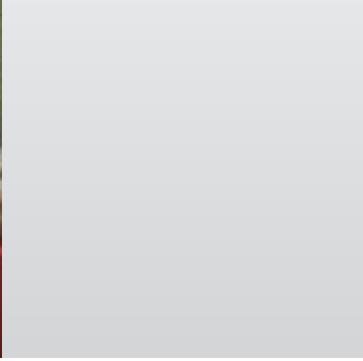
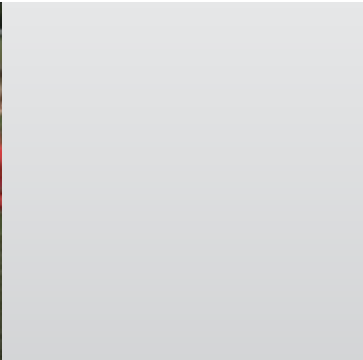




NOTHING IS AS STRONG
AS TEAM SPIRIT

ANNUAL REPORT 2011



BUILDING TEAM SPIRIT TOGETHER



البنك الأهلي سوسيتيه جنرال
NATIONAL SOCIETE GENERALE BANK

CONTACT US

19700

www.nsgb.com.eg

TABLE OF CONTENT

SOCIETE GENERALE GROUP	4
CHAIRMAN MESSAGE	5
OVERVIEW	8
BOARD OF DIRECTORS	10
CORPORATE BANKING	12
RETAIL BANKING	14
SME'S BANKING	17
FINANCIAL STATEMENTS	19
HUMAN RESOURCES	111
CORPORATE SOCIAL RESPONSIBILITY	113
NSGB BRANCHES NETWORK	115
NSGB OFFSITE ATM NETWORK	123

SOCIETE GENERALE GROUP

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognized on its markets, close to clients, chosen for the quality and commitment of its teams. Its 160,000 employees* based in 77 countries accompany more than 33 million clients throughout the world on a daily basis. Societe Generale' teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- Retail banking in France with the Societe Generale branch network, Credit du Nord and Boursorama.
- International retail banking, with a presence in Central and Eastern Europe and Russia, in the Mediterranean basin, in Sub-Saharan Africa, in Asia and in the French Overseas Territories.
- Corporate and investment banking with a global expertise in investment banking, financing and global markets.

Societe Generale is also a significant player in specialized financing and insurance, private banking, asset management and securities services. Societe Generale is included in the international socially-responsible investment indices: FTSE4 Good, ASPI, DJSI World and DJSI Europe.

www.societegenerale.com

International networks:

For more than a decade, the Societe Generale Group has pursued a diversification strategy to step up its international development in regions with considerable potential. Its success with its customers is the result of implementing a universal banking model adapted to local circumstances. As a result, International Retail Banking enjoys a leadership position in regions such as Central and Eastern Europe including Russia, North Africa, Sub-Saharan Africa and French Overseas Territories.

The setting up of International Retail Banking operations in Asia since 2008 is part of a strategy to expand in buoyant regions. The Group has

also helped finance the different economies of the regions where it has expanded its operations via an innovative range of products and services and partnerships that it has formed with its customers. International Networks therefore have 3,817 branches in 37 countries. More than 62,400 employees, representing numerous nationalities, offer a wealth of experience for the benefit of 12.3 millions of individual customers and nearly 800,000 companies. At end of 2010, International Retail Banking's outstanding loans amounted to € 65.2 billion, or nearly 8 times more than in 2000 and deposits totaled 66.4 billion, or nearly 7 times more than in 2000.

* including employees of Societe Marseillaise de Credit acquired in September 2010 by Credit du Nord

CHAIRMAN MESSAGE



National Société Générale Bank has succeeded in maintaining its leading position in the Egyptian banking market in 2011 despite the critical political and economic changes Egypt witnessed following the January 25th Revolution, and the subsequent challenges in numerous economic aspects extending to both corporate and retail banking customers. The challenges were not limited to Egypt, but the entire world experienced turbulence through the Arab revolutions known as the Arab Spring, in addition to economic disorder in several European countries.

There is no doubt that 2011 was one of the most difficult years for the Egyptian economy, which is evident in the decrease of the national economy's growth rate and foreign exchange reserves, the declining foreign direct

investment, the continuous reduction of Egypt's credit rating and the unusual security situation.

However, despite all the challenges, National Société Générale Bank worked to turn these challenges into opportunities that will maximize return on investment. The strength and coherence of the bank's management and the dedication and determination of all employees succeeded in overcoming these difficulties. In addition, a series of actions in risk management have enabled NSGB to create a secure environment for the development of assets.

The bank's 2011 results reflect the success of these policies and our ability to adapt to economic and political changes taking place in the country. The bank's loan portfolio increased to reach EGP 36309 million with a growth rate of 12% over the previous year. Additionally, the rate of NPL stood at 3.04% compared to 3.42% during 2010. It is also worth to mention that the loan to deposit ratio amounted to 70%, making one of the highest in the Egyptian market.

Customer deposits grew to EGP 51710 million, with a growth rate of 3% over the previous year, taking into account that the overall growth of the market according to the Central Bank of Egypt amounted to 3.92%.

Additionally, the bank adopted a flexible policy to rationalize expenditures. Operating expenses have grown by 14%, reaching EGP 1050 million – driven by the restructuring of wages and the opening of 15 new branches to reach a total network of 160 branches by the end of 2011.

As a result, NSGB showed a positive growth rate of 11% of net profit compared to 2010, reaching EGP 1490 million.

These positive results were also based on great efforts to develop new products suitable for the Egyptian market and to update internal work procedures at the same time. Several new products were introduced in 2011 such as new internet banking products: customer accounts' management "SogeCash Net", secured trade finance "SogeTrade Net" as well as the completion of the second phase of adapting our offers to all type clientèle, which resulted in a new package of special banking solutions under the name "Tamayouz".

All the achievements above relied on the confidence of our customers have given us, which can be described as not just a relationship between a client and a banking institution, but rather a permanent partnership that aims for continued success. I can also use the phrase of the CEO of

one of the major corporate clients praising our bank by saying "It's an honor to us to show to the massive market that we can do miracles when we stand together in hard crucial times."

I must also highlight that the spirit of dedication and loyalty among the bank's employees was not the result of the critical circumstances in 2011, but was the output of an effective human resources policy over the past years. The bank spared no effort in creating and developing an appropriate work environment for all its employees. The bank's management agreed to a new salary structure that is in line with the position of employees and their belonging to one of the largest financial institutions in Egypt. Additionally, internal communication has been increased; training plans have been set to enhance their professional level, in addition to the development of the performance appraisal system for employees to motivate them to offer the best in customer service.

National Société Générale Bank's believes that economic development cannot occur before the development of each individual. The bank's position in the Egyptian market gives it great responsibility in developing the community, therefore, the bank has participated in a number of social responsibility activities such as the full

preparation of one preparatory school in Sohag and funding the MRI unit at Magdi Yacoub Foundation for Heart Research in Aswan, in addition to numerous contributions in the fields of medicine, education and culture, which work to fight poverty and develop rural communities.

The success National Société Générale Bank has achieved in 2011 was well suited

for the launch of the new slogan “Building Together Team Spirit”, to reflect our belief that this success was not attributed to one group of individuals, but was mainly due to several groups, all of which contributed to this success including the confidence of shareholders & customers in the bank as well as their confidence in the Board of Directors and employees of the bank.

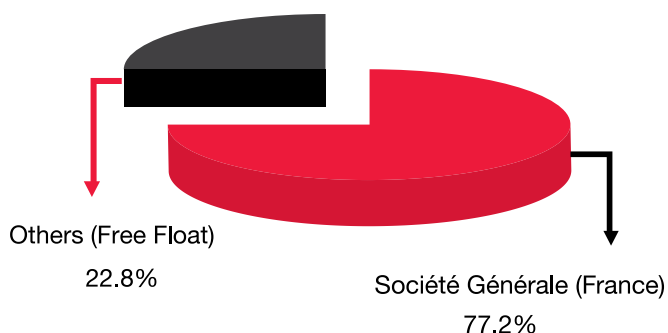
OVERVIEW



OVERVIEW

Shareholders Structure:

Société Générale (France)	77.2%
Others (Free Float)	22.8%



NSGB Subsidiaries:

The bank has established various subsidiaries in specialized fields that will position NSGB as a major financial institution. The creation of these subsidiaries further demonstrates the commitment of Société Générale Group of Egypt.

Sogelease Egypt (NSGB Leasing Company)

Created in 1997:

One of the first incorporated Egyptian leasing company as a joint venture between Société Générale (40%), National Société Générale Bank (40%) and National Bank of Egypt (20%) to provide leasing services to Egyptian companies. Sogelease Egypt is one of the market leader with around 1.632 billion leased assets.

NSGB Life Insurance Company

Created in 2003:

NSGB Life Insurance Company is owned by SOGECAP (No. 4 french bancassurer with premium income in 2010 of 11,5 bn Euros and technical reserves of 78 bn, fully owned by Société Générale) and NSGB.

The company has developed a large range of products meeting main individuals and corporate needs in savings and protection life insurances.

Licensed and under the supervision of the Egyptian Financial Supervisory Authority, the company is among the main players in Egypt combining local and international standards.

ALD Automotive Company Created in 2005:

ALD Automotive, subsidiary of National Societe Generale Bank (12,5%) and ALD International (87,5%), began the activities on September 2005. The Company offers long term rental and fleet management services:

with a full service leasing contract, the Customer will be able to concentrate on its main activity while ALD Automotive will take care of the fleet; with a fleet management contract, the Customer chooses the way to finance the vehicles and ALD Automotive manages the cars from maintenance to assistance going through all analysis to optimize costs.

ALD Automotive's services are offered to Corporate Local and International Customers and the Company works with all the principal Car Manufacturers and models. Synergies with Car Manufacturers, Importers, Dealers and other Suppliers represent a significant competitive advantage and one of the most important key of the service quality and development.

ALD Automotive is one of the leading company in the Egyptian market, ensuring constant Corporate mobility.

BOARD OF DIRECTORS

Mr. Mohamed Osman El-Dib	Chairman & Managing Director
Mr. Jean Philippe Coulier	Vice Chairman & Managing Director
Mr. Mohamed Fathy Awad	Board Member & Deputy Managing Director
Mr. Jerome Jacquier	Board Member & Deputy Managing Director
Mr. Bernardo Sanchez Incera	Board Member
Mr. Jean Louis Mattei	Board Member
Mr. Mohamed Madbouly	Board Member
Mr. Saber Mohamed Aly Farag	Board Member
Mr. Patrick Le Buffe	Board Member
Mr. Bernard David	Board Member

Executive Committee

Mr. Mohamed Osman El-Dib	Head of Executive Committee
Mr. Jean Philippe Coulier	Executive Committee Member
Mr. Mohamed Fathy Awad	Executive Committee Member
Mr. Jerome Jacquier	Executive Committee Member
Mr. Tarek Fayed	Executive Committee Member
Dr. Hassan Saleh	Executive Committee Member



Audit Committee

Mr. Mohamed Madbouly	Head of Audit Committee
Mr. Saber Mohamed Aly Farag	Audit Committee Member
Mr. Patrick Le Buffe	Audit Committee Member

Head Office Divisions

Mr. Mohamed Fathy Awad	Head of Network Division
Mr. Tarek Fayed	Head of Corporate & Investment Banking Division
Dr. Hassan Saleh	Head of Administration & Development Division
Mr. Ihab Rafaat	Head of General Secretary Division
Mr. Tarek El Mahmoudy	Head of Technical Management & Banking Services Division
Mr. Jiri Sperl	Chief Financial Officer
Mr. Bassem Nour	Head of Human Resources Division
Mr. Philippe Richard	Head of Risk Division
Mr. Frederic Leiritz	Head of Retail Banking



NSGB CORPORATE BANKING ACTIVITIES



CORPORATE BANKING ACTIVITIES

In 2011, Egypt witnessed several political and economic changes following the revolution of the 25th of January 2011 and the subsequent turbulence due to the disruption in some vital sectors in the Egyptian Economy such as tourism, in addition to other stoppage in production in some plants and ports due to strikes. This has reflected negatively on the Egyptian economy through the fall of both the foreign reserves and the national income growth rate. The international rating agencies have also reduced the credit rating of Egypt several times during 2011 which led to a decrease in the foreign direct investments to Egypt.

In spite of these difficult circumstances, the corporate & investment banking activities in National Societe Generale Bank (NSGB) managed to maintain the bank's leading position as the most active bank operating in Egypt during 2011. Out of the bank's faith in its role towards the nation and towards its customers, it continued to provide the customers with all the banking services during the most difficult circumstances experienced by the country throughout the revolution and after it. This has been achieved thanks to the commitment of both the bank's employees and management to continue supporting the customers. All this has been reflected in the growth of the corporate loans portfolio to record EGP 30.2 billion, while the corporate deposits increased to reach EGP 30.6 billion. In addition, trade finance transactions witnessed significant growth.

The corporate finance sector in NSGB has adopted

a wise policy characterized by maintaining balance between continuing to support its customers and providing finance for new projects, or existing companies & institutions on one hand and continuing to monitor the events and assess the risks accurately on the other hand in order to ensure prompt reaction and avoid serious repercussions.

The bank has actually succeeded in accomplishing this which resulted into significant growth in the Bank's profits along with preserving the high quality of its assets from corporate finance.

In order to enforce the bank's policy of continuing to provide and update the corporate banking services, 2011 witnessed the launching of SogeCash Net and SogeTrade Net in order to allow the clients to do their banking and trade operations through the internet in a highly secured environment from anywhere around the world and without having to go the bank.

2012 will also witness a continuation of the bank's policy to develop and update its products, as the bank is planning to launch a new company for factoring. Despite the expectations that 2012 will be a difficult year for all the economy sectors due to the repercussions of the political instability and the lack of security that prevailed during 2011, the Egyptian Economy has the factors that qualify it to cross this period with minimal losses. Therefore, NSGB will continue to support its clients and work on generating new business opportunities along with continuing to assess the risks and being ready for all the probabilities in order to ensure prompt response in line with the events.

RETAIL BANKING



RETAIL BANKING

MORE PRODUCTS AND SERVICES FOR MORE CLIENT SATISFACTION

NSGB has always been committed to study the Egyptian market in order to launch new products to gain customer satisfaction and contentment aiming for both increasing existing customer loyalty and expanding its clientele base.

Accordingly in 2011, NSGB has developed its depository products to increase clients savings through re-launching its EGP savings account to Tawfeer Plus, which is a tiered savings account, where the more our clients deposit funds, the higher the interest rate they enjoy. In addition, NSGB has made internal transfers easier for its clients through TransClick. Also GBP was introduced as an additional currency to My Time Deposit in order to offer our clients more various foreign currencies for their diversified foreign savings. Moreover, NSGB has enriched its investment products by adding Tadawol to its investment portfolio, to serve all clients risk taking orientations.

On the other hand, regarding day to day life, NSGB has also launched Easy Auto car financing program that allows clients to choose and buy new cars with the desired specifications through the car referral platform in a cycle that could reach 48 hours; while offering different financing schemes based on the client typology.

Personalized Relationship

Since the personalized relationship approach has proven its success in Safwa market-new approach launched in 2010, NSGB will continue to adopt this portfolio management strategy through defining clear market segments based on clients' profile and financial needs.

This success was remarkable in the number of Safwa VISA Platinum Credit cardholders to let NSGB be the first issuer of Platinum cards with 52% market share.

Based on such approach, specific offers and packages were tailored to fulfill different customers' needs and enhance the personalized relationship.

Serving professional life, the professionals program, which was especially tailored to meet self-employed professionals needs has seen many changes. The launch of the Point of Sale was one of these major changes; to be the sixth bank to offer the acquiring business in Egypt.

Not only the Point of Sale was introduced to the Professionals Program, but also a soft launch was held for new Professionals packages targeting different self employed segments with new and innovative products.

NSGB will continue developing service channels and methods to seek more customer satisfaction.

Increasing Bank Performance

Diverse promotions coupled with strong marketing plan enabled the bank to increase its performance. With a larger clientele base and a wide range of product offering, NSGB was able to improve its level of retail clients' deposits at the end of 2011. On the other hand, with the efforts of the branches, the total loans portfolio have increased at the end of 2011 compared to 2010.

At the same time, NSGB will continue its strategic expansion plans in both its delivery channels and its diversified range of products and services to meet customers' needs and reach utmost satisfaction.

RETAIL BANKING PRODUCTS AND SERVICES

Accounts:

Current account
Checking account
Tawfeer Plus Savings account
Minor Savings account

Deposits:

Time deposits:

- Short Term Time Deposits in local and foreign currencies
- My Time Deposit Medium Term in Dollar, Euro and Sterling

Harmony Certificates of Deposit in local currency:

- Fixed rate 3, 4, 5, 7 and 10 years
- Floating rate 3 years
- Cumulative rate 3, 5, 6, 7 and 8 years
- Nahr El Kheir 3 years Charity Certificate of Deposit

Investment Products:

Themar daily cumulative money market fund
Tawazon balanced fund
Tadawol equity fund

Loans and Credit Facilities:

Cash loan
USD Cash loan
Easy Auto car financing program
Education loan
Speed loan
Espresso loan facilities against NSGB CDs and TDs
CD Interest Advance service
Salary Advance service
ODA against My Time Deposit
Aqarat Residential Mortgage finance program

Electronic Banking Services:

PortaBank mobile banking
FonaBank phone banking
NetaBank internet banking
Email@Bank email banking

Payment Cards:

NSGB VISA Electron debit card
NSGB VISA Safwa Platinum, Gold and classic

credit cards
NSGB VISA Internet card
NSGB Master Salary card

Services:

TransClick automatic transfer service
Safe deposit boxes
Internal and external transfer service

Packages:

Safwa Universe for high net worth clients
YO! youth offer

Professionals Program:

Professionals Packages:

- Pack Pro
- POS Pack Pro
- Shops Pack
- POS Shops Pack
- Petrol Station Pack

Savings Pro account

Medical Sector Credit Facilities:

- Equipment Finance
- Business Premises Renovation Finance
- Pharmacy Supplies Finance
- Pharmacy Management Solution Finance

Credit Facilities for All Self Employed:

- Professional Loan Against CDs
- Business Premises Mortgage Finance

CorpStaff Products:

Payroll Automated System
Global Agreement
VISA Business Card

Life Insurance Savings Plans and Protection Products:

Through NSGB Life Insurance Company

Al Rafiq Graduation Savings Plan
Al Rafiq Wedding Savings Plan
Al Rafiq Project Savings Plan
Al Rafiq Retirement Savings Plan
Al Nokhba Savings Plan in Egyptian Pound
Al Nokhba Savings Plan in US Dollars
Accidental Coverage Insurance
Economical Life Insurance

SME's BANKING



SME's BANKING

In implementation of NSGB management's strategy targeting SMEs segment to strengthen its contribution in the national economy and employment opportunities, SMEs business line has continued to successfully penetrate, serve and support SMEs emerging businesses and entrepreneurs even in such a challenging year and a changing economy.

During 2011, SMEs portfolio witnessed a growth of 27% reaching a total of EGP 2390 Mio (funded and unfunded) and leasing portfolio of EGP 251 Mio as opposed to EGP 1,877 Mio and a leasing portfolio of EGP 173 Mio as of 2010 also the number of customers grow by 24% to reach 2352 clients comparing to 1893.

This significant healthy growth is reflected in SMEs portfolio diversification among manufacturing, trading & services sectors all over Egypt's governorates.

Meantime, SMEs business line has been enhancing NSGB's Universal Bank's image through synergy with the corporate and retail business lines; where NSGB global offer is addressed to SMEs suppliers of large corporate as well as SMEs owners and staff. This is in addition to synergies with NSGB's subsidiaries which broadened the scope of services provided to our valued clients.

NSGB COMMERCIAL OFFER TO SME's IS INCLUDING:

Consultancy:

■ Financial Advisory:

Offering banking-financial advices and recommendations to support projects in preparing requested studies in accordance with different financing types.

■ Trade Finance advisory:

Offering data / information to exporters & importers about various external markets & in co-ordination with SG group & NSGB correspondents in more than 100 different countries.

■ Personal Investment advisory:

Addressing businessmen & managers to get reliable investments opportunities that vary according to worldwide currencies, various depositary products either in domestic & international markets

transportation vehicles & trucks, administration offices, exhibitions and warehouses for tenors up to 5 years with competitive prices.

■ Financing working capital:

Short term facilities: supported by commercial papers, assigned contracts, export documents, local purchasing orders.

Credit facilities for issuance L/Cs & L/Gs.

Services:

Fully fledged banking services:

- Opening accounts, T/Ds, THEMAR fund.
- Issuing certified checks, bank drafts, outgoing transfers, collection of checks & bills.
- Issuing Import L/Cs & DCs.
- Confirming & advising Export L/Cs.
- Issuing all types of L/Gs local – foreign.

Finance & Facilities:

■ Expansion and development of existing Projects:

Presenting the best financing solutions for production lines, machinery equipments,

In addition to 2 packages; MARHABA & MAZAIA addressed to SMEs companies, their owners & managers. Also, including the 1st personal credit card for SMEs' business owners.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 2011



NATIONAL SOCIETE GENERALE BANK AN EGYPTIAN JOINT STOCK COMPANY
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011

	NOTE	DECEMBER 31, 2011	DECEMBER 31, 2010
	NO	EGP	EGP
<u>Assets</u>			
Cash and due from Central Bank of Egypt (CBE)	(15)	5 024 202 604	5 154 348 602
Due from banks	(16)	4 977 305 691	4 724 038 990
Treasury bills	(17)	9 899 284 269	12 348 692 703
Loans and credit facilities to customers, net	(18)	35 099 032 999	31 345 320 461
Financial derivatives	(19)	36 204 080	34 697 434
<u>Financial Investments:</u>			
-Available for sale	(20)	5 431 949 874	5 315 919 205
-Held to maturity	(20)	135 008 160	206 196 247
Investments in associates	(21)	109 045 689	90 166 340
Intangible assets	(22)	93 646 164	105 334 201
Other assets	(23)	762 827 390	678 298 493
Deferred tax assets	(30)	190 344 345	181 770 468
Fixed assets, net	(24)	793 365 638	700 077 473
Total assets		62 552 216 903	60 884 860 617
<u>Liabilities and shareholders' equity:</u>			
<u>Liabilities:</u>			
Due to banks	(25)	110 261 182	942 375 975
Customers' deposits	(26)	51 709 693 141	50 083 624 883
Financial derivatives	(19)	--	3 093 599
Other loans	(27-A)	116 358 582	79 567 562
Other liabilities	(28)	1 425 299 561	1 511 869 712
Other provisions	(29)	500 147 151	386 803 609
Current income tax payable		349 437 645	351 547 412
Defined benefits obligation	(31)	119 598 838	91 918 000
Total liabilities		54 330 796 100	53 450 800 752
<u>Shareholders' equity:</u>			
Issued and paid-up capital	(32)	4 032 144 570	3 665 585 980
Reserves	(34)	1 977 778 282	1 756 211 473
Reserve for employee stock ownership plan (ESOP)	(33)	7 695 078	831 785
Profit for the year and retained earnings	(34)	1 359 336 873	1 198 744 627
Total shareholders' equity		7 376 954 803	6 621 373 865
Subordinated loan	(27-B)	844 466 000	812 686 000

Total shareholders' equity and subordinated loan	<u>8 221 420 803</u>	<u>7 434 059 865</u>
Total liabilities and equity	<u>62 552 216 903</u>	<u>60 884 860 617</u>

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

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

	NOTE	FROM 01/10/2011 TO 31/12/2011 EGP	FROM 01/01/2011 TO 31/12/2011 EGP	FROM 01/10/2010 TO 31/12/2010 EGP	FROM 01/01/2010 TO 31/12/2010 EGP
Interest on loans and similar income	(6)	1 186 678 079	4 419 981 700	1 032 268 332	3 866 288 370
Cost of deposits and similar expenses	(6)	(600 518 562)	(2 290 894 724)	(545 081 151)	(1 970 149 394)
Net interest income		586 159 517	2 129 086 976	487 187 181	1 896 138 976
Fee and commission income	(7)	205 287 929	731 949 835	181 643 531	697 527 683
Fee and commission expense	(7)	(3 669 984)	(14 267 854)	(3 265 510)	(12 258 371)
Net interest, fee and commission income		787 777 462	2 846 768 957	665 565 202	2 581 408 288
Dividend income	(8)	1 000 000	20 107 174	(626 822)	20 063 973
Net trading income	(9)	31 684 271	141 055 923	18 359 225	135 723 832
Gain on financial investments	(20)	21 329 679	35 890 785	36 601 482	65 987 069
Impairment credit (losses) / reversals	(12)	(58 503 346)	(137 725 464)	42 634 927	71 305 965
Administrative expenses	(10)	(246 744 923)	(986 258 261)	(264 483 765)	(867 591 195)
Goodwill amortization		--	--	(90 479 405)	(361 917 659)
Other operating revenues (expenses)	(11)	(81 202 800)	(139 171 377)	(15 184 090)	(60 800 434)
Share of profits of associates		6 449 649	21 203 955	(382 181)	6 680 447
Profit before income tax		461 789 992	1 801 871 692	392 004 573	1 590 860 286
Income tax expense	(13)	(59 547 234)	(312 259 623)	(50 424 369)	(253 034 269)
Net profit for the year		402 242 758	1 489 612 069	341 580 204	1 337 826 017
Earnings per share	(14)		3.35		3.02

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

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Capital	Legal Reserve	General Reserve	Special Reserve
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<u>December 31, 2010</u>				
Balance at 01/01/2010	3 332 350 890	193 378 687	650 440 624	173 681 968
Transfer to reserves and retained earnings	--	59 102 896	617 700 000	--
Profit distribution for year 2009	--	--	--	--
Capital increase	333 235 090	--	(333 235 090)	--
Net unrealized gain/(loss) on AFS investments, after deducting gains recycled to profit or loss relating to sold AFS investments as well as taxes – Note No.34	--	--	--	--
Net profit for the year	--	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	--	--
Net unrealized gain/(loss) on CFH Risk Reserve, net of tax	--	--	--	--
Transfer to general banking risk Reserve	--	--	--	--
<u>Balance at 31/12/2010</u>	<u>3 665 585 980</u>	<u>252 481 583</u>	<u>934 905 534</u>	<u>173 681 968</u>
<u>December 31, 2011</u>				
Balance at 01/01/2011	3 665 585 980	252 481 583	934 905 534	173 681 968
Transfer to reserves and retained earnings	--	66 861 392	551 500 000	--
Profit distribution for year 2010	--	--	--	--
Capital increase	366 558 590	--	(366 558 590)	--
Net unrealized gain/(loss) on AFS investments, after deducting gains recycled to profit or loss relating to sold AFS investments as well as taxes – Note No.34	--	--	--	--
Net profit for the year	--	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	--	--
Net unrealized gain/(loss) on CFH Risk Reserve, net of tax	--	--	--	--
Transfer to general banking risk Reserve	--	--	--	--
<u>Balance at 31/12/2011</u>	<u>4 032 144 570</u>	<u>319 342 975</u>	<u>1 119 846 944</u>	<u>173 681 968</u>

THE ACCOMPANYING NOTES FROM (1) TO (38) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

Capital Reserve	AFS Investments Revaluation Reserve	General Banking Risk Reserve	Cash Flow Hedge Risk Reserve	Retained Earnings	Net Profit For The Year	Reserve For Employee Stock Ownership Plan (ESOP)	Total
<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
5 966 483	112 056 875	102 545 466	--	7 497	1 190 634 053	--	5 761 062 543
1 242 488	--	--	--	7 344 808	(685 390 192)	--	--
--	--	--	--	--	(505 243 861)	--	(505 243 861)
--	--	--	--	--	--	--	--
--	24 897 439	--	--	--	--	--	24 897 439
--	--	--	--	--	1 337 826 017	--	1 337 826 017
--	--	--	--	--	--	831 785	831 785
--	--	--	1 999 942	--	--	--	1 999 942
--	--	146 433 695	--	--	(146 433 695)	--	--
<u>7 208 971</u>	<u>136 954 314</u>	<u>248 979 161</u>	<u>1 999 942</u>	<u>7 352 305</u>	<u>1 191 392 322</u>	<u>831 785</u>	<u>6 621 373 865</u>
7 208 971	136 954 314	248 979 161	1 999 942	7 352 305	1 191 392 322	831 785	6 621 373 865
598 173	--	--	--	(7 280 136)	(611 679 429)	--	--
--	--	--	--	--	(579 712 893)	--	(579 712 893)
--	--	--	--	--	--	--	--
--	(167 207 763)	--	--	--	--	--	(167 207 763)
--	--	--	--	--	1 489 612 069	--	1 489 612 069
--	--	--	--	--	--	6 863 293	6 863 293
--	--	--	6 026 232	--	--	--	6 026 232
--	--	130 347 365	--	--	(130 347 365)	--	--
<u>7 807 144</u>	<u>(30 253 449)</u>	<u>379 326 526</u>	<u>8 026 174</u>	<u>72 169</u>	<u>1 359 264 704</u>	<u>7 695 078</u>	<u>7 376 954 803</u>

Statement of cash flows
for the year ended December 31, 2011

	DECEMBER 31, 2011	DECEMBER 31, 2010
	<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>		
Profit before tax	1 801 871 692	1 590 860 286
<u>Adjusted by:</u>		
Depreciation and amortization	111 850 851	469 961 762
Impairment credit losses / (reversals)	137 725 464	(71 305 965)
Utilized loans provision	(66 060 145)	(126 351 865)
Recovery from loans previously written off	454 637	8 266 828
Other provisions	127 621 124	75 311 167
Utilized provisions other than loans provision	(19 554 711)	(117 691 980)
Translation differences of other provisions in foreign currencies	5 277 129	3 078 524
Translation differences of the subordinated loan	31 780 000	44 730 000
(Gains) on sale of fixed assets	(868 000)	(598 173)
Uncollected dividends income	--	(14 394)
Share of profits of associates applying the equity method	(21 203 955)	(6 680 447)
(Gain) on sale of available for sale investments	(37 866 768)	(65 987 069)
loss of impairment of available for sale equity instruments	1 975 983	--
Share based payments	6 863 293	831 785
Operating profits before changes in assets and liabilities resulting from operating activities	<u>2 079 866 594</u>	<u>1 804 410 459</u>
<u>Net decrease (increase) in assets & increase (decrease) in liabilities</u>		
Due from banks	373 574 598	416 969 426
Treasury bills	3 735 728 374	(3 899 872 281)
Loans to customers	(3 825 912 988)	(4 586 865 975)
Financial derivatives	3 447 793	14 337 207
Other assets	(84 028 897)	(143 837 275)
Due to banks	(832 114 793)	216 923 239
Customers' deposits	1 626 068 258	6 368 151 034
Credit balances and other liabilities	(86 592 396)	77 564 877
Defined benefits obligation	27 680 838	16 412 000
Paid income tax	<u>(352 950 676)</u>	<u>(252 188 565)</u>
Net cash flows resulting from operating activities (1)	<u>2 664 766 705</u>	<u>32 004 146</u>

Cash flows from investing activities

Payments for the purchase of fixed assets and branches preparation	(193 366 979)	(107 782 112)
Proceeds from sale of fixed assets	868 000	598 173
Proceeds from sale of other than held for trading investments	2 493 815 200	2 066 247 108
Payments for the purchase of other than held for trading investments	(2 641 992 663)	(1 774 085 873)
Payments for investments in associates	--	(4 026 001)
Cash dividends received from investments in associates	1 824 606	2 049 212
Net cash flows used in / resulting from investing activities (2)	(338 851 836)	183 000 507

Cash flows from financing activities

Net proceeds (repayments) of long term loans	36 791 020	18 117 351
Dividends paid	(579 690 648)	(505 570 292)
Net cash flows used in financing activities (3)	(542 899 628)	(487 452 941)
Net increase in cash and cash equivalents during the year (1+2+3)	1 783 015 241	(272 448 288)
Cash and cash equivalents at the beginning of the year	5 932 336 243	6 204 784 531
Cash and cash equivalents at the end of the year	(35) 7 715 351 484	5 932 336 243

Cash and cash equivalents at end of the year are represented in :

Cash and due from Central Bank of Egypt	5 024 202 604	5 154 348 602
Due from banks	4 977 305 691	4 724 038 990
Treasury bills	9 899 284 269	12 348 692 703
Balances with Central Bank of Egypt (mandatory reserve)	(3 727 157 338)	(3 992 504 343)
Balances due from banks with maturities more than 3 months	(628 475 950)	(736 703 543)
Treasury bills with maturity more than 3 months	(7 829 807 792)	(11 565 536 166)
Cash and cash equivalents at end of the year	7 715 351 484	5 932 336 243

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

STATEMENT OF THE PROFIT DISTRIBUTION PROPOSAL

FOR THE YEAR ENDED DECEMBER 31, 2011

	DECEMBER 31, 2011	DECEMBER 31, 2010
	EGP	EGP
- Net year's profits (from income statement)	1 489 612 069	1 337 826 017
<u>Less :</u>		
- Profits of sale fixed assets transferred to capital reserve	(868 000)	(598 173)
- General Banking Risk Reserve	(130 347 365)	(146 433 695)
- Distributable year's net profits	1 358 396 704	1 190 794 149
<u>Add :</u>		
-Beginning balance of retained earnings	72 169	7 352 305
Total	1 358 468 873	1 198 146 454

To be distribute as follows

- Statutory reserve	74 437 203	66 861 392
- General reserves	642 366 712	551 500 000
- Shareholders' Dividends	504 018 071	458 198 248
- Employees' profit share	135 846 887	119 814 645
- Remuneration for board members	1 800 000	1 700 000
- Retained earnings carried forward	--	72 169
Total	1 358 468 873	1 198 146 454

NATIONAL SOCIETE GENERALE BANK S.A.E

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

1-National Société Générale Bank (S.A.E) was incorporated as an investment and commercial Bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its Executive Regulations and the amendments thereon. The Bank provides all Banking services related to its activity, through its Head Office located in Cairo and its one hundred and sixty branches served by 4200 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).

2. Summary of significant accounting policies:-

2.1 Basis of preparation of the financial statements

These financial statements are prepared in accordance with Egyptian accounting standards issued in 2006 and its amendments and in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on 16 December 2008 under the historical cost convention, as modified by the measurement of financial assets and financial liabilities at fair value or amortized cost, as appropriate, including financial assets classified as at fair value through profit or loss, available for sale financial assets, held to maturity financial assets, loans and receivables and all derivative instruments.

The financial statements have been prepared in accordance with the Egyptian relevant local laws.

2.2 Investments in associates

Entities over which NSGB exercises significant influence directly or indirectly are accounted for under the equity method. Significant influence is the power to participate in the financial and operating policies of an entity without exercising control or joint control over that entity. Significant influence exists where the Bank holds 20% to 50% of voting rights in the investee.

Purchase method is applied to account for acquisitions of investees by the bank. Subsequent to acquisition, the equity accounting method is applied.

2.3 Segment reporting

A segment activity is a group of assets and operations related to providing products or

services associated with risks and benefits that are different from other segment activities. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

The Bank is organized in two main business lines, which are Corporate Banking and Retail Banking. In addition, a Corporate Center acts as a central funding department for the Bank's core businesses. The dealing room proprietary activity and other non core businesses are reported under the Corporate Center.

For the purpose of preparation of segment reporting by geographical region, segment profit and loss and assets and liabilities are presented based on the location of the branches. Given that NSGB does not have any entity abroad, unless otherwise stated in a specific disclosure, all equity and debt instruments issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation

2.4.2 Functional and presentation currency

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

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the year are translated into the Egyptian

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

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

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as available for sale assets are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in 'income from loans and similar revenues' whereas differences resulting from changes in foreign exchange rates are recognized and reported in 'other operating revenues (expenses)'. The remaining differences resulting from changes in fair value are deferred in equity and accumulated in the 'revaluation reserve of available-for-sale investments'.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as available-for-sale financial assets are recognized directly in equity in the 'revaluation reserve of available-for-sale investments'.

2.5 Financial assets

The Bank classifies its financial assets into the following categories:

Financial assets classified as at fair value through profits or loss, loans and receivables, held to maturity

financial assets, and available for sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined by management at the time of initial recognition.

2.5.1 Financial assets classified as at fair value through profit or loss

This category includes financial assets held for trading, and financial derivatives.

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near term, or on initial recognition it is part of a portfolio of identified financial instruments that the bank manages together and has a recent actual pattern of short-term profit-taking, or it is a derivative that is not designated and effective as a hedging instrument.

2.5.2 Loans and receivables

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

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

2.5.3 Held to maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Bank has the positive intent and ability to hold to maturity. The bank will not classify any financial assets as held to maturity if the bank has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held to maturity investments before maturity other than those allowed in specific circumstances.

2.5.4 Available for sale financial assets

Available for sale financial assets are those non-derivative financial assets intended to be held for

an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

The following is applied in respect of all financial assets

- Regular-way purchases and sales of financial assets classified as at fair value through profit or loss, loans and receivables, held to maturity and available for sale are recognized using the settlement-date, which is the date that an asset is delivered to or by the entity.
- All financial assets, other than those classified as at fair value through profit or loss, are initially recognized at fair value plus transaction costs. Financial assets classified as at fair value through profit or loss are initially recognized at fair value. Transaction costs associated with those assets are expensed and reported in the income statement in 'net trading income'.
- The bank derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial liabilities are derecognized when they are extinguished; that is when the obligation is discharged, cancelled or expires.
- Available-for-sale, held-for-trading and financial assets designated as at fair value through profit or loss are subsequently measured at fair value. Loans and receivables and held-to-maturity investments are subsequently measured at amortized cost.
- Gains and losses arising from changes in the fair value of the financial assets classified as at fair value through profit or loss are recognized in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired, at which time, the cumulative gain or loss previously recognized in equity is recognized in the income statement.
- Interest, calculated using the effective interest method, and foreign currency gains and losses on monetary financial assets classified as available-for-sale are recognized in the income statement. Dividends on available for sale financial assets in equity instruments are recognized in the income statement when the entity's right to receive payment is established.

- The fair value of quoted investments in an active market is based on current bid prices. If there is no active market for a financial asset, it is measured at cost less of any impairment losses.

2.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Financial derivatives and hedge accounting

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

Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement unless the bank chooses to designate the hybrid contract as at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge)
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated

in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date using the effective interest method.

2.7.2 Cash flow hedge

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

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

When a hedged item becomes due or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and shall only be recognized in profit or loss

when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting

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

2.8 Interest income and expense

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

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

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be

recognized as revenue when the recovery of interest or principle is in doubt.

Interest income on non-performing or impaired loans and receivables ceases to be recognized in profit or loss and is rather recorded off balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1-For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.

2-For corporate loans, interest income is recognized on a cash-basis after the bank collects 25 % of the rescheduled installments and when these installments continue to be paid for at least one year. If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income

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

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the bank are recognized as revenue when the syndication has

been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the period in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long periods are usually recognized as revenue on a straight-line basis over the period in which these services are rendered.

2.10 Dividends income

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

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)

Financial instruments sold under repurchase agreements, are not derecognized from the books. These are shown in the assets side as an addition to the "treasury bills and other governmental notes" line item in the balance sheet. On the other hand, the bank's obligation arising from financial instruments acquired under resale agreements, is shown as a deduction from the "treasury bills and other governmental notes" line item in the balance sheet. Differences between the sale and repurchase price or between the purchase and resale price is recognized as interest expense or income throughout the period of agreements using the effective interest rate method.

2.12 Impairment of financial assets

Financial assets carried at amortized cost

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

impacted the future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

- Significant financial difficulty of the issuer or obligor.
- A breach of contract, such as a default or delinquency in interest or principal payments.
- It becoming probable that the borrower will enter bankruptcy or financial re-organization.
- Deterioration of the competitive position of the borrower.
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider.
- Impairment in the value of collaterals.
- Deterioration in the creditworthiness of the borrower.

An objective evidence for impairment loss of the financial asset includes observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The bank estimates the period between the date on which the loss event has occurred and the date on which the impairment loss has been identified for each specific portfolio. For application purposes, the bank considers this period to equal one.

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.

If the bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment based on the historical loss rates.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. An asset

that is individually assessed for impairment but for which an impairment loss is not recognized is included in a group of other similar assets.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, 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 (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate(s) determined under the contract at the date on which an objective evidence for impairment of the asset has been identified.

As a practical expedient, the bank may measure impairment of a financial asset carried at amortized cost 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 purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms.

When assessing the impairment loss for a group of financial assets on the basis of the historical loss rates, future cash flows in the group are estimated on the basis of the contractual cash flows of the bank's assets and the historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted based on 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 exist currently. The bank ensures that estimates of changes in future cash flows reflect and are directionally

consistent with changes in related observable data from period to period. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the bank to reduce any differences between loss estimates and actual loss experience.

Available-for-sale financial assets

At each balance sheet date, the bank assesses whether there is objective evidence that any financial asset or group of financial assets classified as available-for-sale has been impaired. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is an objective evidence of impairment. Such decline is presumed to be significant for the equity instruments if it reaches 10% of the cost of the financial instrument, whereas it is presumed a prolonged decline when it extends for a period of more than 9 months.

When a decline in the fair value of an available for sale financial asset has been recognized in equity and there is objective evidence that the asset is impaired the cumulative loss that had been recognized in the equity reserve shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

In respect of available for sale equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity. However if, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss for that debt instrument.

2.13 Intangible assets

2.13.1 Goodwill

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the acquisition date. Goodwill is annually tested for impairment at the higher of annual amortization of 20% or impairment loss recognized in the income

statement.

2.13.2 Software (computer programs)

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the period of expected benefits which shall not exceed five years except for the core IT system that is amortized over ten years.

2.14 Fixed assets

The Bank's fixed assets of lands and buildings basically comprise the head office premises and branches building. All fixed assets are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

The bank considers the residual value of the fixed assets is insignificant and immaterial in the calculation of the depreciable amount; therefore, the depreciable amount of the fixed assets is determined without any deduction for residual value of the fixed assets.

Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings	Major structures Doors, windows and roofing Façades	50 years 20 years 10 years
Fixtures	Decoration & installations Lifts Electricity & Air conditioning Generators Telephone network & CCTV Fire fighting system & Plumbing system Other installations	10 years 15 years 10 years 30 years 10 years 10 years 10 years
Leasehold improvements		The shorter of 10 years or contract period

Depreciation periods for fixed assets, other than buildings, depend on their useful lives which are usually estimated within the following ranges:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The bank reviews the carrying amounts of its depreciable fixed assets whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in profit or loss in other operating income (expenses) in the income statement.

2.15 Impairment of non financial assets

Non-financial assets that do not have definite useful lives, except for goodwill, shall not be amortized. These are annually tested for impairment. Depreciable fixed assets are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered.

Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, the bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

At each balance sheet date, non-financial assets for which an impairment loss is recognized shall be reviewed to assess whether or not such impairment losses should be reversed through profit or loss.

2.16 Leasing

All lease contracts to which NSGB is a party are treated as operating leases as follows:

2.16.1 NSGB as a lessee

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

2.16.2 NSGB as a lessor

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

2.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of acquisition. They include cash and balances due from Central Bank

of Egypt (other than those under the mandatory reserve), current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

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

2.19 Financial guarantees

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

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

- (i) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized in the income statement using the straight-line method over the term of the guarantee; and
- (ii) The best estimate for the payments required to settle any financial obligation resulting from the

financial guarantee at the balance sheet date. Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (expenses) in the income statement.

2.20 Employee benefits

Defined benefits obligations: NSGB is liable for all obligations arising from its employee benefits and complied, in all material respects, with the principles set out below. Starting 1 January 2009, NSGB has fully complied with the policy referred to below, where it recognized any adjustment resulting from its first full implementation directly on retained earnings.

NSGB awards its employees post employment benefits, such as medical care schemes. The medical care scheme is a defined-benefits plan. A defined benefit plan commits the Bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium - or long - term risk.

The Bank recognizes the defined benefit obligation on the liability side of the balance sheet as "obligations for post retirement schemes" to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics, staff turnover, salary rises and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligation.

Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

10% of the present value of the defined benefit obligation (before deducting plan assets) and 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working

lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the Bank pays defined contributions to an independent entity. The Bank shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay-off the employees' benefits in return for their service in the current and previous periods.

According to the defined contribution plans, the Bank pays contributions to private sector pension scheme under mandatory or voluntary contractual arrangement. The Bank shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

Share based payments arrangements: The bank applies a share-based payment scheme (ESOP) that is settled in its parent's own equity instruments. The bank follows IFRS 2 since the CBE requirements and EAS 39 do not address the accounting for share based payment arrangements involving equity instruments of the parent. The fair value of services rendered by qualifying employees is reported in the income statement in "administrative expenses" line item. Total amount of employees' services is determined by reference to the fair value of granted options at the grant date and is expensed on a straight-line basis over the relevant vesting period. Non-market based vesting conditions, such as profit targets, are not taken into account in determining the fair value of equity settled share-based payments (options) at the grant date, therefore, such fair value shall not change subsequently. Non-market based vesting conditions are included in the assumptions used by the Bank to estimate the number of equity instruments expected to vest at the end of each

reporting period. At the end of each reporting period, the bank revises its estimate of the number of equity instruments expected to vest based on information provided from the parent. The impact of the revision of the original estimates, if any, is recognized in profit or loss with a corresponding adjustment to the Employee Stock Ownership Plan reserve in equity.

2.21 Income taxes

Income tax expense on the period's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax adjustments related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.22 Borrowings

Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in

connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in profit or loss using the effective interest rate method.

2.23 Capital

2.23.1 Capital issuance cost

Issued and paid up-capital (i.e. bank's own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect an acquisition, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.23.2 Dividends

Dividends on equity instruments issued by the bank are recognized when the general assembly of the bank's shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of incorporation and the corporate law.

2.24 Fiduciary activities

The bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are excluded from the bank's financial statements, as they are not assets or income of the bank.

2.25 Comparative figures

Comparative figures are reclassified, where necessary, to conform with changes in the current period's presentation.

3. Management of financial risks

The Bank as a result of conducting its activities, is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the Bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the Bank's financial performance. The most important types of risks are credit risk, market

risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up-to-date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to-date applications.

Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy

NSGB operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for NSGB.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the Bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.
- In defining the Bank's overall risk appetite, the bank management takes various considerations and variables into account, including:
 - The relative balance between risk and reward of the bank's various activities.
 - Earnings sensitivity to business, credit and economic cycles.
 - The aim of achieving a well-balanced portfolio of

earnings streams.

Risk management governance and risk principles

NSGB's risk management governance is based on:

- i) Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams.
- ii) A tight framework of internal procedures and guidelines.
- iii) Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the Board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories

The following are part of the risks associated with NSGB's Banking activities:

- **Credit risk:** (including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments. Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.
- **Market risk:** represents risk of loss resulting from changes in market prices and interest rates.
- **Operational risk:** (including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.
- **Structural interest and exchange rate risk:** represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or

exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

■ **Liquidity risk:** represents the risk that NSGB might not be able to meet its obligations as they become due.

NSGB dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

-Full independence of risk assessment departments from the operating divisions.

-Consistent approach to risk assessment and monitoring applied throughout the Bank.

The Risk Division is independent from the Bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the NSGB by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:

■ Defines and approves the methods used to analyze, assess, approve and monitor credit risks, country risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management.

■ Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers.

■ Identifying a frame for all Bank's operational risks. The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the NSGB's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the

assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the Bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.)

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policymaking and planning.

All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and Audit (periodic control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.

Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS

The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the Bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in Bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure

Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the NSGB's primary source of risk –

is vital to preserving NSGB financial strength and profitability. As a result, the Bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type.
 - Approving credit score or internal customer rating criteria.
 - Monitoring and surveillance of large exposures and various credit portfolios.
 - Reviewing specific and general provisioning policies.
- In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee. The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

■ Risk approval

Embedded in NSGB's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the Bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk (debtor risk, non-settlement or non-delivery risk and issuer risk) must be pre-authorized
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit

Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the Bank's Branch Groups and reports its findings to the General Management.

■ Replacement risk

Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

■ Replacement risk management

NSGB places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

(A/2) Risk measurement and internal ratings

NSGB rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.)
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their

capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit VAR is a calculation of the largest loss that would be incurred in 99% of cases.

(A/3) Provisioning policy

The Bank policies require review of all financial assets exceeding a specific level of materiality at least every year or more frequently when changes in circumstances require the Bank to do so. Impairment is determined for accounts that are assessed individually for impairment based on the losses experienced at the date of balance sheet on a case by case basis. Such policies are applied to all individual accounts that are assessed to be significant. Assessment usually includes the existing collateral, reconfirmation of enforcement on such collateral and collections expected from such accounts.

A provision for impairment losses is formed for a group of similar financial assets based on the available historical experience, personal judgment and statistical methods.

At each balance sheet date, NSGB assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognized (a "loss event") and whether that loss event (or events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. NSGB 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 irrespective from any collaterals obtained. The Bank considers the following factors in determining whether there is objective evidence of impairment:

- The existence of unpaid installments (overdue installments over three months for corporations and over one month for individuals).
- The existence of an objective evidence of counterparty credit risk or when the counterparty is subject to judiciary proceedings.

The allowance for impairment losses reported in the balance sheet at the end of the reporting period is derived from the four internal credit risk ratings; however, major part of that allowance is usually driven by the last two rating degrees.

The following table illustrates the proportional distribution of loans and facilities reported in the balance sheet for each of the four internal ratings of the Bank and their relevant impairment losses.

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	<u>EGP</u>		<u>EGP</u>	
	<u>Loans and facilities</u>	<u>Impairment loss provision</u>	<u>Loans and facilities</u>	<u>Impairment loss provision</u>
	%	%	%	%
1- Good debts	93	10	94	7
2- Normal watch-list	4	12	2	10
3- Special watch-list	0	0	1	1
4- Non performing loans	3	78	3	82
	100%	100%	100%	100%

(A/4) General model for measurements of banking risks

In addition to the four categories of the Bank's internal credit ratings indicated above, management classifies loans and facilities based on more detailed subgroups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the application of the discounted cash flow method or the loss rates

method, that excess shall be debited to retained earnings and carried to the general reserve for banking risks in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (34) shows the movement on the general reserve for Banking risks during the financial period.

The preceding table shows the maximum limit exposure to risks at the end of December 31, 2011 and December 31, 2010 without taking into consideration collaterals held by the bank, if any. For balance sheet items, amounts stated depend on the net carrying amount shown in the balance sheet.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of CBE's; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	Description	Required Provision % According to ORR	Internal Rating	Internal Description
1	Low risk	0	1	Good debts
2	Moderate risk	1%	1	Good debts
3	Satisfactory risk	1%	1	Good debts
4	Appropriate risk	2%	1	Good debts
5	Acceptable risk	2%	1	Good debts
6	Marginally acceptable risk	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

(A/5) Maximum limit for credit risk before collateralsBalance sheet items exposed to credit risks

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills	9 899 284 269	12 348 692 703
<u>Loans and facilities to costumers</u>		
<u>Retail loans</u>		
Debit current accounts	713 947 355	761 816 529
Credit cards	207 872 620	169 148 929
Personal loans	5 099 006 895	4 501 460 404
Real estate loans	130 479 251	103 056 026
<u>Corporate loans</u>		
Debit current accounts	15 887 048 533	14 823 394 716
Direct loans	8 711 179 155	7 237 319 675
Syndicated loans	4 570 598 804	4 231 486 464
Other loans	988 516 170	671 845 750
Provision for impairment loss, segregated interest & unearned discount for discounted bills	(1 209 615 784)	(1 154 208 032)
Financial derivatives	36 204 080	34 697 434

Financial investments

Debt instruments	5 152 162 272	5 017 544 160
Other assets	318 324 999	284 270 955
Total	<u>50 505 008 619</u>	<u>49 030 525 713</u>

Off balance sheet items exposed to credit risks

Financial guarantees	2 132 828	15 990 678
Loans and other irrevocable credit commitments	146 630 786	543 649 246
L/Cs	1 828 044 615	2 078 360 158
Accepted papers	1 126 538 877	727 779 938
L/Gs	12 513 385 006	11 018 604 249
Total	<u>15 616 732 112</u>	<u>14 384 384 269</u>

The preceding table shows the maximum limit exposure to risks at the end of December 31, 2011 and December 31, 2010 without taking into consideration collaterals held by the bank, if any. For balance sheet items, amounts stated depend on the net carrying amount shown in the balance sheet.

The preceding table shows that 69% of the maximum limit exposed to credit risk at the end of current reporting year is attributable to loans and facilities to customers against 64% at the end of the prior year, investments in debt instruments constitute 10 % against 10% at the end of the prior year and treasury bills constitute 20% against 25% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

■ 97 % of the loan and facilities portfolio at the end of the current reporting year comprises loans and

facilities classified at the top 2 categories of the internal rating against 96% at the end of the prior year.

■ 95% of the loan and facilities portfolio at the end of the current reporting year does not have arrears or indicators of impairment against 96% at the end of the prior year.

■ Loans and facilities, that are individually assessed for impairment at the end of the current reporting year, have a carrying amount of EGP 1 102 967 840. Impairment on these loans and facilities represents 86 % from their carrying amount. Loans and facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of EGP 1 110 610 241 and their impairment represents 86% from such carrying amount.

■ The Bank applied more prudential selection process on granting loans and facilities during the current reporting year ended December 31, 2011.

■ 85 % of investments in debt instruments and treasury bills at the end of the current reporting year comprise local sovereign debt instruments against 93 % at the end of the prior year.

(A/6) Loans and facilities

Balances of loans and facilities in terms of credit risk rating are analyzed below:

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	<u>EGP</u>		<u>EGP</u>	
	<u>Loans and facilities to costumers</u>	<u>Loans and facilities to Banks</u>	<u>Loans and facilities to costumers</u>	<u>Loans and facilities to Banks</u>
Neither have arrears nor impaired	34 535 679 418	--	31 129 603 281	--
Have arrears but not impaired	670 001 525	--	259 314 971	--
Impaired	1 102 967 840	--	1 110 610 241	--
Total	<u>36 308 648 783</u>	<u>--</u>	<u>32 499 528 493</u>	<u>--</u>
Less: allowance for impairment losses	(1 117 443 476)	--	(1 041 574 828)	--
Less: Segregated interest	(75 698 390)	--	(94 485 239)	--
Less: unearned discount on discounted bills	(16 473 918)	--	(18 147 965)	--
Net	<u>35 099 032 999</u>	<u>--</u>	<u>31 345 320 461</u>	<u>--</u>

Total credit allowance for loans and facilities at the end of the current reporting year amounted to EGP 1 117 443 476 (EGP 1 041 574 828 at the end of the prior year) of which EGP 873 265 910 represent impairment on individual loans (EGP 857 394 120 at the end of the prior year) and EGP 244 177 566 represent impairment for groups of financial assets in the credit portfolio (EGP 184 180 708 at the end of the prior year).

Note (18) includes additional information on the allowance for impairment losses for loans and facilities to customers. During the current reporting year, total amount of loans and facilities in the bank's portfolio increased by 12 % due to expansion in lending activities. The bank's lending is focused toward large institutions, banks or individuals with sound credit worthiness.

Loans and facilities which do not have arrears and are not subject to impairment

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

December 31, 2011

Retail

Rating	Debit current accounts	Credit cards	Personal loans	Real estate loans
Good debts	713 947 355	148 747 111	4 646 155 511	122 890 251
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Total	713 947 355	148 747 111	4 646 155 511	122 890 251

December 31, 2010

Retail

Good debts	761 816 529	129 445 011	4 179 467 731	98 950 026
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Total	761 816 529	129 445 011	4 179 467 731	98 950 026

The bank has not considered any non-performing loans and facilities guaranteed by cash collators to be impaired based on the assessment that it is probable the bank will realize the amounts of the collaterals backing such non-performing loans and facilities.

Corporate

Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
15 580 681 692	7 118 872 350	4 508 358 029	972 977 996	33 812 630 295
292 802 599	406 706 600	--	15 538 174	715 047 373
7 544 406	457 344	--	--	8 001 750
15 881 028 697	7 526 036 294	4 508 358 029	988 516 170	34 535 679 418

Corporate

14 613 140 247	5 995 605 485	3 985 763 189	671 845 750	30 436 033 968
163 375 385	281 153 388	177 546 515	--	622 075 288
46 110 269	25 383 756	--	--	71 494 025
14 822 625 901	6 302 142 629	4 163 309 704	671 845 750	31 129 603 281

Loans and facilities which have arrears but are not subject to impairment

These are loans and facilities with past-due installments up to 90 days but are not subject to impairment, unless information has otherwise indicated. Loans and facilities to customers which have arrears but are not subject to impairment are analyzed below.

December 31, 2011**Retail**

<u>Year in arrears</u>	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
< 30 days	--	25 926 509	180 532 384	--	206 458 893
30 – 60 days	--	--	--	--	--
60 – 90 days	--	--	--	--	--
Total	--	25 926 509	180 532 384	--	206 458 893

Corporate

	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
< 30 days	--	260 701 492	--	--	260 701 492
30 – 60 days	--	81 679 793	--	--	81 679 793
60 – 90 days	--	69 604 837	--	--	69 604 837
> 90 days	--	51 556 510	--	--	51 556 510
Total	--	463 542 632	--	--	463 542 632

The bank has not considered any guaranteed non-performing loans and facilities to be impaired based on the assessment that it is probable the bank will realize the amounts of the collaterals backing such non-performing loans and facilities.

December 31, 2010**Retail**

	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
< 30 days	--	19 316 918	120 809 673	--	140 126 591
30 – 60 days	--	--	--	--	--
60 – 90 days	--	--	--	--	--
Total	--	19 316 918	120 809 673	--	140 126 591

	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
< 30 days	--	96 587 618	--	--	96 587 618
30 – 60 days	--	11 664 574	--	--	11 664 574
60 – 90 days	--	8 336 299	--	--	8 336 299
> 90 days	--	2 599 889	--	--	2 599 889
Total	--	119 188 380	--	--	119 188 380

Past due loans and facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods ranging from one day to 90 days. Figures shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of loans and facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements

since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

■ **Loans and facilities which are individually impaired**

■ **Loans and facilities to customers**

At the end of the current reporting Year, the carrying amount of loans and facilities, that are assessed to be individually impaired excluding any cash flows expected to arise from the associated guarantees, amounted to EGP

1 102 967 840 against EGP 1 110 610 241 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and facilities which are individually impaired:

December 31, 2011

	Retail				Corporate				
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
Loans which are individually impaired	--	33 199 000	272 319 000	7 589 000	6 019 836	721 600 229	62 240 775	--	1 102 967 840

December 31, 2010

	Retail				Corporate				
Loans which are individually impaired	--	20 387 000	201 183 000	4 106 000	768 815	815 988 666	68 176 760	--	1 110 610 241

■ **Restructured loans and facilities:**

NSGB applies different types of restructuring policies to its loans and facilities, which include extending payment terms, executing forced management programmers and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within NSGB, renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail

and corporate loans clients).

Total renegotiated loans amounted to EGP 322 841 000 at the end of the current reporting year against EGP 344 674 000 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods.

Foreclosed assets are classified among "other assets" in the balance sheet. Such assets are sold by the bank, as appropriate.

NSGB banking practices call for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
	EGP	EGP
<u>Loans and facilities to costumers</u>		
<u>Corporate loans</u>		
- Direct loans	322 841 000	344 674 000
Total	322 841 000	344 674 000

(A/7) Debt instruments, treasury bills, and other governmental notes

The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes.

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
	EGP	EGP
Treasury bills	9 899 284 269	12 348 692 703
Available- for- sale investments		
Egyptian Treasury Bonds	2 753 404 937	3 529 817 689
US Treasury Bonds	1 691 783 822	1 291 530 224
France Treasury Bonds	196 500 721	--
German Treasury Bonds	390 464 632	--
Held-to -maturity investments		
Egyptian Treasury Bonds	120 008 160	196 196 247
Total	15 051 446 541	17 366 236 863

(A/8) Acquisition of collaterals

During the current reporting year, the Bank has acquired some additional foreclosed assets in order to settle debts by acquisition of collaterals as follows:

Type of asset	Book Value
Lands	EGP 27 458 752
Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO.	Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions

(A/9) Concentration of risks of financial assets exposed to credit risks

(Geographical segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into the geographical regions of the bank's clients expect for investments in foreign treasury bonds which are reported in the "other countries" category.

Arab Republic of Egypt		
	Cairo	Giza
Treasury bills	9 899 284 269	--
<u>Loans and facilities to costumers</u>		
<u>Retail loans</u>		
Debit current accounts	436 862 530	144 357 898
Credit cards	88 176 784	72 407 320
Personal loans	1 976 238 938	1 594 562 563
Real estate loans	47 996 413	50 241 978
<u>Corporate loans</u>		
Debit current accounts	7 613 038 559	4 172 801 499
Direct loans	4 949 681 956	1 902 939 818
Syndicated loans	2 160 264 004	1 797 240 125
Other loans	706 139 687	124 162 403
Financial derivatives	881 193	
<u>Financial investments</u>		
Debt instrument	2 873 413 097	--
Other assets	199 005 899	34 374 392
Total at the end of current year	30 950 983 329	9 893 087 996
Total at the end of the prior year	32 601 435 516	8 691 104 166

		Other countries		
Alex-Delta	Red Sea & Upper Egypt	Total		Total
--	--	9 899 284 269	--	9 899 284 269
83 891 403	48 835 524	713 947 355	--	713 947 355
31 360 744	15 927 772	207 872 620	--	207 872 620
1 086 332 608	441 872 786	5 099 006 895	--	5 099 006 895
16 645 747	15 595 113	130 479 251	--	130 479 251
2 217 678 719	1 883 529 756	15 887 048 533	--	15 887 048 533
1 496 366 045	362 191 336	8 711 179 155	--	8 711 179 155
613 094 675	--	4 570 598 804	--	4 570 598 804
38 873 942	119 340 138	988 516 170	--	988 516 170
--	9 862 717	10 743 910	25 460 170	36 204 080
--	--	2 873 413 097	2 278 749 175	5 152 162 272
31 685 392	20 940 669	286 006 352	32 318 647	318 324 999
5 615 929 275	2 918 095 811	49 378 096 411	2 336 527 992	51 714 624 403
5 317 249 079	2 236 448 031	48 846 236 792	1 338 496 953	50 184 733 745

■ **Concentration of risks of financial assets exposed to credit risks**
(Business segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	Industrial entities	Trading entities	Service entities
Treasury bills	--	--	--	--
<u>Loans and facilities to customers</u>				
<u>Retail loans</u>				
Debit current accounts	--	--	--	--
Credit cards	--	--	--	--
Personal loans	--	--	--	--
Real estate loans	--	--	--	--
<u>Corporate loans</u>				
Debit current accounts	89 899 442	10 788 462 652	1 943 331 551	3 065 354 888
Direct loans	207 853 007	6 187 313 035	1 273 997 193	1 042 015 920
Syndicated loans	--	3 180 874 600	54 287 100	1 335 437 104
Other loans	--	562 388 985	17 897 209	21 890 849
Financial derivatives	--	10 743 910	--	--
<u>Financial investments</u>				
Debt instruments	--	--	--	--
Other assets	1 536 930	106 946 952	16 979 716	28 207 528
Total at the end of current year	<u>299 289 379</u>	<u>20 836 730 134</u>	<u>3 306 492 769</u>	<u>5 492 906 289</u>
Total at the end of the prior year	<u>300 292 462</u>	<u>17 967 390 744</u>	<u>3 082 288 262</u>	<u>5 489 215 527</u>

Governmental sector	Foreign Governments	Other activities	Individuals	Total
9 899 284 269	--	--	--	9 899 284 269
--	--	--	713 947 355	713 947 355
--	--	--	207 872 620	207 872 620
--	--	--	5 099 006 895	5 099 006 895
--	--	--	130 479 251	130 479 251
--	--	--	--	15 887 048 533
--	--	--	--	8 711 179 155
--	--	--	--	4 570 598 804
--	--	386 339 127	--	988 516 170
--	--	25 460 170	--	36 204 080
2 873 413 097	2 278 749 175	--	--	5 152 162 272
100 583 588	32 318 647	--	31 751 638	318 324 999
<u>12 873 280 954</u>	<u>2 311 067 822</u>	<u>411 799 297</u>	<u>6 183 057 759</u>	<u>51 714 624 403</u>
<u>16 187 525 379</u>	<u>1 303 799 519</u>	<u>316 708 821</u>	<u>5 537 513 031</u>	<u>50 184 733 745</u>

(B) MARKET RISKS

Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. NSGB policy on market risk transactions is “Prudent” in that:

- Products subject to “market risk” which are offered by NSGB to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by NSGB is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, global management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the Bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the Bank’s market activities and comparison of said

exposure and risks with the pre-set limits.

- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services for market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the Board sets the levels of authorized risk by type of market activity and makes the main decisions concerning Bank’s market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits

As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. NSGB uses a lot of methods to control market risk such as stress testing “ST”.

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. NSGB set a maximum limit of expected losses of 10% from authorized limit according to internal bank rules

(B/2) Stress test for foreign exchange risk

The following table provides F.X position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Outstanding nominal Fx position in EGP equivalent	FX short positions	FX long positions	FX long (short) percentage to limit usage	Expected loss at 10%	ST limit usage
USD	798 301	--	798 301	3%	79 830	3%
EUR	6 326 736	--	6 326 736	20%	632 674	20%
GBP	164 898	--	164 898	2%	16 490	2%
JPY	27 627	--	27 627	0%	2 763	0%
CHF	116 245	--	116 245	3%	11 625	3%
DKK	1 724	--	1 724	0%	172	0%
NOK	(38 191)	(38 191)	--	5%	(3 819)	5%

SEK	6 952	--	6 952	1%	695	1%
CAD	76 730	--	76 730	10%	7 673	10%
AUD	(43 988)	(43 988)	--	6%	(4 399)	6%
AED	243 006	--	243 006	31%	24 301	31%
KWD	248 016	--	248 016	32%	24 802	32%
OMR	(11)	(11)	--	0%	(1)	0%
QAR	24 253	--	24 253	3%	2 425	3%
SAR	(118 553)	(118 553)	--	8%	(11 855)	8%
EGP	(7 833 745)	(7 833 745)	--	25%		

Maximum expected loss from FX short positions to EGP at December 31, 2011 783 376

Maximum expected loss from FX short positions to EGP at December 31, 2010 973 488

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	EUR	GBP	Other currencies	Total
Financial assets						
Cash and balances with Central Banks	4 806 984 931	133 841 856	69 726 725	5 109 525	8 539 567	5 024 202 604
Due from Banks	4 642 013	2 299 600 595	2 261 266 006	316 029 663	95 767 414	4 977 305 691
Treasury bills	9 455 828 383	443 455 886	--	--	--	9 899 284 269
Loans and facilities to costumers	23 951 231 384	10 585 545 901	516 021 555	16 621 801	29 612 358	35 099 032 999
Financial derivatives	36 204 080	--	--	--	--	36 204 080
Financial investments						
Available for sale	3 152 969 957	1 691 783 822	587 196 095	--	--	5 431 949 874

FINANCIAL STATEMENTS

Held to maturity	135 008 160	--	--	--	--	135 008 160
Other financial assets	258 380 725	38 502 081	21 265 827	157 222	19 144	318 324 999
Total financial assets	41 801 249 633	15 192 730 141	3 455 476 208	337 918 211	133 938 483	60 921 312 676

	EGP	USD	EUR	GBP	Other currencies	Total
Financial liabilities						
Due to Banks	17 025 554	75 355 240	4 741 197	7 162 735	5 976 456	110 261 182
Clients' deposits	34 913 727 417	13 049 202 504	3 276 907 083	334 819 845	135 036 292	51 709 693 141
Other loans	47 201 296	10 363 426	58 793 860	--	--	116 358 582
Subordinated loans	--	844 466 000	--	--	--	844 466 000
Other financial liabilities	1 038 979 756	22 866 354	3 757 184	321 327	22 093	1 065 946 714
Total financial liabilities	36 016 934 023	14 002 253 524	3 344 199 324	342 303 907	141 034 841	53 846 725 619
Net financial position -the balance sheet	5 784 315 610	1 190 476 617	111 276 884	(4 385 696)	(7 096 358)	7 074 587 057

At the end of the comparative year

Total financial assets	41 052 418 713	14 697 395 030	3 183 115 257	365 829 076	114 726 521	59 413 484 597
Total financial liabilities	35 859 424 790	13 175 160 626	3 520 331 186	365 366 331	114 582 386	53 034 865 319
Net financial position- the balance sheet	5 192 993 923	1 522 234 404	(337 215 929)	462 745	144 135	6 378 619 278

(B/4) Structural Interest Rate Risk

Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit) of the Bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent. Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks

Identification and measurement of the risk is carried out by the Assets & Liabilities management Unit (ALMU) which comes under the authority of the NSGB Finance Department.

Risk assessment, limits and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties

- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review Interest Rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

Dealing Room duties

- Provide frequent updates on markets movements.
- Execute and report progress of ALCO approved recommendations.
- Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Objective of NSGB

NSGB aim is to reduce exposure to structural interest rate risk as much as possible. for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

■ Measurement and monitoring of structural interest rate risks

In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps. On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. shareholders' equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

The following table summarizes the extent to which the Bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

<u>At the end of the current year</u>	Up to one month	More than one month up to 3 months	More than 3 months up to one year
<u>Financial assets</u>			
Cash and balances with central Banks	--	--	--
Due from Banks	3 932 131 717	686 318 030	216 916 168
Treasury bills	1 754 167 131	2 774 215 130	5 370 902 008
Loans and facilities to costumers	14 124 218 759	7 469 783 989	7 296 981 597
Financial derivatives	--	--	--
<u>Financial investments</u>			
Available for sale	384 325 441	36 561 457	576 257 552
Held to maturity	--	--	70 008 160
Other financial assets	--	--	--
Total financial assets	20 194 843 048	10 966 878 606	13 531 065 485
IRS (notional amount)	1 175 184 118	195 249 029	1 072 894 052
<u>Financial liabilities</u>			
Due to Banks	37 019 750	12 063 800	28 959 152
Customer's deposits	17 106 974 463	10 424 797 676	5 924 267 876
Other loans	--	--	57 564 723
Subordinated loans	844 466 000	--	--
Other financial liabilities	--	--	--
Total financial liabilities	17 988 460 213	10 436 861 476	6 010 791 751
IRS (notional amount)	1 481 819 324	2 188 249 109	--
Re-pricing gap	1 899 747 629	(1 462 982 950)	8 593 167 786
<u>At the end of the comparative year</u>			
Total financial assets	16 956 523 712	13 482 197 423	13 045 581 830
IRS (notional amount)	--	--	442 781 513
Total financial liabilities	18 919 538 972	10 727 052 913	4 723 264 024
IRS (notional amount)	322 725 264	2 493 129 833	--
Re-pricing gap	(2 285 740 524)	262 014 677	8 765 099 319

More than one year up to 5 years	More than 5 years	Interest free	Total
--	--	5 024 202 604	5 024 202 604
--	--	141 939 776	4 977 305 691
--	--	--	9 899 284 269
5 537 186 492	670 862 162	--	35 099 032 999
--	--	36 204 080	36 204 080
3 064 023 059	970 986 603	399 795 762	5 431 949 874
50 000 000	--	15 000 000	135 008 160
--	--	318 324 999	318 324 999
8 651 209 551	1 641 848 765	5 935 467 221	60 921 312 676
1 166 422 234	60 319 000	--	3 670 068 433
--	--	32 218 480	110 261 182
5 313 600 861	132 254 000	12 807 798 265	51 709 693 141
--	--	58 793 859	116 358 582
--	--	--	844 466 000
--	--	1 065 946 714	1 065 946 714
5 313 600 861	132 254 000	13 964 757 318	53 846 725 619
--	--	--	3 670 068 433
4 504 030 924	1 569 913 765	(8 029 290 097)	7 074 587 057
8 243 710 093	1 562 186 579	6 123 284 960	59 413 484 597
2 315 024 584	58 049 000	--	2 815 855 097
4 723 089 466	357 956 000	13 583 963 944	53 034 865 319
--	--	--	2 815 855 097
5 835 645 211	1 262 279 579	(7 460 678 984)	6 378 619 278

(C) Liquidity Risk

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

NSGB manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management

Identification and measurement of the risk is carried out by the Assets & Liabilities management Unit (ALMU) which comes under the authority of the NSGB Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO

Assets & Liabilities Management Committee (ALCO) duties

- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.

- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties

- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Objective of NSGB

NSGB's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

To this end, the main principles of NSGB liquidity management are as follows:

- Management of the short-term liquidity in accordance with the regulatory framework.
- Diversification of funding sources.
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks

NSGB liquidity management framework comprises the following processes:

- Regular assessment of the Bank structural liquidity profile and its development over time.
 - Monitoring of the diversification of funding sources.
 - Assessment of the Bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.
- Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. shareholders' equity).

Liquidity risk

Liquidity risk represents difficulty encountering the Bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may results in failure in fulfilling obligations related to depositors and meeting lending commitments.

December 31, 2011

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Balances due to Banks	69 727 409	12 063 800	29 798 231	--	--	111 589 440
Customer's deposits	29 286 029 520	10 979 044 488	6 711 698 346	6 350 777 432	183 371 790	53 510 921 576
Other loans	--	57 564 723	--	--	58 793 859	116 358 582
subordinated loans	15 074 421	--	--	874 614 841	--	889 689 262
Total financial liabilities	29 370 831 350	11 048 673 011	6 741 496 577	7 225 392 273	242 165 649	54 628 558 860

- All balances shown in the table above represent the undiscounted cash flows, therefore, it is not possible to match these figures with the corresponding items in the balance sheet.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

December 31, 2010

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Balances due to Banks	914 199 307	--	30 094 125	--	--	944 293 432
Customer's deposits	28 259 151 376	10 794 200 703	5 658 107 753	6 743 828 532	422 744 178	51 878 032 542
Other loans	--	--	21 316 886	--	58 250 676	79 567 562
Subordinated loans	14 507 121	--	--	856 207 364	--	870 714 485
Total financial liabilities	29 187 857 804	10 794 200 703	5 709 518 764	7 600 035 896	480 994 854	53 772 608 021

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the balance sheet.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with central Banks, balances due from Banks, treasury bills and other governmental notes, and loans and facilities to Banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the Bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

Cash flow derivatives**Derivatives settled on a gross-basis**

The bank is a party to derivative contracts that are settled on a gross-basis, in particular currency forward deals. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining period of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

December 31, 2011						
Maturities for balance sheet items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
<u>Held-for-trading derivatives</u>						
Currency forward deals						
Cash outflows	58 748 471	77 642 444	121 474 231	--	--	257 865 146
Cash inflows	58 739 784	78 935 884	130 333 291	--	--	268 008 959
<u>December 31, 2010</u>						
<u>Held-for-trading derivatives</u>						
Currency forward deals						
Cash outflows	522 822 350	200 729 744	227 019 782	74 003 766	--	1 024 575 642
Cash inflows	513 738 459	200 244 174	235 272 715	74 114 059	--	1 023 369 407

Cash flow for off balance sheet items**December 31, 2011**

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Loan commitments	146 630 786	--	--	146 630 786
Financial guarantees	2 132 828	--	--	2 132 828
Operating lease commitments	36 806 498	114 195 623	46 517 670	197 519 791
Capital commitments resulting from acquisition of fixed assets	148 231 033	--	--	148 231 033
Total	333 801 145	114 195 623	46 517 670	494 514 438

December 31, 2010

Loan commitments	543 649 246	--	--	543 649 246
Financial guarantees	15 990 678	--	--	15 990 678
Operating lease commitments	34 415 702	95 151 779	46 001 696	175 569 177

Capital commitments resulting from acquisition of fixed assets	162 676 282	--	--	162 676 282
Total	756 731 908	95 151 779	46 001 696	897 885 383

(D) Fair value of financial assets and liabilities and sources of fair value

(D/1) Financial instruments measured at fair value

Financial assets classified as held for trading are measured at fair value with changes in fair value recognized in profit or loss and reported in the line item "net trading income" in the income statement. Debt instruments classified as available for sale financial assets are measured at fair with changes in fair value recognized directly in equity and accumulated in the "revaluation reserve for

available for sale investments".

Equity instruments classified as available-for-sale financial assets that are traded in an active market are measured at fair value by reference to quoted market prices prevailing at the reporting date with changes in fair value recognized directly in equity and accumulated in the "revaluation reserve for available for sale investments".

Equity instruments that do not have quoted prices in an active market and whose fair value cannot be measured reliably are stated at cost.

(D/2) Financial instruments not measured at fair value

The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the balance sheet at fair value:

	Carrying amount		Fair value	
	<u>Dec. 31, 2011</u> <u>EGP</u>	<u>Dec. 31, 2010</u> <u>EGP</u>	<u>Dec. 31, 2011</u> <u>EGP</u>	<u>Dec. 31, 2010</u> <u>EGP</u>
Financial assets				
Due from Banks	4 977 305 691	4 724 038 990	4 977 305 691	4 724 038 990
Loans and facilities to costumers	35 099 032 999	31 345 320 461	34 355 583 289	31 041 472 000
Financial investments:				
Equity instruments available for sale	234 100 050	247 169 432	Not determined	Not determined
Held to maturity				
Debt instruments	120 008 160	196 196 247	116 968 048	201 094 090
Mutual fund certificates	15 000 000	10 000 000	16 435 613	12 054 865
Financial liabilities:				
Balances due to Banks	110 261 182	942 375 975	110 261 182	942 375 975
Customer's deposits	51 709 693 141	50 083 624 883	52 231 235 798	48 433 490 000
Other loans	116 358 582	79 567 562	116 358 582	79 567 562
Subordinated loan	844 466 000	812 686 000	844 466 000	812 686 000

It was impracticable to measure the fair value for the remainder financial assets & liabilities at the end of current or prior period.

Due from Banks:

The carrying amount of variable interest rate placements and deposits for one day represents its fair value. For non-interest bearing balances due from banks, the carrying amount represents their fair value. The carrying amount of fixed interest rate deposits represents their fair value since the maturity of these deposits is less than one year.

Loans and facilities to costumers:

Loans and facilities are stated at the balance sheet net of allowance for impairment losses. Fair value for loans and facilities represents the net present value of the expected future cash inflows collected from the loan, discounted using the current market interest rate prevailing at the balance sheet date.

Held to maturity investments:

Held to maturity investments as shown in the preceding table include Egyptian treasury bonds classified as held to maturity investments. It also includes 5% from the total number of NSGB money market fund units at the date of the initial offering which should be held by the bank until maturity of the fund in accordance with the Egyptian law. Fair value of Egyptian treasury bonds classified as held to maturity investments is determined based on their quoted market prices at the balance sheet date. Fair value of NSGB money market fund units is determined based on the redeemable price announced by the bank at the balance sheet date.

Customers' deposits and due to other banks:

The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

Fair value of fixed interest rate deposits and other loans that are not traded in an active market is determined based on net present value of future cash outflows discounted using interest rate for new debts of similar maturities.

(E) Capital management

For capital management purposes, the bank's capital includes total equity as reported in the

balance sheet plus some other non-equity elements that are managed as capital. The bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirements in Egypt.

- Protecting the bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the bank.

- Maintaining a strong capital base to enhance growth of the bank's operations.

Capital adequacy and uses are reviewed by the bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data are submitted and filed with the CBE on a quarterly basis. The CBE requires the bank to comply with the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital. NSGB paid-in capital amounted to EGP 4 032 144 570 at the end of the current year.

- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. NSGB capital adequacy ratio reached 14.81 % at the end of the current year. (December 31, 2010: 15.41%)

The numerator in the capital adequacy ratio comprises the following 2 tiers:

- Tier 1: basic capital which comprises paid-in capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (except for general reserve for banking risks), less: any goodwill previously recognized and any carried forward losses.

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

of available-for-sale investments, held to maturity investments, and investments in subsidiaries and associates.

In calculating the numerator of the capital adequacy

ratio, total value of tier 2 should not exceed total value of tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of tier 1.

Assets are risk weighted at a range of 0 to 150 %. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

	December 31, 2011	December 31, 2010
Capital	EGP	EGP
Tier 1 capital		
Share capital	4 032 144 570	3 665 585 980
General reserve	1 119 846 944	934 905 534
Legal reserve	319 342 975	252 481 583
Other reserves	(22 446 305)	7 208 971
Retained earning *	72 169	7 352 305
Total tier 1 capital	<u>5 448 960 353</u>	<u>4 867 534 373</u>
Tier 2 capital		
The equivalent amount of the loans general provision **	533 589 960	478 295 200
Subordinated loans	337 786 400	487 611 600
45 % of the increase in the fair value above the carrying amount of available for sale investment, held to maturity investments, and investments subsidiaries and associates.	--	63 833 471
Total tier 2 capital	<u>871 376 360</u>	<u>1 029 740 271</u>
Total capital	<u>6 320 336 713</u>	<u>5 897 274 644</u>
Risk weighted assets and contingent liabilities:		
Assets in the balance sheet	37 030 960 191	33 067 588 700
Contingent liabilities	5 656 236 612	5 196 027 317
Total risk weighted assets and contingent liabilities	<u>42 687 196 803</u>	<u>38 263 616 017</u>
Capital adequacy ratio (%)	14.81%	15.41%

* Net of accumulated losses, if any

** Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities

4.Critical accounting judgments and key sources of estimation uncertainty

In the application of the bank's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Impairment of loans and facilities

The bank reviews its loans and facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates

based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b) Impairment of available-for-sale equity investments

Available-for sale equity investments are determined to be impaired when there has been a significant or prolonged decline in the fair value below its cost. The bank considers the decline in fair value as significant, if fair value for an available-for-sale equity instrument has decreased at least by 10% below its cost, while it considers the decline as prolonged if it continued for more than nine months. The determination of whether the decline is significant or prolonged requires judgment. In making this judgment, the bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the investee's financial position or in its operating and financing cash flows, deterioration in the industry or sector performance in which it operates, or when changes in technology occur.

If decline in the fair value lower than cost is deemed to be significant or extended, the bank shall suffer additional loss amounting to 1 671 834 EGP representing transfer of total losses in the fair value of available for sale equity instruments reported in equity to income statement.

c) Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using

valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management's judgment. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

d) Held to maturity investments

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This classification requires personal judgment therefore the bank tests whether there is a genuine intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity except for certain tightly defined circumstances such as if an entity sells an insignificant amount of held-to-maturity investments close to maturity date, all held to maturity investments should be reclassified as available for sale, which will be measured at fair value instead of amortized cost. In addition, the

bank shouldn't classify any investments as held to maturity for two years.

If classification of investments as held to maturity – other than stakes required to be retained by the bank in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding held-to-maturity investments at the end of the current reporting period would have decrease by EGP 3 040 112 to reach the fair value with a corresponding decrease in the available-for-sale valuation reserve within equity.

5. Segmentation analysis

(5/A) Segmental analysis by activity

Segment activity includes operational processes, assets used in offering Banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate:

This includes current account activities, deposits, debit current accounts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individuals:

This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses:

They include other Banking activities such as fund management.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

	Corporate	Investments	Individual	Other businesses	Total
<u>Income and expenses according to segmental activities</u>					
Interest from loans and similar income	4 778 547 938	1 614 693 346	2 383 748 445	(4 357 008 029)	4 419 981 700
Interest expense and similar expenses	(3 789 129 397)	(1 683 143 411)	(1 593 895 783)	4 775 273 867	(2 290 894 724)

Net interest income	<u>989 418 541</u>	<u>(68 450 065)</u>	<u>789 852 662</u>	<u>418 265 838</u>	<u>2 129 086 976</u>
Fees and commissions income	494 091 931	2 515 601	227 626 912	7 715 391	731 949 835
Fee and commissions expense	(3 994 999)	--	(10 272 855)	--	(14 267 854)
Net interest, fees and commissions income	<u>1 479 515 473</u>	<u>(65 934 464)</u>	<u>1 007 206 719</u>	<u>425 981 229</u>	<u>2 846 768 957</u>
Dividend income	--	20 107 174	--	--	20 107 174
Net trading income	--	--	--	141 055 923	141 055 923
Gain on sale of financial investments	--	40 047 523	--	(4 156 738)	35 890 785
Impairment credit (losses)/ reversals	(104 466 876)	--	(33 258 588)	--	(137 725 464)
Administrative expenses	(378 227 195)	(1 282 007)	(645 216 161)	38 467 102	(986 258 261)
Other operating revenues (expenses)	(36 355 703)	(557 089)	(46 012 689)	(56 245 896)	(139 171 377)
Share of profits of associates	--	21 203 955	--	--	21 203 955
Profit before income tax	<u>960 465 699</u>	<u>13 585 092</u>	<u>282 719 281</u>	<u>545 101 620</u>	<u>1 801 871 692</u>
Income tax expenses	(166 446 179)	(2 354 261)	(48 994 507)	(94 464 676)	(312 259 623)
Net profit for current year	<u>794 019 520</u>	<u>11 230 831</u>	<u>233 724 774</u>	<u>450 636 944</u>	<u>1 489 612 069</u>
Net profit for comparative year	<u>904 457 119</u>	<u>(38 615 801)</u>	<u>278 825 693</u>	<u>193 159 006</u>	<u>1 337 826 017</u>
At the end of current year	Corporate	Investments	Individual	Other businesses	Total

Assets and liabilities according to segmental activities

Segment activity assets

Due from Central Bank of Egypt	--	--	--	3 727 157 338	3 727 157 338
Due from banks	--	--	--	4 977 305 691	4 977 305 691
Treasury bills	--	9 899 284 269	--	--	9 899 284 269
Loans to customers	30 157 342 662	--	6 151 306 121	--	36 308 648 783

Allowance for impairment losses, segregated interest and unearned discount on discounted bills	(936 490 418)	--	(273 125 366)	--	(1 209 615 784)
Financial derivatives	10 743 910	--	--	25 460 170	36 204 080
Available-for-sale investments	--	5 431 949 874	--	--	5 431 949 874
Held-to-maturity investments	--	135 008 160	--	--	135 008 160
Investments in associates	--	109 045 689	--	--	109 045 689
Unclassified assets					
Cash	--	--	--	--	1 297 045 266
Intangible assets	--	--	--	--	93 646 164
Other assets	--	--	--	--	762 827 389
Deferred tax assets	--	--	--	--	186 651 969
Fixed assets (net)	--	--	--	--	793 365 638
Total assets	<u>29 231 596 154</u>	<u>15 575 287 992</u>	<u>5 878 180 755</u>	<u>8 729 923 199</u>	<u>62 552 216 903</u>
Segment activity liabilities					
Due to banks	--	--	--	110 261 182	110 261 182
Customers' deposits	31 598 634 455	--	20 111 058 686	--	51 709 693 141
Other loans	--	--	--	116 358 582	116 358 582
Unclassified liabilities					
other liabilities	--	--	--	--	1 425 299 561
Other provisions	--	--	--	--	500 147 151
Current income tax payable	--	--	--	--	349 437 645
Defined benefits liabilities	--	--	--	--	119 598 838
Total liabilities	31 598 634 455	--	20 111 058 686	226 619 764	54 330 796 100
Total equity & Subordinated loan	--	--	--	--	8 221 420 803
At the end of comparative year					
Total assets	<u>26 139 937 121</u>	<u>17 905 505 589</u>	<u>5 295 549 680</u>	<u>8 716 543 333</u>	<u>60 884 860 617</u>
Total liabilities	<u>31 581 563 901</u>	<u>--</u>	<u>18 488 997 084</u>	<u>1 038 101 034</u>	<u>53 450 800 752</u>
Total equity & Subordinated loan	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7 434 059 865</u>

Segmentation analysis(5/B) Segmental analysis by geographic area**Cairo****Income and expenses according to geographical segments**

Interest from loans and similar income	3 087 478 308
--	---------------

Interest expense and similar expenses	(2 402 201 723)
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Net interest income	685 276 585
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Fee and commission income	261 584 450
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Fee and commission expense	(4 652 162)
----------------------------	--------------

Net interest, fees & commissions income	942 208 873
--	--------------------

Dividend income	--
-----------------	----

Net trading income	33 632 935
--------------------	------------

Gain on sale of financial investments	--
---------------------------------------	----

Impairment credit (losses)/reversals	(32 464 407)
--------------------------------------	---------------

Administrative expenses	(300 741 076)
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Other operating revenues (expenses)	(39 299 173)
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Share on operating income of associated companies	--
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Profit before income tax	603 337 152
---------------------------------	--------------------

Income tax expense	(118 706 619)
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Net profit for current year	484 630 533
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Net profit for comparative year	486 739 116
--	--------------------

Giza	Alex-Delta	Red sea/ Upper Egypt	Head office	Total
2 328 551 278	1 253 867 387	501 810 747	(2 751 726 020)	4 419 981 700
(1 734 014 016)	(923 788 125)	(369 631 673)	3 138 740 813	(2 290 894 724)
594 537 262	330 079 262	132 179 074	387 014 793	2 129 086 976
209 437 963	106 891 568	54 320 441	99 715 413	731 949 835
(4 344 252)	(2 846 413)	(1 682 362)	(742 665)	(14 267 854)
799 630 973	434 124 417	184 817 153	485 987 541	2 846 768 957
--	--	--	20 107 174	20 107 174
24 299 933	17 837 743	6 978 162	58 307 150	141 055 923
--	--	--	35 890 785	35 890 785
(47 555 657)	(31 159 118)	(18 416 483)	(8 129 799)	(137 725 464)
(280 836 092)	(184 007 655)	(108 757 053)	(111 916 385)	(986 258 261)
(19 458 146)	(12 749 244)	(7 535 394)	(60 129 420)	(139 171 377)
--	--	--	21 203 955	21 203 955
476 081 011	224 046 143	57 086 385	441 321 001	1 801 871 692
(114 789 483)	(57 329 474)	(9 008 415)	(12 425 632)	(312 259 623)
361 291 528	166 716 669	48 077 970	428 895 369	1 489 612 069
459 533 360	176 946 202	54 201 679	160 405 660	1 337 826 017

At the end of current year

Assets and liabilities per geographical segments

Assets of geographical segments	Cairo
Cash and due from Central Bank of Egypt	131 481 823
Due from Banks	100 000
Treasury bills	--
Loans to customers	17 978 398 871
Allowance for impairment losses, segregated interest and unearned discount on discounted bills	(395 686 509)
Financial derivatives	881 193
Available-for-sale investments	--
Held-to-maturity investments	--
Investments in associates	--
Other assets	75 795 383
Fixed assets (net)	158 187 575
Unclassified assets	
Intangible assets	--
Deferred tax assets	--
Total assets	17 949 158 336

Liabilities of geographical segments

Due to Banks	31 144 613
Customers' deposits	21 527 098 778
Other loans	2 019 157
Other liabilities	397 307 302

Unclassified liabilities

Other provisions	--
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Segmental analysis is based on the locations of branches through which the bank provides its services.

Giza	Alex-Delta	Red sea/ Upper Egypt	Head office	Total
153 763 689	120 793 291	78 509 826	4 539 653 975	5 024 202 604
--	--	--	4 977 205 691	4 977 305 691
--	--	--	9 899 284 269	9 899 284 269
9 858 713 604	5 584 243 883	2 887 292 425	--	36 308 648 783
(543 401 967)	(134 246 287)	(136 281 021)	--	(1 209 615 784)
--	--	9 862 717	25 460 170	36 204 080
--	--	--	5 431 949 874	5 431 949 874
--	--	--	135 008 160	135 008 160
--	--	--	109 045 689	109 045 689
41 938 865	34 048 835	24 334 345	586 709 962	762 827 390
226 843 523	132 049 390	84 832 485	191 452 665	793 365 638
--	--	--	--	93 646 164
--	--	--	--	190 344 345
9 737 857 714	5 736 889 112	2 948 550 777	25 895 770 455	62 552 216 903
18 908 269	10 645 608	--	49 562 692	110 261 182
17 897 152 255	9 294 326 604	2 905 063 840	86 051 664	51 709 693 141
2 944 890	1 910 224	--	109 484 311	116 358 582
465 373 909	195 827 194	65 641 169	301 149 987	1 425 299 561
--	--	--	--	500 147 151

Current income tax payable	--	--
Defined benefit liabilities	--	--
Total liabilities	21 957 569 850	18 384 379 323
Total equity & subordinated loan	--	--
At the end of the comparative year		
Total assets	16 340 092 387	8 538 986 864
Total liabilities	20 823 502 609	18 045 768 372
Total equity & Subordinated loan	--	--

6- Net interest income

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Interest from loans and similar income:		
Loans and facilities:		
Customers	2 711 393 827	2 280 294 372
	<u>2 711 393 827</u>	<u>2 280 294 372</u>
Treasury bills and bonds	1 614 643 698	1 472 199 560
Deposits and current accounts	61 401 523	82 512 338
Net change in fair value of hedging instruments (IRS)	32 542 652	31 282 100
Total	<u>4 419 981 700</u>	<u>3 866 288 370</u>
Cost of deposits and similar costs		
Deposits and current accounts:		
Banks	(11 100 996)	(4 927 241)
Customers	(2 265 538 325)	(1 950 488 832)
Total	<u>(2 276 639 321)</u>	<u>(1 955 416 073)</u>
Other loans	(14 255 403)	(14 733 321)
Total	<u>(2 290 894 724)</u>	<u>(1 970 149 394)</u>
Net	<u>2 129 086 976</u>	<u>1 896 138 976</u>

--	--	--	349 437 645
--	--	--	119 598 838
9 502 709 630	2 970 705 009	546 248 654	54 330 796 100
--	--	--	8 221 420 803
5 331 368 523	2 346 390 264	28 040 917 910	60 884 860 617
9 135 190 198	3 339 800 859	1 276 269 693	53 450 800 752
--	--	--	7 434 059 865

7-Net income from fees and commissions

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Credit fees and commissions	458 195 902	416 366 623
Custody fees	10 013 267	6 936 884
Investments commissions	27 549 063	33 771 208
Others	236 191 603	240 452 968
Total	<u>731 949 835</u>	<u>697 527 683</u>
Fees and commissions expense:		
Brokerage fees	(1 925 299)	(1 484 613)
Other fees	(12 342 555)	(10 773 758)
Total	<u>(14 267 854)</u>	<u>(12 258 371)</u>
Net	<u>717 681 981</u>	<u>685 269 312</u>

8-Dividend income

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Available for sale investments	20 107 174	20 063 973
Total	<u>20 107 174</u>	<u>20 063 973</u>

9- Net trading income

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
<u>Forex operations:</u>		
Foreign exchange trading gains	121 827 976	130 367 644
Changes in fair value of currency forward contracts	12 221 620	(23 468 467)
Trading debt instruments	7 006 327	28 824 655
Total	<u>141 055 923</u>	<u>135 723 832</u>

10- Administrative expenses

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
<u>Staff cost:</u>		
Salaries and wages	441 991 809	375 618 301
Social insurance	18 088 753	14 956 851
<u>Pension cost:</u>		
Defined contribution schemes	34 621 790	26 862 157
Other retirement benefits (Defined benefit schemes)	32 778 168	20 797 738
	<u>527 480 520</u>	<u>438 235 047</u>
Depreciation and amortization	111 850 851	108 044 102
Other administrative expenses	346 926 890	321 312 046
Total	<u>986 258 261</u>	<u>867 591 195</u>

11- Other operating incomes (expenses)

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss on initial recognition	43 788 732	65 594 090
Gain on sale of fixed assets	868 000	598 173
Programs cost	(18 584 010)	(12 762 061)
Operating lease rental expense	(45 322 502)	(40 496 563)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	2 774 963	388 000
Valuation difference of assets reverted to the Bank in settlement of debts	--	(410 000)
Other provisions (net of reversed amounts)	(127 621 124)	(75 311 167)
Other income (expense)	4 924 564	1 599 094
Total	<u>(139 171 377)</u>	<u>(60 800 434)</u>

12- Credit impairment (loss)/reversal

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Loans and facilities to customers	(137 725 464)	71 305 965
Total	<u>(137 725 464)</u>	<u>71 305 965</u>

13- Income tax expense

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Current tax	(348 815 597)	(351 743 897)
Deferred tax	36 555 974	98 709 628
Total	<u>(312 259 623)</u>	<u>(253 034 269)</u>
Additional data on deferred tax is disclosed in note 30. Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:		
Profit before tax	1 801 871 692	1 590 860 286
Income tax expense calculated at 20 % tax rate	2 000 000	318 172 057
Income tax expense calculated at 25 % tax rate	447 967 923	
Tax impact for:		
Non-taxable income	(45 651 076)	(45 161 792)
Non-deductible expenses for tax purposes	6 773 670	4 641 555
(Deferred tax assets not previously recognized)/ utilization	(33 667 765)	47 162 351
Prior-years' tax differences	1 386 696	--
Tax rate diff. on Egyptian T.Bills and T.bonds	(70 658 329)	--
Provision and segregated interest	40 664 478	(3 193 661)
Changes in accounting standards	--	30 123 387
Effective tax expense	<u>348 815 597</u>	<u>351 743 897</u>

Tax Position**A) NSGB Position:****A-1) Corporate Tax**

The Bank's accounts were tax-examined and settled with respect to Tax since the beginning of activity till the end of 2006.

Years 2007 till 2009 are under inspection by the tax authorities.

For the year 2010 the Bank submitted its tax return on the due date.

A-2) Salaries Taxes

The Bank's books have been inspected, and the due tax was paid until year 2002.

Years 2003 till 2004 have been inspected and the bank received tax claims to which it has objected. An internal committee has not been scheduled yet. Years 2005 till 2006 have been inspected by the tax authorities and waiting for tax claims

Years 2007 till 2009 under inspection by the tax authorities.

A-3) Stamp Tax

The Bank's books have been inspected, and the due tax was paid for all branches until 31/07/2006, where the relevant final tax forms are yet to be received.

Period from 01/08/2006 till 31/12/2009 is still under inspection.

(B)EX-MIBank Position:

B-1) Corporate Tax

The Bank's accounts were tax- examined and

settled since the beginning of activity till the end of 2006.

B-2) Salaries Taxes

The Bank's books have been inspected, and the due tax was paid till end of 2004.

Years 2005 and 2006 have been inspected by the tax authorities and waiting for tax claims.

B-3) Stamp Tax

The Bank's books have been inspected, and the tax due was paid for all branches until 31/07/2006, where the relevant final tax forms are yet to be received.

14- Earnings per share

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	1 489 612 069	1 337 826 017
Remuneration for the Board Members (from the year's net profit)	(1 800 000)	(1 700 000)
Staff profit share (from the year's net profit)	(135 846 887)	(119 214 645)
Profit available to shareholders	<u>1 351 965 182</u>	<u>1 216 911 372</u>
Weighted average number of the shares outstanding during the year	403 214 457	403 214 457
Earnings per share	<u>3.35</u>	<u>3.02</u>

15- Cash and due from Central Bank of Egypt (CBE)

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Cash	1 297 045 266	1 161 844 259
Balances with CBE (mandatory reserve)	3 727 157 338	3 992 504 343
Total	<u>5 024 202 604</u>	<u>5 154 348 602</u>
Interest free balances	5 024 202 604	5 154 348 602
Total	<u>5 024 202 604</u>	<u>5 154 348 602</u>

16- Due from Banks

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts	409 933 090	405 563 700
Deposits	4 567 372 601	4 318 475 290
Total	<u>4 977 305 691</u>	<u>4 724 038 990</u>
Balances at CBE other than those under the mandatory reserve	1 601 147 217	1 613 208 111
Local banks	134 358 379	42 034 209
Foreign banks	3 241 800 095	3 068 796 670
Total	<u>4 977 305 691</u>	<u>4 724 038 990</u>
Interest free balances	141 939 776	145 396 677
Balances at floating interest rates	268 093 314	264 652 323
Balances at fixed interest rates	4 567 272 601	4 313 989 990
Total	<u>4 977 305 691</u>	<u>4 724 038 990</u>
Current balances	4 977 305 691	4 724 038 990
Total	<u>4 977 305 691</u>	<u>4 724 038 990</u>

17- Treasury bills

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2011</u>
	<u>EGP</u>	<u>EGP</u>
91 days maturity	2 098 275 000	786 625 000
182 days maturity	3 055 875 000	5 939 275 000
More than 182 days maturity	5 209 780 780	5 947 625 000
	<u>10 363 930 780</u>	<u>12 673 525 000</u>
Less : Unearned interest	(464 646 511)	(324 832 297)
Net	<u>9 899 284 269</u>	<u>12 348 692 703</u>

18- Loans and facilities to costumers (net of impairment)

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Individuals		
Debit current accounts	713 947 355	761 816 529
Credit cards	207 872 620	169 148 929
Personal loans	5 099 006 895	4 501 460 404
Real estate loans	130 479 251	103 056 026
Total (1)	<u>6 151 306 121</u>	<u>5 535 481 888</u>
Corporate including small loans for businesses		
Debit current accounts	15 887 048 533	14 823 394 716
Direct loans	8 711 179 155	7 237 319 675
Syndicated loans	4 570 598 804	4 231 486 464
Other loans	988 516 170	671 845 750
Total (2)	<u>30 157 342 662</u>	<u>26 964 046 605</u>
Total loans and facilities to customers (1+2)	<u>36 308 648 783</u>	<u>32 499 528 493</u>
Less: Allowance for impairment losses	(1117 443 476)	(1 041 574 828)
Less: segregated interest	(75 698 390)	(94 485 239)
Less: Unearned discount for discounted bills	(16 473 918)	(18 147 965)
Net amount distributed as follows:	<u>35 099 032 999</u>	<u>31 345 320 461</u>

Current balances	19 340 677 684	16 893 870 934
Non-current balances	15 758 355 315	14 451 449 527
Total	35 099 032 999	31 345 320 461

18-A Allowance for impairment losses

Dec. 31, 2011

		<u>Individuals</u>	
	Specific provision	Collective provision	Total
Balance at the beginning of the year	180 026 489	59 710 127	239 736 616
Impairment loss recognized during the year	59 005 811	--	59 005 811
Reversal of impairment losses	--	(25 747 223)	(25 747 223)
Loans written-off	(65 430)	--	(65 430)
Balance at end of the year	<u>238 966 870</u>	<u>33 962 904</u>	<u>272 929 774</u>

Corporate

	Specific provision	Collective provision	Total
Balance at the beginning of the year	677 367 631	124 470 581	801 838 212
Impairment loss recognized during the year	22 516 558	81 950 318	104 466 876
Loans written-off	(65 994 715)	--	(65 994 715)
Collections of loans previously written-off	--	454 637	454 637
Foreign exchange translation differences	409 566	3 339 126	3 748 692

Balance at end of the year	<u>634 299 040</u>	<u>210 214 662</u>	<u>844 513 702</u>
Total	<u>873 265 910</u>	<u>244 177 566</u>	<u>1 117 443 476</u>

Dec. 31, 2010

	Individuals		
	Specific provision	Collective provision	Total
Balance at the beginning of the year	161 164 784	37 498 777	198 663 561
Impairment loss recognized during the year	18 861 705	22 211 350	41 073 055
Balance at end of the year	<u>180 026 489</u>	<u>59 710 127</u>	<u>239 736 616</u>

	Corporate		
	Specific provision	Collective provision	Total
Balance at the beginning of the year	878 942 421	147 797 658	1 026 740 079
Reversal of impairment losses	(75 839 675)	(36 539 345)	(112 379 020)
Loans written-off	(126 351 865)	--	(126 351 865)
Collections of loans previously written-off	--	8 266 828	8 266 828
Foreign exchange translation differences	616 750	4 945 440	5 562 190
Balance at the end of the year	<u>677 367 631</u>	<u>124 470 581</u>	<u>801 838 212</u>
Total	<u>857 394 120</u>	<u>184 180 708</u>	<u>1 041 574 828</u>

19- Financial Derivatives

		Dec. 31, 2011	
(A) <u>Held-for-trading</u>	Notional	Assets	Liabilities
Forward foreign exchange contracts	257 865 146	9 128 021	--
Interest rate swap contracts	1 954 704 653	13 652 058	--
Total		22 780 079	--
(B) <u>Fair value hedges</u>			
Interest rate swap contracts	1 383 609 280	2 822 823	--
(C) <u>Cash flow hedges</u>			
Interest rate swap contracts	331 754 500	10 601 178	--
Total		36 204 080	--
		Dec. 31, 2010	
(A) <u>Held-for-trading</u>	Amount	Assets	Liabilities
Forward foreign exchange contracts	1 024 575 642	--	3 093 599
Interest rate swaps contracts	919 204 753	26 301 153	--
Total		26 301 153	3 093 599
(B) <u>Fair value hedges</u>			
Interest rate swaps contracts	1 577 380 844	5 896 354	--
(C) <u>Cash flow hedges</u>			
Interest rate swap contracts	319 269 500	2 499 927	--
Total		34 697 434	3 093 599

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the

bank assesses counterparties to the contract in the same manner used in lending activities.

Fair value hedge

The bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer's deposits in foreign currencies to the extent caused by declining market interest rates.

Net derivative assets resulting from these swap contracts have a fair value of EGP 2 822 823 as of December 31, 2011 (December 31, 2010 net assets of EGP 5 896 354).

Cash Flow Hedge

The bank uses interest rate swap contracts to hedge part of its risk to fluctuations in cash flows associated with its loans to customers.

The fair value for swaps represents net assets by EGP 10 601 178 as of December 31, 2011 (December 31, 2010: assets of EGP 2 499 927).

20- Financial investments

Available for sale investments

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
(A) Debt instruments at fair value		
Listed instruments	2 753 404 937	3 529 817 689
Unlisted instruments	2 278 749 175	1 291 530 224
(B) Equity instruments at fair value		
Listed instruments	47 218 080	77 713 090
Unlisted instruments	118 477 632	169 688 770
(C) Equity Instruments at Cost		
Unlisted Instruments	234 100 050	247 169 432
Total available for sale investments (1)	5 431 949 874	5 315 919 205

Held to maturity investments

(A) Debt instruments		
Listed instruments	120 008 160	196 196 247
Unlisted instruments	--	--
(B) Money Market Funds		
Listed instruments	--	--
Unlisted instruments *	15 000 000	10 000 000

Total held to maturity investments (2)	135 008 160	206 196 247
Total financial investments (1+2)	5 566 958 034	5 522 115 452
Current balances	1 052 976 941	886 028 407
Non-current balances	4 513 981 093	4 636 087 045
Total	5 566 958 034	5 522 115 452
Fixed interest debt instruments	5 152 162 272	5 017 544 160
Variable interest debt instruments	--	--
Total	5 152 162 272	5 017 544 160

The following table analyzes movement on financial investments during the year:

	Available for sale investments	Held to maturity investments
Balance at the beginning of the current year	5 315 919 205	206 196 247
Additions	2 648 875 943	5 000 000
Amortization of premium / discount	(24 025 321)	(424 087)
Disposals (sale/redemption)	(2 382 160 415)	(75 764 000)
Translation differences resulting from monetary foreign currency assets	5 332 952	--
Changes in fair value	(130 016 507)	--
Allowance for impairment loss	(1 975 983)	--
Balance at the end of the current year	5 431 949 874	135 008 160

The following table analyzes movement on financial investments during the comparative year :

Balance at the beginning of the comparative year	5 406 309 223	201 666 897
---	---------------	-------------

Additions	1 702 028 683	5 000 000
Amortization of premium / discount	(12 130 836)	(470 650)
Disposals (sale/redemption)	(2 000 260 039)	--
Transfers	119 978 377	--
Translation differences resulting from monetary foreign currency assets	75 406 358	--
Changes in fair value	24 587 439	--
Allowance for impairment loss	--	--
Balance at the end of the comparative year	<u><u>5 315 919 205</u></u>	<u><u>206 196 247</u></u>

Gain from financial investments	Dec. 31, 2011	Dec. 31, 2010
Gain on derecognition of investments available for sale	9 209 159	--
Gain on sale of available for sale assets	28 657 609	65 987 069
Impairment loss of available for sale equity instruments	(1 975 983)	--
	<u><u>35 890 785</u></u>	<u><u>65 987 069</u></u>

The bank's equity instruments classified in the held-to-maturity category represent NSGB subscribed stake at 5% from the total certificates' number of its first money market fund (Themar) upon its initial offering, in addition to NSGB subscribed stake at 20% from the total certificates' number of its second money market fund (Tawazon), in addition to the 20% from the total certificates' number of its third money market fund (Tadawol) upon its initial offering. All stakes required to be retained by the bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

21- Investments in associates

The following table summarizes the bank's holdings in its associates:

Dec. 31, 2011	Country of residence	Investee's assets EGP	Investee's liabilities (excluding equity) EGP
Sogelease Egypt Company	Egypt	1 781 783 106	1 591 962 172
NSGB Life Insurance Company	Egypt	474 344 104	360 999 879
ALD Automotive	Egypt	90 284 000	73 535 000
Senouhi Company for Construction Materials	Egypt	14 110 947	2 471 127
Total		<u>2 360 522 157</u>	<u>2 028 968 178</u>

At December 31, 2011, the Bank owned 12.5% of ALD (31 December 2010: 12.5%). Although the Bank holds less than 20% of the ownership interest and voting control in ALD, the Bank has the ability to exercise significant influence through:

- Its Participation in policy-making processes, including participation in decisions about dividends or other distributions.
- Material transactions between the Bank and ALD Automotive Co.
- The bank share 's in Servinil was transferred to other assets as company was under liquidation as per General Assembly Instruction in 30-06-2011

Dec. 31, 2010	Country of residence	Investee's assets EGP	Investee's liabilities (excluding equity) EGP
Sogelease Egypt Company	Egypt	2 492 234 026	2 337 121 452
NSGB Life Insurance Company	Egypt	352 217 064	263 504 049
ALD Automotive	Egypt	108 832 000	89 177 000
Senouhi Company for Construction Materials	Egypt	15 567 909	2 635 119
Servinil *	Egypt	--	--
Total		<u>2 968 850 999</u>	<u>2 692 437 620</u>

* The table above does not provide disclosure details on the bank's investment in its associate in Servinil Co. amounting to EGP 500 000 as there was no operations for the company.

Investee's revenues	Investee's profit (loss)	Carrying amount	NSGB stake
EGP	EGP	EGP	%
595 107 782	29 191 251	75 928 374	%40
19 012 548	12 258 734	28 336 056	%25
36 793 000	(2 906 000)	2 093 625	%12.5
9 167 830	(134 515)	2 687 634	%23.09
<u>660 081 160</u>	<u>38 409 470</u>	<u>109 045 689</u>	

Investee's revenues	Investee's profit (loss)	Carrying amount	NSGB stake
EGP	EGP	EGP	%
540 827 744	16 509 040	62 045 029	%40
23 961 660	13 345 341	22 178 254	%25
43 855 000	(2 168 000)	2 456 875	%12.5
11 673 656	774 730	2 986 182	%23.09
--	--	500 000	%25
<u>620 318 060</u>	<u>28 461 111</u>	<u>90 166 340</u>	

22- Intangible assets

	Dec. 31,2011	Dec. 31, 2010
	EGP	EGP
Software		
Net book value at the beginning of the year	105 334 201	119 972 318
Additions	11 005 055	8 081 924
Amortization	(22 693 092)	(22 720 041)
Net book value at the end of the year	<u>93 646 164</u>	<u>105 334 201</u>

23- Other assets

	Dec. 31,2011	Dec. 31, 2010
	EGP	EGP
Accrued revenues	318 324 999	284 270 955
Pre-paid expenses	24 136 244	24 611 178
Advance payments under the purchase of fixed assets	145 058 797	102 955 334
Foreclosed assets reverted to the bank in settlement of debts	38 711 902	42 924 097
Deposits held with others and custody	3 161 036	2 890 849
Advanced payment to tax authority	204 435 726	168 353 965
Others	28 998 686	52 292 115
Total	<u>762 827 390</u>	<u>678 298 493</u>

24- Fixed assets

	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
	EGP	EGP	EGP	EGP	
01/01/2010					
Cost	675 320 706	79 716 139	253 642 104	65 791 725	1 074 470 674
Accumulated depreciation	(161 336 296)	(25 437 692)	(164 321 139)	(37 674 200)	(388 769 327)
Net book value	513 984 410	54 278 447	89 320 965	28 117 525	685 701 347
31/12/2010					
Net book value at the beginning of the year	513 984 410	54 278 447	89 320 965	28 117 525	685 701 347
Additions	69 025 998	7 118 195	16 220 863	7 855 662	100 220 718
Disposals from fixed assets	(393 352)	(447 164)	(175 889)	(17 000)	(1 033 405)
Disposals from accumulated depreciation	(19 116)	469 917	54 121	7 952	512 874
Depreciation for the year	(34 854 755)	(10 161 685)	(33 808 158)	(6 499 463)	(85 324 061)
Net book value	547 743 185	51 257 710	71 611 902	29 464 676	700 077 473
01/01/2011					
Cost	743 953 352	86 387 170	269 687 078	73 630 387	1 173 657 987
Accumulated depreciation	(196 210 167)	(35 129 460)	(198 075 176)	(44 165 711)	(473 580 514)
Net book value	547 743 185	51 257 710	71 611 902	29 464 676	700 077 473
31/12/2011					
Net book value at the beginning of the year	547 743 185	51 257 710	71 611 902	29 464 676	700 077 473
Additions	118 497 151	8 163 061	50 349 840	5 446 306	182 456 358
Disposals from fixed assets	(10 434)	--	--	(84 000)	(94 434)
Disposals from accumulated depreciation	--	--	--	84 000	84 000
Depreciation for the year	(38 831 120)	(11 430 927)	(32 946 736)	(5 948 976)	(89 157 759)
Net book value	627 398 782	47 989 844	89 015 006	28 962 006	793 365 638
Balances at 31/12/2011					
Cost	862 440 069	94 550 231	320 036 918	78 992 693	1 356 019 911
Accumulated depreciation	(235 041 287)	(46 560 387)	(231 021 912)	(50 030 687)	(562 654 273)
Net book value	627 398 782	47 989 844	89 015 006	28 962 006	793 365 638

25- Due to banks

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
Current accounts	68 697 738	64 297 354
Deposits	41 563 444	878 078 621
Total	<u>110 261 182</u>	<u>942 375 975</u>
Central banks	27 939 517	60 848 767
Local banks	23 700 014	359 324 188
Foreign banks	58 621 651	522 203 020
Total	<u>110 261 182</u>	<u>942 375 975</u>
Non-interest bearing balances	32 218 480	3 448 587
Variable interest rate balances	36 479 258	60 848 767
Fixed interest rate balances	41 563 444	878 078 621
Total	<u>110 261 182</u>	<u>942 375 975</u>
Current balances	110 261 182	942 375 975
Total	<u>110 261 182</u>	<u>942 375 975</u>

26- Customers' deposits

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
Demand deposits	11 122 287 216	10 579 719 848
Time deposits and on call accounts	29 124 111 878	28 469 054 867
Term saving certificates	5 992 165 000	5 981 065 000
Savings deposits	3 785 617 998	3 227 851 234
Other deposits *	1 685 511 049	1 825 933 934
Total	<u>51 709 693 141</u>	<u>50 083 624 883</u>
Corporate deposits	31 598 634 455	31 594 627 799
Retail deposits	20 111 058 686	18 488 997 084
Total	<u>51 709 693 141</u>	<u>50 083 624 883</u>
Non-interest bearing balances	12 807 798 265	12 405 653 782
Variable interest rate balances	4 889 528 998	4 875 884 234
Fixed interest rate balances	34 012 365 878	32 802 086 867
Total	<u>51 709 693 141</u>	<u>50 083 624 883</u>
Current balances	44 095 885 280	43 871 304 982
Non-current balances	7 613 807 861	6 212 319 901
Total	<u>51 709 693 141</u>	<u>50 083 624 883</u>

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 390 138 520 as of December 31, 2011 (December 31, 2010 EGP 635 080 742). The fair value of these deposits approximates its carrying amount.

27.A- Other loans

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
Central Bank of Egypt loan	56 583 917	56 061 056
European Investment Bank loan	2 209 942	2 189 619
National Bank of Egypt loan (Ebab & Eco)	57 564 723	16 316 887
Commercial International Bank	--	5 000 000
Total	<u>116 358 582</u>	<u>79 567 562</u>

27.B- The Subordinated loan

Represents a loan from SG Paris acquired on December 27, 2006 for USD 140 000 000 equivalent to EGP 844 466 000 as of December 31, 2011 (equivalent to EGP 812 686 000 as of December 31, 2010). The loan period is 7 years ending on January 27, 2014, interest is payable in arrears at the end of each year at interest rate of 0.9% over LIBOR 12 months.

28- Other liabilities

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
Accrued interest	1 065 946 714	1 113 517 300
Unearned revenues	37 958 581	64 472 052
Accrued expenses	112 764 222	100 957 708
Sundry credit balances	208 630 044	232 922 652
Total	<u>1 425 299 561</u>	<u>1 511 869 712</u>

29- Other provisions

Description	Dec. 31, 2011					
	Balance	Formed	Released	Foreign	Used	Balance
	at the	during	during	currencies	during	at the
	beginning	the year	the year	translation	the	end of
	of the year			differences	year	year
	EGP	EGP	EGP	EGP	EGP	EGP
				+ (-)		
Provision for probable tax claims	170 095 756	70 658 328	--	--	(18 409 914)	222 344 170
Provision for probable legal claims	16 961 138	89 687	--	119 611	(1 144 797)	16 025 639
Provision for contingent liabilities	182 083 441	59 886 477	--	4 710 613	--	246 680 531
Provision for fidelity	11 463 274	686 632	--	446 905	--	1 2 596 811
Provision for other probable claims	2 500 000	--	--	--	--	2 500 000
Provision for staff accrued absence	3 700 000	--	(3 700 000)	--	--	--
Total	386 803 609	131 321 124	(3 700 000)	5 277 129	(19 554 711)	500 147 151

Description	Dec. 31, 2010					
	Balance	Formed	Released	Foreign	Used	Balance
	at the	during	during	currencies	during	at the
	beginning	the	the year	translation	the	end of
	of the year	year		differences	year	year
	EGP	EGP	EGP	EGP	EGP	EGP
				+ (-)		
Provision for probable tax claims	224 162 957	--	--	--	(54 067 201)	170 095 756
Provision for probable legal claims	40 311 710	--	(6 266 522)	430 323	(17 514 373)	16 961 138
Provision for contingent liabilities	105 810 168	74 006 334	--	2 266 939	--	182 083 441
Provision for fidelity	3 510 657	7 571 355	--	381 262	--	11 463 274
Provision for other probable claims	48 610 406	--	--	--	(46 110 406)	2 500 000
Provision for staff accrued absence	3 700 000	--	--	--	--	3 700 000
Total	426 105 898	81 577 689	(6 266 522)	3 078 524	(117 691 980)	386 803 609

30- Deferred income tax

Deferred tax has been calculated on all temporary tax differences using the balance sheet liability method and at a tax rate of 25% for the current financial year. The bank does not offset deferred tax assets and deferred tax liabilities unless the bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

During the current financial year, the provision of income tax law was amended by adding a new bracket for tax rates as determined by article (49/ 1st paragraph) as follow:

First bracket: 20 % tax rate for amounts less than EGP 10 millions.

Second bracket: 25 % tax rate for more than EGP 10 millions.

The carrying amount of deferred tax assets and liabilities was changed as a result of the change in the tax rates followed.

The Bank recognizes in the income statement item "income tax expense" the effect of change in tax rates for all items except for deferred tax that relates to items added or deducted – in the same period or different period – directly in equity, as bank recognizes this change directly in equity.

In case of applying new tax rates on December 31, 2010 figures, net amount of deferred tax assets would have been EGP 227 213 085.

Deferred tax assets and liabilities

Below are the balances and movements of deferred tax assets and liabilities:

Balances of deferred tax assets and liabilities:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Tax impact on temporary differences arising from:				
Fixed assets	--	--	(35 927 752)	(29 801 239)
Goodwill	182 133 626	175 342 203	--	--
Provisions (other than allowance for loan impairment)	98 427 361	61 725 170	--	--
Changes in fair value of available-for-sale investments	--	--	(50 233 257)	(22 251 160)
Effect of changes in accounting policies	--	--	(4 055 633)	(3 244 506)
Deferred tax assets (liabilities)	<u>280 560 987</u>	<u>237 067 373</u>	<u>(90 216 642)</u>	<u>(55 296 905)</u>
Net balance of DTA (DTL)	<u>190 344 345</u>	<u>181 770 468</u>		

Movement of deferred tax assets and liabilities:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Beginning balance	237 067 373	171 695 438	(55 296 905)	(88 944 599)
DT recognized during the year	43 493 614	65 371 935	(34 919 737)	--
DT utilized during the year	--	--	--	33 647 694
Closing balance	<u>280 560 987</u>	<u>237 067 373</u>	<u>(90 216 642)</u>	<u>(55 296 905)</u>

Balances of deferred tax assets (liabilities) recognized directly in equity

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Cumulative change in fair value of available-for-sale investments	(50 233 257)	(22 251 160)
Effect of changes in accounting policies (special reserve)	(3 244 506)	(3 244 506)

31- Retirement benefit obligation

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
<u>Amounts recognized in the statement of financial position:</u>		
Liability for post-retirement medical benefits	119 598 838	91 918 000

Amounts recognized in the income statement:

Post-retirement medical benefits	32 778 168	20 797 738
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Post-retirement medical benefits obligation constitutes of:

Present value of unfunded liabilities	140 782 316	98 676 805
Unrecognized actuarial loss	(21 183 478)	(6 758 805)
	119 598 838	91 918 000

Liability movements during the financial year are shown below:

Beginning balance (beginning of current year)	91 918 000	75 506 000
Current service cost	3 488 262	2 986 205
Interest cost	7 783 269	4 770 204
Actuarial (gains) losses	21 506 637	13 041 329
Benefits paid	(5 097 330)	(4 385 738)
	119 598 838	91 918 000

Amounts recognized in the income statement are shown below:

Current service cost	3 488 262	2 986 205
Interest cost	7 783 269	4 770 204
Net actuarial losses (gain) recognized during the year	21 506 637	13 041 329
	32 778 168	20 797 738

The main actuarial assumptions used by the bank are outlined below:

Discount rate (two plans):

A- NSGB current employees plan	5.00%	6.43%
B- Ex-MIBank retirees plan	4.90%	5.75%

NSGB long term increase in the cost of medical care (on top of inflation)	8.26%	8.26%
---	-------	-------

Ex-MIBank long term increase in the cost of medical care (on top of inflation)	7.50%	7.50%
--	-------	-------

Sensitivities to +1% in discount rate (duration of the plan):

Service cost

DBO

Post-retirement medical benefits - NSGB current employees plan	-26.05%	-22.16%
--	---------	---------

Post-retirement medical benefits - Ex-MIBank retirees plan	--	-14.68%
--	----	---------

Post-retirement medical benefits

Dec. 31, 2011

Dec. 31, 2010

EGP

EGP

Present value of defined benefit obligation	119 598 838	91 918 000
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Effect on defined benefit obligation arising from changes in the schemes underlying assumptions based on historical experience	5 204 122	1 979 348
--	-----------	-----------

32- Paid - in capital

(A) Authorized Capital

The authorized capital amounts to EGP 5 billion.

(B) Issued and Paid in Capital

The issued and subscribed capital on January 1, 2010 amounted to EGP 3 332 350 890, representing 333 235 089 shares with a nominal value of EGP 10 each, of which 207 912 089 shares were paid in Egyptian pound and 125 323 000 shares were

paid in foreign currency. The value of the shares paid in foreign currencies is recorded according to the exchange rates prevailing on the payment date.

On March 25, 2010 the Extra Ordinary General Assembly decided to increase the issued capital amounting EGP 3 332 350 890 by an amount of EGP 333 235 090 through a transfer from the General Reserves to reach EGP 3 665 585 980. The issued capital amounted to EGP 3 665 585

980 on December 31, 2010, representing 366 558 598 shares with a nominal value of 10 EGP each, of which 241 235 598 shares were paid in Egyptian pound and 125.323.000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

On March 28, 2011 the Extra Ordinary General Assembly decided to increase the issued capital by an amount of EGP 366 558 590 through a transfer from the General Reserves to reach EGP 4 032 144 570.

The issued capital amounted to EGP 4 032 144 570 on December 31, 2011, representing 403 214 457 shares with a nominal value of 10 EGP each, of which 277 891 457 shares were paid in Egyptian pound and 125.323.000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

33- Share-Based Payments

Bank of Societe Generale Paris (France), which is the parent of National Societe Generale Bank, has launched new employees share ownership

plan (ESOP) according to the Board of Directors decision in its meeting held on 2 November 2010. It has issued equity-settled share-based payments in Societe Generale Paris' shares in the favor of employees in National Societe General Bank based on specific performance terms:

- 16 shares will be awarded if the Group's Return on Equity (ROE) for 2012 after tax is at least 10%. If this condition is met, the shares will be made available at the end of March 2015.

- 24 shares will be awarded if there is an improvement in customer satisfaction between 2010 and 2013. In the event that this condition is only partially met, a proportion of the shares will nevertheless be allocated. These shares will be made available at the end of March 2016.

- The fair value of the equity instruments determined on the grant date is expensed on an accrual basis and reported in Administrative expenses in the income statements with a corresponding increase in equity according to the bank' evaluation to the number of shares that will be issued.

34- Reserves and retained earnings

(1) Reserves

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
General reserve (a)	1 119 846 944	934 905 534
General banking risk reserve (b)	379 326 526	248 979 161
Legal reserve (c)	319 342 975	252 481 583
Revaluation reserve of available for sale investments (d)	(30 253 449)	136 954 314
Special reserve (e)	173 681 968	173 681 968
Capital reserve	7 807 144	7 208 971
Cash flow risk hedging reserve	8 026 174	1 999 942

Total reserves at the end of the year	<u>1 977 778 282</u>	<u>1 756 211 473</u>
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Reserves movements are as follows:

(a) General reserve

Balance at the beginning of the financial year	934 905 534	650 440 624
Transferred from retained earnings	551 500 000	617 700 000
Transferred to capital increase	(366 558 590)	(333 235 090)
Balance at the end of year	<u>1 119 846 944</u>	<u>934 905 534</u>

(b) General Banking risk reserve

Balance at the beginning of year	248 979 161	102 545 466
Transferred from the year's profit	130 347 365	146 433 695
Balance at the end of year	<u>379 326 526</u>	<u>248 979 161</u>

The CBE regulations require that general Banking risk reserve shall be formed to meet unexpected risks which deducted from the profit distribution account, then to be approved from the GAM when it convene to approve the annual financial statements. Use of this reserve is contingent on CBE approval.

(c) Statutory reserve

Balance at the beginning of year	252 481 583	193 378 687
Transferred from the prior year's profit	66 861 392	59 102 896
Balance at the end of year	<u>319 342 975</u>	<u>252 481 583</u>

According to the provisions of local laws and the bank's statutes, 5 % of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 100 % of the bank's capital.

(d) Revaluation reserve of available for sale investments

Balance at the beginning of year	136 954 314	112 056 875
Net gains (losses) resulting from changes in fair value during the year (Note 20)	(130 016 507)	49 000 507
Deferred tax recognized during the year (Note 30)	(27 982 097)	310 000
Net profit reclassified to income on de-recognition (Note 20)	(9 209 159)	(24 413 068)
Balance at the end of year	<u>(30 253 449)</u>	<u>136 954 314</u>

(e) Special Reserve

The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial period that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year. As the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

Allowance for loans to customers	112 739 320
Contingent liabilities Provision	39 486 484
Amortized cost method using EIR for held to maturity investments	253 607
Amortized cost method using EIR for available for sale investments	393 930
Applying the equity method on investments in associates	26 637 789
Deferred tax (Tax impact on adjustments)	(22 288 030)
Change in fair value of available for sale investments	16 458 868
Total	<u>173 681 968</u>

(2) Retained earnings

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Movements on retained earnings:		
Balance at the beginning of year	1 198 744 627	1 190 641 550
Net profit of the financial year	1 489 612 069	1 337 826 017
Previous year's profit appropriations	(458 198 248)	(416 543 861)
Employees' profit share	(119 814 645)	(87 000 000)
Board of directors' remuneration	(1 700 000)	(1 700 000)
Transferred to capital reserve	(598 173)	(1 242 488)
Transferred to general reserve	(551 500 000)	(617 700 000)
Transferred to the statutory reserve	(66 861 392)	(59 102 896)
Transferred to general Banking risk reserve	(130 347 365)	(146 433 695)
Balance at the end year	<u>1 479 331 872</u>	<u>1 198 744 627</u>

35- Cash and cash equivalents

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

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Cash and balances with central banks	1 297 045 266	1 161 844 259
Due from banks in less than 3 months	4 348 829 741	3 987 335 447
Treasury bills and other governmental notes (91 days)	2 069 476 477	783 156 537
Total	<u>7 715 351 484</u>	<u>5 932 336 243</u>

36- Contingent liabilities and other commitments

(a) Legal claims

Several lawsuits were brought against the bank and are still outstanding as of December 31, 2011. No provision has been formed since it is not probable the bank will incur losses in regard of these lawsuits.

(b) Capital commitments

The Bank is a party to contracts for capital commitments amounting to EGP 148 231 033 as of December 31, 2011 (EGP 162 676 282 in comparative year). These represent commitments by the bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for loans, guarantees and facilities

The Bank's commitments for loans, guarantees and facilities are set out below:

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Loan commitments	146 630 786	543 649 246
Accepted papers	1 126 538 877	727 779 938
L/Gs	12 513 385 006	11 018 604 249
Import L/Cs	1 560 409 696	1 799 212 025
Export L/Cs	267 634 919	279 148 133
Other contingent liabilities (Financial guarantees)	2 132 828	15 990 678
	<u>15 616 732 112</u>	<u>14 384 384 269</u>

(d) Commitments under operating lease contracts

Total minimum rental payments under the irrevocable operating lease contracts are as follows:

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
	<u>EGP</u>	<u>EGP</u>
Not more than one year	36 806 498	34 415 702
More than one year and less than 5 years	114 195 623	95 151 779
More than 5 years	46 517 670	46 001 696
Total	<u>197 519 791</u>	<u>175 569 177</u>

37- Related-party transactions

The bank is a subsidiary of Societe Generale Paris, France (Parent) which owns 77.2% in the bank's ordinary shares whereas the remaining 22.8% are held by other shareholders. A number of transactions have been conducted with related parties in the bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP
Due from banks	155 144 001	166 730 466
Due to banks	28 959 152	520 632 172
Subordinated loan	844 466 000	812 686 000
Bank undertaking	--	13 873 740
Export LCs	77 053 578	47 598 564
LGs for Banks	3 050 481 160	1 733 641 448
Forward currency deals	135 656 231	652 493 303
IRS contracts	3 105 901 256	2 815 855 097

On September 26, 2011, National Societe Generale Bank signed an agreement with Bank of Societe Generale Paris (France), which is the parent, to purchase two credit facilities belonged to specific customers as following:

The customer's commitment of the first credit facility was 35 000 000 USD against paying 34 612 545 USD which was represented the fair value of the facility in that date.

The customer's commitment of the second credit facility was 15 000 000 USD against paying 15 000 000 USD which was represented the fair value of the facility in that date.

(1) Loans and facilities to related parties

	Directors and others key management personnel (and close family members*)		Associates	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP	EGP	EGP
Outstanding loans at the beginning of the financial year	590 977	261 637	1 282 924 453	1 283 732 582
Loans issued during the financial year	516 307	1 001 590	11 311 554 510	3 131 082 719
Loans repayment during the financial year	<u>(754 055)</u>	<u>(672 250)</u>	<u>(11 510 610 878)</u>	<u>(3 131 890 848)</u>
Loans outstanding at the end of the financial year	353 229	590 977	1 083 868 085	1 282 924 453
Interest income on loans	33 809	39 185	101 174 355	90 936 030

* No provisions have been recognized in respect of loan provided to related parties.

**Loans granted to top management members and close family members at end of current year amounted to EGP 353 229 against EGP 590 977 at the end of pervious year, below table illustrate the nature of these loans. The average interest rate on these different types of loans 6.3% (against average interest rate of 8.6 in the comparative year)

Loans and advances to related parties can be analyzed below

Overdrafts - current accounts	45 718	95 645	12 877 406	11 038 059
Cash credit - Staff	245 070	331 297	--	--
Revolving term loan	--	--	979 759 176	1 200 971 624
Visa card	62 441	164 035	734	--
Equipment loans	<u>--</u>	<u>--</u>	<u>91 230 769</u>	<u>70 914 770</u>
Total	353 229	590 977	1 083 868 085	1 282 924 453

Deposits from Related parties

	Directors and others key management personnel (and close family members)		Associates	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP	EGP	EGP
Deposits outstanding at the beginning of the financial year	15 310 559	13 303 809	524 072 655	567 046 207

Deposits placed during the year	80 710 822	90 465 757	13 414 570 497	7 303 112 961
Deposits repaid during the year	(79 474 911)	(88 459 007)	(13 707 801 343)	(7 346 086 513)
Deposits outstanding at the end of the financial year	<u>16 546 470</u>	<u>15 310 559</u>	<u>230 841 809</u>	<u>524 072 655</u>
Interest expense on deposits	745 247	725 229	10 858 914	2 767 252

Deposits from related parties can be analyzed below

Current accounts	391 813	662 687	8 478 690	19 999 407
Saving accounts	275 637	830 701	--	--
Certificates of deposits	6 122 000	6 167 000	--	--
Time deposits	9 757 020	7 650 171	222 363 119	504 073 248
Total	<u>16 546 470</u>	<u>15 310 559</u>	<u>230 841 809</u>	<u>524 072 655</u>

c- Other transactions with related parties

	Directors and others key management personnel (and close family members)		Associates	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	EGP	EGP	EGP	EGP
Fee and commission income	206 059	17 178	1 560 799	1 564 375
Guarantees issued by the Bank	--	--	15 809 594	8 189 933

The above guarantees are issued by the bank against short-term bank borrowings obtained by its associates in the normal course of business.

The above guarantees comprise:

LGs	--	--	38 622	55 853
LCs	--	--	15 770 972	8 134 080
Total	<u>--</u>	<u>--</u>	<u>15 809 594</u>	<u>8 189 933</u>

As per CBE instructions in 23 August 2011, total 20 biggest employee's salaries and benefits' reached EGP 28 772 965 at end of 2011, monthly average EGP 119 887 for current year.

38- NSGB Money Market Funds

■ NSGB 1st Money Market Fund (THEMAR)
NSGB has set up an investment fund under the

name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50 000 certificates worth of EGP 5 Million were subscribed at by NSGB

at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at December 31, 2011 reached 415,018,694 at a total value of EGP 6,303,594,377. NSGB currently holds 830,038 certificates worth of EGP 123,469,275, of which EGP 5 million are classified as held to maturity investments and represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 118,477,632 which represents 2% of the increase in fund's net asset value since initial subscription are classified as available for sale investments.

According to the management agreement and the fund's prospectus, the bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 27,246,756 have been reported in the "fees and commission income" line item in the income statement.

■ NSGB 2nd Balanced Fund (Tawazon)

NSGB has set up an investment fund under the name of NSGB Balanced Fund with Periodic Income (Tawazon) as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by NSGB at that time. Beltone Asset Management is managing this fund. Total number of the outstanding certificates at December 31, 2011 reached 381,456 at a total value of EGP 31,690,144. NSGB currently holds 50,000 certificates worth of EGP 5 million that are classified as held to maturity investments and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and

the fund's prospectus, the bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 286,327 have been reported in the "fees and commission income" line item in the income statement.

■ NSGB 3rd Balanced Fund (Tadawol)

NSGB has set up an investment fund under the name of NSGB Balanced Fund with Periodic accumulated Income (Tadawol) as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates was offered to public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with nominal value of EGP 100, offering has been oversubscribed for a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by NSGB at that time. HC Fund manager Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2011 reached 57,281 at a total value of EGP 5,370,005. NSGB currently holds 50,000 certificates worth of EGP 5 million that are classified as held to maturity investments and represent 20% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 15,980 have been reported in the "fees and commission income" line item in the income statement.

HUMAN RESOURCES



HUMAN RESOURCES

In response to the 2011 circumstances in Egypt and employees' willingness to express their needs and ideas, the management proactively decided to create a new communication channel, named 'NCC Project'.

In order to constructively involve employees and reach a mutual agreement,

Staff Representatives were elected in order to gather all employees' needs and wishes.

All those requests were analyzed within 6 dedicated Working Groups and presented to the Management for decisions. Based on that, concrete actions and changes occurred and contributed to the enhancement of staff awareness and working climate.

The management considers NCC project as an ongoing process, as employee's feedback need to be continuously collected and the newly two-way communication channel must stay open. Therefore, new Representatives elections were organized; it was decided to enlarge the number of representatives to be 30 in order to better cover the whole NSGB Staff, and to be in constant contact with HR and the Top Management.

Becoming a **Business Partner** for the whole staff is the goal of NSGB HR professionals. To achieve that, as "**Strategic Partner**", 3 main axes will be turned into specific actions and behaviors in 2012:

- By focusing to place all employees in the right position according to their competencies and the bank's needs, by enhancing employees

and managers relationships and by proposing optimized packages and conditions, we will be looking forward to be "**Employees Champions**". 'People development' is still one of our main concerns, therefore, specific and adapted training programs are proposed, the scope of "Leadership Model" will be extended to middle management and employees will get more benefit from the new Evaluation tool used across SG Group. A specific attention will also be put on managers such as defining NSGB managerial standards and succession plans of key employees.

- HR is continuously seeking for a better "**Efficiency and HR Quality Service**." To reach this, it's important to continuously improve existing HR tools and processes for a better coverage of employees and manager's needs. In addition to this, all HR policies and procedures will be available for a better staff awareness and HR effectiveness.

- Be the "**Change Agent**" is HR third challenge, through new creative communication channels and tools such as our HR Intranet, all HR visits to staff, special events with top Management. Collecting employees' needs and feedback through various surveys (Employee Group Barometer, Local Surveys) provide HR a good opportunity to always propose changes and become more approachable by the staff.

As a conclusion, "**Leverage On Our Existing Resources**" will be our 2012 HR target, promoting work-life balance, providing a better work environment and sharing the same NSGB culture.

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

Since its establishment, National Societe Generale Bank has maintained its responsibility towards its surrounding community wherever it is present and its employees have continued to set an example in serving their community, which has made the bank a leader in this aspect. National Societe Generale Bank realized the importance of its role in supporting the development process as well as realizing that there is a correlation between the development of society and the success of major institutions. Therefore, the bank naturally created a team of employee volunteers to provide creative and effective initiatives in the following fields:

Healthcare: Supporting the healthcare system by supporting free of charge medical units or by donating medical equipment to public and university hospitals.

Social support: Helping to improve the standard of living for people in need.

Education: Contributing to the development of education throughout Egypt's schools especially in Upper Egypt.

In addition to the bank's keenness to be present in all governorates throughout Egypt to provide high quality banking service and financial consultation, it is also keen to widen its presence on a social level, particularly in Upper Egypt. For instance, the bank donated a number of advanced medical devices to several university and government hospitals in various governorates such as Sohag, Qena, Luxor and Assuit.

But we believe that society needs more than just

donations, therefore, National Societe Generale Bank sponsored major service projects with direct interest to citizens and with an aim to improve the environment, education and health for the largest segment possible, hence the bank supported a number of service projects in various fields including financing the MRI unit at the Heart Center in Aswan, which provides free services in the treatment of heart disease and surgery.

Additionally, the bank, in collaboration with Misr ElKheir Association, contributed to the structuring and furnishing of Misr ElKheir Middle School in Sakltah in Sohag, which aims to support students who've left education. It is worthy to note that the establishment and furnishing of this school was completed using the latest educational tools to enable the teacher to make students the focus of the learning process within the classroom to provide quality education.

NSGB BRANCHES NETWORK



NSGB BRANCHES NETWORK

Head Office 1

Dar Champollion, 5 Champollion St.,
Downtown - 2664 Cairo
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Telex: 93894 NASOG UN
22307 NASOG UN

Head Office 2

54 El - Batal Ahmed Abdel Aziz St.,
Mohandessin - 12411 Giza
Tel: (202)33324100 - Fax: (202)33324478

Dealing Room

Tel: (202)27707510 / 30 / 50
Reuters Dealing Code : NSGE
Reuters Page : NSBG

Cairo Branches:

1. Head Office & Champollion Branch:

5, Champollion St., Downtown,
11111 Cairo
Tel.: (202)27707000
Fax: (202)27707099

2. Talaat Harb Branch:

10, Talaat Harb St., "Evergreen Building",
Downtown - 11511 Cairo
Tel.: (202)27708005 - Fax: (202)27708095

3. Bab El Louk Branch:

6, El Falaky Square, Bab El Louk Downtown
11513 Cairo
Tel.: (202)27919512 / 23
Fax: (202)27919598 / 99

4. Alfy Branch:

14, Alfy, St., Downtown - 11511 Cairo.
Tel.: (202)25970890 - Fax: (202) 25970899

5. Kasr El Nile Branch:

39, Kasr El Nile St., Downtown -
11511 Cairo
Tel.: (202)23994200 - Fax: (202)23994299

6. Manial Branch:

18 Manial St., El Mamalik Square - El Rawdah
11553 Cairo
Tel.: (202)23661200 - Fax: (202)23661299

7. Manial Palace Branch:

78 El Manial St., 11451 Cairo
Tel.: (202)25352200 - Fax: (202)25352299

8. El-Kamel Mohamed Branch:

2, El Kamel Mohamed St., Zamalek - 11561 Cairo
Tel.: (202)27281600 - Fax: (202) 27281699

9. Ahmed Heshmat Branch:

31, Ahmed Heshmat St., Zamalek - 44561 Cairo

Tel.: (202)27281700 - Fax: (202)27281799

10. Shobra Branch:

53 Shobra st., Shobra 11231 Cairo
Tel: (202)25945900 - Fax: (202)25945999

11. Aghakhan Branch:

12th tower - Nile towers - Aghakhan -
11614 Cairo

Tel.: (202)22253000 - Fax: (202)22253099

12. Nile City Branch:

2005 Kornish El Nile, Nile city towers - North
Tower, Ground Floor -
11611 Cairo

Tel.: (202)24619243 - Fax: (202)24619244

13. Opera Branch:

42, Gomhoria St., Opera Square - Downtown -
11511 Cairo

Tel.: (202)23999521 - Fax: (202)23999599

14. El Sayeda Zeinab Branch:

202, Port Said St., El Sayeda Zeinab - 11461
Cairo

Tel.: (202)-23993400 - Fax: (202)23993499

15. Rod El Farag

74, Rod El Farag St., El Sahel, Shobra - 11241
Cairo

Tel.: (202)24291000 - Fax: (202)24291098

16. Kasr El Aini Branch:

5, El Kasr El Aini St., Down Town - 11441 Cairo
Tel.: (202)25352100 - Fax: (202)25352199

17. Mineyet El Sereg Branch:

237, Shobra St., 1 El Ghamrawy St., El Sahel,
Shobra - 11241 Cairo

Tel.: (202)22050575 - Fax: (202)22052454

18. Ramsis - Ghamra Branch:

219 Ramsis st., Cairo
Tel: (202)25971100 - Fax: (202)25971199

19. Teraa Bolakia Branch :

156 Teraa Bolakia St. Shoubra - Cairo
Post Code 11231, Egypt
Tel: (202)22009741

20. Bab El Sheria Branch :

472, Port Said st., Bab El Sheria, 11271 Cairo
Tel: (202) 25891873/4 - Fax: (202) 25891876

21. Faggalla Branch :

39 Kamel Sedky St. Faggalla , El Zaher, 11271
Cairo

Tel.: (202) 25880658 - Fax: (202) 25880673

Heliopolis and Nasr City Branches:

22. Abbasseya Branch:

111 El Abbasseya St., Abbasseya - 11517 Cairo
Tel.: (202)24884000 - Fax: (202)24884099

23. Hadayek El Kobba Branch:

16, Waley El Ahd St., Saray El Hadayek Mall -

11646 Cairo
Tel.: (202)24885700 - Fax: (202)24885799
24. Thawra Branch:
18, El Thawra St., Heliopolis - 11341 Cairo
Tel.: (202) 24136300 / 23 / 30
Fax: (202) 24136349
25. Heliopolis Branch:
7, El- Sayed El Merghany St., Heliopolis - 11361 Cairo
Tel.: (202) 24163700 - Fax: (202) 24163798
26. Mahkama Square Branch:
36, El Hegaz St., Heliopolis - 11351 Cairo
Tel.: (202) 26311700-(202) 26311741
Fax: (202) 26311799
27. Hegaz Branch:
143 - 145, El Hegaz St., Heliopolis-11771 Cairo
Tel.: (202) 26311600 / 97
Fax: (202) 26311698 / 99
28. Triumph Branch:
102, Osman Ebn Affan St., Heliopolis - 11361 Cairo
Tel.: (202) 26311400 - Fax: (202) 26311499
29. New Nozha Branch:
3A, Dr. Mohamed Kamel Hussein St.-11796 Cairo
Tel.: (202) 26253600 - (202) 26253603
Fax: (202) 26253699
30. Nozha Branch:
7, El Hegaz Square - Heliopolis - 11771 Cairo
Tel.: (202) 22410432 - (202) 26390597
Fax: (202) 26326682
31. Safir Square Branch:
60, Abou Bakr El-Sedik - Safir square - 11361 - Heliopolis
Tel.: (202) 26310700 - Fax: (202) 26310799
32. Roxy Branch:
25, El Kobba St., Heliopolis - 11757 Cairo
Tel: (202) 24563600 - Fax: (202) 24563699
33. Merghany Branch:
95D, El-Sayed El-Merghany St., (El Shams Tower) Heliopolis - 11361 Cairo
Tel.: (202) 24164800 - Fax: (202) 24164899
34. City Stars Branch:
City Stars Mall - Omar Ben El-Khatib St., Market Level - Nasr City - 11361 Cairo
Tel.: (202) 24802480 - (202) 24802481
Fax: (202)24802483
35. Sheraton Heliopolis Branch:
5, Khaled Ebn El Walid St., Heliopolis - 11736 Cairo

Tel.: (202) 22667136 - Fax: (202) 22667158
36. Sakr Koreish Branch:
90, Sakr Koreish Building - Masaken Sheraton, Heliopolis 11736 Cairo
Tel.: (202) 26969500 - Fax: (202) 26969599
37. Shorouk City Branch:
Heliopolis Club - Shorouk City - 14811 Cairo
Tel: (202) 26875581 - Fax: (202) 26875582
38. ABB Branch:
7, Dr. Mohamed Kamel Hussein St., New Nozha - ABB Company - 11796 Cairo
Tel.: (202) 26205226 - Fax: (202) 26205227
39. Arab Academy Branch:
Block 1159, Building 1, Mosheir Ahmed Ismail St., Sheraton Heliopolis Buildings Heliopolis - 11736 Cairo
Tel.: (202) 22686751 - Fax: (202) 22686751
40. El Rehab Branch:
Banks Area - Zone B-El Rehab City - 11841 El Rehab City.
Tel.: (202) 26940200 - Fax: (202) 26940299
41. Shams Branch:
48, Farid Semeka St., Heliopolis - 11371 Cairo
Tel.: (202) 26207092 - Fax: (202) 26207093
42. Makram Ebeid Branch:
86, Makram Ebeid St., Nasr City- 11371 Cairo
Tel.: (202) 22767000 - Fax: (202) 22767099
43. Nasr City Branch:
3, Abbas El-Akkad St., Nasr City - 11471 Cairo
Tel.: (202) 24074600 - Fax: (202) 24074699
44. Ard El Golf Branch:
5, Samir Mokhtar St., Heliopolis - 11341 Cairo
Tel.: (202) 24139304 - Fax: (202) 24139399
45. Abbas El Akkad:
20 Abou El Attahia St., Ext. of Abbas El Akkad St. Nasr City -11471 Cairo
Tel.: (202)22769500 - Fax: (202) 22769599
46. Tayaran Branch:
32 Tayaran St., Nasr City - 11709 Cairo
Tel.: (202) 24078100 - Fax: (202) 24078199
47. Hassan Mamoon Branch:
125, Hassan El Mammon St., Zone 6 Nasr City 11391 Cairo
Tel.: (202) 22769000 - Fax: (202) 22769099
48. Sebak Branch:
7 El-Sebak St., Heliopolis - 11351 Cairo
Tel.: (202) 26311200 - Fax: (202) 26311299
49. Obour Branch:
18 Salah Salem St., Heliopolis - 11811 Cairo
Tel.: (202) 24054024 - (202) 24054023 - (202)

24054019

Fax: (202) 24054021

50. Beirut Branch:

22, Beirut St., Heliopolis - 11341 Cairo

Tel.: (202) 24563800 - Fax: (202) 24563897 - (202) 24563898

51. House of Financial Affairs Branch:

Abdel-Aziz El Shenawy St., Nasr City-11371 Cairo

Tel.: (202) 24010496 - (202) 24011067

Fax: (202) 24011952

52. Makrizi Branch

43, El Makrizi St., Roxy, Heliopolis - 11341 Cairo

Tel.: (202) 22570676 - Fax: (202) 22570668

53. El Nasr Road Branch

17, Rabaa Investment Bldg, El Nozha St., Nasr City - 11371 Cairo

Tel.: (202) 24159725

Fax: (202) 24159475

54. Ain Shams Branch:

115, Selim El Awal St., Ain Shams - 11321 Cairo

Tel.: (202) 26311900

Fax: (202) 26311999

55. Helmeyet El Zeitun Branch:

Bait El-Ezz Towers, Ibn El-Hakam Square, Helmeyet El-Zeitun

11321 Cairo

Tel.: (202) 26312000 - (202) 26312098

Fax: (202) 26312099

56. Sind Branch:

81 Joseph Tito St.-Airport Road - New Nozha - 11769 Cairo

Tel.: (202) 26253700 - Fax: (202) 26253799

57. Gisir El Suez:

149 Gisir El-Suez St., - El Nozha - Heliopolis - 11321

Tel.: (202) 26371850 - Fax: (202) 26371859

58. Egypt Air Branch:

Egypt Air bldg - South bldg - Finger 6 - Airport road - Nasr City - 11776

Tel.: (202) 22679517

59. Ahmed Fakhry Branch:

23, Ahmed Fakhry st. - block 126 - El-Hay El-Sades - Nasr City.

Tel: (202) 22739314 - Fax: (202) 22739316

60. Almaza Branch:

103 El Thawra St., Almaza 11341 Cairo

Tel.: (202) 24193681

Fax: (202) 22903668

61. Kasr El-Tahra Branch:

62, tomanbay st- helmyet elzaytoun

Tel.: (202) 245600100

Fax: (202) 245600199

62. Mustafa El Nahas Branch

112 Mustafa El Nahas St. - 6th District - Entrance 2 , Nasr city , 11391 Cairo

Tel.: (202) 26703484 - 26703486 - 26703493

Fax: (202) 26703495

Giza Branches:

63. Gameat El Dowal Branch:

9, Gameat El Dowal Al Arabia St., Mohandessin - 12411 Giza

Tel.: (202) 33003700 - Fax: (202) 33003799

64. El Batal Ahmed Abdel Aziz Branch:

54, El Batal Ahmed Abdel Aziz St., Mohandessin - 12411 Giza

Tel.: (202) 33324100/01 - Fax: (202) 33324199-33324177

65. Lebanon st. Branch:

30, Lebanon St., Mohandessin - 12655 Giza

Tel.: (202) 33000900 - Fax: (202) 33000999

66. Dokki Branch:

64, Mossadak St., Dokki - 12311 Giza

Tel.: (202) 33338900 - Fax: (202) 33338999

67. Messaha Branch:

5, Messaha Square, Dokki - 12311 Giza

Tel.: (202) 33338198 - Fax: (202) 33338199

68. Agouza Branch:

1, Aswan Square, Agouza - 12645 Giza

Tel.: (202) 33000500 - Fax: (202) 33000599

69. Sphinx Branch:

3 Ahmed Orabi St., Mohandessin - 12655 Giza

Tel.: (202) 33002500 - Fax: (202) 33002599

70. Sudan Branch:

168, Sudan St., Mohandessin - 12655 Giza

Tel.: (202) 33007300 - Fax: (202) 33007399

71. Faisal Branch:

179 El Malek Faisal St. - 12944 Giza

Tel.: (202) 33891600 - (202) 33891698

Fax: (202) 33891699

72. King Faisal Branch:

457 King Faisal St. 12111

Tel.: (202) 37891398

Fax: (202) 37891399

73. Haram Branch:

360, El Haram St. - 12555 Giza

Tel.: (202) 35992400 - (202) 35992498

Fax: (202) 35992499

74. AL-Marriotia:

44 Haram ST. - Crystal Palace Mall - Telephone:

(202) 33866002 - Fax: (202) 33866088

75. Nasr El-Din Branch:

426, Pyramids Road, Borg El-Gezira El-Arabia, Haram - 12555 Giza

Tel.: (202) 35674200 - Fax: (202) 35674299

76. Mourad st. Branch

24 mourad st. el giza

Tel. (202)35684865 – 35684869 - 35684871

Fax. (202)35684869

Post. No. 12511 El Giza

77. Giza Branch:

61, Mohamed Bahi El-Din Barakat St.- 12511 Giza

Tel.: (202) 33311100

Fax: (202) 33311184 - 33311199

78. El Nile Branch:

5, Wisa Wasef St., Borg El Riyadh - El Nile - 12511 Giza

Tel.: (202) 35732095 - 35732080

Fax: (202) 35732080

79. Mohi El-Din Abo El Ezz Branch:

72, Mohi El Din Abo El Ezz St., Dokki - 12311 Giza

Tel.: (202) 33321780 - Fax: (202) 33321799

80. Wadi El Nil Branch:

22, Wadi El Nil St., Mohandessin - 12411 Giza

Tel.: (202) 33001900 - Fax: (202) 33001999

81. Mostafa Mahmoud Branch:

2, EL Fawakeh St., Mohandessin - 12411 Giza

Tel.: (202) 33315000

Fax: (202) 33315097- 33315098 - 33315099

82. Galaa Branch:

106, Nile St., Agouza - 12311 Giza

Tel.: (202) 33323300 - 33323400

Fax: (202) 33323399 - 33323499

83. El Bahr El Aazam Branch:

304, El Bahr El Aazam St., El Kawthar Bldg, 12211 Giza

Tel.: (202) 35670700 - Fax: (202) 35670799

84. Kit-Kat Branch:

8, Mohamed Roushdy St., El-Nabawy El

Mohandess Square. Agouza 12311 Giza

Tel.: (202) 33080200 - Fax: (202) 33080299

85. Bolak El-Dakroor Branch:

57, El Sudan Street - Dokki - 12311 Giza

Tel.: (202) 37618708 - 37618738

Fax: (202) 37618747

86. Shehab Branch

8 shehab st. El mohandessine , 2664 Giza

Tel.: (202) 3761873 - Fax: (202) 37617965

Maadi and Mokatam Branches:

87. Mahata Square Branch:

1, El Mahata Square, Sarayat El Maadi - 11728 Cairo

Tel.: (202) 27680000 - 27680098

Fax: (202) 27680098

88. Street 9 Branch:

Corner St., 9 & 79 St., Maadi - 11693 Cairo

Tel.: (202) 27683803 - Fax: (202) 27683899

89. New Maadi Branch:

48, El-Nasr St., New Maadi - 11431 Cairo

Tel.: (202) 27557300 - Fax: (202) 27557399

90. El-Nasr Branch:

Cross-roads of Nasr & El Lasilky St., part 7 block 1, Maadi - 11742 Cairo

Tel.: (202) 27067200 - Fax: (202) 27067299

91. Maadi Degla Branch:

Cross-roads of 218 & 231 St., - 11693 Cairo

Tel.: (202) 25220600 / 20 - Fax: (202) 25220699

92. Mokatam Branch:

Cross roads of 9 and 10 St., El Hadba El Olya - 11585 Cairo

Tel.: (202) 25031800 - Fax: (202) 25031819

93. Wadi Degla Branch:

Wadi Degla Club - Zahraa El Maadi - 11693 Cairo

Tel.: (202) 25195136 - Fax: (202) 25195168

94. Corniche El Maadi Branch:

380, Jawharet El-Maadi Tower, Corniche El-Nile, Maadi - 11728 Cairo

Tel.: (202) 25296400 - Fax: (202) 25296499

95. Kattameya Road Branch:

2, Badr Tower, El Kattameya Road - 11742 Cairo

Tel.: (202) 27557390 - Fax: (202) 27557398

96. New Cairo:

Downtown Mall, 90th street, 5th settlement district, New Cairo.

Tel : (202) 2314 6075/6/7

Fax: (202) 2314 6078

97. Helwan:

13 Moustafa EL maraghy St., Helwan - 11722

Tel.: (202) 25485600 - Fax: (202) 25485699

Alexandria Branches:

98. Roushdy Branch:

240, El Guish Road, Businessmen bldg, Syria St., Corner. - 21311 Alexandria

Tel.: (03) 5419500 - Fax: (03) 5419599

99. Borg El Arab Branch:

New Borg El Arab City - 22511 Alexandria

Tel.: (03) 4630100 - Fax: (03) 4592558

100. Zizinia Branch:

601, El Horeya St. - 21411 Alexandria

Tel.: (03) 5819300 - Fax: (03) 5749093

101. Kafr Abdou Branch:

26 Ismailia Street, Corner of Ismailia Street with St., Giny Street Kafr Abdou, 21311 Alexandria

Tel.: (03) 5419 560 - 5419 567

Fax: (03) 5419596

102. Fawzy Mooaz Branch:

74A Fawzy Mooaz- Saraya Bldg Alexandria

Tel.: (03) 4196700 - Fax- (03) 4196799

103. Semouha Branch:

35, Victor Emanuel St., Semouha - 21615 Alexandria

Tel.: (03) 4195900 - Fax: (03) 4195999

104. Mostafa Kamel Branch:

16, Ibrahim Sherif St., Mostafa Kamel - 21311 Alexandria

Tel.: (03) 5419600 - Fax: (03) 5419699

105. Fouad St. Branch:

39, El Horreya Steel Attarin - 21311 Alexandria
Tel.: (03) 4966860 - Fax: (03) 4966909

106. Sultan Hussein Branch:

47, Sultan Hussein St. - 21521 Alexandria
Tel.: (03) 4883100 - Fax: (03) 4883199

107. Safia Zaghloul Branch:

33, Safia Zaghloul St., 21519 Alexandria
Tel.: (03) 4883000 - Fax: (03) 4883099

108. Miami Branch:

265, Gamal Abdel Nasser St., Miami - 21411 Alexandria
Tel.: (03) 5381000 - Fax: (03) 5381099

109. Montazah Branch:

794 Tanzeem Military Road - El Madndara - El Montazah -

21421 Alexandria

Tel.: (03) 5544483 - Fax: (03) 5544482

110. Alexandria Entrance Branch:

Unit 11, fence of the International Garden, Alexandria Entrance -
21111 Alexandria

Tel.: (03)-3872000 - Fax: (03)-3872099

111. Alex Port Branch:

Unit No. 6, 7 / Investment Bldg / Alex Port -
21534 Alexandria

Tel.: (03)-4833343 - Fax: (03)-4877797

112. Ibrahimeya Branch:

118, Port Said St., Ibrahimeya -
21321 Alexandria

Tel.: (03)-5980400 - Fax: (03)-5980499

113. Loran Branch:

723, Horreya Road, Loran -
21111 Alexandria

Tel.: (03) 5759016 - Fax: (03) 5759052

114. Mansheya Branch:

2, Salah Salem St., El Mansheya -
21351 Alexandria

Tel.: (03) 4881200 - Fax: (03) 4881299

115. Khaled Ebn El Waleed:

631 El Geish st. with Khaled Ebn El Waleed st. -
Miami - Alexandria - Telephone: (02)0123990007
- Postal Code: 21421

116. Glym branch:

78 Abdel Salam Aref st., Glym, Alexandria - Tel.:
(03)5815511 - (03)5815521 - Fax: (03)5815599

117. Agami branch

El-Betash – Gate 8, Agami Star Mall, Alexandria
21221, EGYPT

Tel: (03)4318708 Fax: (03)4318709

6th of October & 10th of Ramadan Branches:**118. 6th of October Branch:**

Industrial Zone 4 - Banks' area - 6th of October
City - 12563 Egypt

Tel.: (202) 38281600/02

Fax: (202) 38281649 - 38281647

119. Dandy Mall Branch:

Kilo 28th, Cairo - Alexandria Desert Road - 14111
Tel.: (202) 35367200 - Fax: (202)35367299

120. 6th of October Residential Area Branch:

El Fath Buildings - Unit # 7, Bldg # B, Block #
23/2, central axis, 12451 6th of October

Tel.: (202) 38274000 - Fax: (202) 38274099

121. 10th of Ramadan Branch:

Banks Area - 10th of Ramadan City - 44637 10th of
Ramadan City

Tel.: (015) 390300

Fax: (015) 378327 - 390398 - 390399

122. 6th of October - Distinguished District Branch:

El-Gamaa Mall - Behind Misr University for
science & Technology - Distinguished District -
6th October - 12451

Tel.: (202) 38351392 - Fax: (202) 38351392

123. Sheikh Zayed Branch:

EL-Mogawra El-Owla, El-Hay El sakany El-Thany
-Building 105- 6th of October governorate.

Tel.: (202)38519707 Fax: (202)38519709

124. Badr City Branch

Block 29, El Mogawra2,
District no.1 in front of Russian Universty, badr
City , 11829 Cairo

Tel.: (202)28647592/3

Fax: (202) 28647594

Delta Branches:**125. Mohafza Square Branch:**

242. El Geish St., Midan El Mohafza, Mansoura -
35511 El Dakahleya

Tel.: (050) 228 0000 - Fax: (050) 228 0099

126. Mansoura Branch:

213, El Gomhoria St., Mansoura - 35511
Mansoura

Tel.: (050) 2280300

Fax: (050) 2280399

127. Tanta Branch:

El Safwa Plaza center tower - Tanta - 31511 El
Gharbeya

Tel.: (040) 338 5600

Fax: (040)338 5699

128. Delta City Mall Branch:

42, El-Geish St., Delta City Mall - Tanta - 31111
Tanta

Tel.: (040) 3385200

Fax: (040) 3385298

129. Damietta Branch:

67, Saad Zaghloul St.,
(Corniche El Nile) - 34111 Damietta

Tel.: (057) 2279912 - 2279917

Fax: (057) 2279902 - 2269948

130. Damietta Port:

Investment Building – Damietta Port – first floor - Damietta

Tel.: (057) 2292405 – (057) 2292406 – Fax: (057) 2292408 –

Postal Code: 34516

131. Mahalla Branch:

22, El Tegara School St., (Shokry El Kawatly Previously), El Mahalla -

31911 Mahalla

Tel.: (040) 2281000 -

Fax: (040) 2281099

132. El Zagazig Branch:

Saad Zaghloul St., El Bahr, Borg Abou Aisha - 44111 El Zagazig

Tel.: (055) 2390000 -Fax: (055) 2390099

133. Damnhour Branch:

19, El Gomhoria St., - In front of Cinema El Nasr - Damnhour

Tel.: (045) 3370900

Fax: (045) 3370999

134. Mit Ghamr:

Port Said St., Abu Aisha tower, Meet Ghamr, Dakahleya - 35611

Tel.: (050)-6930000 - Fax: (050)-6930099

135. Shebeen El Koum:

Gamal Abd El Nasser St., Sharaf Sq, Borg El Kawsar - Shebeen El Koum - 32111

Tel.: 048-2229397 - Fax: 048-2229395

Suez Canal Branches:**136. Portsaid Branch:**

Miami Tower - 23 July St., - Portsaid - 42111 port said

Tel.: (066) 3390100

Fax: (066) 3390198/99

137. Shark El-Tafria Branch:

Shark El-Tafria Port - port said

138. 23 July Branch

58 El Gomhuria St., Safwa class tower - Portsaid

Tel.: (066) 3390300 - (066) 3390398

Fax: (066) 3390399

139. Ismailia Branch:

Panorama El Ismailia Tower, Unit no.1, El Mawkaf El Gedid St., Corner El Eshreen St., & Shebeen El Koom St., Infront Of Courts Center - Ismailia City - 41111 Ismailia.

Tel.: (064) 3269000

Fax: (064) 3269099

140. Suez Branch:

5, El Galaa St. - 43221 Suez

Tel.: (062) 3393300

Fax: (062) 3393399

141. Teda Branch:

the third sector , North west Gulf of suez- Economic Zone , Ain Sokhna , 43511 Suez

Tel.: (062) 371048/9 - (062) 3710490

Fax: (062) 3710491

142. El Ain El Shokna Branch:

KM 46 Suez, Ain El Sokhna, Hurgada Desert Road –Stella Di Mare Resort fence

Tel.: (062) 3393600

Fax: (062) 3393699

Red Sea Branches:**143. Grand Beach Branch:**

Siva Grand Beach Hotel - Elmamsha el syahy – 279 Hurghada

Tel.: 065/3416100

Fax: 065/3416199

144. Hurghada Sheraton Road Branch:

36 El Gabl El Shamaly St. -

84511 Hurghada

Tel.: (065) 3416500

Fax: (065) 3416599

145. El Dahar - Hurghada Branch:

1 Hurghada Stadium shops, El Nasr St., El Dahar - 84511 Hurghada

Tel.: (065) 3562000

Fax: (065) 3562099

146. Hurghada Banks Area - El Khawthar:

Banks Area - Block 8 - Hurghada - Red Sea 84111

Tel.: (065)3418710 – 3418722

Fax: - 065-3418799

Sinai Branches:**147. Neama Center Branch:**

Neama Commercial Center - Neama Bay - 46619 Sharm El Sheikh

Tel.: (069) 3601668

Fax: (069) 3601668

148. Sharm El Sheikh Branch:

Neama Bay Al Salam Road - Opposite Gafy Resort - 46619 Sharm El Sheikh

Tel.: (069) 3622000

Fax: (069) 3622099

149. Hadabet Um Sid Branch:

Commercial Unit No. (4) at the City for aquatic games, entertainment & restaurant and shops at Um Sid / Sharm El Sheikh - 46619 South Sinai

Tel.: (069) 3622090

Fax: (069) 3622095

150. Nabq Bay Branch:

Commercial Unit No. (R1) at the oriental resort,
beside the main entrance to the hotel Nabq /
Sharm El Sheikh - 46619 South Sinai
Tel.: (069) 3622050 - Fax: (069) 3622055

Upper Egypt Branche**151. Assuit Branch:**

2, El Gomhuria St., Al Wataneya Towers - 7111
Assuit

Tel.: (088) 2422500

Fax: (088) 2422599

152. Beni Suef Branch:

16, Port Said St., Takseem El Horreya - Beni Suef
- 62111

Tel.: (082) 4494001

Fax: (082) 4494099

153. Aswan Branch:

Shark El Bandar St., City Center Aswan - Aswan
- 81111

Tel.: (097) 2391000 - Fax: (097) 2391099

154. Fayoum Branch:

10, Horreya St., Bandar Fayoum - Fayoum

Tel.: (084) 6390700 - Fax: (084) 6390799

155. Sohag Branch:

46, Corniche El Nil El Kebly St., Borg El Nil,
Sohag

Tel.: (093) 2380600

Fax : (093) 2380699

156. Luxor Branch

109 Karnak Temple St., Luxor 85111,

Tel.: +(2095) 239 9101

Fax: +(2095) 239 9199

157. Minya Branch

76, Shalaby Section, Sarofiem - Gharb El Minya -
Minya

Tel.: +(2086) 238 6300

Fax: +(2086) 238 6399

Kallubeya:**158. Banha Branch :**

19, Ibn Kamr - Saad Zaghloul St., Banha City

Tel.: 0133806200 - Fax: 0133806299

159. El Obour City Branch:

Shops 34 & 35 outer fence of City Club El Obour
City - 11828.

Tel.: (202)46140300 - Fax:(202)46140399

160. Shobra El-Khaima Branch:

15 of May st.135 Teraa El-Bolakia -Mansheyet El-
Horia - Shobra El-Khaima - Qalubia.

Tel: (202)22261200 - Fax: (202)22261299

NSGB OFFSITE ATM NETWORK



NSGB OFFSITE ATM NETWORK

Downtown:

- Four Seasons -Nile Plaza: *
1089 Corniche El Nil- Garden City
- Novartis Co.:
Sawah St.- Amirya
-Egypt Gas: *
El warak -Kornishe Elnile
-Town Gas:
Kornishe El Nile- El warak
-Misr Petroleum Company: *
El Tawfikeia Ahmed Orabi Sq. Down Town
-Bisco Misr: *
Sawah St.- Amirya
Arab Contractors : *
6th of October street – treat el Ismailia sabekan

Heliopolis and Nasr City:

-Egyptian Airports Co.*
Cairo International Airport
-City stars:
City stars - Second Retail Level- 4th floor food court.
-Petrogas:
Tayran st-Nasr City
-PWtagasco:
3 Anwar El Mofty Str. Nasr City Behind Tibba Mall
-Ministry of Electricity:
Ramses St. Extension, Abasseya Square
-ECG:
El Sefarat District – Nasr City
Egypt Air: *
Airport buildings (9 ATM machines)
Town Gas: *
El Wafaa we el Amal – 10th district
IT Soft : *
Free Zone – Nasr City
Egypt Gas : *
30 el Mofateshin street Alamza

Obour City:

- Moemen Chain:
First industrial zone, behind Souk El-Obour-Obour City
- Pack Line:
First industrial zone, behind Souk El-Obour-Obour City

-Habitat:

El Obour City
- MCV:
Km 24 Cairo- Ismailia desert road
- El Nour Factory:
Industrial Zone- Block 12008
- Abou Ghali Service Center:
Km 28 Cairo- Ismailia desert road

Maadi & Helwan:

-Carrefour Cairo:
Ring Road – Katanmya
-Torah Cement Company:
Misr- Helwan agricultural road
- Link Dot Net :
Misr Helwan agricultural road- Maadi
- La Poire :
El Bassatin Industrial Zone
- Cement Portland:
Kafr El Elw- Helwan
- DSD (Arab Contractors):
Ring Road – Torah

Haram & Giza:

- Eastern Tobacco(3 machines):*
450 El Ahras St.-Giza
-Enjoy:
Kombearah-Imbabah-Giza
-Vacsera:
El Batal Ahmed Abdel Aziz Street
- Eastern Tobacco: *
Tereat El Zomor Street
- Suez Canal Insurance Company:
Mohamed Kamel Morsy Street of El Batal Ahmed

Alexandria:

- Carrefour Alexandria:
Alex. /Cairo desert Road
- Petrochemical Company:
36 Alexandria/ Cairo Desert Road-Amreya-Alexandria
-Alex Portland la farge:
El max om zeghio- Alexandria
-Lord factory:
Ard el sobheya.el Nozha-Alexandria

-Arab Academy *- Miami
 -Arab Academy* - Abu Keir
 Alex Fertilizers: *
 Free Industrial Zone Alex
 -Alexandria National Iron& Steel Company(EZDK): *
 El Dekheila – Alagami
 Eastern Tobacco Co.: *
 91 Suez Canal St.,-Moharram Baik.
 PMS (Petroleum Marine Service): *
 Free Industrial Zone Alex
 El Maamoura for development
 El Maamoura
 Bisco Misr
 El Seyouf – Alexandria
 Town Gas *
 Semouha – Alexandria
 West Delta for Electricity production *
 Sidi Kereir / km 21 – Alexandria
 Amereya Company For Metals
 Merghem / km 21 – Alexandria
 Petrojet *
 Merghem / km 17 – Alexandria
 Orascom / Marrasy *
 In front of Marrasy Village km 155 Alex Matrouh road
 West Delta for Electricity production
 Abou Keir – Alexandria

10th of Ramadan:

- Kandil Industries Factory:
 Plot # 3/6 Industrial Area, Zone 2-10th of Ramadan City
 - Oriental Weavers (3 machines)*
 Industrial Zone
 -Family Nutrition:
 Abdelkawy St.-industrial zone A1
 -ABB: *
 Industrial zone
 -Eipico Co.:
 Industrial City-10th of Ramadan
 -MAC Co. (2 ATMs) *
 Industrial Zone B1-10th of Ramadan
 - MAC Co. (1 ATM) *
 Industrial Zone B3-10th of Ramadan
 - Egyptian Company for Pestered Concrete
 1st Industrial Zone block A1-10th of Ramadan
 - Swiss Company for ready made clothes
 3rd Industrial Zone block A1-10th of Ramadan

Best Cheese
 2nd Industrial Zone - 10th of Ramadan
 MEMCO
 Industrial Zone B1 - 10th of Ramadan
 Delta Pharma
 Industrial Zone B4 - 10th of Ramadan
 KCG Textiles
 Industrial Zone A 6 - 10th of Ramadan
 Cadbury
 Second Industrial Zone - 10th of Ramadan
 Ceramica Cleopatra (2 machines)*
 First Industrial Zone - 10th of Ramadan
 Fresh Electric for Home appliances
 Industrial Zone B4 - 10th of Ramadan

6th of October:

-Flora:
 2nd industrial zone – 6th of October city
 -Misr university:*
 Misr university for science & technology
 -Universal:
 Industrial zone
 -El Rasheedy Al Mezan
 Industrial Zone-6th of October
 -Mobica Company
 Abou Rawash
 -Mobinil Company Smart Village*
 Smart Village
 -Nahdet Misr for printing:
 1st industrial zone – 6th of October city
 -Travco: *
 Entrance of El Sheikh Zaid City
 -Misr Food:
 1st industrial zone
 -Eastern Tobacco:*
 El Wahat Road
 -Inter Cairo
 6 industrial Zone
 -Ghabour Service Center
 Abou Rawash industrial Zone
 -Future Pipe
 First industrial Zone
 -El Bardy for paper industries
 Forth industrial Zone
 -Mall of Arabia
 El Mehwar el Markazi – entrance of October city
 -Electro Star
 First Industrial Zone beside Xerox

-Ceramica Art *

Behind Mercedes Factory – El Matowerin area

Sharm El Sheikh:

-Old Market:

Old market - Sharm elbalad

- C-Club Hotel:

Nabq bay-Sharm El-Sheikh.

- Maritime Hotel:

El Salam Road - Sharm elbalad

-Nubian Village:

Nabq bay-Sharm El-Sheikh

Hurghada:

-Beach El Batros Hotel:

Hurghada – El mamsha El seyahy Road

-Stiegenberger El Daw Hotel:

Hurghada – El mamsha El seyahy Road

-Senzo Mall :

Hurghada

Others:

- Renaissance Cinema:

El Geish Street- Suez

-Delta Fertilizers Company (2 ATMs):

El Mansoura – Talkha

-El Ezz Steel Factory(Sadat City): *

Ezz Steel Manufacturing Co.(main entrance)

-Egyptian Language School:

Ring road – El-Tagamoaa El-Khames – New Cairo City

-Misr Spinning & Weaving Co.:

Mahala

-Takki Showroom:

Hasballa Kafrawy St.,-New Damietta

-Semeramis Hotel El Arish :

El Fatth St.-El Fariq Fouad Zekry-El Areesh City

-Kapci :

Industriel Zone Port Saïd

-MCV (2 Machines) :

NEW Salheya City

-Velocity :

Industrial Zone- Ismailia City

-Embe :

Industrial Zone- Ismailia City

-Nahda University :

Beni Sweif

-Egyptian Fertilizers Company :

End of El Shokhana Road

-Ghabbour :

Km 3 Cairo – Alex agricultural Road.

-Suez Cement Company : *

Km 35 El Ein El Sokhana Road

-Arab Contractors : *

10 6 of October Street- Treat El Ismailia sabekan

-El Ezz Steel Factory(El Ein El Sokhana): *

El Sokhana – Suez desert road

-Ghabbour :

Abou Rawash

-Suez Steel Company :

Industrial Zone Attaka

-Arab Dairy (Panda) : *

Sandabis – Qualyoubeya

-Ceramica Cleopatra (2 Machines) : *

El Ain El Sokhna industrial zone

-Metco for Metal Industries :

Free Zone – Port Said

-La Farge Cement : *

Km 93 Cairo – Sokhna Road

-Hero Food Industries (Vitrac) : *

Terssa – Toukh - Qualyoubeya

-International Company for Food Industries :

Seventh industrial zone – Sadat City

* For payroll clients only

