	Reversed amounts	Ending balance
						EGP
Provision for income tax claims	155,953,095	1,257,185	-	-	(140,000,000)	17,210,280
Provision for legal claims	3,862,273	33,948,485	-	(5,000)	(3,086,191)	34,719,567
Provision for contingent	281,592,486	3,094,612	7,334,078	-	(35,312,276)	256,708,900
Provision for other claim	8,356,874	3,624,019	6,542	(1,985,637)	-	10,001,798
Provision for end of service	293,348	78,998	-	-	(121,772)	250,574
Total	450,058,076	42,003,299	7,340,620	(1,990,637)	(178,520,239)	318,891,119

32 . Issued and paid in capital

	2013	**2012**	**2011**	**2010**
Authorized capital	20,000,000,000	20,000,000,000	20,000,000,000	20,000,000,000
Issued and Paid in Capital	9,002,435,690	5,972,275,410	5,934,562,990	5,901,443,600
Number of shares outstanding	900,243,569	597,227,541	593,456,299	590,144,360

33 . Reserves and Retained earning

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Legal reserve	**490,364,921**	380,348,755	231,344,895	125,128,336
General reserve	**406,090,568**	2,036,955,188	1,234,122,776	78,412,462
Retained earning	**2,245,023,512**	1,749,932,015	1,599,880,711	1,953,812,891
Special reserve	**27,366,759**	117,805,566	185,931,315	184,356,569
Reserve for A.F.S investments revaluation difference	**(720,479,005)**	153,364,794	(723,343,863)	(18,418,736)
Total	**2,448,366,755**	4,438,406,318	2,527,935,834	2,323,291,522

33.1 . Legal reserve

As required by the Egyptian corporate law 159 of 1981 and the articles of Association of the Egyptian companies of the Group, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. As required by the Egyptian corporate law 159 of 1981, the reserve may be used upon a decision from the general assembly meeting based on the proposal of the board of directors.

33.2 . General reserve

The general reserve represents optional reserve approved by the general assembly meetings dated 4 March 2014 based on the proposal of the board of directors.

As required by the Egyptian corporate law 159 of 1981, the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

33.3 . Special reserve

The special reserve represents profits transferred in accordance with the resolutions of the general assembly meetings of dated 4 March 2014.

As required by the Egyptian corporate law 159 of 1981, the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

33.4 . Reserve for A.F.S investments revaluation difference

This reserve records fair value changes on available-for-sale investments.

34 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, The Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting period (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest(True up model). The fair value for such equity instruments is measured using of Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	No. of shares	No. of shares	No. of shares
Outstanding at the beginning of the year	**15,439,582**	12,676,036	10,550,825
Granted during the year *	**12,245,031**	7,208,355	5,844,356
Forfeited during the year	**(832,456)**	(673,567)	(407,206)
Exercised during the year	**(2,934,838)**	(3,771,242)	(3,311,939)
Outstanding at the end of the year	**23,917,319**	15,439,582	12,676,036

Details of the rights to share outstanding during the 2013 are as follows:

Maturity date	EGP Exercise price	EGP Fair value *	No. of shares
2014	10.00	14.17	7,929,874
2015	10.00	6.65	10,032,939
2016	10.00	16.84	5,954,506
Total			**23,917,319**

Details of the rights to share outstanding during the 2012 are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares
2013	10	21.70	2,934,838
2014	10	14.17	5,487,194
2015	10	6.65	7,017,550
Total			**15,439,582**

Details of the rights to share outstanding during the 2011 are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares
2012	10	13.70	3,746,842
2013	10	21.70	3,084,838
2014	10	14.17	5,844,356
Total			**12,676,036**

The fair value of granted shares is calculated using Black-Scholes pricing model with the following:

	7th tranche	**6th tranche**	**5th tranche**	**4th tranche**
Exercise price	10	10	10	10
Current share price	34.57	18.7	31.15	54.68
Expected life (years)	3	3	3	3
Risk free rate %	14.5%	16%	12%	12%
Dividend yield%	2.89%	5.35%	3.21%	2.74%
Volatility%	40%	38%	34%	42%

Volatility is calculated based on the daily standard deviation of returns for the last three years.

* The equity instruments fair value and number of shares for the fifth, sixth and seventh trenches have been adjusted to reflect the dilution effect of the Stock dividend that took place in 2013.

The expense recognised for employee services received during the year is shown in the following table:

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
Expense arising from equity–settled share–based payment transactions	**89,181,563**	79,068,829	77,459,887
Outstanding at the end of the year	**89,181,563**	79,068,829	77,459,887

35. 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 rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

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

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

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

35.1. 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.

35.1.1. Credit risk measurement

35.1.1.1. Loans and advances to banks and customers

In measuring credit risk of loans and facilities to banks and customers at a counterparty level, the Bank reflects three components:

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

These credit risk measurements, which reflect expected loss (the 'expected loss model') are required by the Basel committee on banking regulations and the supervisory practices (the Basel committee), and are embedded in the Bank's daily operational management.

The 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 rating	description of the grade
1	performing loans
2	regular watching
3	watch list
4	non-performing loans

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.

35.1.1.2. Debt instruments , treasury bills and other governmental notes

For debt instruments , treasury bills and other governmental notes , external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

35.1.2. 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:

35.1.2.1. 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.

35.1.2.2. 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 with positive fair value), 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.

35.1.2.3. 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.

35.1.2.4. Credit related commitments

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

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

35.1.3. Impairment and provisioning policies

The internal rating system described in Note 36.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred at the balance sheet date when there is an objective evidence of impairment. The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

Amounts in Million EGP

	December 31, 2013		December 31, 2012	
Bank's rating	**Loans and advances**	**Impairment provision**	Loans and advances	Impairment provision
1-Performing loans	**39,849**	**902**	39,912	788
2-Regular watching	**2,232**	**152**	2,612	165
3-Watch list	**1,560**	**571**	217	39
4-Non-Performing Loans	**1,803**	**1,239**	1,610	938

Amounts in Million EGP

	December 31, 2011		December 31, 2010	
Bank's rating	Loans and advances	Impairment provision	Loans and advances	Impairment provision
1-Performing loans	39,125	616	33,369	687
2-Regular watching	1,855	68	1,982	67
3-Watch list	747	54	363	32
4-Non-Performing Loans	1,206	719	1,003	472

Amounts in Million EGP

	December 31, 2013 Investment securities Available for sale	December 31, 2012 Investment securities Available for sale	December 31, 2011 Investment securities Available for sale	December 31, 2010 Investment securities Available for sale
Bank's rating				
1-Performing	**23,287**	21,177	15,422	13,614
2-Regular watching	**-**	-	-	-
3-Watch list	**91**	-	-	-
4-Non-Performing	-	-	-	-

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

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

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

35.1.2. Maximum exposure to credit risk before collateral held

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
In balance sheet items exposed to credit risk	EGP	EGP	EGP
Treasury bills and other governmental notes	23,665,428,816	11,193,466,093	10,700,842,183
Trading financial assets:			
- Debt instruments	2,096,838,419	1,181,100,426	468,101,674
Gross loans and advances to banks	153,833,294	1,208,166,369	1,433,545,112
Less:Impairment provision	(21,410,562)	(29,298,630)	(37,950,503)
Gross loans and advances to customers			
Individual:			
- Overdraft	1,173,942,998	1,220,222,219	952,982,877
- Credit cards	765,623,964	660,932,044	575,672,905
- Personal loans	4,181,386,392	3,616,553,758	2,659,469,004
- Mortgages	383,143,670	463,833,879	419,990,050
- Other loans	10,841,736	20,045,324	40,265,000
Corporate:			
- Overdraft	4,910,810,545	4,288,571,348	4,239,213,684
- Direct loans	24,125,578,810	23,196,204,054	24,265,367,037
- Syndicated loans	9,630,556,651	9,588,649,990	8,245,001,963
- Other loans	109,231,797	87,795,754	101,625,796
Unamortized bills discount	(6,634,495)	(22,277,973)	(45,231,397)
Impairment provision	(2,842,840,136)	(1,901,222,402)	(1,419,409,102)
Interest in suspense	(708,390,220)	(520,994,222)	(365,161,953)
Derivative financial instruments	103,085,538	137,459,761	146,544,656
Financial investments:			
-Debt instruments	26,899,651,189	24,859,146,103	14,908,653,481
Total	94,630,678,406	79,248,353,895	67,289,522,467
Off balance sheet items exposed to credit risk			
Customers acceptances	472,350,554	1,176,928,870	542,833,642
Letter of credit	750,766,099	933,297,936	753,154,858
Letter of guarantee	14,959,322,507	12,787,512,199	11,263,565,016
Total	16,182,439,160	14,897,739,005	12,559,553,516

The above table represents the Bank Maximum exposure to credit risk on December 31, 2013 ,2012 and 2011 , before taking account of any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above 44.26% of the total maximum exposure is derived from loans and advances to banks and customers while investments in debt instruments represents 30.58%.

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

- 92.60% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- 96.04% of loans and advances portfolio are considered to be neither past due nor impaired.
- Loans and advances assessed individualy are valued EGP 1,803,427,939.
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2013.
- 95.01% of the investments in debt Instruments are Egyptian sovereign instruments.

35.1.3. Loans and advances

Loans and advances are summarized as follows:

	Dec.31, 2013 EGP		Dec.31, 2012 EGP		Dec.31, 2011 EGP	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	40,727,364,380	123,630,395	40,779,399,095	1,176,571,369	39,842,142,236	1,403,385,688
Past due but not impaired	2,790,527,143	-	785,027,964	-	478,696,381	-
Individually impaired	1,773,225,040	30,202,899	1,578,381,311	31,595,000	1,178,749,699	30,159,424
Gross	45,291,116,563	153,833,294	43,142,808,370	1,208,166,369	41,499,588,316	1,433,545,112
Less:						
Impairment provision	2,842,840,136	21,410,562	1,901,222,402	29,298,630	1,419,409,102	37,950,503
Unamortized bills discount	6,634,495	-	22,277,973	-	45,231,397	-
Interest in suspense	708,390,220	-	520,994,222	-	365,161,953	-
Net	41,733,251,712	132,422,732	40,698,313,773	1,178,867,739	39,669,785,864	1,395,594,609

Impairment provision distributed to:

Collective provision	1,625,245,064	-	992,631,746	-	738,321,484	-
Specific provision	1,217,595,072	21,410,562	908,590,656	29,298,630	681,087,618	37,950,503
Total	2,842,840,136	21,410,562	1,901,222,402	29,298,630	1,419,409,102	37,950,503

Impairment provision losses for loans and advances reached EGP 2,864,250,698.

During the period the Bank's total loans and advances increased by 2.47% .

In order to minimize the propable exposure to credit risk, the Bank focuses more on the business with large enterprises,banks or retail customers with good credit rating or sufficient collateral.

Collateral held and other credit enhancements, and their financial effect

The bank holds collateral and other credit enhancementsa against certain of its credit exposures.

The table below sets out the principal types of collateral held against different types of financial assets.

Type of credit exposure	**Percentage of exposure that is subject to collateral requirements**			
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Principal type of collateral held
Trading derivative assets	100	100	100	Cash
Derivative assets held for risk management	100	100	100	Cash
Loans and advances to banks				
Reverse sale and repurchase agreements	100	100	100	Marketable securities
Loans and advances to retail customers				
Mortgage lending	80	80	80	Residential property
Personal loans	100	100	100	Cash
Credit cards	-	-	-	None
Loans and advances to corporate customers				
Other	40	37	34	Cash
Reverse sale and repurchaseagreements	100	100	100	Marketable securities
Investment debt securities	-	-	-	None

Residential mortgage lending

The tables below stratify credit exposures frommortgage loans and advances to retail customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral.The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices.

LTV ratio	**Dec. 31, 2013**	Dec. 31, 2011
Less than 50%	-	-
51–70%	-	-
71–90%	383,143,670	419,990,050
91–100%	-	-
More than 100%	-	-
Total	383,143,670	419,990,050

35.1.3. Loans and advances

Net loans and advances to customers and banks:

Dec. 31, 2013

	Individual						Corporate					EGP
Grades:	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Other loans**	**Total loans and advances to individual**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total loans and advances to customers**	**Total loans and advances to banks**
Performing loans	1,094,590,541	736,700,792	3,996,265,873	366,843,424	-	6,194,400,630	4,302,790,858	19,559,702,025	8,665,942,088	103,049,090	32,631,484,061	121,253,726
Regular watching	51,117,932	14,364,025	44,547,698	-	-	110,029,655	69,765,752	1,439,446,597	459,723,167	712,987	1,969,648,503	-
Watch list	10,007,708	3,894,678	24,518,735	-	7,100,394	45,521,515	126,847,106	811,645,615	5,446,049	-	943,938,770	-
Non-performing loans	8,994,399	2,273,295	33,393,449	2,516,317	532,712	47,710,172	77,204,166	361,453,745	66,382,676	502,534	505,543,121	11,169,006
Total	1,164,710,580	757,232,790	4,098,725,755	369,359,741	7,633,106	6,397,661,972	4,576,607,882	22,172,247,982	9,197,493,980	104,264,611	36,050,614,455	132,422,732

Dec. 31, 2012

	Individual						Corporate					EGP
Grades:	Overdrafts	Credit cards	Personal loans	Mortgages	Other loans	Total loans and advances to individual	Overdraft	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Total loans and advances to banks
Performing loans	1,152,693,431	633,881,668	3,459,502,653	449,183,484	1,107,854	5,696,369,090	3,828,066,231	19,714,723,182	8,634,047,670	82,087,754	32,258,924,837	1,168,312,112
Regular watching	39,975,851	12,960,108	35,395,626	-	16,959,188	105,290,773	147,548,565	1,762,255,708	431,680,704	79,991	2,341,564,968	-
Watch list	9,922,637	3,940,508	20,441,412	-	-	34,304,557	8,557,078	-	135,043,296	-	143,600,374	-
Non-performing loans	6,877,253	1,821,429	26,778,513	1,273,535	887,352	37,638,082	94,848,245	477,209,225	51,309,716	526,101	623,893,287	10,555,627
Total	1,209,469,172	652,603,713	3,542,118,204	450,457,019	18,954,394	5,873,602,502	4,079,020,119	21,954,188,115	9,252,081,386	82,693,846	35,367,983,466	1,178,867,739

Dec. 31, 2011

	Individual						Corporate					EGP
Grades:	Overdrafts	Credit cards	Personal loans	Mortgages	Other loans	Total loans and advances to individual	Overdraft	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Total loans and advances to banks
Performing loans	914,099,870	504,245,089	2,520,780,760	405,378,706	257,257	4,344,761,682	3,864,636,142	21,076,435,294	7,751,395,350	94,689,383	32,787,156,169	1,377,362,064
Regular watching	9,461,536	10,798,843	28,278,387	-	37,241,095	85,779,861	136,980,065	1,496,193,485	58,210,281	5,101,102	1,696,484,933	2,456,187
Watch list	8,206,398	3,278,950	11,356,577	-	-	22,841,925	22,334,115	646,624,356	-	101,526	669,059,997	-
Non-performing loans	837,459	15,059,805	22,550,809	2,735,047	1,172,716	42,355,836	47,607,968	255,316,129	128,767,666	47,047	431,738,810	15,776,358
Total	932,605,263	533,382,687	2,582,966,533	408,113,753	38,671,068	4,495,739,304	4,071,558,290	23,474,569,264	7,938,373,297	99,939,058	35,584,439,909	1,395,594,609

Loans and advances past due but not impaired:

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

EGP

Dec.31, 2013	Individual					Corporate			
	Overdrafts	Credit cards	Personal loans	Mortgages	Total	Overdraft	Direct loans	Syndicated loans	Total
Past due up to 30 days	282,863,638	145,913,282	9,383,181	741,580	438,901,681	1,309,118,603	749,247,887	22,884,352	2,081,250,842
Past due 30 - 60 days	51,211,222	15,126,962	2,852,133	199,332	69,389,649	20,300,304	17,617,160	-	37,917,464
Past due 60-90 days	10,049,551	4,646,221	2,704,540	16,160	17,416,472	79,699,492	65,951,544	-	145,651,036
Total	344,124,411	165,686,465	14,939,854	957,072	525,707,802	1,409,118,399	832,816,591	22,884,352	2,264,819,342

Dec.31, 2012	Individual					Corporate			
	Overdrafts	Credit cards	Personal loans	Mortgages	Total	Overdraft	Direct loans	Syndicated loans	Total
Past due up to 30 days	270,505,350	136,831,472	11,448,890	700,995	419,486,707	32,640,253	83,898,165	105,902,043	222,440,461
Past due 30-60 days	40,136,708	13,690,593	2,585,035	91,626	56,503,962	4,432,342	7,374,788	-	11,807,130
Past due 60-90 days	10,117,386	4,794,090	2,195,267	110,400	17,217,143	30,810,328	24,880,581	1,881,651	57,572,560
Total	320,759,444	155,316,155	16,229,192	903,021	493,207,812	67,882,923	116,153,534	107,783,694	291,820,151

Dec.31, 2011	Individual					Corporate			
	Overdrafts	Credit cards	Personal loans	Mortgages	Total	Overdraft	Direct loans	Syndicated loans	Total
Past due up to 30 days	200,977,939	106,509,301	3,509,689	1,211,276	312,208,205	-	103,500,085	-	103,500,085
Past due 30-60 days	9,825,529	11,474,221	1,830,630	94,499	23,224,879	9,880,139	8,077,826	-	17,957,965
Past due 60-90 days	8,564,505	3,984,099	1,263,730	59,511	13,871,845	6,689,585	1,243,817	-	7,933,402
Total	219,367,973	121,967,621	6,604,049	1,365,286	349,304,929	16,569,724	112,821,728	-	129,391,452

Individually impaired loans

Loans and advances individually assessed without taking into consideration cash flows from guarantees are totaled EGP 1,803,427,939.

The breakdown of the gross amount of individually impaired loans and advances by product, along with the fair value of related collateral held by the Bank, are as follows:

EGP

Dec.31, 2013	Individual					Corporate				
	Overdrafts	Credit cards	Personal loans	Mortgages	Other loans	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Individually impaired loans	14,564,000	5,939,925	102,518,959	13,065,713	1,384,759	262,466,686	1,128,085,083	272,229,139	3,173,675	1,803,427,939

Dec.31, 2012	Individual					Corporate				
	Overdrafts	Credit cards	Personal loans	Mortgages	Other loans	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Individually impaired loans	14,487,332	6,412,437	89,037,818	11,086,723	1,244,270	238,462,451	1,065,770,440	179,994,670	3,480,171	1,609,976,312

Dec.31, 2011	Individual					Corporate				
	Overdrafts	Credit cards	Personal loans	Mortgages	Other loans	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Individually impaired loans	17,378,259	52,101,360	86,197,008	11,020,824	1,411,998	157,287,411	557,310,686	326,074,653	126,924	1,208,909,123

Loans and advances restructured

Restructuring activities include reschaduling arrangements, obligatory management programs, modification and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, indicate that payment will most likely continue. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the year

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
Loans and advances to customer			
Corporate			
- Direct loans	**2,950,132,000**	2,924,873,000	2,780,557,000
Total	**2,950,132,000**	2,924,873,000	2,780,557,000

35.1.4. 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 designation at end of financial year, based on MEIRS agency and other agencies as of 31 Dec 2013 :

EGP

Dec.31, 2013	**Treasury bills and other gov. notes**	**Trading financial debt instruments**	**Non-trading financial debt instruments**	**Total**
AAA	-	-	962,346,780	**962,346,780**
AA- to AA+	-	-	176,768,467	**176,768,467**
A- to A+	-	-	200,559,029	**200,559,029**
Lower than A-	23,665,428,816	135,464,386	851,468,992	**24,652,362,194**
Unrated*	-	1,961,374,033	24,708,507,921	**26,669,881,954**
Total	**23,665,428,816**	**2,096,838,419**	**26,899,651,189**	**52,661,918,424**

*The bank has no internal rating for the unrated investments.

35.1.5. Concentration of risks of financial assets with credit risk exposure

35.1.5.1. Geographical analysis

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the current year.

The Bank has allocated exposures to regions based on domicile of its counterparties.

Dec.31, 2013	**Cairo**	**Alex, Delta and Sinai**	**Upper Egypt**	**Total**
Treasury bills and other governmental notes	23,665,428,816	-	-	**23,665,428,816**
Trading financial assets:				
- Debt instruments	2,096,838,419	-	-	**2,096,838,419**
Gross loans and advances to banks	153,833,294	-	-	**153,833,294**
Less:Impairment provision	(21,410,562)	-	-	**(21,410,562)**
Gross loans and advances to customers				
Individual:				
- Overdrafts	788,301,456	260,325,730	125,315,812	**1,173,942,998**
- Credit cards	577,101,742	158,976,345	29,545,877	**765,623,964**
- Personal loans	2,809,768,674	1,097,553,129	274,064,589	**4,181,386,392**
- Mortgages	317,339,513	56,881,818	8,922,339	**383,143,670**
- Other loans	9,563,433	1,278,303	-	**10,841,736**
Corporate:				
- Overdrafts	4,037,234,996	634,425,280	239,150,269	**4,910,810,545**
- Direct loans	18,759,464,871	4,753,247,203	612,866,736	**24,125,578,810**
- Syndicated loans	8,869,001,700	761,554,951	-	**9,630,556,651**
- Other loans	105,176,241	4,055,556	-	**109,231,797**
Unamortized bills discount	(6,634,495)	-	-	**(6,634,495)**
Impairment provision	(2,842,840,136)	-	-	**(2,842,840,136)**
Interest in suspense	(553,087,820)	(153,568,700)	(1,733,700)	**(708,390,220)**
Derivative financial instruments	103,085,538	-	-	**103,085,538**
Financial investments:				
-Debt instruments	26,899,651,189	-	-	**26,899,651,189**
-Investments in associates	192,752,878	-	-	**192,752,878**
Total	**85,960,569,747**	**7,574,729,615**	**1,288,131,922**	**94,823,431,284**

35.1.6. 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 designation at end of financial period, based on MEIRS agency and other agencies as of 31 Dec 2012 :

Dec.31, 2012	Treasury bills and other gov. notes	Trading financial debt instruments	Non-trading financial debt instruments	EGP Total
AAA	-	-	1,058,879,243	**1,058,879,243**
AA- to AA+	-	-	140,720,779	**140,720,779**
A- to A+	-	-	227,946,980	**227,946,980**
Lower than A-	8,017,754,432	52,237,883	936,659,018	**9,006,651,332**
Unrated*	-	1,128,862,543	22,494,940,084	**23,623,802,627**
Total	**24,859,146,104**	**24,859,146,104**	**24,859,146,104**	**34,058,000,962**

*The bank has no internal rating for the unrated investments.

35.1.7. Concentration of risks of financial assets with credit risk exposure

35.1.7.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the current period.

The Bank has allocated exposures to regions based on domicile of its counterparties.

Dec.31, 2012	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
Treasury bills and other governmental notes	11,193,466,093	-	-	**11,193,466,093**
Trading financial assets:				**-**
- Debt instruments	1,181,100,426	-	-	**1,181,100,426**
Gross loans and advances to banks	1,208,166,369	-	-	**1,208,166,369**
Less:Impairment provision	(29,298,630)	-	-	**(29,298,630)**
Gross loans and advances to customers				**-**
Individual:				**-**
- Overdrafts	750,010,323	447,045,445	23,166,451	**1,220,222,219**
- Credit cards	660,932,044	-	-	**660,932,044**
- Personal loans	2,401,536,267	1,107,474,070	107,543,421	**3,616,553,758**
- Mortgages	373,157,230	81,891,354	8,785,295	**463,833,879**
- Other loans	18,722,593	1,322,731	-	**20,045,324**
Corporate:				**-**
- Overdrafts	3,451,485,639	835,548,706	1,537,003	**4,288,571,348**
- Direct loans	16,641,174,813	6,518,007,292	37,021,949	**23,196,204,054**
- Syndicated loans	8,933,686,091	654,963,899	-	**9,588,649,990**
- Other loans	77,751,440	10,044,314	-	**87,795,754**
Unamortized bills discount	(22,277,973)	-	-	**(22,277,973)**
Impairment provision	(1,901,222,402)	-	-	**(1,901,222,402)**
Interest in suspense	(403,955,322)	(115,616,300)	(1,422,600)	**(520,994,222)**
Derivative financial instruments	137,459,761	-	-	**137,459,761**
Financial investments:				**-**
-Debt instruments	24,859,146,103	-	-	**24,859,146,103**
-Investments in associates	165,198,635	-	-	**165,198,634**
Total	**69,696,239,500**	**9,540,681,511**	**176,631,519**	**79,413,552,530**

35.1.8. 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 designation at end of financial period, based on MEIRS agency and other agencies as of 31 Dec 2011 :

Dec.31, 2011	Treasury bills and other gov. notes	Trading financial debt instruments	Non-trading financial debt instruments	EGP Total
AAA	-	-	1,154,735,737	**1,154,735,737**
AA- to AA+	-	13,553,416	414,004,877	**427,558,293**
A- to A+	-	2,712,574	361,268,907	**363,981,481**
Lower than A-	9,260,842,183	198,686,063	792,812,782	**10,252,341,028**
Unrated*	-	460,373,398	12,844,559,661	**13,304,933,059**
Total	**9,260,842,183**	**675,325,451**	**15,567,381,964**	**25,503,549,598**

*The bank has no internal rating for the unrated investments.

35.1.9. Concentration of risks of financial assets with credit risk exposure
35.1.9.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the current period.

The Bank has allocated exposures to regions based on domicile of its counterparties.

Dec.31, 2011	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
Treasury bills and other governmental notes	10,700,842,183	-	-	**10,700,842,183**
Trading financial assets:				**-**
- Debt instruments	468,101,674	-	-	**468,101,674**
Gross loans and advances to banks	1,433,545,112	-	-	**1,433,545,112**
Less:Impairment provision				**-**
Gross loans and advances to customers				**-**
Individual:				
- Overdrafts	607,884,297	232,270,999	112,827,581	**952,982,877**
- Credit cards	436,946,905	115,701,000	23,025,000	**575,672,905**
- Personal loans	1,748,477,064	721,768,479	189,223,460	**2,659,469,003**
- Mortgages	342,140,551	68,951,499	8,898,000	**419,990,050**
- Other loans	27,836,000	12,429,000	-	**40,265,000**
Corporate:				
- Overdrafts	3,587,293,684	620,292,000	31,628,000	**4,239,213,684**
- Direct loans	17,382,861,037	6,284,431,000	598,075,000	**24,265,367,037**
- Syndicated loans	7,871,503,963	373,498,000	-	**8,245,001,963**
- Other loans	86,090,192	15,535,604	-	**101,625,796**
Unamortized bills discount	(45,231,397)	-	-	**(45,231,397)**
Impairment provision	(1,419,409,102)	-	-	**(1,419,409,102)**
Interest in suspense	(283,130,039)	(81,034,822)	(997,092)	**(365,161,953)**
Derivative financial instruments	146,544,656	-	-	**146,544,656**
Financial investments:				
-Debt instruments	14,908,653,482	-	-	**14,908,653,482**
-Investments in associates	106,676,167	-	-	**106,676,167**
Total	**58,107,626,429**	**8,363,842,759**	**962,679,949**	**67,434,149,137**

35.1.9.2. Industry analysis

The following table analysis the Group's main credit exposure at their book value categorized by the Bank customers activities as of 31 Dec 2013 .

EGP

Dec.31, 2013	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Treasury bills and other governmental notes	-	-	-	-	23,665,428,816	-	-	**23,665,428,816**
Trading financial assets:								
- Debt instruments	-	-	-	-	2,096,838,419	-	-	**2,096,838,419**
Gross loans and advances to banks	153,833,294	-	-	-	-	-	-	**153,833,294**
Less:Impairment provision	(21,410,562)	-	-	-	-	-	-	**(21,410,562)**
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,173,942,998	**1,173,942,998**
- Credit cards	-	-	-	-	-	-	765,623,964	**765,623,964**
- Personal loans	-	-	-	-	-	-	4,181,386,392	**4,181,386,392**
- Mortgages	-	-	-	-	-	-	383,143,670	**383,143,670**
- Other loans	-	-	-	-	-	-	10,841,736	**10,841,736**
Corporate:								
- Overdrafts	23,351,879	1,301,794,515	1,013,245,488	274,467,379	468,096,213	1,934,555,071	-	**5,015,510,545**
- Direct loans	678,612,791	11,224,774,953	-	215,552,531	1,095,296,185	10,806,642,350	-	**24,020,878,810**
- Syndicated loans	-	4,784,624,245	1,046,185,896	-	34,722,222	3,765,024,288	-	**9,630,556,651**
- Other loans	-	90,975,572	-	15,000,000	-	3,256,225	-	**109,231,797**
Unamortized bills discount	(6,634,495)	-	-	-	-	-	-	**(6,634,495)**
Impairment provision	(12,126,426)	(1,454,360,568)	(38,475,946)	(6,237,296)	(15,397,347)	(1,182,773,613)	(133,468,940)	**(2,842,840,136)**
Interest in suspense	-	(311,547,069)	-	(14,399)	-	(357,500,457)	(39,328,295)	**(708,390,220)**
Derivative financial instruments	103,085,538	-	-	-	-	-	-	**103,085,538**
Financial investments:								
-Debt instruments	1,404,516,940	-	-	-	25,495,134,249	-	-	**26,899,651,189**
- Investments in subsidiary and associates	192,752,878	-	-	-	-	-	-	**192,752,878**
Total	**2,515,981,837**	**15,636,261,648**	**2,020,955,438**	**498,768,215**	**52,840,118,757**	**14,969,203,864**	**6,342,141,525**	**94,823,431,284**

35.1.9.2. Industry analysis

The following table analysis the Group's main credit exposure at their book value categorized by the Bank customers activities as of 31 Dec 2012.

EGP

Dec.31, 2012	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Treasury bills and other governmental notes	-	-	-	-	11,193,466,093	-	-	**11,193,466,093**
Trading financial assets:								
- Debt instruments	-	-	-	-	1,181,100,426	-	-	**1,181,100,426**
Gross loans and advances to banks	1,208,166,369	-	-	-	-	-	-	**1,208,166,369**
Less:Impairment provision	(29,298,630)	-	-	-	-	-	-	**(29,298,630)**
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,220,222,219	**1,220,222,219**
- Credit cards	-	-	-	-	-	-	660,932,044	**660,932,044**
- Personal loans	-	-	-	-	-	-	3,616,553,758	**3,616,553,758**
- Mortgages	-	-	-	-	-	-	463,833,879	**463,833,879**
- Other loans	-	-	-	-	-	-	20,045,324	**20,045,324**
Corporate:								
- Overdrafts	18,910,846	1,041,423,477	1,433,946,715	436,503,237	15,352,845	1,342,434,228	-	**4,288,571,348**
- Direct loans	777,609,160	9,935,760,634	191,359,572	233,466,270	1,235,963,381	10,822,045,037	-	**23,196,204,054**
- Syndicated loans	-	4,851,917,087	639,406,158	-	-	4,097,326,745	-	**9,588,649,990**
- Other loans	-	64,098,900	-	-	-	23,696,854	-	**87,795,754**
Unamortized bills discount	(22,277,973)	-	-	-	-	-	-	**(22,277,973)**
Impairment provision	(128,579,309)	(764,716,560)	(39,181,037)	(7,246,465)	(13,019,431)	(824,933,622)	(123,545,978)	**(1,901,222,402)**
Interest in suspense	(12,224,835)	(242,497,842)	-	(10,970)	-	(232,244,585)	(34,015,990)	**(520,994,222)**
Derivative financial instruments	137,459,761	-	-	-	-	-	-	**137,459,761**
Financial investments:								
-Debt instruments	1,494,581,633	-	-	-	23,364,564,470	-	-	**24,859,146,103**
- Investments in subsidiary and associates	165,198,634	-	-	-	-	-	-	**165,198,634**
Total	**3,609,545,656**	**14,885,985,696**	**2,225,531,408**	**662,712,072**	**36,977,427,784**	**15,228,324,657**	**5,824,025,256**	**79,413,552,529**

35.1.9.2. Industry analysis

The following table analysis the Group's main credit exposure at their book value categorized by the Bank customers activities as of 31 Dec 2011.

EGP

Dec.31, 2011	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Treasury bills and other governmental notes	10,700,842,183	-	-	-	-	-	-	**10,700,842,183**
Trading financial assets:								
- Debt instruments	468,101,674	-	-	-	-	-	-	**468,101,674**
Gross loans and advances to banks	1,433,545,112	-	-	-	-	-	-	**1,433,545,112**
Less:Impairment provision	-	-	-	-	-	-	-	**-**
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	952,982,877	**952,982,877**
- Credit cards	-	-	-	-	-	-	575,672,905	**575,672,905**
- Personal loans	-	-	-	-	-	-	2,659,469,004	**2,659,469,004**
- Mortgages	-	-	-	-	-	-	419,990,050	**419,990,050**
- Other loans	-	-	-	-	-	-	40,265,000	**40,265,000**
Corporate:								
- Overdrafts	43,746,026	1,307,201,414	1,268,694,563	244,460,752	5,553,376	1,369,557,553	-	**4,239,213,684**
- Direct loans	992,735,455	11,359,238,760	194,496,188	408,305,437	1,218,918,090	11,058,621,879	-	**25,232,315,809**
- Syndicated loans	-	3,054,632,007	502,014,035	-	-	3,721,407,149	-	**7,278,053,191**
- Other loans	-	73,813,502	-	1,000,000	-	26,812,294	-	**101,625,796**
Derivative financial instruments	146,544,656							**146,544,656**
Financial investments:								
-Debt instruments	1,789,704,366	-	-	-	13,118,949,116	-	-	**14,908,653,482**
- Investments in subsidiary and associates	106,676,167	-	-	-	-	-	-	**106,676,167**
Total	**16,315,904,141**	**15,794,885,683**	**1,965,204,785**	**653,766,189**	**14,343,420,582**	**16,176,398,876**	**4,648,379,837**	**69,897,960,092**

The invesment balances and other assets are highly rated not impaired .

35.2. Market risk

Market risk represnted as fluctuations in fair value or future cash flow, including foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices will reduce the Bank's income or the value of its portfolios. the Bank separates exposures to market risk into trading or non-trading portfolios.

Market risks are measured, monitored and controlled by the market risk management department. In addition, regular reports are submitted to the Asset and Liability Management Committee (ALCO), Board Risk Committee and the heads of each business unit.

Trading portfolios include positions arising from market-making, position taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, financial investments designated as available for sale and held-to-maturity.

35.2.1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies. the Bank also enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied .

	Note	Dec.31, 2013			Dec.31, 2012			Dec.31, 2011		
			Market risk measure			Market risk measure			Market risk measure	
		Carrying amount	Trading portfolios	Non-trading portfolios	**Carrying amount**	Trading portfolios	Non-trading portfolios	**Carrying amount**	Trading portfolios	Non-trading portfolios
Assets subject to market risk										
Cash and cash equivalents		4,804,974,237	-	4,804,974,237	5,393,974,124	-	5,393,974,124	7,492,064,510	-	7,492,064,510
Trading assets		2,286,484,581	2,286,484,581	-	1,515,325,502	1,515,325,502	-	675,325,450	675,325,450	-
Derivatives held for risk management		103,085,537	56,425,162	46,660,375	137,459,759	47,082,577	90,377,182	146,544,656	87,640,976	58,903,680
Loans and advances to banks		132,422,732	-	132,422,732	1,178,867,739	-	1,178,867,739	1,395,594,609	-	1,395,594,609
Loans and advances to customers		41,733,251,712	-	41,733,251,712	40,698,313,773	-	40,698,313,773	39,669,785,864	-	39,669,785,864
Investment securities		27,575,281,137	-	27,575,281,137	25,393,215,557	-	25,393,215,557	15,460,705,797	-	15,460,705,797
Liabilities subject to market risk										
Trading liabilities		-	-	-	-	-	-	-	-	-
Derivatives held for risk management		114,878,583	48,804,525	66,074,058	119,099,260	21,169,132	97,930,128	114,287,990	34,517,736	79,770,254
Deposits		98,219,093,448	-	98,219,093,448	80,443,984,204	-	80,443,984,204	74,808,729,776	-	74,808,729,776
Debt securities		-	-	-	-	-	-	-	-	-
Subordinated liabilities		-	-	-	-	-	-	-	-	-

35.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions. VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (95%).

There is therefore a specified statistical probability (5%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day).
The Bank is assessing the historical movements in the market prices based on volatilities and correlations data for the past five years.
The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.
As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set Soft VaR Limits, trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.
In addition, monthly limits compliance is reported to the ALCO.
The Bank has developed the internal model to calculate VaR and is not yet approved by the Central Bank as the regulator is currently applying and requiring banks to calculate the Market Risk Capital Requirements according to Basel II Standardized Approach.

35.2.1.2. Stress tests

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, bank computes on a daily basis trading Stress VaR, combined with trading Normal VaR to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

35.2.2. Value at risk (VaR) Summary

Total VaR by risk type	**Dec.31, 2013**			Dec.31, 2012			Dec.31, 2011		
	Medium	**High**	**Low**	Medium	High	Low	Medium	High	Low
Foreign exchange risk	**89,669**	**539,916**	**3,370**	40,138	175,325	4,756	275,822	798,293	22,715
Interest rate risk	**75,596,340**	**101,789,562**	**55,515,213**	33,579,414	82,099,623	3,045,986	19,970,380	25,574,668	15,047,233
Equities risk	**124,134**	**203,290**	**85,632**	278,907	834,031	319,164	1,659,204	1,762,596	2,287,201
Portfolio managed by others risk	**606,374**	**1,124,626**	**35,182**	-	-	-	-	-	-
Investment fund	**305,229**	**491,484**	**210,658**	287,242	465,524	169,518	921,509	1,057,998	798,571
Total VaR	**75,622,331**	**101,827,317**	**55,529,386**	33,555,660	82,161,567	3,139,829	20,406,187	26,002,691	15,490,695

The aggregate of the trading and non-trading VaR results does not constitute the Bank's VaR due to correlations and consequent diversification effects between risk types and portfolio types.

35.2.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign currency exchange rate risk and Bank's financial instruments at carrying amounts, categorized by currency as of 31 Dec 2013 .

Equivalent EGP

Dec.31, 2013	EGP	USD	EUR	GBP	Other	Total
Financial assets						
Cash and balances with Central Bank	3,943,554,418	685,783,608	97,955,512	21,155,801	56,524,898	**4,804,974,237**
Due from banks	160,035,421	5,569,959,173	2,823,809,212	386,613,624	63,533,460	**9,003,950,890**
Treasury bills and other governmental notes	20,729,091,642	3,832,188,780	181,468,677	-	-	**24,742,749,099**
Trading financial assets	2,191,009,287	86,593,728	-	-	8,881,566	**2,286,484,581**
Gross loans and advances to banks	-	153,833,294	-	-	-	**153,833,294**
Gross loans and advances to customers	25,863,179,074	18,702,088,432	645,731,167	46,134,574	33,983,316	**45,291,116,563**
Derivative financial instruments	35,951,722	65,733,199	1,400,617	-	-	**103,085,538**
Financial investments						
- Available for sale	22,145,853,264	1,232,251,218	-	-	-	**23,378,104,482**
- Held to maturity	4,197,176,655	-	-	-	-	**4,197,176,655**
Investments in associates	151,872,008	40,880,870	-	-	-	**192,752,878**
Total financial assets	**79,417,723,491**	**30,369,312,302**	**3,750,365,185**	**453,903,999**	**162,923,240**	**114,154,228,217**
Financial liabilities						
Due to banks	319,951,905	1,031,898,608	20,152,926	1,399,569	7,032	**1,373,410,040**
Due to customers	64,618,227,605	27,965,508,241	3,585,282,145	456,884,824	219,780,593	**96,845,683,408**
Derivative financial instruments	31,266,232	81,503,495	2,108,856	-	-	**114,878,583**
Long term loans	132,153,227	-	-	-	-	**132,153,227**
Total financial liabilities	**65,101,598,969**	**29,078,910,344**	**3,607,543,927**	**458,284,393**	**219,787,625**	**98,466,125,258**
Net on-balance sheet financial position	**14,316,124,522**	**1,290,401,958**	**142,821,258**	**(4,380,394)**	**(56,864,385)**	**15,688,102,959**

Dec.31, 2012	EGP	USD	EUR	GBP	Other	Equivalent EGP Total
Financial assets						
Cash and balances with Central Bank	4,547,889,733	649,709,912	128,385,584	24,385,266	43,603,629	**5,393,974,124**
Due from banks	143,604,350	5,049,101,786	2,401,041,621	402,155,264	51,917,368	**8,047,820,389**
Treasury bills and other governmental notes	4,773,237,358	3,472,922,400	241,653,085	-	-	**8,487,812,843**
Trading financial assets	1,490,253,622	9,194,145	-	-	15,877,734	**1,515,325,501**
Gross loans and advances to banks	-	1,170,995,566	37,170,803	-	-	**1,208,166,369**
Gross loans and advances to customers	25,149,379,935	17,249,717,628	698,370,716	37,776,260	7,563,832	**43,142,808,371**
Derivative financial instruments	34,317,819	98,258,816	4,883,126	-	-	**137,459,761**
Financial investments						
- Available for sale	19,867,780,270	1,309,647,328	-	-	-	**21,177,427,598**
- Held to maturity	4,215,787,960	-	-	-	-	**4,215,787,960**
Investments in associates	126,825,156	38,373,478	-	-	-	**165,198,634**
Total financial assets	**60,349,076,203**	**29,047,921,059**	**3,511,504,935**	**464,316,790**	**118,962,563**	**93,491,781,550**
Financial liabilities						
Due to banks	1,362,866,273	351,304,112	650,505	41,825	-	**1,714,862,715**
Due to customers	47,924,539,371	26,846,823,314	3,403,851,868	453,989,690	99,917,245	**78,729,121,488**
Derivative financial instruments	12,295,409	102,612,684	4,191,167	-	-	**119,099,260**
Long term loans	80,495,238	-	-	-	-	**80,495,238**
Total financial liabilities	**49,380,196,291**	**27,300,740,110**	**3,408,693,540**	**454,031,515**	**99,917,245**	**80,643,578,701**
Net on-balance sheet financial position	**10,968,879,912**	**1,747,180,949**	**102,811,395**	**10,285,275**	**19,045,318**	**12,848,202,849**

Dec.31, 2011	EGP	USD	EUR	GBP	Other	Equivalent EGP Total
Financial assets						
Cash and balances with Central Bank	7,054,716,154	270,143,280	113,340,050	22,305,028	31,559,998	**7,492,064,510**
Due from banks	123,101,993	4,573,871,370	3,325,874,705	392,508,514	112,872,937	**8,528,229,519**
Treasury bills and other governmental notes	9,463,152,116	1,871,698,570	-	-	-	**11,334,850,686**
Trading financial assets	574,614,570	82,033,840	-	-	18,677,040	**675,325,450**
Gross loans and advances to banks	-	1,421,929,603	11,615,509	-	-	**1,433,545,112**
Gross loans and advances to customers	23,620,827,662	16,656,189,556	1,103,334,241	27,594,433	91,642,424	**41,499,588,316**
Derivative financial instruments	71,103,086	66,363,174	9,078,396	-	-	**146,544,656**
Financial investments						
- Available for sale	13,734,916,726	1,655,334,715	31,294,836	-	-	**15,421,546,277**
- Held to maturity	39,159,520	-	-	-	-	**39,159,520**
Investments in associates	100,923,463	5,752,704	-	-	-	**106,676,167**
Total financial assets	**54,782,515,290**	**26,603,316,812**	**4,594,537,737**	**442,407,975**	**254,752,399**	**86,677,530,213**
Financial liabilities						
Due to banks	2,862,882,577	454,635,883	23,230,665	40,421	4,970	**3,340,794,517**
Due to customers	41,651,925,957	24,764,475,805	4,430,878,994	453,736,875	166,917,629	**71,467,935,259**
Derivative financial instruments	21,805,179	88,420,506	4,062,305	-	-	**114,287,990**
Long term loans	92,435,045	3,613,283	3,285,048	-	-	**99,333,376**
Total financial liabilities	**44,629,048,758**	**25,311,145,477**	**4,461,457,012**	**453,777,296**	**166,922,599**	**75,022,351,143**
Net on-balance sheet financial position	**10,153,466,532**	**1,292,171,335**	**133,080,725**	**(11,369,321)**	**87,829,800**	**11,655,179,070**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Bank's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Bank's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax
		EGP '000
2013	+5%	64,520
	-5%	(64,520)
2012	+5%	87,359
	-5%	(87,359)
2011	+5%	64,609
	-5%	(64,609)

	Change in EUR rate	Effect on profit before tax
		EGP '000
2013	+5%	7,141
	-5%	(7,141)
2012	+5%	5,141
	-5%	(5,141)
2011	+5%	6,654
	-5%	(6,654)

35.2.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but Gain may decrease in the event that unexpected movements arise.The Board sets limits on the gaps of interest rate repricing that may be undertaken, which is monitored by bank's Risk Management Department.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2013	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non- Interest Bearing	Total
Financial assets							
Cash and balances with Central Bank	-	-	-	-	-	4,804,974,237	**4,804,974,237**
Due from banks	4,587,696,691	3,966,455,633	286,026,802	-	-	163,771,764	**9,003,950,890**
Treasury bills and other governmental notes*	3,527,609,980	2,996,487,000	18,218,652,119	-	-	-	**24,742,749,099**
Trading financial assets	184,878,423	-	-	1,672,005,178	375,962,584	53,638,396	**2,286,484,581**
Gross loans and advances to banks	4,342,350	116,417,222	2,870,824	30,202,898	-	-	**153,833,294**
Gross loans and advances to customers	29,728,939,030	6,465,364,854	5,189,602,857	3,111,717,350	795,492,472	-	**45,291,116,563**
Derivatives financial instruments (including IRS notional amount)	1,389,566,463	234,619,676	747,844,799	2,185,915,919	332,706,143	-	**4,890,653,000**
Financial investments							
- Available for sale	663,515,064	393,248,050	2,815,541,814	13,567,604,319	5,351,673,079	586,522,156	**23,378,104,482**
- Held to maturity	-	-	197,841	4,196,978,814	-	-	**4,197,176,655**
Investments in associates	-	-	-	-	-	192,752,878	**192,752,878**
Total financial assets	**40,086,548,001**	**14,172,592,435**	**27,260,737,056**	**24,764,424,478**	**6,855,834,278**	**5,801,659,431**	**118,941,795,679**
Financial liabilities							
Due to banks	347,374,047	-	-	-	-	1,026,035,993	**1,373,410,040**
Due to customers	32,188,336,580	14,485,215,174	11,106,121,075	22,458,172,731	87,337,000	16,520,500,848	**96,845,683,408**
Derivatives financial instruments (including IRS notional amount)	2,315,824,671	1,770,211,105	129,416,652	66,856,880	603,658,202	69,818,235	**4,955,785,745**
Long term loans	28,091,227	5,314,000	49,299,000	49,449,000	-	-	**132,153,227**
Total financial liabilities	**34,879,626,525**	**16,260,740,279**	**11,284,836,727**	**22,574,478,611**	**690,995,202**	**17,616,355,076**	**103,307,032,420**
Total interest re-pricing gap	**5,206,921,476**	**(2,088,147,844)**	**15,975,900,329**	**2,189,945,867**	**6,164,839,076**	**(11,814,695,645)**	**15,634,763,259**

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2012	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non- Interest Bearing	Total
Financial assets							
Cash and balances with Central Bank	-	-	-	-	-	5,393,974,124	**5,393,974,124**
Due from banks	3,814,359,727	4,039,063,382	41,664,325	-	-	152,732,954	**8,047,820,388**
Treasury bills and other governmental notes*	(2,392,490,261)	2,359,738,000	8,520,565,104	-	-	-	**8,487,812,843**
Trading financial assets	361,391,071	-	-	918,121,244	219,935,445	15,877,741	**1,515,325,501**
Gross loans and advances to banks	72,394,428	751,920,402	383,851,539	-	-	-	**1,208,166,369**
Gross loans and advances to customers	23,384,335,335	8,056,916,417	7,335,797,152	3,512,242,033	853,517,433	-	**43,142,808,370**
Derivatives financial instruments (including IRS notional amount)	601,968,669	589,566,465	859,582,784	3,306,273,019	379,393,905	-	**5,736,784,842**
Financial investments							
- Available for sale	1,322,522,351	15,543,565	4,017,903,710	11,736,956,304	3,636,620,842	447,880,825	**21,177,427,597**
- Held to maturity	-	-	15,732,123	4,200,055,837	-	-	**4,215,787,960**
Investments in associates	-	-	-	-	-	165,198,634	**165,198,634**
Total financial assets	**27,164,481,320**	**15,812,748,231**	**21,175,096,737**	**23,673,648,437**	**5,089,467,625**	**6,175,664,278**	**99,091,106,628**
Financial liabilities							
Due to banks	1,360,467,819	-	-	-	-	354,394,897	**1,714,862,716**
Due to customers	24,969,881,691	12,100,430,806	8,222,585,000	20,807,578,680	470,785,000	12,157,860,312	**78,729,121,488**
Derivatives financial instruments (including IRS notional amount)	2,175,142,530	2,703,939,377	132,811,540	153,115,055	549,753,928	106,803,850	**5,821,566,280**
Long term loans	-	-	59,508,571	20,986,667	-	-	**80,495,238**
Total financial liabilities	**28,505,492,040**	**14,804,370,183**	**8,414,905,111**	**20,981,680,402**	**1,020,538,928**	**12,619,059,059**	**86,346,045,723**
Total interest re-pricing gap	**(1,341,010,720)**	**1,008,378,048**	**12,760,191,626**	**2,691,968,035**	**4,068,928,697**	**(6,443,394,781)**	**12,745,060,905**

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2011	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non- Interest Bearing	Total
Financial assets							
Cash and balances with Central Bank	-	-	-	-	-	7,492,064,510	**7,492,064,510**
Due from banks	4,511,431,093	3,352,211,834	514,598,879	-	-	149,987,713	**8,528,229,519**
Treasury bills and other governmental notes*	333,625,000	1,532,625,000	9,468,600,686	-	-	-	**11,334,850,686**
Trading financial assets	302,787,918	-	-	271,826,657	82,033,840	18,677,036	**675,325,451**
Gross loans and advances to banks	868,156,935	108,692,080	456,696,097	-	-	-	**1,433,545,112**
Gross loans and advances to customers	23,770,575,079	8,227,397,230	5,781,107,993	3,331,849,309	388,658,706	-	**41,499,588,317**
Derivatives financial instruments (including IRS notional amount)	571,536,732	434,968,077	124,348,038	4,135,178,024	115,299,768	114,443,847	**5,495,774,486**
Financial investments							
- Available for sale	3,467,059,003	375,400,588	1,794,316,073	8,541,251,632	759,740,859	483,778,122	**15,421,546,277**
- Held to maturity	27,512,500	-	215,000	11,432,020	-	-	**39,159,520**
Investments in associates	-	-	-	-	-	106,676,167	**106,676,167**
Total financial assets	**33,852,684,260**	**14,031,294,809**	**18,139,882,766**	**16,291,537,642**	**1,345,733,173**	**8,365,627,395**	**92,026,760,045**
Financial liabilities							
Due to banks	2,942,477,189	-	-	-	-	398,317,328	**3,340,794,517**
Due to customers	30,104,530,996	6,718,255,908	7,405,534,484	15,651,100,850	733,000,495	10,855,512,526	**71,467,935,259**
	-	-	-	-	-	-	**-**
Derivatives financial instruments (including IRS notional amount)	1,856,259,648	2,514,491,686	159,347,534	277,158,566	524,775,299	92,482,811	**5,424,515,544**
Long term loans	125,931	1,521,504	82,756,941	14,929,000	-	-	**99,333,376**
Total financial liabilities	**34,903,393,764**	**9,234,269,098**	**7,647,638,959**	**15,943,188,416**	**1,257,775,794**	**11,346,312,665**	**80,332,578,696**
Total interest re-pricing gap	**(1,050,709,504)**	**4,797,025,711**	**10,492,243,807**	**348,349,226**	**87,957,379**	**(2,980,685,270)**	**11,694,181,349**

Interest rate sensitivity

Sensitivity Analysis extends Gap Analysis by focusing on changes in the bank's earnings, due to changes in Interest Rates and Balance Sheet Interest Sensitive items composition.

Defined as the impact on the bank's consolidated Net Income over the following 12 months, based on adverse changes in Interest Rates.

	Increase/decreasein basis points	Effect on Net Interest Income EGP '000
2013		
EGP	+ 100 bps	(51,274)
USD	+ 100 bps	19,754
EUR	+ 100 bps	7,841
EGP	- 100 bps	51,274
USD	- 100 bps	(19,754)
EUR	- 100 bps	(7,841)
2012		
EGP	+ 100 bps	(7,861)
USD	+ 100 bps	16,336
EUR	+ 100 bps	5,015
EGP	- 100 bps	7,861
USD	- 100 bps	(16,336)
EUR	- 100 bps	(5,015)
2011		
EGP	+ 100 bps	14,425
USD	+ 100 bps	14,339
EUR	+ 100 bps	7,235
EGP	- 100 bps	(14,425)
USD	- 100 bps	(14,339)
EUR	- 100 bps	(7,235)

35.3. Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations arises from its financial liabilities as they fall due or to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill lending commitments.

35.3.1 Liquidity risk management process

the Bank's liquidity management process, is carried by the assets and Liabilities Management Department and monitored independently by the Risk Management Department, which includes:

Projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- The Bank maintains an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities.
- Monitoring balance sheet liquidity and advances to core funding ratios against internal regulations.
- Managing the concentration and profile of debt maturities.
- Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point

for those assets projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. Bank's Risk Management Department also monitors unmatched medium-term.

35.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the Bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification within currencies, geographical area,depositors, products and tenors.

35.3.3. Non-derivative cash flows

The table below presents the undiscounted cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products are based on there behavior studies.

These accounts are presented in the financial statement at cost not at present value.

Dec.31, 2013	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total EGP
Financial liabilities						
Due to banks	1,373,410,040	-	-	-	-	1,373,410,040
Due to customers	14,262,658,315	14,355,336,031	31,020,534,031	36,171,294,031	1,035,861,000	96,845,683,408
Long term loans	28,091,227	5,314,000	49,299,000	49,449,000	-	132,153,227
Total liabilities (contractual and non contractual maturity dates)	15,664,159,582	14,360,650,031	31,069,833,031	36,220,743,031	1,035,861,000	98,351,246,675
Total financial assets (contractual and non contractual maturity dates)	16,226,910,823	11,735,431,147	29,841,046,583	41,734,405,803	14,830,199,429	114,367,993,785

35.3.3. Non-derivative cash flows

Dec.31, 2012	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total EGP
Financial liabilities						
Due to banks	1,714,862,716	-	-	-	-	1,714,862,716
Due to customers	11,421,205,560	9,736,841,059	20,452,119,693	35,809,584,757	1,309,370,420	78,729,121,489
Long term loans	-	-	59,508,571	20,986,667	-	80,495,238
Total liabilities (contractual and non contractual maturity dates)	13,136,068,276	9,736,841,059	20,511,628,264	35,830,571,424	1,309,370,420	80,524,479,443
Total financial assets (contractual and non contractual maturity dates)	9,874,255,242	12,497,060,088	22,097,635,946	39,608,844,700	9,940,640,568	94,018,436,544

Dec.31, 2011	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total EGP
Financial liabilities						
Due to banks	3,340,794,517	-	-	-	-	3,340,794,517
Due to customers	12,770,610,063	8,576,616,724	17,868,791,406	30,859,028,066	1,392,889,000	71,467,935,259
Long term loans	125,931	1,521,504	82,756,941	14,929,000	-	99,333,376
Other financial liabilities	-	-	-	-	-	-
Total liabilities (contractual and non contractual maturity dates)	16,111,530,511	8,578,138,228	17,951,548,347	30,873,957,066	1,392,889,000	74,908,063,152
Total financial assets (contractual and non contractual maturity dates)	14,753,504,167	11,100,069,868	20,844,934,425	28,478,165,923	10,614,870,781	85,791,545,164

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

35.3.4. Derivative cash flows

Derivatives settled on a net basis

the Bank's derivatives that will be settled on a net basis include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options.

Interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities that will be settled on a net basis into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP

Dec.31, 2013	**Up to 1 month**	**One to three months**	**Three months to one year**	**One year to five years**	**Over five years**	**Total**
Liabilities						
Derivatives financial instruments						
- Foreign exchange derivatives	28,748,121	4,157,915	12,154,312	-	-	45,060,348
- Interest rate derivatives	-	-	1,707,852	9,904,184	58,206,199	69,818,235
Total	**28,748,121**	**4,157,915**	**13,862,164**	**9,904,184**	**58,206,199**	**114,878,583**

Dec.31, 2012	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
- Foreign exchange derivatives	2,518,555	1,956,292	7,819,637	-	926	12,295,410
- Interest rate derivatives	-	189,039	1,584,638	7,178,710	97,717,438	106,669,824
Total	2,518,555	2,145,331	9,404,275	7,178,710	97,718,364	118,965,234

Dec.31, 2011	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
- Foreign exchange derivatives	3,674,914	4,125,343	14,004,923	-	-	21,805,180
- Interest rate derivatives	-	85,520	1,177,707	11,757,121	78,592,077	91,612,425
Total	3,674,914	4,210,863	15,182,630	11,757,121	78,592,077	113,417,605

Letters of credit, guarantees and other commitments

	Up to 1 year	**1-5 years**	**Over 5 years**	**Total**
Dec.31, 2013	10,428,458,630	5,449,818,970	304,161,560	16,182,439,160
Dec.31, 2012	10,332,433,593	3,239,319,148	1,325,986,263	14,897,739,004
Dec.31, 2011	9,607,944,089	2,512,647,977	438,961,450	12,559,553,516

35.4. Fair value of financial assets and liabilities

35.4.1. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	Book value			Fair value		
	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	**Dec.31, 2013**	Dec.31, 2012	Dec.31, 2011
Financial assets						
Cash and balances with Central Bank	**4,804,974,237**	5,393,974,124	7,492,064,510	**4,804,974,237**	5,393,974,124	7,492,064,510
Due from banks	**9,003,950,890**	8,047,820,388	8,528,229,519	**9,003,950,890**	8,047,820,388	8,528,229,519
Gross loans and advances to banks	**153,833,294**	1,208,166,369	1,433,545,112	**153,833,294**	1,208,166,369	1,433,545,112
Gross loans and advances to customers						
- Individual	**6,514,938,760**	5,981,587,224	4,648,379,837	**6,804,132,813**	5,981,587,224	4,648,379,837
- Corporate	**38,776,177,803**	37,161,221,146	36,851,208,480	**35,936,547,136**	37,161,221,146	36,851,208,480
Financial investments						
Held to Maturity	**4,197,176,655**	4,215,787,960	39,159,520	**4,244,977,012**	4,215,787,960	39,159,520
Total financial assets	**63,451,051,639**	62,008,557,211	58,992,586,978	**60,948,415,382**	62,008,557,211	58,992,586,978
Financial liabilities						
Due to banks	**1,373,410,040**	1,714,862,716	3,340,794,517	**1,373,410,040**	1,714,862,716	3,340,794,517
Due to customers	**96,845,683,408**	78,729,121,488	71,467,935,259	**96,919,528,018**	78,729,121,488	71,467,935,259
Long term loans	**132,153,227**	80,495,238	99,333,376	**132,153,227**	80,495,238	99,333,376
Total financial liabilities	**98,351,246,675**	80,524,479,442	74,908,063,152	**98,425,091,285**	80,524,479,442	74,908,063,152

Due from banks

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

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2013:

instruments:

Level 1 - Quoted prices in active markets for the same instrument (i.e. without modification or repacking);

Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3 - Valuation techniques for which any significant input is not based on observable market data.

		Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)
Measured at fair value:				
Financial assets				
Financial assets held for trading	31-Dec-13	2,286,484,581	2,286,484,581	-
Financial investments available for sale	31-Dec-13	23,378,104,482	22,642,750,275	735,354,207
Investment property	31-Dec-13	9,960,721	-	9,960,721
Treasury bills and other governmental notes	31-Dec-13	23,665,428,816	-	23,665,428,816
Total		**49,339,978,600**	**24,929,234,856**	**24,410,743,744**
Derivative financial instruments				
Financial assets	31-Dec-13	**103,085,537**	-	103,085,537
Financial liabilities	31-Dec-13	**114,878,583**	-	114,878,583
Assets for which fair values are disclosed:				
Financial investments held to maturity	31-Dec-13	4,197,176,655	4,169,664,155	27,512,500
Loans and advances to banks	31-Dec-13	132,422,732	-	132,422,732
Loans and advances to customers	31-Dec-13	41,733,251,712	-	41,733,251,712
Total		**46,062,851,099**	**4,169,664,155**	**41,893,186,944**
Liabilities for which fair values are disclosed:				
Long term loans	31-Dec-13	132,153,227	-	132,153,227
Total		**132,153,227**	**-**	**132,153,227**

There are no financial instruments that qualify for classification under level 3 as at 31 December 2013,2012 & 2011 during the years 2013 ,2012 & 2011 there have been no transferss between level 1 and 2.

The fair values of on-balance sheet financial instruments, except for other investments held at amortised cost and held-to-maturity investments which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial statements. The fair values of loans and advances, commission bearing customers' deposits, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and for the short duration of due from and due to banks.

The estimated fair values of held-to-maturity investments and other investments held at amortised cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds respectively. The fair values of these investments are also disclosed in note 37.4.1.

The value obtained from the relevant valuation model may differ, with the transaction price of a financial instrument. The difference between the transaction price and the model value is commonly referred to as 'day-one profit or loss'. It is either amortized over the life of the transaction, deferred until the instrument's fair value can be determined using market observable data, or realized through disposal.

Subsequent changes in fair value are recognized immediately in the statement of consolidated income without reversal of deferred day-one profits or losses.

The valuation of each publicly traded investment is based upon the closing market price of that stock as of the valuation date, less a discount if the security is restricted.

Unrealized private investments are valued at each reporting date using a combination of three methods:

(i) a comparable public market valuation ;

(ii) a comparable acquisition valuation;

(iii) a discounted cash flow analysis.

The relative weightings applied to each valuation method reflect the manager's judgment as to the relative applicability and strength of each valuation approach to the specific unrealized investment. Differences under the methods are reconciled through a variety of quantitative analysis and qualitative factors, as required.

35.5 Capital Management

The tables below summarizes the compositions of teir 1, teir 2 and the capital adequacy ratio .

According to Basel II :

	Dec.31, 2013 In thousands EGP	Dec.31, 2012 In thousands EGP Restated
Tier 1 capital		
Share capital (net of the treasury shares)	9,002,436	5,972,275
Reserves	1,001,869	3,909,853
Retained Earnings (Losses)	-	54,060
Total deductions from tier 1 capital common equity	(726,847)	(4,701)
Total qualifying tier 1 capital	9,277,458	9,931,487
Tier 2 capital		
45% of special reserve	1,123	41,821
45% of the Increase in fair value than the book value for available for sale and held to maturity investments	21,510	147,873
Impairment provision for loans and regular contingent liabilities	742,938	709,302
Total qualifying tier 2 capital	765,571	898,996
Total capital 1+2	10,043,029	10,830,483
Risk weighted assets and contingent liabilities		
Total credit risk	59,514,861	56,891,117
Total market risk	2,429,715	1,994,962
Total operational risk	8,135,709	6,478,218
Total	70,080,285	65,364,297
***Capital adequacy ratio (%)**	14.33%	16.57%

According to Basel I :

	Dec.31, 2011 In thousands EGP Restated
Tier 1 capital	
Share capital (net of the treasury shares)	5,934,563
General reserves	2,054,762
Legal reserve	318,651
Other reserve	(474,528)
Retained Earnings	-
Total qualifying tier 1 capital	7,833,448
Tier 2 capital	
General risk provision	692,088
45% of the Increase in fair value than the book value for available for sale and held to maturity investments	-
Total qualifying tier 2 capital	692,088
Total capital 1+2	8,525,536
Risk weighted assets and contingent liabilities	
Risk weighted assets	50,175,825
Contingent liabilities	5,191,197
Total	55,367,022
***Capital adequacy ratio (%)**	15.40%

** Based on separate financial statement figures*

36. Segment analysis

36.1. By business segment

The Bank is divided into main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- SME's – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment banking – incorporating financial instruments Trading, structured financing, Corporate leasing,and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Transactions between the business segments are on normal commercial terms and conditions.

EGP

	Corporate banking	SME's	Investment banking	Retail banking	Total
Dec.31, 2013					
External revenue					
Net interest income	**3,501,640,087**	**70,984,613**	**(42,018,842)**	**1,519,684,928**	**5,050,290,786**
Net fee and commission income	**701,881,256**	**620,030,133**	**(28,760,362)**	**14,129,479**	**1,307,280,506**
Net trading income	**627,695,283**	**7,148,338**	**-**	**132,548,712**	**767,392,333**
Inter-segment revenue	**-**	**-**	**-**	**-**	**-**
Total segment revenue	**4,831,216,626**	**698,163,084**	**(70,779,204)**	**1,666,363,119**	**7,124,963,625**
Reportable segment profit before tax	**2,403,169,761**	**381,189,801**	**200,549,939**	**788,388,489**	**3,773,297,990**
Reportable segment assets	**99,655,534,143**	**2,601,325,392**	**1,275,407,237**	**10,249,298,810**	**113,781,565,582**
Reportable segment liabilities	**31,028,980,925**	**22,517,559,529**	**532,360**	**48,546,015,412**	**102,093,088,226**
Letters of guarantee	**8,096,792,696**	**81,409,592**	**6,689,637,274**	**16,957,975**	**14,884,797,537**
Letters of credit	**826,663,875**	**22,434,305**	**388,843,825**	**10,104,123**	**1,248,046,128**
Customers acceptances	**49,272,133**	**-**	**-**	**323,362**	**49,595,495**
Total contingent liabilities and commitments	**8,972,728,704**	**103,843,897**	**7,078,481,099**	**27,385,460**	**16,182,439,160**

	Corporate banking	SME's	Investment banking	Retail banking	Total
Dec.31, 2012					
External revenue					
Net interest income	2,443,529,209	88,119,630	(190,503,807)	1,568,588,393	3,909,733,425
Net fee and commission income	471,533,977	638,519,661	(115,083,148)	(68,708,218)	926,262,272
Net trading income	459,450,487	4,693,456	2,566	110,428,667	574,575,176
Inter-segment revenue	-	-	-	-	-
Total segment revenue	3,374,513,673	731,332,747	(305,584,389)	1,610,308,842	5,410,570,873
Reportable segment profit before tax	1,669,978,992	422,873,981	(330,937,391)	751,185,293	2,513,100,875
Reportable segment assets	83,798,138,382	2,626,503,517	1,451,894,947	9,374,557,796	97,251,094,642
Reportable segment liabilities	26,328,742,698	19,106,622,692	451,719	41,192,314,756	86,628,131,865
Letters of guarantee	7,806,869,699	87,485,842	4,786,885,887	15,084,022	12,696,325,450
Letters of credit	1,220,800,239	58,269,780	808,644,823	12,158,160	2,099,873,002
Customers acceptances	100,075,130	1,232,395	-	233,028	101,540,553
Total contingent liabilities and commitments	9,127,745,068	146,988,017	5,595,530,710	27,475,210	14,897,739,005

	Corporate banking	SME's	Investment banking	Retail banking	Total
Dec.31, 2011					
External revenue					
Net interest income	1,526,974,443	57,238,334	(152,694,638)	1,253,547,100	2,685,065,239
Net fee and commission income	349,472,399	538,402,648	18,794,906	(63,723,154)	842,946,799
Net trading income	291,422,683	1,994,110	5,150	88,270,537	381,692,480
Inter-segment revenue	-	-	-	-	-
Total segment revenue	2,167,869,525	597,635,092	(133,894,582)	1,278,094,483	3,909,704,518
Reportable segment profit before tax	1,174,396,607	342,344,350 -	100,906,775	489,385,617	1,905,219,799
Reportable segment assets	75,755,990,737	2,143,523,905	1,836,568,275	7,329,130,661	87,065,213,578
Reportable segment liabilities	23,833,756,183	17,296,024,802	408,913	37,288,813,892	78,419,003,790
Letters of guarantee	6,581,589,176	73,755,025	4,035,588,854	12,716,600	10,703,649,655
Letters of credit	1,029,196,842	49,124,395	681,728,814	10,249,949	1,770,300,000
Customers acceptances	84,368,436	1,038,971	-	196,455	85,603,862
Total contingent liabilities and commitments	7,695,154,454	123,918,391	4,717,317,668	23,163,004	12,559,553,517

36.2 . By geographical segment

EGP

	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Dec.31, 2013				
Revenue according to geographical segment	**6,082,887,675**	**907,098,338**	**98,709,211**	**7,088,695,224**
Expenses according to geographical segment	**(2,572,755,875)**	**(654,444,883)**	**(88,196,476)**	**(3,315,397,234)**
Profit before tax	**3,510,131,800**	**252,653,455**	**10,512,735**	**3,773,297,990**
Tax	**(1,084,005,294)**	**(82,660,394)**	**(3,439,442)**	**(1,170,105,130)**
Profit for the year	**2,426,126,506**	**169,993,061**	**7,073,293**	**2,603,192,860**
Total assets	**104,163,524,595**	**8,163,839,552**	**1,454,201,434**	**113,781,565,581**

Dec.31, 2012	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	4,058,609,627	887,705,321	148,693,225	5,095,008,173
Expenses according to geographical segment	(2,098,895,608)	(399,008,070)	(84,003,620)	(2,581,907,298)
Profit before tax	1,959,714,018	488,697,251	64,689,605	2,513,100,875
Tax	(699,773,113)	(136,133,396)	(18,020,186)	(853,926,695)
Profit for the year	1,259,940,905	352,563,855	46,669,419	1,659,174,180
Total assets	86,910,859,568	9,048,557,087	1,291,677,987	97,251,094,642

Dec.31, 2011	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	2,933,228,490	835,887,927	134,117,282	3,903,233,699
Expenses according to geographical segment	(1,487,091,426)	(405,117,905)	(105,804,569)	(1,998,013,900)
Profit before tax	1,446,137,064	430,770,022	28,312,713	1,905,219,799
Tax	(351,454,653)	(85,159,580)	(5,597,184)	(442,211,417)
Profit for the year	1,094,682,411	345,610,442	22,715,529	1,463,008,382
Total assets	76,724,077,340	9,812,046,055	529,090,183	87,065,213,578

37 . Contingent liabilities and commitments

37.1 . Legal claims

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken.
The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had several unresolved legal claims.

37.2 . Capital commitments

37.2.1 . Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 42,693,921 as follows:

	Investments value	Paid	Remaining
Available for sale financial investments	EGP	EGP	EGP
Dec.31, 2013	**101,813,351**	**59,119,430**	**42,693,921**
Dec.31, 2012	322,671,851	123,548,730	199,123,121
Dec.31, 2011	366,822,734	193,246,643	173,576,091

37.2.2 . Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amount to :

Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
EGP			
49,361,799	14,922,669	23,292,545	2,028,164

37.3 . Letters of credit, guarantees and other commitments

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	Dec.31, 2010
	EGP	EGP	EGP	EGP
Letters of guarantee	**14,959,322,507**	12,787,512,199	11,263,565,016	10,300,751,367
Letters of credit (import and export)	**750,766,099**	933,297,936	753,154,858	989,910,137
Customers acceptances	**472,350,554**	1,176,928,870	542,833,642	589,087,209
Total	**16,182,439,160**	14,897,739,005	12,559,553,516	11,879,748,713

38 . Related party disclosures

38.1 · Transactions with key management personnel of the Bank

The Bank enters into transactions, arrangements and agreements involving directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates. The following table provides the total amount of transactions:

The aggregate amount of remuneration paid by the Bank to members of its Board of Directors and its senior management for services in all capacities provided to the Bank and its subsidiaries during 2013 was EGP 61.8 million, 2012 was EGP 62.5 million and 2011 was EGP 35.9 million

	Dec.31, 2013		Dec.31, 2012		Dec.31, 2011	
	Outstanding balance	**Income (expense)**	Outstanding balance	Income	Outstanding balance	Income
	EGP	**EGP**	EGP	EGP	EGP	EGP
Loans and advances	**100,080**	**1,549,476**	66,742	1,437,763	120,485	255,223
Deposits	**29,359,751**	**(1,117,598)**	18,912,072	(882,363)	13,592,081	(59,998)

38.2 transactions with associates

	Dec.31, 2013			
	Interest from	**Interest to**	**Amounts owed by**	**Amounts owed to**
	EGP	**EGP**	**EGP**	**EGP**
International Co. for Security & Services	**1,120,494**	**39,767,569**	**7,452,825**	**1,966,335**
Corplease Co.	**63,349,222**	**48,194,625**	**7,452,985**	**551,917,881**
Commercial International Life Insurance Co.	**2,450,265**	**1,170,156**	**70,562,030**	**3,500**

Terms and conditions of transactions with related parties

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

39 Intangible assets and goodwill

	Goodwill	Contracts and licences with definite useful life	Brand and customer relationships with indefinite useful life	Total
COST				
At 1 January 2010	200,467,227	139,694,389	534,978,017	**674,672,406**
Additions – internally developed	-	-	-	-
Acquisition of a subsidiary	-	-	-	-
At 31 December 2010	**200,467,227**	**139,694,389**	**534,978,017**	**674,672,406**
Additions – internally developed	-	-	-	-
Acquisition of a subsidiary	-	-	-	-
At 31 December 2011	**200,467,227**	**139,694,389**	**534,978,017**	**674,672,406**
Additions – internally developed	-	-	-	-
Acquisition of a subsidiary	-	-	-	-
At 31 December 2012	**200,467,227**	**139,694,389**	**534,978,017**	**674,672,406**
Additions – internally developed	-	-	-	-
Acquisition of a subsidiary	-	-	-	-
At 31 December 2013	**200,467,227**	**139,694,389**	**534,978,017**	**674,672,406**
Amortisation and impairment				
At 1 January 2010	-	**(40,717,643)**	**(155,933,559)**	**(196,651,202)**
Amortisation	-	-	-	-
Impairment	-	(20,954,159)	(80,246,701)	(101,200,860)
At 31 December 2010	-	**(61,671,802)**	**(236,180,260)**	**(297,852,062)**
Amortisation	-	(13,969,439)	-	(13,969,439)
Impairment	-	-	(53,497,801)	(53,497,801)
At 31 December 2011	-	**(75,641,241)**	**(289,678,061)**	**(365,319,302)**
Amortisation	-	(13,969,439)	-	(13,969,439)
Impairment	(109,853,826)	(43,163,426)	(218,797,824)	(261,961,250)
At 31 December 2012	**(109,853,826)**	**(132,774,106)**	**(508,475,885)**	**(641,249,991)**
Amortisation	-	-	-	-
Impairment	(90,613,401)	(6,920,283)	(26,502,132)	(33,422,415)
At 31 December 2013	**(90,613,401)**	**(139,694,389)**	**(534,978,017)**	**(674,672,406)**
Net book value				
At 31 December 2013	-	-	-	-
At 31 December 2012	**90,613,401**	**6,920,283**	**26,502,132**	**33,422,415**
At 31 December 2011	**200,467,227**	**64,053,148**	**245,299,956**	**309,353,104**
At 31 December 2010	**200,467,227**	**78,022,587**	**298,797,757**	**376,820,344**

For the purposes of impairment testing, goodwill is allocated to the Group's CGUs (operating divisions) as follows.

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
*CIBC Co.	-	89,579,653	198,180,228
**CI Assets Management	-	1,033,748	2,286,999
	-	90,613,401	200,467,227

Goodwill are subject to test of impairment which result in:

	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011
	EGP	EGP	EGP
Goodwill impairment	**90,613,401**	109,853,826	-

CICH's investment in subsidiaries is represented in the following companies:
CIBC
Dynamic Securities Company
CI Assets Management
CIIB
Fair value of CIBC, CIAM, CIIB using the Discounted Cash Flow method (DCF), while Dynamic Securities Company was evaluated at its book value.
The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.
Discount rate is used to reflect the present value of the expected cash flow streams over the projections period. The discount rate is the rate expected to be earned by the investor from investing in a company as he looks forward to a return equivalent to the prevailing rate of returns on similar investments in the market.
The projected cash flows have been updated to reflect the business expected cash flow with more realistic judgment.
The key assumptions used in the calculation of value in use were as follows:

	CIBC Co.			CI Assets Management		
	Dec.31, 2013	Dec.31, 2012	Dec.31, 2011	**Dec.31, 2013**	Dec.31, 2012	Dec.31, 2011
Discount rate	**22.60%**	20.30%	19.60%	**22.60%**	20.30%	19.60%
Terminal value growth rate	**2.00%**	2.00%	2.00%	**2.00%**	2.00%	2.00%
Budgeted profit (average of next five years) EGP million	**(1)**	33	9	**9**	12	33

The key assumptions described above may change as economic and market conditions change.
The Bank estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

40 . Tax status

First: Income Tax

From date of establishment till 1984 inspected, paid & settled

From 1985 till 2000 inspected, paid & settled according to the appeal committee, and the disputed items at the court

From 2001 till 2006 inspected, paid & settled
From 2007 till 2008 inspected & the disputed items at the internal committee

From 2009 till 2010 under inspection

Second: Salary Tax

From date of establishment till 2010 inspected, paid & settled
From 2011 till 2012 under inspection

Third: Stamp Duty Tax

- The bank stamp duty calculated according to concerning domestic regulations & laws, and the payments done dring the legal time. and the stamp duty inspected & the disputed items transfer to the appeal committee & the court
- From 01/08/2006 till 31/12/2007 inspected according to the law no. 143 for 2006 & the disputed items at the internal committee
- From 2008 till 2010 under inspection.
- Stamp Duty provision has been established to face the tax authority claims, as the tax authority claim the banks to pay an estimated assessment stamp duty on the loans & overdraft balances by 25% without any legal support in the stamp duty law no. 143 for 2006 & its executive regulation.

A BANK TO TRUST

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