44 Years of banking services

CONTENTS

1

General View

2

Board of Directors' Report

3

Governance

4

Financial Statements

5

Interconnection with the Bank

First

General View

CHINA
NEPAL
INDIA
BANGLADESH
MYANMAR (BURMA)
THAILAND
VIETNAM
CAMBODIA
SRI LANKA
MALDIVES
SAUDI ARABIA
YEMEN
ETHIOPIA
KENYA
SOMALIA
SEYCHELLES
MADAGASCAR
MAURITIUS
MASCARENE ISLANDS
CHAGOS ARCHIPELAGO
(Bombay) Mumbai
Chennai (Madras)
Vishakhapatnam
Dar es Salaam
Mogadishu
BAY OF BENGAL
WHARTON BASIN
Jakarta
Hong Kong

A Letter
From The Chairman

Esteemed Shareholders,

It is my great pleasure and I am highly honored to have the opportunity of presenting the Annual Report of our Bank for the year 2016 and highlighting our remarkable achievements throughout the entire year. These achievements were attained despite the numerous and extraordinary challenges encountered by the Bank within the framework of the State Economic Reform Plan, which ultimately led to a harsh and extreme impact on the Egyptian banking sector in general.

The following is a brief summary of the most significant international and domestic economic developments and the most prominent key performance indicators of the Bank during the financial year ended as at December 31, 2016.

First: The Global Economy

Upon wrapping up the year 2016 that was attributed by fragile and weak global economic activity level, it is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies.

However, there is a wide dispersion of possible outcomes around the projections of the more advanced markets in the United States and Europe due to the uncertainty surrounding the policy stance of the incoming U.S. administration and its variables ramifications, global political events and their direct impact on the markets like the financial markets disruption caused by the sudden withdrawal of the United Kingdom from the European Union (Brexit).

It is worth mentioning that the Global Output Growth is estimated at about 3 percent for the third quarter of 2016. Among the advanced economies, activity rebounded strongly in the United States and the economy is approaching full employment. Meanwhile, the Global Output Growth remains below potential in a number of other advanced economies, notably in the euro area.

The growth rate in China was a bit stronger than expected, while the activity was weaker than expected in some Latin American countries currently in recession.

Second: The Economy of The Host Country

The year 2016 had been a transitional year , during which the monetary and financial authorities adopted a package of diverse policies and measures within the framework of rebalancing the State Economic Policy to move forward toward a growth booming phase that is gaining more momentum, stability and sustainability coinciding with the completion of the IMF agreement with Egypt, the commencement of implementing structural reforms to mitigate State's General Budget Deficit, increasing the growth rates and attracting investments.

The closing results of the State's General Budget performance for the fiscal year 2015/2016 revealed that the overall deficit of the State's General Budget amounted to 12.5% of the GDP, compared to 11.4% in FY2014/2015. The annual inflation rates maintained having persistent high rates of inflation that reached the rate of 23.3% during the month of December 2016 compared to 11.1% during the month of December 2015. It is noteworthy that Total Public Debt (domestic & foreign) amounted to 89.7% of the GDP at the end of September 2016.

During the period of July-September 2016, the overall Balance Of Payments Surplus amounted to US$ 1.9 billion compared to the overall deficit of US$ 3.7 billion during the same period of the previous fiscal year.

The foreign currency reserve balance at the Central Bank of Egypt (CBE) amounted to US$ 26.4 billion at the end of January 2017 compared to US$ 24.3 billion at the end of the preceding month.

In November 2016, Standard and Poor's (S&P) revised Egypt's sovereign long -term credit outlook from "negative" to "stable" and it stated that Egypt's economy will start recovering in 2018 and 2019.

Third: The Bank

The balanced growth attained by the Bank proves the booming success accomplished in consolidating its high standing in the banking market despite the challenges that have been witnessed in the domestic money markets thanks to the wise and prudent policy adopted by the Management of the Bank that is constantly keen and eager to provide the best finance solutions and seek diverse sources of income.

The Bank is targeting the establishment of a new institutional image in the market and augmenting the growth rates in a manner that reflects its optimistic vision for the future of the Egyptian economy particularly in the light of the framework of the State Economic Reform Plan and the stability of the political conditions.

The bank is also planning to achieve its targets through increasing the portfolio of loans and credit facilities in Egyptian Pound and accomplishing the goal of making the credit portfolio used to finance_small and medium enterprises (SME) in order to reach 20% of the overall credit portfolio by the end of 2019 in addition to increasing the Bank's share of deposits in the market, achieving annual growth rate that is not less than 10% of the total assets, recycling direct investments portfolio and using the state of the art technology to modernize the entire information technology system of the Bank.

Among the most prominent outcomes accomplished by the Bank during the year 2016, the increase of customers' deposits in Egyptian Pound from EGP 1.756 billion to be EGP 21.378 billion and multiplying the annual revenues at a percentage of 101% to amount to US$ 280 million compared to US$ 139 million in the previous year. In addition, the increase in profits before the exchange differences losses of the monetary balances resulting from the liberalization of the exchange rate that was US$ 59.4 million and turned out to be US$ 70.6 million which represents a growth rate of 19%. However, the exchange differences losses of the monetary balances resulting from the liberalization of the exchange rate in November 2016 negatively affected the net profit with an amount of US$ 31.7 million to become US$ 38.9 million.

Taking into account the significance of increasing the capital base of the Bank, a resolution was made to the effect of not having dividends appropriation this year based on the shareholders' desire to expand and strengthen the standing of the Bank in the Egyptian market.

Accordingly, the Management of the Bank reaffirms its strong and sincere commitment to implementing the ambitious expansion strategy to benefit from the advantageous opportunities of growth in the Egyptian market while being supported by the efficiency of its professional team , the shareholders' confidence in their Bank Management and their strong desire to overcome the challenges of the present time and their swift response to the requirements of the future.

Hisham Ramez Abdul Hafez
Chairman of the Board of Directors

Bank's Background

The Arab International Bank was established in 1974 by virtue of an international treaty concluded by the governments of the Arab Republic of Egypt, Libya, Sultanate of Oman, the State of Qatar and the United Arab Emirates. The legal domicile of the Bank is located in Cairo, Egypt. The purpose of this Bank is to carry out all the banking, financial and commercial activities related to the projects of economic development and foreign trade, especially for the interest of the member states, other countries and the Arab countries. The said activities include but not limited to:

1. Accepting time deposits or call deposits and opening accounts for the governments of the Arab countries, non-Arab countries, the organizations, institutions, banks, companies and individuals from the Arab countries and non-Arab countries.
2. Financing the foreign trade operations of the Arab countries through providing credit facilities for the importers, granting finance to the exporters and providing insurance or securing the facilities required for such operations.
3. Organizing the participation in the projects and investment programs that are related to the economic development particularly those of common nature among a number of the Arab countries.
4. Providing long and medium term loans for the purposes of development.
5. Establishing or acquiring companies or participating in any manner with the banks, Arab and foreign companies practicing similar activities and assisting the Bank in achieving its purposes in the Arab or foreign countries.

Within the framework of the endeavors exerted by the Bank to expand its activities and the establishment of new branches in addition to providing all the services to its customers in a manner according to which the Bank can carry out transactions in all currencies including the Egyptian pound along with maintaining all the privileges granted by virtue of the Bank Establishment Treaty whether to the shareholders or the bank customers dealing with it, as the Extraordinary General Assembly meeting of the Arab International Bank held on March 22,2012 approved the amendment of some articles of the Bank Establishment Treaty and its statutes, the following are the most significant amendments of which:

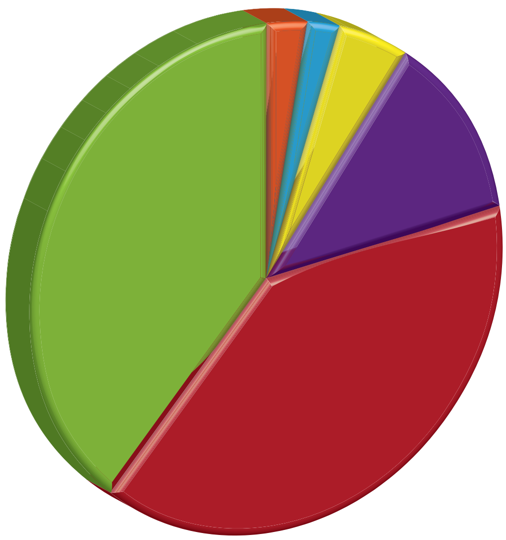
- All transactions undertaken by the Bank shall be conducted in all currencies as specified by the Board of Directors.
- The Bank and its branches are not subject to the laws regulating general organizations or organizations of public utility, public sector companies and joint stock companies in Member States where the Bank or its branches operate.
- In a manner that is not in conflict with the above mentioned and with the rest of Bank Establishment Treaty, this Bank is subjected to the supervision of the Central Bank according to the law of Central Bank, the law of Banking and Monetary System in the headquarters hosting country in addition to exercising control by the other central banks over the branches of the Bank of the member states that participated in the Establishment Treaty of the Bank according to the applicable provisions of the laws regulating the banks and credit facilities of the member states .

It has been taken to activate this amendment procedures as of April 2015.


CREDIT FONCIER EGYPTIEN

The Shareholders

Central Bank of Egypt on behalf of Arab Republic of Egypt	38.760 %
Libyan Foreign Bank on behalf of Libya	38.760 %
Abu Dhabi Investment Authority	12.503 %
Qatar Holding Company on behalf of Qatar State	4.984 %
State General Reserve Fund of the Sultanate of Oman	2.490 %
International Capital Trading Co. (L.L.C)	2.503 %
Total	100 %



Members of the Board of Directors

Mr. Hesham Ramez Abdelhafez	Chairman of the Board of Directors & Managing Director
Mr. Mohamed Ibrahim Abduljawad	Deputy-Chairman of the Board of Directors & Managing Director
Mr. Mohamed Kamal El-Din Barakat	Deputy-Chairman of the Board of Directors & Managing Director
Mr. Gamal Mohamed Negm	Member of the Board of Directors
Mr. ElTaher Amhamad Sarkaz	Member of the Board of Directors
Mr. Mohamed Mohamed Ben Youssef	Member of the Board of Directors
Mr. Ali Salem Mohamed El Hebry	Member of the Board of Directors
Mr. Ahmed Ali Al Hammady	Member of the Board of Directors
Mr. Tarek El Kholy	Member of the Board of Directors
Mr. Hamad Rashed Al Noeimy	Member of the Board of Directors
Mr. Tarek Fayed	Member of the Board of Directors
Mr. Ramy Ahmed Abo Elnaga	Member of the Board of Directors (since 5/5/2016)
Mr. Mostafa Mosbah Adbarah	Member of the Board of Directors (he dies as at 25-11-2016)
Mr. Abd Elfattah Alnaamy	Member of the Board of Directors (since 5/5/2016)
Mr. Khaled Mohamed Elkhaga	Member of the Board of Directors (since 5/5/2016)
Mr. Mohamed Khelfan Alzahery	Member of the Board of Directors (since 5/5/2016)

Adjustments are made to the Board during the year:

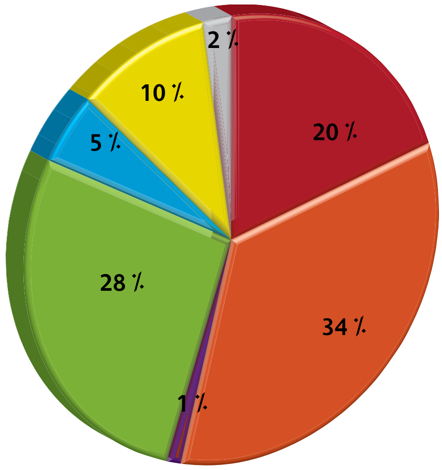
Mr. Abdel Salam Akil Khoury	Member of the Board of Directors(until 5/5/2016)
Mr. Amr Yakhlaf Haggag	Member of the Board of Directors(until 5/5/2016)
Dr. Rania El Mashat	Member of the Board of Directors(until 5/5/2016)
Mr. Hamad Shahwan El Dhaheri	Member of the Board of Directors(until 5/5/2016)

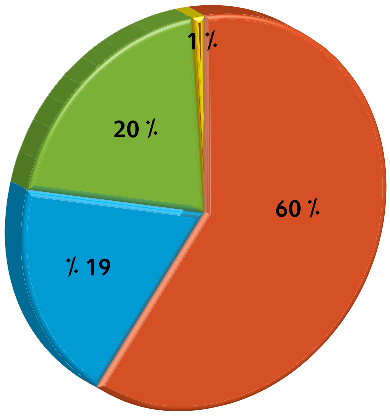
The Most Significant Financial Information & Indications

Description	2016	2015
		(US $ Thousands)
Income Statement Items		
Total operating income	130 841	105 747
Total operating expenses	(44 361)	(38 167)
Profit before provisions	86 480	67 579
Net profit	38 858	59 424
		(US $ Million)
Financial Position Items		
Total assets	4 695	3 543
Cash & Placement with banks & Financial Institutions	921	620
Net loans and advances	1 341	1 439
Treasury bills	1 624	790
Available for sale Investments	35	35
Held to maturity Investments	234	72
Direct investments	453	496
Customers' deposits	2 802	1 944
Shareholders' equity	934	848
Ratio (%) Highlights	%	%
Assets quality		
Total assets growth rate	32.5	12.73
Loans Provision to gross loan	8.15	7.12
Loans Provision to non-performing loans	80.19	74.41
Capital Adequacy		
Total equity growth rate	10.14	5.52
Total equity to total assets	19.88	23.92
Liquidity		
Net loans to total deposits	36.09	54.25
Net loans to total customers' deposits	47.86	74.00
Total Customers' deposits to total deposits	75.41	73.3
Liquid assets to total assets ratio	54.19	39.80
Profitability		
Return on average assets	0.94	1.78
Return to average equity	4.36	7.25
Return to paid in capital	7.40	13.21

(US $ Thousands)

	Assets Breakdown	
20%	Cash & Cash at Banks	920,820
34%	Treasury Bills	1,623,658
1%	Available for Sale Investments	34,710
0%	Trading Portfolio	0
28%	Loans & Advances	1,340,876
5%	Held to Maturity	234,154
10%	Investments in Associates	453,375
2%	Others	87,555
		4,695,148



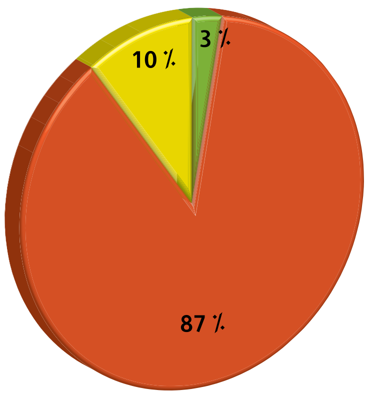


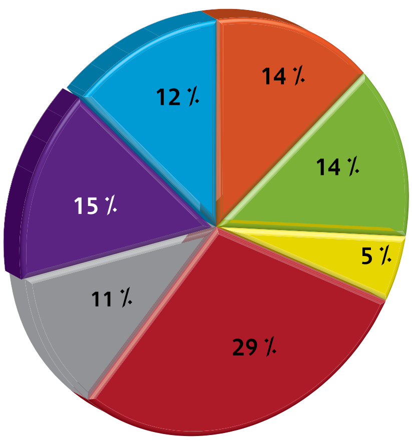
(US $ Thousands)

	Resources Breakdown	
60 %	Customers Deposits	2,801,738
19 %	Banks Deposits	913,441
20 %	Shareholders Equity	933,606
1 %	Others	46,363
		4,695,148

(US $ Thousands)

	Loans & Advances by Type	
3 %	Customers	41,913
87 %	Corporate Finance	1,346,515
10 %	Banks	150,000
		1,538,428



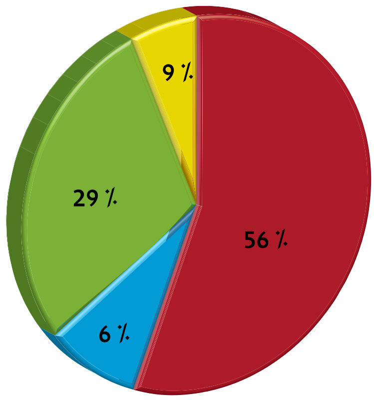


(US $ Thousands)

	Distribution of Net Loans According to Sectors	
14 %	Financials	198,974
14 %	Industrial	197,515
5 %	Commercial	80,010
29 %	Petroleum & Gas	431,068
11 %	Electricity	167,146
15 %	Tourism	223,330
12 %	Others	168,221
		1,466,264

(US $ Thousands)

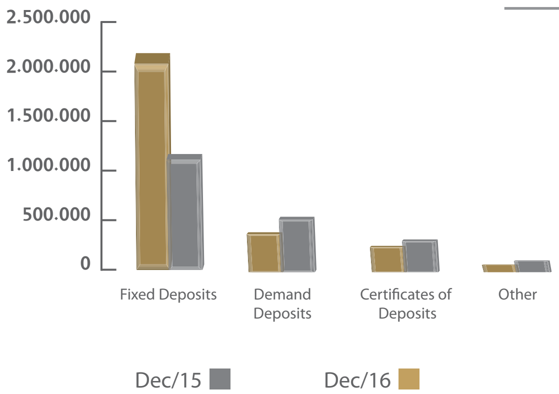
	Associates by Sectors	
56 %	Financial Institutions	253,656
9 %	Tourism	40,002
29 %	Commercials & Industrial	131,850
6 %	Technology & Education	27,867
		453,375



(US $ Thousands)

Customers Deposits

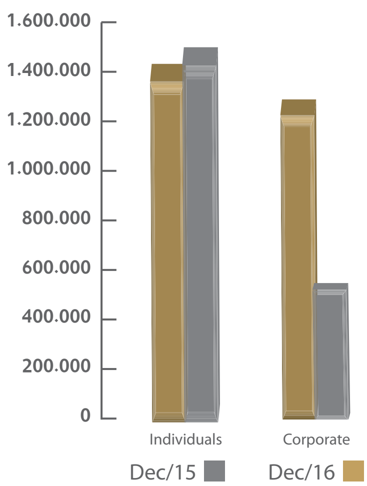
	Dec/16	Dec/15
Fixed Deposits	2,135,708	1,143,163
Demand Deposits	409,788	488,814
Certificates of Deposits	207,608	209,254
Other	48,634	102,665
	2,801,738	1,943,896

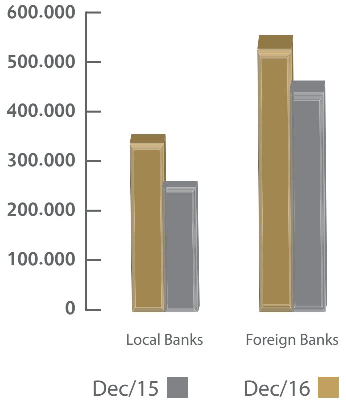


(US $ Thousands)

Distribution of Customers Deposits by Client Type

	Dec/16	Dec/15
Individuals	1,448,638	1,471,218
Corporate	1,353,100	472,678
	2,801,738	1,943,896





(US $ Thousands)

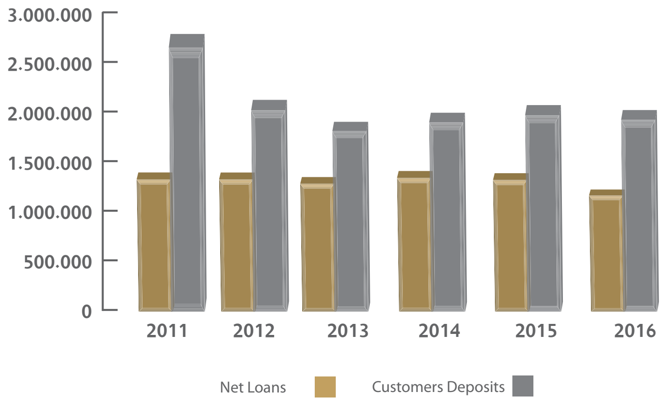
Distribution of Interbanks Deposits by Region

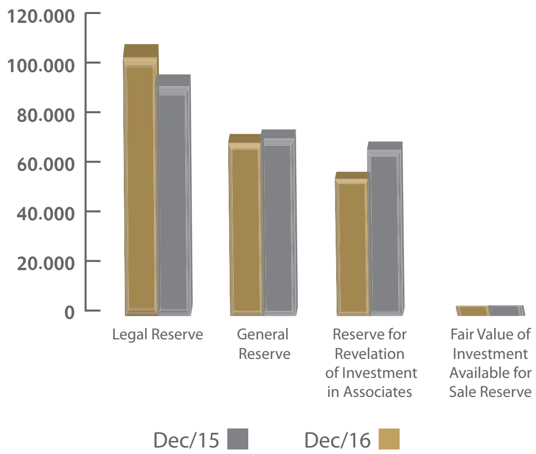
	Dec/16	Dec/15
Local Banks	**357,428**	**217,157**
Foreign Banks	**556,013**	**490,893**
	913,441	**708,050**

(US $ Thousands)

Net Loans versus Customers Deposits

	Customers Deposits	Net Loans
2011	**2.602.956**	**1.363.418**
2012	**1.794.840**	**1.462.405**
2013	**1.760.051**	**1.352.450**
2014	**1.785.901**	**1.348.606**
2015	**1.943.896**	**1.438.551**
2016	**2.801.738**	**1.340.876**





(US $ Thousands)

Reserves Distribution

	Dec/16	Dec/15
Legal Reserve	**113,248**	**107,306**
General Reserve	**73,582**	**73,582**
Reserve for Revelation of Investment in Associates	**52,873**	**72,631**
Fair Value of Investment Available for Sale Reserve	**1,277**	**1,034**
	240,980	**254,553**

Second
Board of Directors' Report


FUTURE

Board Of Directors' Report On The Activities Of The Bank During The Year 2016

First: Financial Position:

The financial statements of the Bank were prepared in conformity with the regulations of preparing and presenting the financial statements of the banks issued by the Central Bank of Egypt (CBE) as at December 16, 2008.

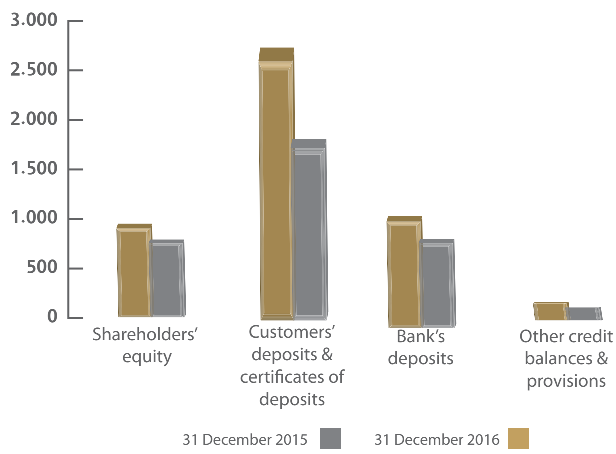
The said financial statements were audited by external auditors in accordance with the above-mentioned regulations and they issued an unqualified opinion (a clean opinion report) to the effect that the financial statements present fairly, in all material respects, the financial position of Arab International Bank as at 31 December 2016, its financial performance and its cash flows for the year then ended.

The Resources:

The total amount of resources as at December 31, 2016 amounted to US$ 4 695 million corresponding to US$ 3 543 million as at December 31, 2015 with an increase of US$ 1 152 million. The following table shows the sources of such resources:

Per Million US$

Resources	31 December 2016		31 December 2015		Change (-)/ +
	Value	%	Value	%	Value
Shareholders' equity	934	19.9	848	23.9	86
Customers' deposits &certificates of deposits	2 802	59.7	1 944	54.9	858
Bank's deposits	913	19.4	708	20.0	205
Other credit balances & provisions	46	1.0	43	1.2	3
Total	4 695	100	3 543	100	1 152



A. Shareholders' Equity

The total shareholders' equity as at December 31, 2016 amounted to US$ 934 million corresponding to US$ 848 million, as at December 31, 2015 at an increase amounting to US$ 86 million .Hereunder is an analysis of the shareholder's equity items as at December 31, 2016 & December 31, 2015:

Per Million US$

Item	31 December 2016	31 December 2015	Change(-)/ +
	Value	Value	Value
Paid- in capital	600	450	150
Reserves	187	181	6
Revaluation differences of financial investments available for sale	1	1	-
Change in equity of associates	53	73	(20)
Retained earnings	54	84	(30)
Net profit of the year	39	59	(20)
Total	934	848	86

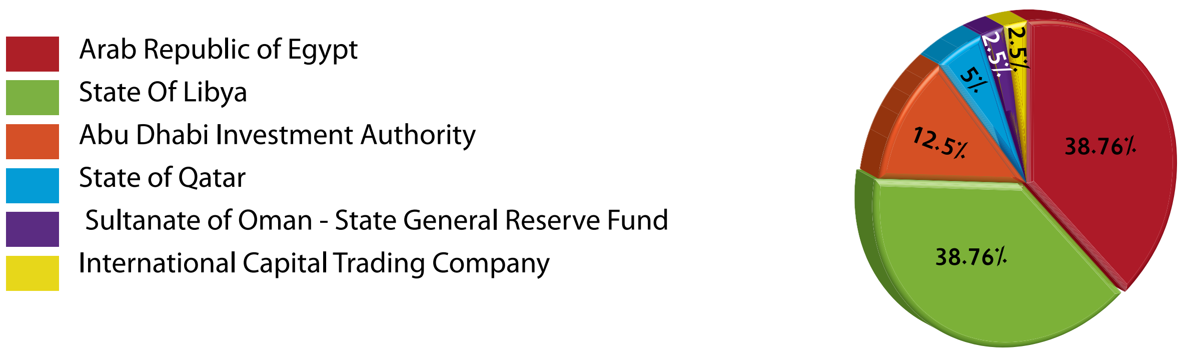
(A/1) Capital

The Ordinary General Assembly meeting of the Bank was held on May 14, 2009 and approved increasing the capital from US$ 300 million to US$ 600 million through the issuance of 15 thousand ordinary shares, the value of each is US$ 20 thousand and they were entirely subscribed in. On November 3, 2009, the amount of US$ 150 million of the said increase was called up and paid on November 23, 2009 thus, the paid in capital became US$ 450 million.

On March 6, 2016, the Board of Directors of the Bank resolved to call up the second portion of capital that represents the last one of the issued capital increase portion whose value amounted to US$ 150 million as at June 30, 2016 and thus the issued and paid in capital amounted to US$ 600 million as at December 31, 2016 distributed over 30 000 ordinary shares, the value of each is US$ 20 thousand.

The issued & paid in capital is as follows:

	No. of shares	Value of issued shares (per thousand US$)	%
Arab Republic of Egypt	11 628	232 560	38.76
State Of Libya	11 628	232 560	38.76
Abu Dhabi Investment Authority	3 751	75 020	12.5
State of Qatar	1 495	29 900	5.0
Sultanate of Oman - State General Reserve Fund	747	14 940	2.5
International Capital Trading Company	751	15 020	2.5
Total	30 000	600 000	100



The Bank maintained a strong ratio of capital adequacy as at December 31, 2016 equals to 17.63 % while the minimum limit of the requirements of the Central Bank of Egypt is 10.625 % (including the hedge increase) and the minimum limit of the requirements of Basel Accords is 8%.

(A/2) Available For Sale Investments Revaluation Differences

Available for sale investments revaluation differences are represented in the profits gained from revaluation of outstanding available for sale investments amounting to US$ 1 million as at December 31, 2016.

(A/3) Change of Equity in Associates

The reduction in the item of change of equity in associates occurred due to the reduction of equity in SAIB Bank that amounted to US$ 42.9 million during the year 2016. In consequence, the Bank's share in equity of SAIB Bank was reduced with an amount of US$ 19.8 million.

(A/4)Retained Earnings

The retained earnings were reduced by the end of the year 2016 with an amount of US$ 30 million due to the following reasons:

- Retaining the earnings of 2015 after appropriation with the amount of US$ 19.4 million.
- Based on the exceptional resolution taken by the Central Bank of Egypt to float the exchange rates, the recoverable value of some assets of the Bank was negatively affected. As a result of the said exceptional circumstances and in order to enable the financial statements of the Bank to present more fairly its financial position and financial performance during the year 2016, the impairment losses resulting from the floating of the exchange rates were directly charged to the retained earnings during the period from November 3, 2016 to December 31, 2016.

The said impairment losses are represented in the following:

Description	Impairment losses
Impairment losses of investment in associates (Suez Canal Company For Technology)	**35 511**
Impairment losses of investment properties	**8 948**
Impairment losses of assets ownership reverted to the Bank.	**4 861**
Total Impairment losses of assets due to floating of exchange rates	**49 320**

B. Deposits

(B/1)Customers' Deposits & Certificates of Deposits

The customers' deposits & certificates of deposits as at December 31, 2016 amounted to US$ 2 802 million corresponding to US$ 1 944 million as at December 31, 2015 with an increase of US$ 858 million at a rate of increase of 44% as the increase rate in financial organizations and institutions deposits reached 196 % while the decrease in the retail deposits reached the rate of 4% and the decrease in the certificates of deposits reached 1%.
The interest paid in return for customers' deposits as at 31 December 2016 amounted to US$ 154 million corresponding to US$ 25 million as at 31 December 2015 at an average interest rate that reached 5.5 % during the current financial year while corresponding to 1.4 % during the comparative year.

(B/2)Placements from Banks

The Placements from Banks as at December 31, 2016 amounted to US$ 913 million corresponding to US 708 million as at December 31, 2015 with an increase amounting to US$ 205 million at a rate of increase of 29 % when compared to last year.
The interest paid on Placements from Banks as at December 31, 2016 amounted to US$ 27 million at an average interest rate amounted to 3.12 % corresponding to US$ 7.9 million as at December 31, 2015 at an average interest rate of 1.5 %.

C. Other Liabilities

The Total amount of other credit balances as at December 31, 2016 amounted to US$ 39.4 million corresponding to US$ 30.1 million at an increase amounted to US$ 9.3 million. The said increase is attributed to an amount of US$ 7.8 million that represented the increase in interests due to customers and an increase in revenues paid in advance that amounted to US$ 1.5 million.

D. Other Provisions

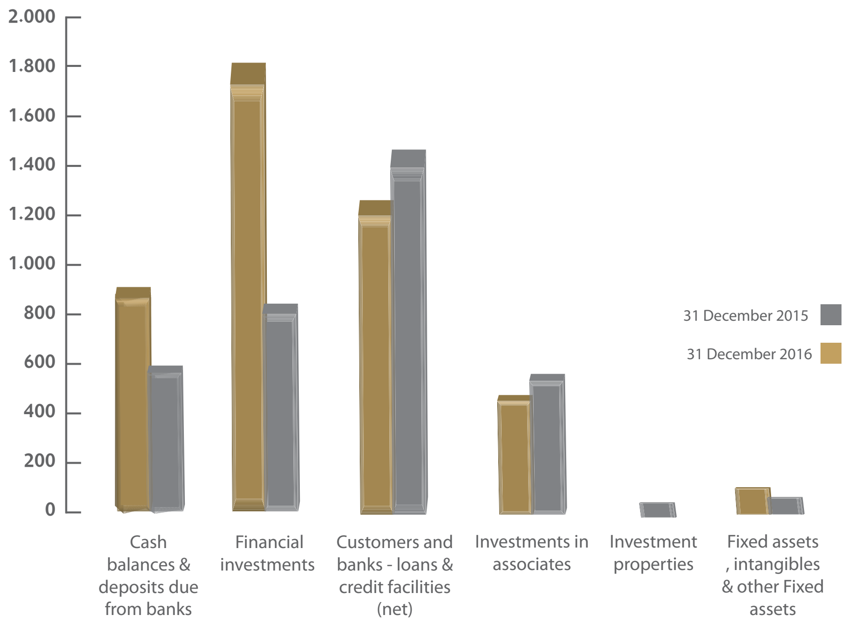
The total other provisions as at December 31, 2016 amounted to US$ 6.9 million corresponding to US$ 13.7 million as at December 31, 2015 with a decrease amounting to US$ 6.8 million. The said decrease is due to increase in the provision of loans and advances with the amount of US$ 2 million that was deducted from the provision of banking operations in addition to transferring the amount of US$ 2.4 million to increase the end of service compensation of the employees alternative pension scheme and increasing the Employees' Fund with the amount of US$ 2.4 million.

(2) Utilizations

- The total utilizations as at December 31, 2016 amounted to US$ 4 695 million corresponding to US$ 3 543 million as at December 31, 2015 at an increase amounted to US$ 1 152 million. Such utilizations were distributed as follows:

Per Million US$

Utilizations	31 December 2016		31 December 2015		Change(-)/ +
	Value	%	Value	%	Value
Cash balances & deposits due from banks	921	19.6	619	17.5	302
Financial investments	1 893	40.3	898	25.3	995
Customers and banks - loans & credit facilities (net)	1 341	28.5	1 439	40.6	(98)
Investments in associates	453	9.7	496	14.0	(43)
Investment properties	-	-	17	0.5	(17)
Fixed assets , intangibles & other assets	87	1.9	74	2.1	13
Total	4 695	100	3 543	100	1 152



A. Cash Balances & Deposits Due From Banks

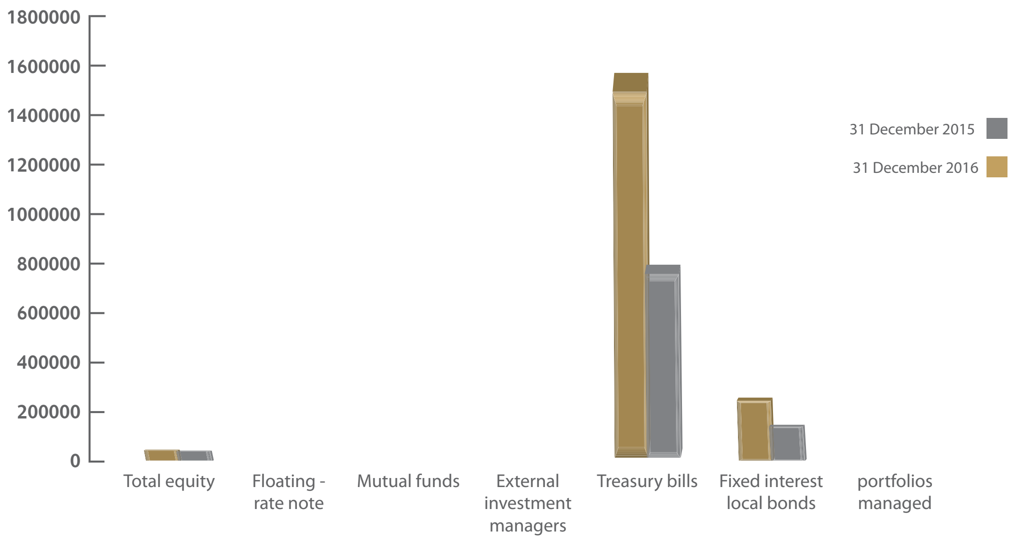
Cash Balances & Deposits Due From Banks as at December 31, 2016 amounted to US$ 921 million corresponding to US$ 619 million as at December 31, 2015 with an increase of US$ 302 million at an increase rate of 49%(including the deposit of an amount equivalent to US$ 81 million that represented balances placed at The Central Bank of Egypt within the percentage of the statutory reserve in EGP) .The percentage of the said balances as at December 31, 2016 amounted to 33 % of the volume of customers' deposits corresponding to 32 % as at December 31, 2015.

B. Financial Investments

The balances of financial investments available for sale, held to maturity and held for trading in addition to treasury bills as at December 31, 2016 amounted to US$ 1893 million corresponding to US$ 898 million as at December 31, 2015 with an increase of US$ 995 million. The value of such investments represents 40 % of the total assets as at December 31, 2016 corresponding to 25 % as at December 31, 2015. The following represents the components of the said investments as at December 31, 2016/ 2015:

Per Thousand US$

Description	Percentage of participation	31 December 2016	31 December 2015	Change (-)/ + Value
Financial Investments Available For Sale				
Participation Percentage Less Than 20%				
A-Equity Instruments Recorded at Cost				
Arab International Company for Hotels and Tourism (AICHT)	17.6	16 400	16 400	-
Société D'Etudes Et Dev. Tunisia	10	1 583	1 583	-
Arab Financial Services – Bahrain (AFS CO)	2.3	704	704	-
**Egyptian Banks Takaful Insurance Co. (for property and liability insurance)	9.5	1 769	1 769	-
The Egyptian Credit Bureau "I-Score"	3.6	288	288	-
International Co. for Multi Investments	10.8	1 532	1 532	-
Arab Trade Financing Program - ATFP	0.11	860	860	-
Miscellaneous	-	6 509	6 541	(32)
Less: impairment provision	-	(6 795)	(6 795)	-
B-Equity Instruments Recorded at Fair Value				
Arab Banking Corporation - Bahrain (Bank ABC)	-	280	322	(42)
Total Equity Instruments of Participation Percentage Less Than %20		23 130	23 204	(74)
Floating – rate notes	-	9 908	9 665	243
Mutual funds	-	1 039	1 823	(784)
External investment managers	-	633	709	(76)
Total investments available for sale		34 710	35 401	(691)
Treasury bills	-	1 623 658	790 422	833 236
Total treasury bills		1 623 658	790 422	833 236
Investments held to maturity				
Fixed interest local bonds	-	234 155	72 440	161 715
Total Investments held to maturity		234 155	72 440	161 715
Total financial investments		1 892 523	898 263	994 260



The investments available for sale are valuated at their fair value and the differences of valuations are recorded in equity under the item of differences of valuations of investments available for sale.

C. Loans & Credit Facilities to Customers and Banks (Net):

The net loans and advances portfolio after deducting the specified and general impairment provisions amounted to US$ 1 341 million as at December 31, 2016 corresponding to US$ 1 439 million as at December 31, 2015 with a decrease amounting to US$ 98 million.
Hereunder is a statement of the loans and credit facilities components as at December 31, 2016/ 2015:

Per Thousand US$

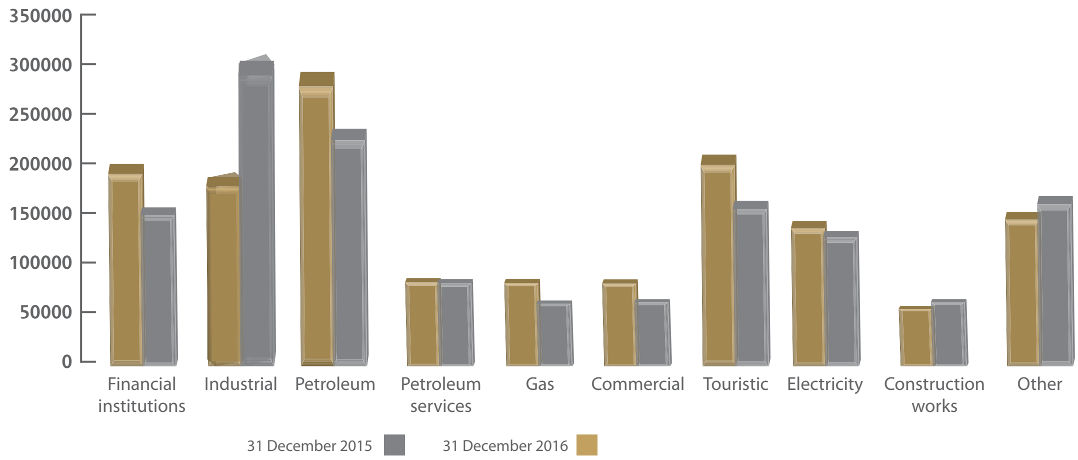
Description	31 December 2016	31 December 2015	Change (-)/ + Value
Loans granted to financial institutions (subordinated loan)	150 000	100 000	50 000
Loans to corporates & firms	1 346 515	1 452 646	(106 131)
Secured loans	41 913	63 953	(22 040)
Total portfolio amount	1 538 428	1 616 599	(78 171)
Less:			
Suspense interests & commissions	(72 164)	(62 942)	(9 222)
Specified impairment provision	(97 365)	(80 930)	(16 435)
General impairment provision	(28 023)	(34 176)	6 153
Total provision, suspense interests & commissions	(197 552)	(178 048)	(19 504)
Net	1 340 876	1 438 551	(97 675)

On December 31, 2016, the non-performing loans portfolio amounted to US$ 156 million corresponding to US$ 155 million during the previous year. The coverage ratio of the general and specified loans and advances impairment provisions to the total credit portfolio (excluding the suspense interests) was 8.5% on December 31, 2016 corresponding to 7.4% on December 31, 2015 while the coverage ratio of the specified impairment provision to the net defaulting loans portfolio was 62.3 % on December 31, 2016 corresponding to 52.3 % on December 31, 2015.
The total amount of the interest income pertaining to the credit portfolio amounted to US$ 78 million on December 31, 2016 corresponding to US $ 63 million on December 31, 2015 at an average interest rate of 5.2% on December 31, 2016 corresponding to 4.5% as at on December 31, 2015.

The classification of the loans and advances according to the sectors is as follows (Net after suspense interests & commissions):

Per Thousand US$

Sector	31 December 2016	31 December 2015
Financial institutions	198 974	157 962
Industrial	197 515	308 022
Petroleum	234 552	297 774
Petroleum services	93 739	93 954
Gas	102 777	79 505
Commercial	80 010	55 751
Touristic	223 330	194 496
Electricity	167 146	163 071
Construction works	7 153	9 232
Other	161 068	193 890
Total	1 466 264	1 553 657



D. Investments in Associates (Direct Participations):

The volume of the direct participations in the capital of the companies and institutions on December 31, 2016 reached the amount of US $ 453 million corresponding to US $ 496 million on December 31, 2015 with a decrease of US$ 43 million. The following is an analytical statement of such participations:

Per Thousand US$

Description	Business Activity	Participation Percentage	31 December 2016	31 December 2015	Change (-)/+ Amount
Investments in Associates <u>Participation Percentage %20 and More</u>					
World Trade Center Company (WTC)	Housing – Administrative	50	131 850	131 417	433
Société Arabe Internationale de Banque (SAIB)	Banking	46	129 014	132 031	(3 017)
Suez Canal Bank	Banking	41,5	116 137	116 137	
*Suez Canal Company For Technology	Educational Institutions	24	27 866	68 378	(40 512)
International Company for Tourist Investments (ICTI)	Housing – Hotels	20	40 002	39 475	527
International Finance Arab Company, Luxembourg	Financial Institutions	89	8 505	8 678	(173)
Total Investments in Associates			453 374	496 116	(42 742)

* The decrease in the participations balance in Suez Canal Company For Technology is due to the existence of impairment amounting to US$ 40.5 million during the year 2016 (US$ 35.5 million representing the impairment in foreign exchange valuation differences resulting from the floating of the exchange rates in addition to the amount of US$ 5 million representing the impairment in recoverable value)
The net value of the Bank's share in the profits of the associate companies resulting from applying the equity method amounted to US $ 17 million as at December 31, 2016 corresponding to US $ 20 million as at December 31, 2015.

E. Investment Properties:

On 22/12/2016, the management of the Bank decided to utilize the investment property represented in a plot of land located in Corniche El Maadi to build a new head office premises for the Bank after reducing its value with an amount of US$ 8.9 million that represented the impact of impairment and thus the balance of investment properties transferred in full to the fixed assets became US$ 8.5 million.

F. Intangible Assets:

The net intangible assets whose balance amounting to US$ 1.2 million as at December 31, 2016, are represented in computer software.

G. Fixed Assets:

The net value of the fixed assets after depreciation as at December 31, 2016 reached the amount of US $48.2 million corresponding to US $ 39.7 million as at December 31, 2015 with an increase amounted to US $ 8.5 million that is represented in transferring the balance of investment properties (the plot of land purchased in Corniche El Maadi) to the item of fixed assets in order to build a new head office premises for the Bank.

H. Debit Balances & Accrued Interests:

The debit balances & accrued interests amounted to US$ 38 million as at December 31, 2016 corresponding to US$ 33.4 million as at December 31, 2015 with an increase of US$ 4.6 million due to the increase in the reserve of accrued revenues with an amount of US$ 9.7 million and an increase in advance payments with an amount of US$ 1.6 million against a reduction with an amount of US$ 6.6 million that represents the assets ownership reverted to the bank (an amount of US$ 4.9 million resulting from the impairment of such assets and an amount of US$ 661 thousand used as a new head office premises for the Bank in Corniche El Maadi in addition to the sale of assets thereof with the amount of US$ 1 058 thousand).

I. Contingent Liabilities and Commitments:

The total amount of contingent liabilities and commitments as at December 31, 2016 reached US $ 135 million corresponding to US $ 205 million as at December 31, 2015, whose statement is as follows:

Per Thousand US$

Item	31 December 2016	31 December 2015	Change (-)/+ Amount
Documentary Credit & Letters of Guarantee			
Documentary Credit	18 777	26 178	(7 401)
Letters of Guarantee	110 534	148 965	(38 431)
Total (A)	129 311	175 143	(45 832)
Commitments			
Loans and Advances	17 610	54 564	(36 954)
Total (B)	17 610	54 564	(36 954)
Total (A +B)	146 921	229 707	(82 786)
Less: cash margin	(12 131)	(24 784)	12 653
Net	134 790	204 923	(70 133)

The total contingent liabilities provision that represents an obligation on the part of the Bank as at December 31, 2016 amounted to US$ 4.7 million corresponding to US$ 4.9 million as at December 31, 2015.
The net revenues gained from fees and commissions of documentary credit & letters of guarantee as at December 31, 2016 amounted to US$ 5.9 million corresponding to US$ 6 million as at December 31, 2015.

Second: The Income Statement:

The Bank achieved net profits this year that amounted to US$ 70.6 million as at December 31, 2016 before the exceptional impairment losses of the Egyptian pound balances resulting from the floating of the exchange rates which amounted to US$ 31.7 million and its impact caused a reduction in net profit to become US$ 38.9 million corresponding to US$ 59.4 million last year.

The following is a detailed statement of the items of revenues and expenses as at 31 December 2016 & 2015:

Per Thousand US$

Description	31 December 2016	31 December 2015
Operating Income	279 907	138 690
Operating expenses	(180 782)	(32 943)
Total operating Income	99 125	105 747
Administrative & general expenses	(44 360)	(38 168)
Net profits before provisions	54 765	67 579
Provisions no longer required	716	50
Provisions	(16 623)	(8 205)
Net profit	38 858	59 424

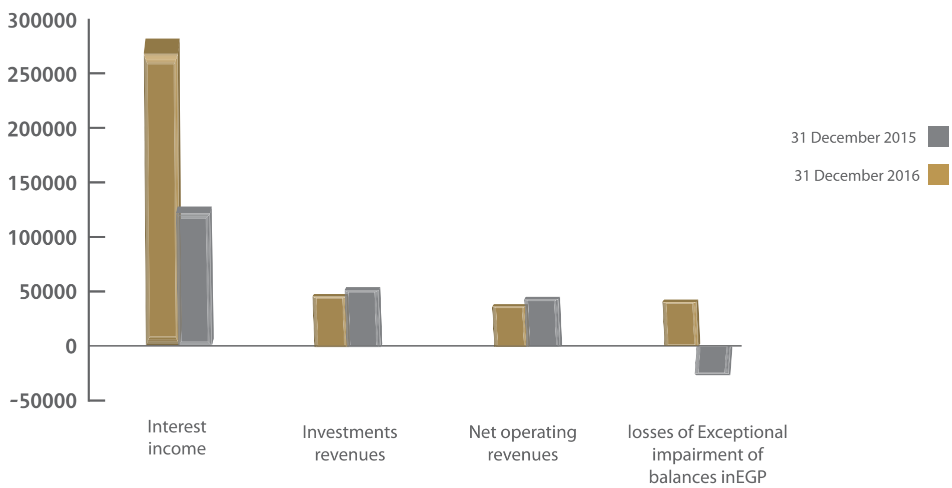
1. Revenues :

The Bank achieved total operating income as at December 31, 2016 that amounted to US$ 280 million corresponding to US$ 139 million as at December 31, 2015 according to the following:

Per Thousand US$

Description	31 December 2016		31 December 2015	
	Value	%	Value	%
Interest income	279 661	99.9	100 298	72.3
Investments revenues	17 135	6.1	21 845	15.8
Other operating income (Net)	14 826	5.3	16 547	11.9
Exceptional impairment losses of monetary balances in Egyptian pound	(31 715)	(11.3)	-	-
Total	279 907	100	138 690	100

* The impairment losses are represented in the losses of revaluation of monetary balances in Egyptian pound during the period from the floating of the exchange rates as at November 3,2016 till December 31, 2016. The said losses were excluded from the other operating income (net) when preparing the financial percentages and indicators due to the fact of considering them as exceptional losses.



A. Interest Income

The interest income represents 99.9 % of the total operating revenues as at December 31, 2016 compared to 72.2% as at December 31, 2015.
The following is a detailed statement of the collected interests as at December 31, 2016/2015:

Per Thousand US$

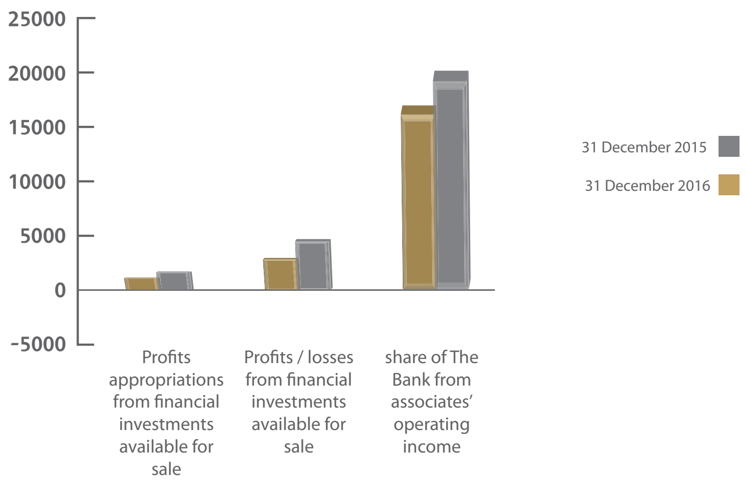
Interest income	31 December 2016		31 December 2015	
	Value	%	Value	%
From cash balances and deposits at banks	17 866	6	2 971	3
From loans to customers & banks	78 104	28	63 177	63
From investments portfolio	183 690	66	34 150	34
Total	279 660	100	100 298	100

B. Investment Revenues

The investment revenues amounted to US$ 17 million as at December 31, 2016 corresponding to US$ 22 million as at December 31, 2015 as follows:

Per Thousand US$

Description	31 December 2016		31 December 2015	
	Value	%	Value	%
Profits appropriations from financial investments available for sale	299	2	540	2.5
Profits / losses from financial investments available for sale	(692)	(4)	1 218	5.6
The Bank's share from associates' operating income	17 528	102	20 087	92.0
Total	17 135	100	21 845	100



B. (C) Other Operating Income (Net)

The other operating income (net) amounted to US$ 14.8 million as at December 31, 2016 compared to US$ 16.5 million as at December 31, 2015 with an approximate decrease of US$ 1.7 million.
The following is a detailed statement of the revenues items:

Per Thousand US$

Operating revenues	31 December 2016		31 December 2015	
	Value	%	Value	%
Fees & commissions revenues (net)	15 109	102	16 304	98.5
Losses/ profits from foreign exchange transactions and translation differences	(2 507)	(17)	(729)	(4.4)
Other operating income (net)	2 226	15	972	5.9
Total	14 828	100	16 547	100

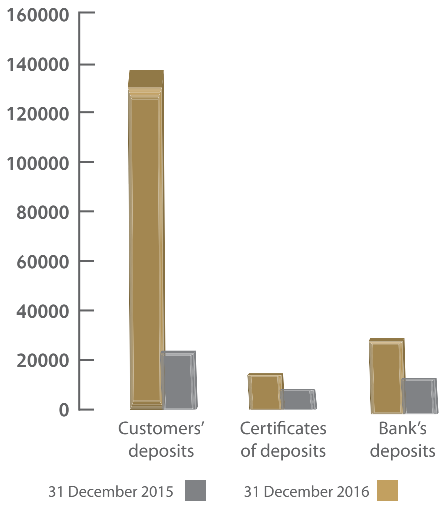
(2) Expenses:

A. Interests Expenses:

The interests expenses as at December 31, 2016 reached the amount of US $180.8 million compared to US $ 32.9 million on December 31, 2015 and the following table presents a detailed description of the paid interests:

Per Thousand US$

The Paid Interests	31 December 2016		31 December 2015	
	Value	%	Value	%
Customers' deposits	142 652	79	20 563	62
Certificates of deposits	11 104	6	4 522	14
Bank's deposits	27 026	15	7 858	24
Total	180 782	100	32 943	100



B. Administrative and General Expenses:

The administrative and general expenses as at December 31,2016 reached the amount of US $ 44 360 thousand corresponding to US $ 38 167 thousand as at December 31, 2015 with an increase of US$ 6 193 thousand at an increase rate of 16% as follows:

Per Thousand US$

Description	31 December 2016		31 December 2015	
	Value	%	Value	%
Salaries, wages and their equivalents	29 232	65.9	24 256	63.6
Amortization of the syndicated loan granted to the Employees' Fund	6 409	14.4	6 795	17.8
Other administrative expenses	8 719	19.7	7 116	18.6
Total	44 360	100	38 167	100

The main reason of increase is due to the increase in salaries and its equivalent with the amount of US$ 4 976 thousand and the increase in the items of other administrative expenses with the amount of US$ 1 603 thousand that included the increase of advertising expenses for the year 2016 with an amount of US$ 216 thousand in addition to the increase in the item of donations with the amount of US$ 851 thousand (US$ 15 thousand to the Libyan Cultural Committee, EGP 10.5 million to Al Asmarat District Project and Long Live Egypt Fund in addition to US$ 258 thousand (equivalent to EGP 2 million) that represents the participation of the Bank in the inauguration of the New Suez Canal in 2015.The depreciation item was increased with an amount of US$ 289 thousand against a reduction with the amount of US$ 386 thousand that represents the share of the period in 2016 in the amortization of the syndicated loan granted to the Employees' Fund for the year 2015.

C. Provisions

The provision of loans and advances was increased during the year 2016 with the amount of US$ 11.3 million and the contingent claims provision was increased with the amount of US$ 371 thousand in December 2016 while having provisions no longer required with the amount of US$ 716 thousand as at December 31, 2016 as follows:

Per Thousand US$

Description	31 December		Change (-)/+
	2016	2015	Value
Loans provision increase	(11 252)	(7 925)	(3 327)
Impairment provision of investments in associates	(5 000)	0	(5 000)
Contingent claims provision increase	(371)	(279)	(92)
Total increase	(16 623)	(8 205)	(8 418)
Provisions no longer required	716	50	666
Total	(15 907)	(8 155)	(7 752)

*The impairment of investments in associates is represented in the impairment of recoverable value of investments in Suez Canal Company For Technology.

Third

Governance

Governance

The Arab International Bank is committed to apply the corporate governance principles issued by Basel Committee on Banking Supervision in addition to the rules and instructions issued by the Central Bank of Egypt that are applied to the Banks working in Egypt and in the light of the establishment treaty of the Bank and its articles of association.

Basic Principles of Governance Applied by The Arab International Bank

- Securing shareholders rights and treating them on equal footing basis.
- Respecting and protecting the interests and rights of the other related parties.
- Determining the duties and responsibilities of the Board of Directors and the executive administrative levels.
- Ensuring the importance of the internal and external audit in addition to the audit committees.
- Complying with the disclosure and transparency standards in addition to the proper professional practices.

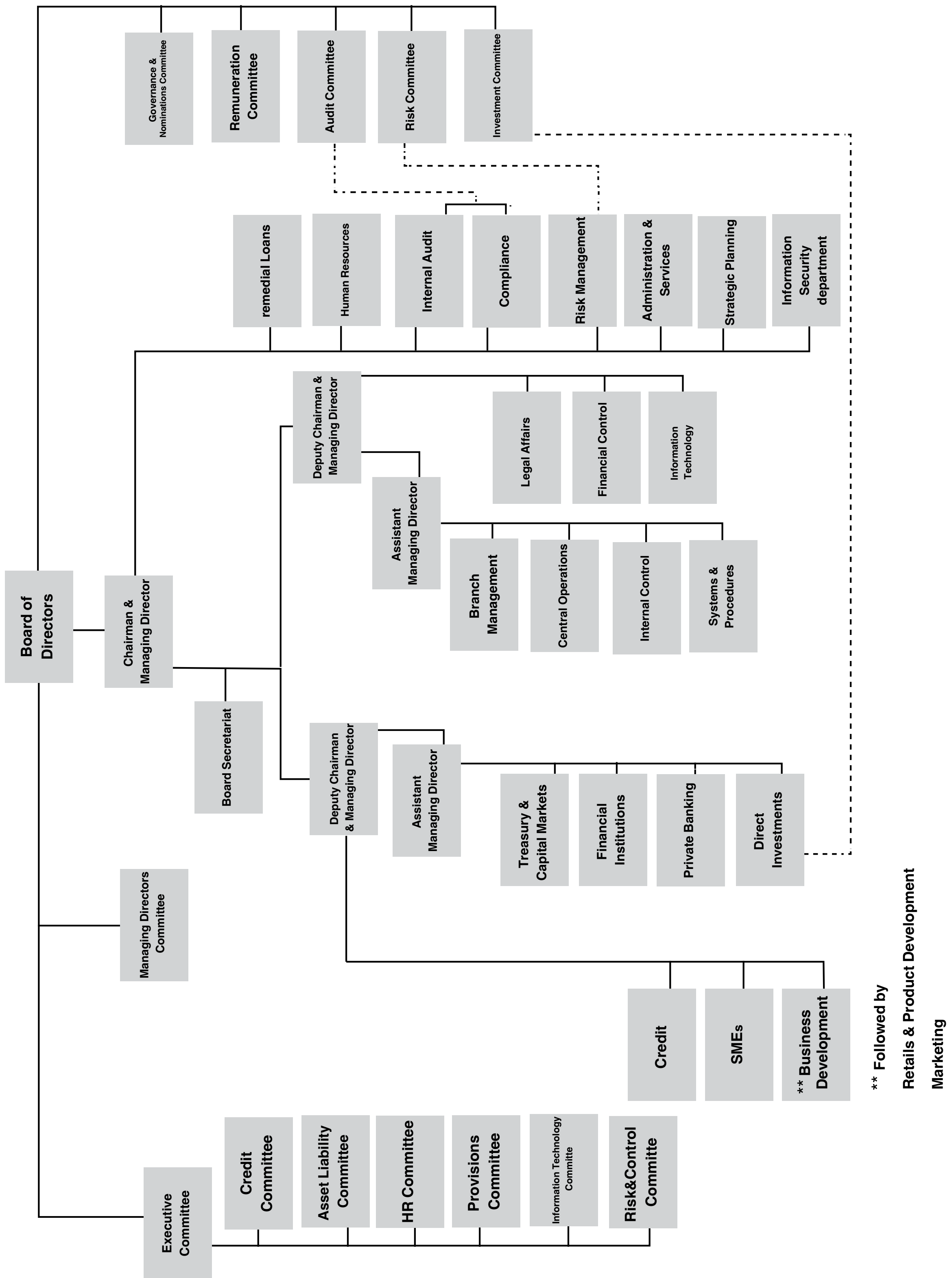
The Board of Directors

The Board of Directors shall have the most extensive authority to manage the Bank except for the matters that are explicitly stated as authorities and powers that can only be exercised by the General Assembly. The Board of Directors shall convene at the head office of the Bank at least once every three months.

The Board of Directors Main Responsibilities:

- Ensuring that the interests of the shareholders, depositors and other related parties of interest are fulfilled.
- Laying out the strategic objectives of the Bank.
- Making sure that the Bank is carefully and properly managed within the frame work of laws, regulations and the Bank's approved policies.
- Making sure that the internal control systems are competent and efficient

Organizational Structure Chart



Board Committees

Managing Directors Committee

Mr. Hesham Ramez Abdelhafez	Chairman of the Board of Directors & Managing Director
Mr. Mohamed Ibrahim Abduljawad	Deputy Chairman of the Board of Directors & Managing Director
Mr. Mohamed Kamal El Din Brakat	Deputy Chairman of the Board of Directors & Managing Director

Governance and Nominations Committee:

Mr. Gamal Mohamed Negm	Member of the Board of Directors
Mr. Mohamed Mohamed Ben Youssef	Member of the Board of Directors
Mr. Mostafa Mosbah Adbarah	Member of the Board of Directors
Mr. Mohamed Khelfan Alzahery	Member of the Board of Directors

The Risk Committee:

Mr. Tarek El Kholy	Member of the Board of Directors
Mr. El Taher Amhamad Sarkaz	Member of the Board of Directors
Mr. Ali Salem Mohamed El Habry	Member of the Board of Directors
Mr. Hamad Rashed Al Noeimy	Member of the Board of Directors
Mr. Ramy Ahmed Abo Elnaga	Member of the Board of Directors
Mr. Khaled Mohamed Elkhaga	Member of the Board of Directors

Audit Committee:

Mr. Gamal Mohamed Negm	Member of the Board of Directors
Mr. Tarek Fayed	Member of the Board of Directors
Mr. Abdel Salam Akil Khoury	Member of the Board of Directors
Mr. Amr Yakhlaf El Haggag	Member of the Board of Directors
Mr. Abd Elfattah Alnaamy	Member of the Board of Directors

The Remunerations Committee:

Mr. Mohamed Mohamed Ben Yossef	Member of the Board of Directors
Mr. Ali Salem Mohamed El Habry	Member of the Board of Directors
Mr. Ahmed Ali Al Hammady	Member of the Board of Directors
Mr. Tarek Fayed	Member of the Board of Directors

Board Committees

The Investments Committee:

Mr. Hesham Ramez Abdelhafez	Chairman of the Board of Directors & Managing Director
Mr. Mohamed Ibrahim Abduljawad	Deputy Chairman of the Board of Directors & Managing Director
Mr. Mohamed Kamal El Din Brakat	Deputy Chairman of the Board of Directors & Managing Director
Mr. Mohamed Mohamed Ben Youssef	Member of the Board of Directors
Mr. Tarek Fayed	Member of the Board of Directors
Mr. Ramy Ahmed Abo Elnaga	Member of the Board of Directors
Mr. Abd ElfattahAlnaamy	Member of the Board of Directors

The Executive Committee:

Mr. Hesham Ramez Abdelhafez	Chairman of the Board of Directors & Managing Director
Mr. Mohamed Ibrahim Abduljawad	Deputy Chairman of the Board of Directors & Managing Director
Mr. Mohamed Kamal El Din Brakat	Deputy Chairman of the Board of Directors & Managing Director
Mr. Amr Bahaa	Assistant Managing Director
Mr. Amr Mahmoud Abd Elfattah Atallah	Assistant Managing Director
Mr. Adel Salah Eldin Ezzat	General Manager - Credit
Mr. Assem Kamel Awwad Hussein	General Manager - Risk Management (As an Observer)
Mr. Abdel Hamed Mohamed Al Zanaty	General Manager - Legal Affairs Administration (As an Observer)

Internal Control Systems

First: Risk Management

The Board of Directors of the Bank applies comprehensive governance controls to implement its policies toward the management of risks that the Bank may be exposed there to through the practice of its various activities and lays down an effective vision to manage the banking risks within a framework of an atmosphere attributed by high standards of integrity.

The policies and risk management systems were laid out in order to assure that the nature of risks the Bank is exposed thereto, does not conflict with its strategic vision, while taking into consideration that the evaluation of the Bank's activities is based on balancing between the income and the risks related to achieving it, hence the priority of utilizing the resources and investments of the Bank is determined according to the impact of the risks relevant thereto.

The general framework of risk management is based on awareness of all the employees of the importance of implementing all their responsibilities efficiently and reporting any breaches or barriers that hinder the implementation of the Bank's policies.

The said framework is based on an organized approach that is comprised of four phases as follows:

1. Risk Identification
2. Risk Measurement
3. Risk Monitoring Limitation
4. Risk Control and Reporting

The financial risks that the Bank may be exposed to are as follows:

- Credit Risk
- Operating Risk
- Market Risk

The aforementioned risks are managed as follows:

Credit Risk Management:

The credit risks are the most prominent risks that the Bank may be exposed to, as such risks are represented in the lack of ability of one of the parties to fulfill its commitments and liabilities that fall due to the bank, whether to pay a part thereof or the entire due amounts on the date of maturity.

The loans granted to customers, banks, and current account balances, deposits placed at other banks, financial investments and commitments on the part of third parties represent the most significant financial assets that expose to the risks of credit.

In order to secure the funds of the depositors and maintain the strong financial performance of the Bank along with realizing good profitability rates, the Bank management is concerned with providing effective control to be exercised over the credit risks through the sector of risk management that is completely independent from the business activity units and adopting a prudent, vigilant and conservative policy in addition to implementing a series of procedures that leads to mitigating the risks of credit as much as possible.

Operating Risk Management:

The operating risks are those resulting from the incommodity or failure of any of the operations, internal procedures, systems, employees or a failure due to external risks including the legal risks.

The operating risk management policy has been activated throughout the bank to measure and assess operating risks in a manner that mitigates the operating risks intensity and their impact on the operating income of the Bank.

The Risk Management Department is working side by side with the other control departments such as, Internal Control Department and Internal Audit Department to accomplish the ideal implementation of all the activities of the bank.

The Operating Risk Department is committed to the standards laid down by "Basel II" Accords and the classification of operating risks that was stated therein and prepares regular reports to be presented to the top management of the Bank in order to determine the extent of exposure to risk and how to encounter it.

Market Risk Management:

It is the risk of loss resulting from the reverse changes in the market prices and the market risk includes the following:

1. Interest Rate Risk
2. Equity Risk
3. Foreign Exchange Risk
4. Commodity Risk

Financial Assets in Foreign Currencies:

The Interest Rate is determined based on the Floating Rate and subsequently the risk of foreign currency interest rate fluctuation and shall mitigate as it goes up and down while taking into consideration hedging the risk of the fixed rates fluctuation through referring to the financial derivatives (IRS Interest Rate Swap). The Bank may also be exposed to the impacts of the fluctuations on the prevailing interest rate level in the market that are represented in the risk of the cash flow of the interest rate, however, the margin of interest may increase as a result of such fluctuations but the profits may decrease in case of having unexpected movements. The Board of Directors of the Bank determines the limits of variation level with respect to re-pricing the interest rate that can be maintained by the Bank and the said procedure is monitored on daily basis by the market risk department of the Bank.

Liquidity Risk:

It is the possibility that the Bank may be exposed to difficulties in satisfying its commitments that are related to accrued liabilities and the said risk may result in a failure in fulfilling the liabilities related to the payments due to the depositors and the fulfillment of lending commitments. The Treasury Department is responsible for the liquidity management on the short term and providing regular reports on the movement of assets and liabilities in order to determine the requirements of the Bank in regard to liquidity. In addition, the Market Risk Department is competent to monitor the levels of liquidity and implement the approved policy of the liquidity management.

Foreign Exchange Risk:

It is the possibility that the Bank may be exposed to the risk of foreign exchange rate fluctuations that affect the balance sheet and the cash flow. The Board of Directors has laid out limits for the foreign currencies according to the total value of each position of which. Meanwhile, the said limits are immediately monitored by the Market Risk Department of the Bank.

Capital Adequacy Ratio:

The Bank has adopted a conservative policy approach with respect to capital adequacy ratio based on the rule stipulated in Basel (II) Accords since2008 while taking into account the instructions and interpretations of the Central Bank of Egypt in case there is a desire to implement it in amore conservative manner.

The capital adequacy ratio policy of the Bank aims at achieving the following:

- Making sure of the capability of the bank to compete on the international level through its compliance with the international standards and rules which regulate the banking activities.
- Maintaining the strong financial position of the bank and the safety of the funds of its customers through maintaining secured levels of capital that are in proportion with the risks which its assets are exposed to.

The capital adequacy ratio is calculated according to the following determinants:

First: The Ownership Rule

- (Tier 1) The initial capital: Paid in capital, reserves and retained earnings.
- (Tier 2) Supplementary capital: Provisions, assets revaluation reserves and long term subordinated loans.
- (Tier 3) Short term subordinated loans.

Second: Capital Allocated for Assets Risk

Capital allocated for credit risk and market risk is calculated based on the standard method.
Capital allocated for operating risk is calculated based on the main indicator method.The bank maintained a strong ratio of capital adequacy that amounted to 17.63 % at the end of December2016 compared to 15.65% at the end of December 2015 while the minimum limit of the capital adequacy ratio according to the requirements of the Central Bank of Egypt amounted to 10 %.

Second: Compliance

The Bank is considered among the pioneering banks working in Egypt with respect to establishing an independent sector for compliance since 2002 in order to protect the bank from any noncompliance risks. The activity of the Compliance Sector depends on three essential pivots:

- Making sure that the systems, regulations and business mechanisms of the bank are in conformity with the banking standards and policies and with the laws and instructions issued by the supervisory authorities.
- Anti-money laundering.
- Implementing the principles of governance on sound banking grounds.
    - A developed policy for compliance was endorsed to agree with the accords of Basel Committee on Banking Supervision in addition to the recommendations of the International Financial Action Task Force-FATF, by virtue of which the Head of Compliance was determined along with the appointment of Branch Compliance Officers in all branches of the bank.

The said policy reflects the bank compliance in regard to carrying out an efficient role in anti-money laundering of illicit gains and working on drying up the resources of finance for terrorism in addition to achieving the objectives of the bank according to the following:

- Participating in crime-fighting in general.
- Maintaining the soundness of the bank's operations and transactions in addition to its professional reputation.
- Performing the legal compliance aspect toward the headquarters hosting country as well as implementing the rules, the principles in practice and the binding international controls.

The aforementioned policy is implemented through work procedure manual mainly based on the following:

1. Establishing a data base to count the customers who are restricted to deal with and those whose names are listed in the UN, OFAC and the Central Bank of Egypt in addition to reviewing the outgoing and incoming transfers in this regard.
2. Applying the principle of "identify your customer" to know the identity of all your customers and their banking transactions according to the guidelines of the controls of opening and operating the accounts issued by the Central Bank of Egypt in addition to the international controls and principles in practice.
3. Updating the data of the customers on a regular and ongoing basis.
4. Carrying out a continuous control over all the customers' transactions with the bank.
5. Applying the rules of Enhanced Due Diligence to all the accounts and transactions that are attributed by high risks.
6. Organizing regular training courses with respect to anti-money laundering.

Third: Internal Audit

The Internal Audit Department is keen to provide "Value Added" to the works of the Bank through assuring the efficiency and adequacy of the Internal Control Systems and Governance throughout the Bank as well as the Risk and Compliance Departments in order to provide a comprehensive vision to the Audit Committee, Top Management and the Board of Directors thereon. The efficiency and adequacy of the procedures adopted by the Bank's departments in addition to the measures taken when carrying out the Bank's activities are assessed within a framework attributed by Independence and Objectivity when auditing process on the activities of the Bank is in place. The internal audit is carried out based on the organizational structure of the Bank and the competencies given to the Internal Control Department.

Fourth

Financial Statements

AUDITORS' REPORT

To the Shareholders of Arab International Bank

Report on the Financial Statements

We have audited the accompanying financial statements of **ARAB INTERNATIONAL BANK** represented in the balance sheet as of **31 December 2016**, and the related statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Bank's management, as management is responsible for the preparation and fair presentation of the financial statements in accordance with the Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements issued on 16 December 2008 and in light of the prevailing Egyptian laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **ARAB INTERNATIONAL BANK,** as of **31 December 2016**, and of its financial performance and its cash flows for the year then ended in accordance with the Central Bank of Egypt's rules pertaining to the preparation and presentation of financial statements issued on 16 December 2008, and in light of the Egyptian laws and regulations relating to the preparation of these financial statements.

Explanatory Paragraph

Without qualifying our opinion, and as in detailed in notes (18) and (27-c), the Bank's management charged USD 49,320 K to the retained earnings representing the impairment of one of the associates, investment property and other in Egyptian pound which resulted from the floating of the exchange rate in accordance with the decision of Central Bank of Egypt dated 3 November 2016.

Report on Other Legal and Regulatory Requirements

According to the information and explanations given to us during the financial year ended December 31, 2016. We have not noted any non-compliance by the Bank in respect of the articles of the Central Bank of Egypt law and Banking and Monetary Institution law No. 88 of 2003.

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

Cairo: 24 April 2017

Mona Abdel-Salam	**Alaa Dawoud**
Allied for Accounting & Auditing EY	**Wahid Abdel Ghaffar & Co.-BAKER TILLY**

BALANCE SHEET

As of December 31, 2016

	Note No.	31/12/2016	31/12/2015
		US$ (000)	US$ (000)
Assets			
Cash and Due from Central Bank	(13)	128 020	45 001
Due from banks	(14)	792 800	574 863
Treasury bills	(15)	1 623 658	790 422
Loans and facilities to customers & banks	(16)	1 340 876	1 438 551
Financial investments			
- Available for sale investments	(17)	34 710	35 401
- Held to maturity investments	(17)	234 154	72 440
Investments in associates	(18)	453 374	496 116
Investments properties	(19)	-	17 483
Intangible assets	(20)	1 198	-
Other assets	(21)	38 144	33 485
Fixed assets	(22)	48 213	39 678
Total Assets		**4 695 147**	**3 543 440**
Liabilities and Equity			
Liabilities			
Due to banks	(23)	913 441	708 050
Customers' deposits	(24)	2 801 738	1 943 896
Other liabilities	(25)	39 406	30 069
Other provisions	(26)	6 956	13 744
Total Liabilities		**3 761 541**	**2 695 759**
Equity			
Paid-up capital	(27/a)	600 000	450 000
Reserves	(27/b)	240 980	254 553
Retained Earnings	(27/c)	92 626	143 128
Total Equity		**933 606**	**847 681**
Total Liabilities and Equity		**4 695 147**	**3 543 440**

- Auditors' report attached

* The accompanying notes from (1) to (32) are integral part of these financial statements and to be read there with .

Gamal Zaghloul CFO	Mohamed Barakat Deputy Chairman & Managing Director	Mohamed Abduljawad Deputy Chairman & Managing Director	Hisham Ramez Chairman & Managing Director

STATEMENT OF INCOME

For The Financial Year Ended December 31,2016

	Note No.	31/12/2016	31/12/2015
		US$ (000)	US$ (000)
Interest income from loans and similar revenues	(6)	279 660	100 298
Cost of deposits and similar costs	(6)	(180 782)	(32 943)
Net Interest Income		**98 878**	**67 355**
Fees and commissions revenues	(7)	15 207	16 391
Fees and commissions expenses	(7)	(98)	(87)
Net Income from Fees and Commissions		**15 109**	**16 304**
Dividends income	(8)	299	540
Net trading income	(9)	3 032	2 727
Gains from financial investments	(17)	(692)	1 218
Impairment of investments in associates	(18)	(5 000)	-
Impairment charge for credit losses	(16)	(11 252)	(7 926)
Administrative expenses	(10)	(44 360)	(38 167)
Other operating (expenses)	(11)	(2 969)	(2 714)
Share of profit of associates	(18)	17 528	20 087
		70 573	**59 424**
Losses of extraordinary impairment of cash balances	**(11)**	**(31 715)**	-
Net Profits for The Year		**38 858**	**59 424**
Earning per share (U.S.$/share)	**(12)**	**902.20**	**1 594.20**

* The accompanying notes from (1) to (32) are integral part of these financial statements and to be read there with .

Gamal Zaghloul
CFO

Mohamed Barakat
Deputy Chairman &
Managing Director

Mohamed Abduljawad
Deputy Chairman &
Managing Director

Hisham Ramez
Chairman &
Managing Director

STATEMENT OF CASH FLOWS

For The Financial Year Ended December 31,2016

	Note No.	31/12/2016	31/12/2015
		US$ (000)	US$ (000)
Cash flows from operating activities			
Net Profit for the year		38 858	59 424
Adjustments to reconcile net profit to net cash provided from operating activities			
Fixed assets depreciation		1 447	1 343
Intangible assets amortization		185	-
Impairment charges for credit losses		11 252	7 926
Impairment charges for available for sale investments		825	2 499
Other provision charges		371	279
Provision no longer required		(716)	-
Impairment of associates		5 000	-
Profit /losses from investment in associates		(17 528)	(20 087)
Gains on sale of fixed assets		57	69
Gains on sale of investment available for sale		(133)	(3 717)
Used from other provisions		(2 244)	(5 035)
Amortized Cost		1 333	1 252
Dividends income		(299)	(540)
Operation profits before changes in assets & liabilities from operating activities		38 408	43 413
Net decrease (increase) in assets & liabilities			
Due from banks		(217 937)	(218 948)
Treasury bills with maturities more than three months		(266 029)	(101 587)
Loans and facilities to customers and banks		75 936	(103 839)
Other assets		(11 280)	(349)
Due to banks		205 391	200 969
Customers' deposits		857 842	157 995
Other liabilities		9 337	1 847
Net cash used in from operating activities (1)		691 668	(20 499)
Cash flows from Investing Activities			
Payments to acquire fixed assets and fixtures of branches		(2 887)	(2 745)
Proceeds from held to maturity investments		-	85 629
Payments to purchase held to maturity investments		(163 047)	(52 830)
Proceeds from sale of available for sale investments		-	17 286
Payments to purchase available for sale investments		-	(23)
Dividends received		(17 229)	12 369
Net cash (used in) provided from investing activities (2)		(183 163)	59 686
Cash flow from Financing Activities			
Capital increase		150 000	-
Dividends paid		(34 098)	(11 300)
Net cash used in financing activities (3)		115 902	(11 300)
Net Increase (decrease) in cash & cash equivalents during the year (1+2+3)		624 407	27 887
Cash & cash equivalents at the beginning of the year		466 861	438 974
Cash & cash equivalents at the end of the year		1 091 268	466 861
Cash & cash equivalents represented as :			
Cash and due from Central Bank		128 020	45 001
Due from banks		792 800	574 863
Treasury bills		1 623 658	790 422
Due from central banks (within the mandatory reserve percentage)		(29 306)	(53 625)
Due from banks with maturities more than three months		(11 108)	(165 323)
Treasury bills with maturities more than three months		(1 412 796)	(724 477)
Cash & cash equivalents	(28)	1 091 268	466 861

* The accompanying from (1) to (32) are integral part of these financial statements and to be read there with .

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For The Financial Year Ended December 31,2016

	Capital	Legal reserve	General reserve	Available for sale fair value reserve	Change in equity for investment in associate	Retained earnings	Total
	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)	US$ (000)
Balance as of 31December. 2014	**450 000**	**102 516**	**73 582**	**3 593**	**73 914**	**99 794**	**803 399**
Dividends distributions for 2014	-	4 790	-	-	-	(16 090)	(11 300)
Available for sale impairment transferred to income statement	-	-	-	2 193	-	-	2 193
Transfer to income statement (sale of available for sale investments	-	-	-	(3 442)	-	-	(3 442)
Change in the fair value of the available for sale investments	-	-	-	(1 310)	-	-	(1 310)
Change in equity for investment in associate	-	-	-	-	(1 283)	-	(1 283)
Net profit for the year	-	-	-	-	-	59 424	59 424
Balance as of 31 December 2015	**450 000**	**107 306**	**73 582**	**1 034**	**72 631**	**143 128**	**847 681**
Balance as of 31 December. 2015	**450 000**	**107 306**	**73 582**	**1 034**	**72 631**	**143 128**	**847 681**
Dividends distributions for 2015	-	5 942	-	-	-	(40 040)	(34 098)
Capital increase	150 000	-	-	-	-	-	150 000
Available for sale impairment transferred to income statement	-	-	-	825	-	-	825
Change in the fair value of the available for sale investments	-	-	-	(582)	-	-	(582)
Change in equity for investment in associate	-	-	-	-	(19 758)	-	(19 758)
Impairment of assets (Note no. 27c)	-	-	-	-	-	(49 320)	(49 320)
Net profit for the year	-	-	-	-	-	38 858	38 858
Balance as of 31 December 2016	**600 000**	**113 248**	**73 582**	**1 277**	**52 873**	**92 626**	**933 606**

* The accompanying notes from (1) to (32) are integral part of these financial statements and to be read there with.

STATEMENT OF PROPOSED DIVIDENDS

For The Year Ended December 31, 2016

	NOTE NO.	31/12/2016	31/12/2015
		US$ (000)	US$ (000)
Net profit for the year available for distribution		38 858	59 424
Retained earnings at the beginning of the year	(27-C)	53 768	83 704
Total		**92 626**	**143 128**
To be distributed as follows:-			
Legal Reserve (10%)		3 886	5 942
Shareholders' dividends (5% from Paid-up capital)		-	22 500
Employees' profit share		8 700	8 500
Board of Directors remuneration		3 098	3 098
Retained earnings at the end of the year		76 942	103 088
Total		**92 626**	**143 128**

Notes to the Financial Statements

For The Year Ended 31, December 2016

All amounts in notes are presented in thousand US$ unless otherwise stated

1. Background

Arab International Bank was established in 1974 by an International Treaty.

The registered office of the Bank is located in Cairo, Egypt and the Bank carries out its business activities through its network of branches in the Arab Republic of Egypt (9 Branches).

By virtue of the Treaty, the Bank enjoys certain privileges in the territories of the Member States (shareholders) including:

- Doesn't apply exemption from laws regulating of banks, credit , exchange control, statutory auditing requirements, public institutions , public companies and joint stock companies.
- Immunity from all forms of nationalization and seizure or shares in and deposits with the Bank,
- The Bank's documents, records and files are inviolable and immune from judicial, administrative and accounting control and inspection rules and laws.
- Confidentiality of customers' accounts with the Bank which are not subject to judicial or administrative distaining orders prior to final judgment issuance.
- Exemption from tax of any kind on its funds, profits, dividends and all its activities and different transactions.
- Exemption from taxation and any obligations for the payment, withholding or collection of any tax or duty, which may be imposed on its customers.
- The Extraordinary General Assembly meeting of the Arab International Bank held on March 22nd, 2012 resolved to amend some articles of the Bank Establishment Treaty , and the following are the most significant amendments of which:
    - The laws regulating the exercise of control over the public institutions, public interest entities, public sector companies and the joint stock companies of the Members States in which the Arab International Bank or its branches carry out business activities are not applicable to the Bank or its branches – in this respect the Bank practices its activities in a manner that is not in conflict with the aforementioned and the rest of the articles included in Establishment Agreement Treaty and in this context, the Bank is subjected to the oversight of the Central Bank of Egypt according to the provisions of the applicable law of the Central Bank of Egypt and the law of Banking and Monetary System of the hosting state, in addition, the Bank branches in the other Member States are subjected to the oversight of their own Central Banks in accordance with the provisions of laws governing their banks and credit facilities .
    - All the transactions of the Bank are carried out in all currencies determined by the Board of Directors.

  The necessary actions have been taken to activate these amendments starting from April 1, 2015.
- The number of persons employed by the Bank as of December 31, 2016 was 968 comparing with 942 as of December 31, 2015.
- These financial statements were approved for issuance by the Board of Directors in April, 24, 2017.

2. Summary of Significant Accounting Policies Applied

The following are the significant accounting policies which were adopted in the preparation of these financial statements, these policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of financial statements preparation

- The financial statements are prepared in accordance with Egyptian Accounting Standards issued in 2006 and its amendments and in accordance with Central Bank of Egypt rules approved by its Board of Directors on 16 December 2008, and on the historical cost convention basis, modified by the revaluation of financial assets and liabilities for trading classified on initial recognition as fair value through profit or loss and available for sale and all derivative contracts.
- The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) until 31 December 2014.
- The above mentioned change in the basis of financial statements preparation did not result in amendment in the book value of assets and liabilities or the shareholders' equity of the previous years.

B. Associates

Associates are companies in which the Bank has, directly or indirectly, significant influence, but it does not reach to the extent of control, and usually the Bank owns from 20% to 50% of the voting rights.

Accounting for acquisition of companies by the Bank is carried out according to the purchase method. The recognition of acquisition of companies by the Bank is measured at fair value or the value of assets given by the Bank in return for the purchase of companies and / or issued equity instruments and / or any other costs directly attributed to the acquisition process. The net assets including the acquired determinable contingent liabilities is measured at fair value on the date of acquisition.

Accounting for the value of investments in associates is recorded in the financial statements according to the equity method, according to which, any investment in associates is initially recognized at cost, and subsequently increased or decreased based on the Bank's share in profits or losses in the investees companies which occur after the acquisition. Upon the preparation of the financial statements, the Bank's share in profits or losses in the investees companies is recorded under the item of profits or losses in investments in associates in the income statement. The investment balance is decreased by the dividends received from the investees that obtained from the associate company .

C. Segment reporting

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

D. Functional Currency, Presentation, Transactions and Balances in Foreign Currencies

The financial statements of the Banker presented in US Dollar while transactions are recorded in the books during the year according to the currency in which the transactions were carried out. For the purposes of presenting the financial statements of the Bank in US Dollar, all assets and liabilities and equity recorded at the end of the financial year in various currencies (other than the Egyptian Pound) are translated into US Dollar based on the prevailing exchange rates on that date- as for the balances in the Egyptian Pound, they are translated into US Dollar based on the official exchange rates declared by the Central Bank of Egypt.

E. Financial assets

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

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

This category includes financial assets held for trading, financial assets designated at fair value through profit or loss at initial recognition and financial derivatives.

- Financial assets are classified as held for trading if they are acquired or incurred principally for the purpose of selling in the near term or if is part financial instruments portfolio that are managed together and there is evidence resulted from recent actual transaction that profit can be recognized. Derivatives can be classified as held for trading unless they are identified as hedging instruments.
- Financials assets designated at fair value through profit or loss are recognized when:
  - Doing so significantly reduces measurement inconstancies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortized cost for loans and facilities to customers or banks and issued debt securities.
  - Equity investments that are managed and evaluated at the fair value basis in accordance with a risk management or investment strategy and preparing reports to top management on that basis are classified as fair value through profit and loss.
  - Financial instruments such as debt instrument which contain one or more embedded derivatives which may significantly affect the cash flows are classified at fair value through profit and loss.
- Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are recorded in the “net income from financial instruments classified at fair value though profit and loss”
- It is not permitted to reclassify any derivative out of the financial instrument valued at fair value through profit or loss category during its holding period. Also, it is not permitted to reclassify any financial instrument valued at fair value through profit or loss category if it is designated at fair value through profit or loss at initial recognition.

(E / 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, or those that the Bank upon initial recognition designated as at fair value through profit or loss.
- Those that the Bank upon initial recognition classified as available for sale.
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

(E / 3) Held to maturity financial assets:

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

(E / 4) Available for sale financial assets :

Available-for-sale assets are non-derivative financial assets that the bank’s management has intention to hold 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 applies to financial assets:

- Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade-date – the date on which the Bank commits to purchase or sell the asset.
- Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transaction costs are expensed in the income statement in net income from trading.
- Financial assets are derecognized when the contractual rights to receive cash flows have expired or when the bank has transferred substantially all the risk and rewards of ownership. Financial liabilities are disposed upon disposal or cancellation or expiration of its contractual term.
- Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently measured at fair value. Held-to-maturity assets and loans and receivables are measured at amortized cost using the effective interest method.
- Gains and losses arising from changes in the fair value of assets at fair value through profit or loss are recognized in the income statement in the period it occurs. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired. At this time, the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.
- Interest income is recognized based on the amortized cost method in the income statement, the foreign currency revaluations differences related to monetary available for sale assets are recognized in the income statements, dividends from available for sale equity instruments are recognized in the income statement when the bank's right to receive the payment is established.
- Fair value are obtained from quoted market price in active market (bid price), where no active market exists, or quoted price are unobtainable, the fair value is estimated using a variety of valuation technique – including discounted cash flow , using recent sale prices, option pricing models or other valuation method used by market participants. When the bank is unable to estimate the fair value of equity available for sale instrument it is measured at cost less any impairment losses.
- The Bank reclassifies the financial asset classified as an asset included in the category of the financial instruments available for sale which has the definition of loans and debts (debt securities or loans) and transfer it from the category of the financial instruments available for sale to the category of loans and debts or financial assets held to maturity – as the case may be - when the Bank has the intention and ability to hold these financial assets in the near future or to the date of maturity. The reclassification is carried out at fair value the date of reclassification. Any profits or losses related to such assets that were previously recognized in equity are treated as follows:

1. In case of financial assets with fixed and determinable payments and fixed maturity, gains and losses are amortized over the remaining life of the financial asset held to maturity using the effective interest method. The difference between the amortized cost and the maturity value is amortized over the remaining life of the financial asset, using the effective interest method. In case of impairment the profits or losses that have been previously recognized in equity are recognized immediately in the income statement.
2. In case of financial assets without fixed or determinable maturity, gains and losses are held in equity until the asset is sold, then removed from equity and recognized in the income statement. In case of impairment the profits or losses that have been previously recognized in equity are recognized immediately in the income statement.
3. If the Bank changes its estimates regarding payments or proceeds, the book value of a financial asset (or group of financial assets) has to be adjusted to reflect the actual cash inflows and the change in this estimate through calculating the present value of estimated future cash flows using the effective interest rate for the financial instrument. This adjustment is recognized as either income or expense in the income statement.

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

F. Offsetting financial instruments:

Financial assets and liabilities can be offset when, there is a currently enforceable legal right to set-off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Treasury bills, repos and reverse repos agreements are netted, and presented on the balance sheet in treasury bills and other governmental securities.

G. Interest income and expense

- Interest income and expense related to financial instruments except for held for trading assets or designated at fair value through profit and loss at initial recognition under "interest revenue and similar income" or Interest expense and similar charges.
- The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the related instrument. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or, a shorter period when appropriate to reach the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties of the contract which is considered part of the effective interest rate, transaction costs include all other premiums or discounts.
- When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized as revenues according to cash basis as per the following:
  - When collected and after recovery of all arrears for retail loans, personal loans, small and medium business loans., mortgage loans for personal housing and small loans for businesses.
  - As for the loans granted to institutions the Cash Basis of Accounting is to be applied also where the interest income that is subsequently calculated according to the terms of the loan scheduling contract is recognized when 25% of the loan installments are paid with a regular performing period of at least one year and in case the customer keeps paying the installments on regular performing basis, the calculated interest income of the outstanding loans balance shall be recorded in revenues (interest income from regular scheduling balance) without the suspense interest before scheduling that is not recorded in revenues unless the entire loan balance is paid in full in the balance sheet prior to scheduling.

H. Fees and commission income:

- Fees and commissions related to loan and facilities are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts are suspended and are carried off balance sheet and are recognized under income according to the cash basis, when interest income is recognized in accordance with note (G) above, fees and commissions which represent part of the financial asset effective rate is recognized as adjustment to the effective interest rate.
- Commitment fees recognized as revenue when there is probability that this loan will be used by the customer, as commitment fees represent compensation for the continuing interfere to own the financial asset. Subsequently its recognized as adjustments to the effective interest rate of the loan. If the commitment year

passed without issuing the loan, commitment fees is recognized as income at the end of the commitment year.

- Fees and commission related to equity debts measured by fair value is recognized as income at initial recognition. Fees and commission related to marketing of syndicated loan is recognized as income when the marketing is completed and the loan is fully used or the Bank kept its share of the syndicated loan using the effective interest rate as used by the other participants.
- Commission and fees arising from negotiation, or participating in a negotiation to the favor of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognized as income when the transaction is completed, commission and fees related to management advisory and other service are recognized as income based on the contract terms, usually on a time-appropriation basis. Asset management fees are recognized over the year in which the service is provided.

I. Dividend income

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

J. Impairment of financial assets

(J / 1) Financial asset carried at amortized cost:

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or portfolio of financial assets is impaired. A financial asset or a portfolio of financial assets is impaired and impairment losses are recognized when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated.

The indicators used by the bank to determine whether there is objective evidence that a financial assets or portfolio is impaired include the following:

- Significant financial difficulty of the issuer or obligor.
- Breach of the loan agreement, e.g. default
- It became probable the borrower will enter bankruptcy or other financial reorganization.
- Deterioration of competitive position of borrower.
- Granting privileges or assignments by the Bank to the borrower, due to economic or legal reasons, which are not granted by the Bank in the normal course of business.
- Impairment of guarantee.
- Deterioration of creditworthiness.

An objective evidence for impairment loss of the financial assets is the existence of clear information indicating a measurable decline in the expected future cash flows of such category since initial recognition though such decline is not identifiable for each individual asset. For instance, the number of cases of defaulting payments with respect to one of the banking products.

The Bank estimates the period of confirming the loss that is represented in the period between identifying the loss event.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant taking into consideration the following:

- In case there is no objective evidence that an impairment loss has been incurred on a financial instrument considered individually, being individually significant or not, the Bank includes that financial asset in a group of financial assets having similar characteristics in terms of credit risk and tests the whole group for impairment.
- An individually impairment test is made for a financial asset if there is objective evidence that this asset is impaired. If the impairment occurred then this asset will be excluded from group of financial assets that are collectively evaluated for impairment.
- If the result of the previously test did not recognized impairment loss, then this asset will be added to the group of financial assets that are collectively evaluated for impairment.
- Impairment loss is calculated by the difference between the carrying amount and the present value of estimated future recoverable cash flows, excluding future expected credit loss not charged yet, discounted at the financial assets' original effective interest rate. This impairment is booked in the income statement as "impairment loss" and the book value of the financial asset is reduced by the impairment amount using "impairment loss provision".
- If there is evidence that loan or financial assets classified as held to maturity carry variable rate, the discount rate will be the contract effective interest rate when there is objective evidence that an impairment loss has been incurred. For practical purposes, the Bank may measure the impairment loss using the fair value of the instrument through its market rate.
- For guaranteed financial assets present value for expected futures cash flow has to be considered in addition to the proceeds from sale of guarantee after deducting selling cost.
- For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics according to the Bank classification taking into consideration type of asset, industry, geographical location, collateral, past-dues and other relevant factors. Those characteristics are relevant to the estimation of future cash flows for that group of assets as they are indicators of the debtors' ability to pay all amounts due according to its contract terms for assets under study.
- If historical impairment losses rates method is used for a group of financial assets that are collectively evaluated for impairment, future contractual cash flow will be used by the Bank in future and the historical loss for a group of assets with similar credit risk characteristics are considered. Historical impairment loss rates are adjusted to reflect the effects of current circumstances that did not affect the year on which the historical impairment loss rates is based and to remove the effects of circumstances in the historical year that are not currently exist.
- The Bank has to ensure that the estimates of changes in future cash flows for groups of assets are in consistence with changes in relative data from year to year, such as , changes in unemployment rates, real estate prices, settlement status, or other factors that may affect the probability and magnitude of losses. The Bank reviews the basis and methods of estimation regularly.

(J / 2) Available for sale assets

At each balance sheet date, the Bank estimates if there is objective evidence that impairment loss for an asset or a group of assets classified as available-for-sale or held to maturity is occurred. For listed equity instruments classified as available for sale investments, impairment is recognized if as it's significant and a prolonged decline it's price below it's acquisition cost is observed.

The decline in value is considered significant for the equity instruments if it reaches 10% of the financial instrument's cost, and it is considered prolonged if it extends for a year of more than 9 months.

When a decline in the fair value of an available for sale financial asset has been recognized directly in equity under fair value reserve and subsequent objective evidence of impairment emerges, the Bank recognizes the total accumulated loss previously recognized equity will be recognized in profit and loss. Impairment losses recognized on equity instruments on profit or loss are not subsequently reversed. Impairment losses recognized through profit or loss on debt instruments classified as available for sale are reversed through profit and loss if the price subsequently increased and this increase can be objectively related to an event occurring after the recognition of impairment loss in profit or loss.

K. Investment Property

Investment property is represented in lands and buildings owned by the Bank for obtaining rental income or capital increase and subsequently it does not include the real estate assets in which the Bank practices its business activity or the assets ownership reverted to the bank in settlement of debts. The initial recognition of the investment property is carried out at cost and includes the transaction cost. The accounting of the investment property is implemented in the same manner applied to the accounting of the fixed assets.

L. Computers Software

The expenses related to the development or maintenance of computers are recognized as an expense charged to income statement when incurred and it is recognized as an intangible asset with respect to the expenses directly related to specific software under the control of the Bank when it is expected to generate economic benefits thereof that exceeds its cost for more than one year.

The direct expenses include the cost of employees working in the software development team in addition to a reasonable share of general expenses relevant thereto.

The expenses that lead to the increase or expansion in the performance of the computers software when compared with the original specifications thereof is recognized as development cost and it is added to the original software cost.

The computers software cost recognized as an asset is amortized over the years expected to benefit from them provided that they shall not exceed three years.

M. Fixed assets

They represent land and buildings related to head office, branches and offices. All fixed assets are reported at historical cost less depreciation and impairment losses. The historical cost includes all costs directly related to the acquisition of fixed assets items.

Subsequent costs are included in the asset's carrying amount or are recognized as an asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be reliably measured. Maintenance and repair expenses are charged to other operating expenses during the financial period in which they are incurred.

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

Buildings	50 years
Furniture	10 years
Computers	5 years
Fixtures and fittings	10 years
Tools & equipment	10 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

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

N. The Impairment of Nonfinancial Assets

The financial assets that have no specific useful life are not depreciated – except for the goodwill – and their impairment is examined on annual basis.

The impairment of assets that had been depreciated are to be considered whenever there are events or changes in the circumstances indicating that the book value may not be redeemable.

The impairment loss is to be recognized and the asset value shall be reduced with the amount by which the book value of the asset has been increased above the redeemable value. The redeemable value is represented in the net selling value of the asset or the use value of the asset whichever higher. For the purpose of assessing the impairment, the asset is to be attached to the smallest possible cash-generating unit. The nonfinancial assets that have impairment are to be reviewed to examine whether there is reverse of impairment to the income statement or not on the date of preparing every financial statements.

O. Lease Contract

All lease contracts concluded with the Bank are operating lease contracts.

(O / 1) Lessee

The payments settled under the account of operating lease less any discounts obtained from the less or under the item of expenses are recognized in the income statement based on the straight-line method over the term of contract.

(O / 2) lessor

The assets leased out on operating lease basis that are included in the fixed assets in the balance sheet and depreciated over the expected useful life of the asset using the same manner applied to the similar assets. The rent income is recorded less any discounts granted to the lessee based on the straight-line method over the term of contract.

P. Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition, cash and balances due from the Central Banks other than the mandatory reserve, and current accounts with banks and treasury bills and other governmental securities.

Q. Other provisions

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

Where there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determine taking into consideration the group of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.

Provisions no longer required totally or partially are reversed in other operating income (expense). Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from financial statement date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year the provision is booked using the present value unless time consideration has a significant effect.

R. Employees' Benefits:

- Employees Share in Profits:

The bank pays a percentage of cash profits expected to be distributed as the employees share in profits and recognizes that share as part of the dividends appropriation in equity and as liabilities when approved by the general assembly of the bank shareholders and no liabilities shall be recorded in the undistributed employees share in profits.

- Employees' Pension Fund & End of Service Compensations

The Bank adopted special benefits plan until 17/4/2008. The Bank's contributory defined pension plan covers the permanent employees' pensions and other end of service benefits. The Bank's contribution to this fund is computed at a certain percentage of the employees' annual salaries, in addition to amounts required to the fund as decided by the Actuary to continue providing its services and maintain the minimum return on its invested funds.

As for the employees appointed in the bank after 17/4/2008, the bank adopted special benefit plan with respect to the end of service compensation only without pensions and the bank participates in such compensations by a percentage of the employees' wages who are working under the umbrella of this benefit plan on annual basis.

S. Dividends

Dividends are recognized when declared by the General Assembly of shareholders. Those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the articles of association .

T. Comparative figures

The comparative figures shall be re-classified, when necessary, to be in conformity with the changes in the presentation used in the current year.

3. Financial Risk Management:

The bank, as a result of the activities it exercises, is exposed to various financial risks; acceptance of risks is a basis in the financial activities. Some risks or group of risks are analyzed, evaluated and managed together. The bank objective is to balance between the risk and return and to reduce the possible negative effects on the bank's financial performance.

The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been set to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated information systems.

The bank regularly reviews the risk management policies and systems and amend them to they reflect the changes in market, products and services and the best updated applications.

Risks are managed in the light of the policies approved by the Board of Directors. Risk Management Departments identify, assess, and cover financial risks in close cooperation with other operating units in the Bank. Within framework of the principles of governance and the sound banking performances related to banking risks management, the board of directors provides an integrated supervisory structure of higher committees originated there from.

A. Credit risk

The bank is exposed to credit risk, which is the risk resulting from failure of one party to meet its contractual obligations. Credit risk is considered the most significant risk for the bank therefore the management is conservative in managing this risk. Credit risks results mainly from lending activities that result in loans and facilities and from investment activities which results in obtaining debt instruments. Credit risk is also included in off balance sheet financial instruments, such as loan commitments. Managing and monitoring process of credit risk is represented in credit risk team management in risk management department who prepare reports to the Board of Directors and Head of operating units on regular basis.

(A / 1) Credit risk measurement

Loans and facilities to Banks and customers.

To measure credit risk on the loans and facilities to banks and customers, the Bank considers the following three components:

- Probability of default by the client or third parties to fulfill its contractual obligations.
- The current position and its future development from which the bank conclude the balance exposed to risk. (Exposure at default)
- loss given default

The daily management of the bank's activities involves measures of credit risk based on the Expected Loss Model required by the Basel Committee on Banking Supervision. Those operational measures could be inconsistent with the impairment loss according to IAS 26, which adopts the realized losses model and not the expected losses (Note A / 3).

The Bank evaluates the default risk for each customer using internal evaluation methods to determine the rating for the different customers' categories. These methods were improved taking into consideration statistical analysis and the professional judgment of the credit officers to reach the appropriate rating. The customers are classified into four ratings.

Rating scale (shown in the following table) reflects the possibility of defaults for each rating category, in which the credit positions may transfer from one rating to other depending on the change in the degree of possible risk. The customer's rating and the rating process are reviewed and improved when necessary.

The Bank periodically evaluates the performance of the credit rating methods and their ability in expecting the customers' defaults.

Bank's internal ratings scale	
Rating description	Rating
Performing loans	1
Regular watching	2
Watch list	3
Non-performing loans	4

The Position exposed to default depends on the outstanding balances expected at the time when a default occurs, for example, for the loans , the position is the book value, for commitments, the bank includes all actual withdrawals in addition to any expected withdrawals till the date of the late payment if any.

The expected losses or specific losses represent the Bank's expectation of loss as of the date when the settlement is due, which is loan loss percentage that differ according to the type of facility, the availability of guarantees and any other credit cover.

- Debt instruments and treasury bills and other bills

For debt instruments and bills, the Bank is using the external classifications such as Standard & Poor's or equivalent to manage credit risk, in case such ratings are not available, methods similar to those applied to credit customers are used. Investments in securities and treasury bills are regarded as a way to get better credit quality at the same time provide a source available to meet funding requirements.

(A / 2) Limiting and avoiding risks policies

The Bank manages and controls credit concentrations at the borrower's level, groups of borrowers' level, industries level and countries level.

The Bank manage the credit risk it undertakes by placing limits on the amount of risk accepted in relation to single borrower, or groups of borrowers, and to the geographical and industry segments. Such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary.

The top management reviews on quarterly basis the borrower, or groups of borrowers, geographical and industry segments and country credit concentration.

The lines of credit are divided, to any borrower including banks, into sub limits include amounts inside and outside the balance sheet, the daily limit risk on trading items such as forward foreign exchange contracts, the actual amounts are compared with the limit every day.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers' ability to meet their obligations and through changing the lending limits where appropriate.

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

Collaterals

The bank use different methods to limit its credit risk. One of these methods is accepting collaterals against loans and facilities granted by the bank. The bank implements guidelines for collaterals to be accepted. The major types of collateral against loans and facilities are:

- Real estate mortgage
- Business assets mortgage such as machines and goods.
- Financial instruments mortgage such as debt and equity instruments.

The Bank keen to obtain the appropriate guarantees against corporate entities of long term finance while individual credit facilities are generally unsecured.

In addition, to minimize the credit loss the bank will seek additional collaterals from all counterparties as soon as impairment indicators are noticed for a loan or advance.

The Bank determine type of collaterals the Bank held by the bank as security for financial assets other than loans and facilities according to the nature of the instrument, generally, debt securities and treasury bills are unsecured, except for asset-backed securities and similar instruments are secured by a financial instrument portfolio.

Credit-related commitments

The primary purpose of these commitments is to ensure that funds are available to customer when required. Guarantees and standby letters of credit are of the same credit risks as loans.

Documentary and commercial letters of credit – which are issued by the Bank on behalf of customer by which authorizing a third party to draw within a certain limit in accordance to specific terms and conditions and guaranteed by the goods under shipment are of lower risk than a direct loan.

Credit related commitment represent the unused portion of credit limit of loans, guarantees or letters of credit. With respect to credit risk related to credit related commitments, the Bank is exposed to probable loss of amount equal to the total unused limit. However, the probable amount of loss is less than the unused limit commitments, as most commitments represent commitments to customers maintaining certain credit standards. The Bank monitors the maturity term of the credit commitments because long-term commitments are of high credit risk than short-term commitments.

(A / 3) Impairment and provisioning policies

The internal rating systems described in Note (A/1) focus on the planning of credit-quality a large extent at the inception of recognizing the lending and investment activities. Otherwise, impairment losses incurred are only recognized at the balance sheet date for financial reporting purposes are losses based on objective evidence of impairment as will be mentioned in this note .

Due to the different method applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the estimated amount determined from the expected loss models used in the preparation of the financial statements and in compliance with the rules of the Central Bank of Egypt.

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

Bank's rating	31 December 2016		31 December 2015	
	Loans & facilities	Impairment provision	Loans & facilities	Impairment provision
	%	%	%	%
Performing loans	32,15	5,69	29,97	5,7
Regular watching	45,72	14,07	53,61	21,89
Watch list	7,28	2,59	2,96	2,09
Non-performing loans	14,85	77,65	13,46	70,32
	100	100	100	1 00

The internal evaluation instruments help the management to determine whether there are objective evidences of impairment according to the Egyptian Accounting Standard no. 26 and based on the following indications specified by the bank:

- Severe financial insolvency encountered by the borrower r the debtor.
- Violation of loan agreement such as default of payment.
- Expecting the bankruptcy of the borrower, entering into liquidation case or restructuring the finance granted to him.
- Deterioration in the competitive status of the borrower.
- Granting concessions or privileges to the borrower due to economic, legal or financial insolvency encountered by the borrower which may not be given by the bank in normal circumstances.
- Impairment of guarantee value.
- Deterioration of the creditworthiness.

The policies adopted by the bank require reviewing all the financial assets exceeding specific relative significance at least once a year or more when the circumstances necessitate to do so. The impairment charge shall be determined on the accounts that are evaluated on case by case basis through the evaluation of the loss realized on the date of the balance sheet. Such policies are expected to be implemented on all accounts attributed by relative significance on case by case basis. The evaluation usually includes the outstanding guarantee that embraces the reassurance of the implementation on the guarantee and expected collections form the said accounts.

The impairment losses provision is formed based on a group of assets of similar kind using the historical empirical experience available, personal judgment and statistical methods.

(A / 4) Banking general risk measurement module

In addition to the four categories of the bank's internal credit rating indicated in note (A/1), management classifies loans and advances abased on more detailed sub groups in accordance with the CBE regularizes.

Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending heavily on information related to the customer, his activities, financial position and payment schedules.

The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE.

In case of having the required impairment losses provision according to the rules of the Central Bank of Egypt that exceeds the amount required for the purposes of preparing the financial statements in accordance with the Egyptian Accounting Standards, the general banking risk reserve shall be set aside in the equity and deducted from the retained earnings with an amount equivalent to such increment.

The said reserve shall be amended on regular basis as an increase or decrease in a manner that is always equivalent to the amount of increase when comparing the two provisions. The said reserve is not distributable.

The following are the categories of credit ratings for the institutions in accordance with the four internal rating grades compared to the bases of the CBE assessment and provisions percentage required for the impairment of assets exposed to credit risk:

CBE Ratings	Rating indications	Provision percentage required %	Internal Ratings	Internal Ratings Granting
1	Low risk	Zero	1	Performing loans
2	Moderate risk	1	1	Performing loans
3	Satisfactory risk	1	1	Performing loans
4	Appropriate risk	2	1	Performing loans
5	Acceptable risk	2	1	Performing loans
6	Marginally Acceptable risk	3	2	Regular watching
7	Watch list	5	3	Watch list
8	Substandard	20	4	Non-performing loans
9	Doubtful	50	4	Non-performing loans
10	Bad debt	100	4	Non-performing loans

(A / 5) Maximum limits for credit risk before collaterals and after deducting the provisions:

Balance sheet items exposed to credit risks	31/12/2016	31/12/2015
Treasury bills and other governmental notes	1 857 813	862 862
Loans to Banks	150 000	100 000
Loans and facilities to customers:		
Retail loans:		
Overdrafts	630	997
Credit cards	378	569
Personal loans	40 905	62 387
Corporate loans:		
Overdrafts	5 949	3 018
Syndicated loans	323 318	408 787
Direct loans	1 017 248	1 040 841
Financial investments:		
Debt instruments	9 908	9 665
Other assets	38 144	33 485
Total	3 444 293	2 522 611
Off-balance sheet items exposed to credit risk		
Letters of credit	18 777	26 178
Letters of guarantee	110 534	148 965
Companies loans commitment	17 610	54 564
Total	146 921	229 707

The above table represents the bank Maximum exposure to credit risk on December 31, 2016 – December 31,2015 before taking account of any held collateral. For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above 44.74% on December 31, 2016 of the total maximum exposure is derived from loans and advances to banks and customers compared to 64.09% on December 31, 2015, while investments in debt instruments represents 0.3% on December 31, 2016 compared to 0.4% on December 31, 2015.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and advances portfolio and debt instruments based on the following :

- 77.87% on December 31, 2016 of the loans and advances are concentrated in the top two grades of the internal credit risk rating system compared to 83.57% on December 31, 2015.
- 85.15% on December 31, 2016 of loans and advances portfolio are considered to be neither past due nor impaired compared to 86.50% December 31, 2015.
- Loans and advances assessed individually are valued U.S.$ 229 thousand on December 31, 2016 compared to U.S.$ 218 thousand on December 31, 2015.
- The bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2016 .
- 99% on December 31, 2016 of the investments in debt instruments are Egyptian Government instrument compared to 99% on December 31, 2015.

(A / 6) Loans and facilities

loans and advances by ORR are summarized as follows:

	31/12/2016				31/12/2015			
	Loans & facilities to customers	Loans & facilities corporate	Loans & facilities to banks	Net Total	Loans & facilities to customers	Loans & facilities corporate	Loans & facilities to banks	Net Total
Neither past due nor impaired *	40 319	1 119 586	150 000	1 309 905	63 589	1 235 374	100 000	1 398 963
Past due but not impaired	--	--	--	--	--	--	--	--
Impaired	1 594	226 929	--	228 523	364	217 272	--	217 636
Gross	41 913	1 346 515	150 000	1 538 428	63 953	1 452 646	100 000	1 616 599
less								
Impairment loss provision **	1 084	124 304	--	125 388	760	114 346	--	115 106
Interest in suspense	216	71 948	--	72 164	202	62 740	--	62 942
Net	40 613	1 150 263	150 000	1 340 876	62 991	1 275 560	100 000	1 438 551

* Loans and facilities neither past due nor impaired

The credit quality for the loans and facilities portfolio (neither past due nor impaired) valued upon the internal valuation used by others

** Impairment loss provision for loans and advances reached U.S.$ 125 388 thousand on December 31, 2016 compared to U.S.$ 115 106 thousand on December 31, 2015. Impairment individually loans valued U.S.$ 97 365 thousand on December 31, 2016 compared to U.S.$ 80 930 thousand on December 31, 2015. The rest of the loans portfolio which is U.S.$ 28 023 thousand on December 31, 2016 compared to U.S.$ 34 176 thousand on December 31, 2015 represent the impairment based on the groups of credit portfolio.

Loans and facilities status based on internal credit rating are summarized at 31 December 2016:

Neither past due nor impaired

Individual

31/12/2016	Overdrafts	Credit cards	Personal loans	Total loans & advanced
1- Performing	-	305	28 329	28 634
2- Regular watching	592	24	11 068	11 684
3- Watch list	-	-	-	-
Total	592	329	39 397	40 318

Corporate and banks

31/12/2016	Overdrafts	Direct loans	Syndicated loans	Banks loans	Total loans & advanced
1- Performing	1 016	251 925	63 025	150 000	465 966
2- Regular watching	370	455 622	235 656	-	691 648
3- Watch list	59	111 914	-	-	111 973
Total	1 445	819 461	298 681	150 000	1 269 587

Individual

31/12/2015	Overdrafts	Credit cards	Personal loans	Total loans & advanced
1- Performing	-	465	43 187	43 652
2- Regular watching	967	104	18 866	19 937
3- Watch list	-	-	-	-
Total	967	569	62 053	63 589

Corporate and banks

31/12/2015	Overdrafts	Direct loans	Syndicated loans	Banks loans	Total loans & advanced
1- Performing	581	295 484	44 754	100 000	440 819
2- Regular watching	34	509 453	337 165	-	846 652
3- Watch list	283	47 619	-	-	47 902
Total	898	852 556	381 919	100 000	1 335 373

The guaranteed loans is not considered to be impaired and that's regardless the effectiveness of the collaterals.

- Past due loans and facilities and not impaired

They are loans and facilities having past due up to 90 days and not considered impaired, unless there is information to the contrary . There is no loans and facilities having past due and not subject to impairment on December. 31, 2016.

In the initial recognition for the loans & facilities the collaterals fair value is values as per the benchmark in the subsequent periods the fair value will be adjusted as per the market value or the benchmark

- Loans and facilities individually subject to impairment

Loans and facilities to customers

Loans and facilities individually subject to impairment before taking into consideration cash flows from guarantees amounted to U.S.$ 228 523 thousand on December. 31, 2016 (U.S.$ 217 636 thousand as of December. 31, 2015) .

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

31/12/2016	Individual	Corporate	Total
Individual loans subject to impairment Including	1 594	226 929	228 523
Fair value of guarantees	744	4 015	4 759

31/12/2015	Individual	Corporate	Total
Individual loans subject to impairment Including	364	217 272	217 636
Fair value of guarantees	-	20 369	20 369

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

The table below shows an analysis of debt instruments and treasury bills and other governmental securities according to the rating agencies at the end of the financial year.

	Treasury bills& other governmental securities	Treasury bonds	Total
Treasury bills & Bonds (B-)	1 623 658	234 155	1 857 813
Total	1 623 658	234 155	1 857 813

(A / 8) Acquisition of Collaterals

- The Bank has not acquired assets based on the acquisition of collaterals during the current financial year.
- The assets acquired by the Bank are classified under the item of other assets in the balance sheet and these assets are to be sold whenever applicable.

(A / 9) Concentration of Financial Assets Risks Exposed to Credit Risk

- Geographical Sectors

The following table represents an analysis of the most significant credit risk limits of the Bank at book value and their distribution according to the geographical sectors at the end of the current financial year. When we prepared this table, we distributed the risks over the geographical sectors based on the areas related to the customers of the Bank.

	Greater Cairo	Alexandria	Port Said	Total
Treasury bills &other government notes	1 857 813	-	-	1 857 813
Loans – local banks	150 000	-	-	150 000
Loans and facilities to customers:				
• Loans to individuals:				
- Overdrafts	533	65	32	630
- Credit cards	325	29	24	378
- Personal loans	36 140	4 260	505	40 905
• Loans to Corporate:				
- Overdrafts	5 949	-	-	5 949
- Direct loans	1 009 338	7 749	161	1 017 248
- Syndicated loans	323 318	-	-	323 318
• Financial investments:				
- Debt instruments	9 908	-	-	9 908
Total as at 31 December 2016	3 393 324	12 103	722	3 406 149
Total as at 31 December 2015	2 468 031	18 612	2 483	2 489 126

Business Sectors

The following table represents an analysis of the most significant credit risk limits of the Bank at book value distributed according to the business activity practiced by the customers of the Bank

	Financial Institutions	Industrial Institutions	Commercial	Mining &Petroleum Services	Real Estate Activities	Government Sector	Other Activities	Total
Treasury bills & other government notes	-	-	-	-	-	1 857 813	-	1 857 813
Loans – local banks	150 000	-	-	-	-	-	-	150 000
Loans and facilities to customers:								
• Loans to individuals:								
- Overdrafts	-	-	-	-	-	-	630	630
- Credit cards	-	-	-	-	-	-	378	378
- Personal loans	-	-	-	-	-	-	40 905	40 905
• Loans to Corporate:								
- Overdrafts	-	698	771	2 960	-	-	1 520	5 949
- Direct loans	48 974	191 501	100 417	430 264	7 153	167 146	71 793	1 017 248
- Syndicated loans	-	-	-	217 967	-	-	105 351	323 318
• Financial investments:								
- Debt instruments	9 908	-	-	-	-	-	-	9 908
Total as of 31 December 2016	208 882	192 199	101 188	651 191	7 153	2 024 959	220 577	3 406 149
Total as of 31 December 2015	110 773	414 185	58 780	558 171	9 238	1 025 933	312 046	2 489 126

B. Market risk

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

The market risk management resulting from trading and non-trading portfolios is concentrated in the risk department of the Bank and they are followed up by two separate teams. Interim reports on market risk are presented to the Board of Directors and the heads of business activity units on regular basis.

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

(B / 1) Market risk measurement techniques

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

Value at Risk

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

Stress Testing

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

The results of the stress testing are reviewed by top management and Board of directors.

(B / 2) Foreign exchange volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The Board of Directors set aggregate limits for foreign exchange for each position at the end of the day, and during the day which is controlled on timely basis. The following table summarizes the Bank exposure to foreign exchange volatility risk at the end of the financial year.

The following table includes the carrying amounts of the financial instruments in their currencies:

31 December 2016	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with Central banks	22 242	2 690	1 416	101 506	166	128 020
Due from banks	420 410	287 749	79 367	213	5 061	792 800
Treasury bills	524 482	118 172	-	981 004	-	1 623 658
Loans and facilities to customers	1 235 759	56 000	10	49 107	-	1 340 876
Financial investments:						
- Available for sale	34 710	-	-	-	-	34 710
- Held to maturity	50 666	-	-	183 488	-	234 154
Investments properties	-	-	-	-	-	-
Investments in associates	309 369	-	-	144 005	-	453 374
Other assets	29 486	216	35	8 407	-	38 144
Total financial assets	2 627 124	464 827	80 828	1 467 730	5 227	4 645 736
Financial liabilities						
Due to banks	507 633	295 633	2 822	105 110	2 243	913 441
Customer deposits	13 85 231	166 027	77 349	1 170 385	2 746	2 801 738
Other liabilities	28 538	932	466	9 430	40	39 406
Total financial liabilities	1 921 402	462 592	80 637	1 284 925	5 029	3 754 585
Net financial position	705 722	2 235	191	182 805	198	891 151

31 December 2015	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with Central banks	18 291	2 785	1 483	22 251	191	45 001
Due from banks	196 560	222 412	110 341	39 293	6 257	574 863
Treasury bills	512 124	123 508	-	154 790	-	790 422
Loans and facilities to customers	1 318 724	80 626	22	39 179	-	1 438 551
Financial investments:						
- Available for sale	35 401	-	-	-	-	35 401
- Held to maturity	50 852	-	-	21 588	-	72 440
Investments properties	17 483	-	-	-	-	17 483
Investments in associates	311 601	-	-	184 515	-	496 116
Other assets	29 748	955	40	2 742	-	33 485
Total financial assets	2 490 784	430 286	111 886	464 358	6 448	3 503 762
Financial liabilities						
Due to banks	468 498	231 186	3 479	2 587	2 300	708 050
Customer deposits	1 411 735	191 154	107 587	227 252	6 168	1 943 896
Other liabilities	24 800	609	658	3 957	45	30 069
Total financial liabilities	1 905 033	422 949	111 724	233 796	8 513	2 682 015
Net financial position	585 751	7 337	162	230 562	(2 065)	821 747

(B / 3) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank is exposed to the effect of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may profit decrease in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken which is monitored daily by the bank`s risk department.

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

31 December 2016	Up to 1 month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Total
Financial Asset						
Cash and balances with Central banks	128 020	-	-	-	-	128 020
Due from banks	697 602	84 090	11 108	-	-	792 800
Treasury bills	210 862	740 560	672 236	-	-	1 623 658
Loans and facilities to customers	223 300	451 472	234 338	306 611	125 155	1 340 876
Financial investments:						
- Available for sale	-	-	-	11 860	22 850	34 710
- Held to maturity	-	-	68 832	165 322	-	234 154
Investments in associates	-	-	-	-	453 374	453 374
Other assets	-	-	38 144	-	-	38 144
Total financial assets	1 259 784	1 276 122	1 024 658	483 793	601 379	4 645 736
Financial liabilities						
Due to banks	312 806	336 045	264 590	-	-	913 441
Customers' deposits & Certificates of deposits	1 762 775	162 002	167 905	709 056	-	2 801 738
Other liabilities	-	-	39 406	-	-	39 406
Total financial liabilities	2 075 581	498 047	471 901	709 056	-	3 754 585
Interest re-pricing gap	(815 797)	778 075	552 757	(225 263)	601 379	891 151

31 December 2015	Up to 1 month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Total
Total financial assets	843 777	929 940	646 350	448 433	617 779	3 486 279
Total financial liabilities	1 201 336	466 345	529 272	485 062	-	2 682 015
Interest re-pricing gap	(357 559)	463 595	117 078	(36 629)	617 779	804 264

C. Liquidity risk

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

Liquidity risk management process

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

The main period for liquidity management is the next day, week and month. The Bank calculates the expected cash flow for those years for monitoring and reporting purposes.

The starting point to calculate these expectations is analyzing the financial liabilities dues and expected financial assets collections.

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

Funding approach

Sources of liquidity are regularly reviewed by a separate team from bank treasury to maintain a wide diversification by currency, geography, sources, products and terms.

D. Operating Risk:

The definition of operating risk is "the risk of a change in value caused by the fact that actual direct losses and / or indirect losses, incurred for inadequate or failed internal processes, people and systems, from external events (including legal risk) differ from the expected losses" or any operating events that impact negatively on the reputation of the Bank, the continuity of the business as a going concern and / or the market value of the Bank.

The Framework of the Operating Risk Department

The operating risk department is considered as a significant part that supports the various activities of the Bank with respect to its role in identifying and assessing the relevant risks and the required controls to prevent and mitigate the operating losses in addition to participating in enhancing the competency and efficiency of utilizing the various resources of the Bank.

The policy of the operating risk department aims at laying out a general framework to consolidate its efficiency and providing support to the governance system through enlightenment and spreading the risk culture among all employees, complete awareness of the targets of the operating risk department, how to classify risks, the difference between the operating risk and the other kinds of risks, the duties and responsibilities of management and supervision, the methods and approaches used inside the Bank for determination, measurement, reporting and follow up to limit and mitigate the operating risks.

The operating risk department is concentrating its attention on the spreading of risk culture and the awareness of the importance of identifying, reviewing, examining policies, procedures and work systems, making researches to enhance systems and their security methods, the oversight controls to prevent and mitigate the operating risks.

Meanwhile, the operating risk department is taking the lead in cooperation with all the departments of the Bank to identify indications that give early warning in regard to the events that may expose the Bank to any sort of possible risks.

The operating risk department started working on establishing operating events database along with their classification that is in conformity with the standards laid out by "Basel II" Accords and the classification of operating risks stated therein.

The data collection process relies on the internal operating events reports in addition to all relevant external events. The said data is used in analyzing and monitoring the root causes of the operating risks, the frequency of events, evaluating the corrective measures and the controls adopted by the Bank to prevent and mitigate the operating risks.

E. Fair value of financial assets and liabilities

Financial instruments not measured at fair value

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

31 December, 2016	Carrying value	Fair value
Financial assets		
Loans and facilities to banks	150 000	-
Loans and facilities to customers :*		
- Individuals	41 913	-
- Corporate	1 346 515	-
Financial investments:		
- Equity instruments available for sale (unquoted)	22 850	-
- Held to maturity	234 154	235 053
- Investments in associates	453 374	-
Financial liabilities		
Customers deposits :		
- Individuals	1 406 612	1 406 612
- Corporate	1 395 126	1 395 126

* The fair value of balances of loans and facilities granted to customers & banks was not calculated.

F. Capital management

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

- Compliance with capital legal requirements in 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.

Capital adequacy and uses are reviewed on a monthly basis according to the regulatory authority's requirements (CBE) by the Bank's management through models based Basel committee for banking control instructions, these data are submitted to CBE on quarterly basis.

CBE requires the following from the Bank:

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

The numerator in capital adequacy comprises the following two tiers:

Tier 1: It is the basic capital comprising of paid up capital (after deducting the carrying amount of the treasury stocks) retained earnings and reserves resulting from profit appropriations except the general reserve for banking risks less any goodwill previously recognized and any carried forward losses.

Tier 2: it is the supplementary capital that is comprised of the equivalent of the general risk provision which is formed based on the Obligor Risk Rating and Provisioning Rules issued by the Central Bank of Egypt in a manner that does not exceed 1.25% of the total assets and contingent liabilities risk weighted, subordinated loans / deposits of more than five-year-maturity period (while amortizing 20% of their value in each year of the last five years of their maturity period) in addition to 45% of the increase resulting from the difference between the fair value and the carrying value of both financial investments available for sale and held to maturity date and investments in associates.

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

Assets are risk weighted ranging from zero to 100% classified according to the nature of each asset of the debtor to reflect the credit risk associated with it, and taking in consideration the cash collateral.

And the same treatment is used for off-balance amounts after adjustments to reflect the contingent nature and the potential loss of those amounts.

The following table summarizes the components of the initial and supplementary capital in addition to the capital adequacy percentages as at 31 December 2016.

	31/12/2016	31/12/2015
Tier 1 Capital		
Paid up capital	600 000	450 000
Statutory reserve	113 248	107 306
General reserve	73 582	73 582
Profits carried forward	53 768	83 704
Profits of the year	-	-
Shareholders' dividends	-	-
Total Basic Capital	840 598	714 592
Less:		
Investments in financial institutions:		
Amount exceeding 10% of the issued capital of the company for each separate investment	(157 441)	(119 590)
Total investments increase that was not deducted for the 10% of the initial capital of the bank after the supervisory amendments	-	-
Subordinated loans	(90 000)	(40 000)
Intangibles assets	(719)	-
Investments in non-financial institutions:		
50% of the increase amount for each separate company for the 15% of the initial capital of the bank before the supervisory amendments.	(9 630)	(15 115)
50% of the increase amount of the total investments that was not deducted for the 60% of the basic capital of the bank before the supervisory amendments.	-	-
	(257 790)	(174 705)
Total Tier 1 Capital	582 808	539 887

Tier 2 Capital

Impairment losses provision for performing loans & facilities	28 021	34 176
Impairment losses provision for performing contingent liabilities	2 734	2 485
45% of the increase resulting from the difference between the fair value and the carrying value of financial investments in associates	23 793	32 684
45% of the balance of positive fair value financial investments reserve	**575**	**545**
	55 123	69 890
Less:		
50% of the increase amount for each separate company for the 15% of the basic capital of the bank before the supervisory amendments.	(9 630)	(15 115)
50% of the increase amount of the total investments that was not deducted for the 60% of the basic capital of the bank before the supervisory amendments.	-	-
	(9 630)	(15 115)
Total Tier 2 Capital	45 493	54 775
Total capital base (1)	628 301	594 662
Risk weighted assets & contingent liabilities		
Credit risk of included in and off-balance sheet items	3 400 339	3 616 808
Exchange risk	16 253	41 935
Operating risk	147 441	141 515
Total risk weighted assets & contingent liabilities(2)	3 564 033	3 800 258
Capital adequacy ratio (1) /(2)	17.63%	15,65%

The following table summarizes the financial leverage ratio (as a guiding ratio till the year 2017)

	31/12/2016
Tier 1 Capital after disposals (1)	582 809
Cash and Due from Central Bank	157 326
Balances due from banks	913 494
Treasury bills & government securities	1 562 489
Available for sale Investments	57 840
Held to maturity Investments	234 154
Investments in subsidiaries & associates	453 375
Loans &credit facilities granted to customers	1 218 897
Fixed assets (after deducting impairment losses provision and accumulated depreciation)	48 212
Other assets	38 144
The amount of exposure deducted (after disposing the first tier of the capital base)	(257 071)
Total exposure of banks in the balance sheet (after deducting the disposals of the first tier)	4 426 860
Letter of credit - imports	876
Letter of credit - exports	1 515
Letters of guarantee	55 267
Letters of guarantee upon other banks' request or by their warranty	-
Accepted bills	6 822
Total contingent liabilities	64 480
Commitments for loans & facilities to banks / customers (unused limit) of principal maturity Irrevocable – one year or less	3 685
Total commitments	3 685
Total off- balance sheet exposure (2)	68 165
Total balance sheet & off- balance sheet exposure	4 495 025
Financial leverage ratio (1/2)	12,97%

4. Significant accounting estimates and assumptions

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors including the expectations of future events that are believed to be reasonable in the light of available circumstances & information.

(4 / A) Impairment losses for loans and facilities

The Bank reviews the portfolio of loans and facilities at least quarterly. The Bank uses professional judgment in determining whether it is necessary to recognize impairment loss in the income statement, to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis. This evidence include data indicating negative changes in borrowers' portfolio ability to repay to the Bank, or local or economic circumstances related to default. On rescheduling future cash flows the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio in question.

The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on experience.

(4 / B) Impairment of available for sale equity investments

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what 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 financial situation of the investee or its operational or financing cash flows, industry and sector performance or changes in technology.

(4 / C) Held-to-maturity investments

The Bank classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire category as available for sale. The investments would therefore be measured at fair value not amortized cost.

In case the use of investments classification is suspended on the basis that they are held to maturity, the carrying value will be increased with the amount of US$ 899 thousand to reach the fair value through recording a contra entry in the fair value reserve included in equity.

5. Sector Analysis

A- Geographical Sectors Analysis

31 December 2016	Greater Cairo	Alexandria	Port Said	Total
Revenues & expenses according to the geographical sectors				
- Geographical sectors revenues	274 228	1 845	**259**	276 332
- Geographical sectors expenses	(231 039)	(4 707)	(1 728)	(237 474)
Sector operating income	43 189	(2 862)	(1 469)	38 858
Profit (loss) for the year	43 189	(2 862)	(1 469)	38 858
Assets & liabilities according to the geographical sectors				
- Geographical sectors assets	4 674 416	17 516	3 215	4 695 147
Total assets	4 674 416	17 516	3 215	4 695 147
Geographical sectors liabilities	4 519 655	131 123	44 369	4 695 147
Total liabilities	4 519 655	131 123	44 369	4 695 147

31 December 2015	Greater Cairo	Alexandria	Port Said	Total
Revenues & expenses according to the geographical sectors				
- Geographical sectors revenues	138 735	2 168	529	141 432
- Geographical sectors expenses	(77 081)	(3 549)	(1 378)	(82 008)
Sector operating income	61 654	(1 381)	(849)	59 424
Profit (loss) for the year	61 654	(1 381)	(849)	59 424
Assets & liabilities according to the geographical sectors				
Geographical sectors assets	3 516 257	22 689	4 494	3 543 440
Total assets	3 516 257	22 689	4 494	3 543 440
Geographical sectors liabilities	3 348 251	149 378	45 811	3 543 440
Total liabilities	3 348 251	149 378	45 811	3 543 440

6. Net interest income

	31/12/2016	31/12/2015
Interest from loans and similar revenues:		
Loans and facilities :		
- Banks	2 732	584
- Customers	75 371	62 593
	78 103	63 177
Financial investments	183 691	34 150
Deposits with Banks	17 866	2 971
Total	279 660	100 298
Costs of Deposits and similar costs:		
Deposits and current accounts:		
- Banks	(27 026)	(7 858)
- Customers	(153 756)	(25 085)
Total	(180 782)	(32 943)
Net	98 878	67 355

7. Net fees and commission income

	31/12/2016	31/12/2015
Fees and commission income:		
Fees and commissions related to credit	7 111	7 468
Institution's finance services fees	4 617	5 330
Other fees	3 479	3 593
Total	15 207	16 391
Fees and commission expenses:		
Other fees paid	(98)	(87)
Net	15 109	16 304

8. Dividends income

	31/12/2016	31/12/2015
Available for sale investments	299	540
Total	299	540

9. Net trading income

	31/12/2016	31/12/2015
Forex gain	3 032	2 727
Total	3 032	2 727

10. Administrative expenses

	31/12/2016	**31/12/2015**
Staff costs		
Wages and salaries	25 769	20 384
The bank contribution in employees fund	3 462	3 871
Amortization of staff pension subordinated loan	6 409	6 795
	35 640	31 050
Fixed assets depreciation	1 632	1 343
Other administrative expense	7 088	5 774
Total	44 360	38 167

The monthly average of the amounts paid highest remunerations and salaries in the Bank amounted to US$ 508 207 for the financial year ended as at 31 December 2016 corresponding to the amount of US$ 421 720 for the financial year ended as at 31 December 2015.

11. Other operating income (expenses)

	31/12/2016	**31/12/2015**
Gain (loss) revaluation monetary assets & liabilities balances other than trading or the initially classified by fair value through profit & loss *	(5 539)	(3 456)
Other income	2 834	1 422
Other provisions charges	156	(229)
Other expenses	(420)	(451)
Total	(2 969)	(2 714)

* Based on the exceptional economic decision issued by The Central Bank of Egypt to the effect of liberalizing the exchange rate on November 3, 2016, resulting foreign exchange revaluation losses differences resulting from the said decision for the period from November 3, 2016 to December 31, 2016 amounted to US$ 31 715 thousand and due to the significance of such losses it was presented in a separate item in the income statement.

12. Earnings per share

	31/12/2016	31/12/2015
Net profit for the year	38 858	59 424
Board of directors remuneration	(3 098)	(3 098)
Employees' profit share	(8 700)	(8 500)
Shareholders' profit share	27 060	47 826
Common shares outstanding	30 000	30 000
Earnings per (US.$/share)	902,0	1 594,20

13. Cash and Due from Central Bank

	31/12/2016	31/12/2015
Cash	28 318	26 452
Purchased checks	410	550
Due from central bank (within the required reserve percentage)	99 292	17 999
Total	128 020	45 001
Non-interest bearing balances	128 020	45 001
Total	128 020	45 001

14. Due from banks

	31/12/2016	31/12/2015
Current accounts	57 779	23 686
Deposits	735 021	551 177
	792 800	574 863
Due from central bank (other than the required reserve percentage)	29 306	53 625
Local Banks	586 143	447 007
Foreign Banks	177 351	74 231
Total	792 800	574 863
Non- interest bearing balances	42 976	29 326
Interest bearing balances	749 824	545 537
	792 800	574 863
Current balances	792 800	557 848
Non-current balances	-	17 015
Total	792 800	574 863

15. Treasury bills

	31/12/2016	31/12/2015
Treasury bills represent the following:		
90 days maturity	209 119	67 270
180 days maturity	160 384	47 826
270 days maturity	472 856	43 447
364 days maturity	833 664	640 200
Total	1 676 023	798 743
Unearned interest	(52 365)	(8 321)
Total	1 623 658	790 422

16. Loans and facilities to customers

	31/12/2016	31/12/2015
Banks :		
Loans	150 000	100 000
Total (1)	150 000	100 000
Retail :		
Overdrafts	630	997
Credit cards	378	569
Personal loans	40 905	62 387
Total (2)	41 913	63 953
Corporate loans including small loans:		
Overdrafts	5 949	3 018
Direct loans	1 017 248	1 040 841
Syndicated loans	323 318	408 787
Total (3)	1 346 515	1 452 646
Total loans and advance to customers (1+2+3)	1 538 428	1 616 599
Less : Loans loss provisions	(125 388)	(115 106)
Less : Interest in suspense	(72 164)	(62 942)
Net distributed as follows:	1 340 876	1 438 551
Current Balance	1 281 882	1 361 679
Non Current Balance	58 994	76 872
Total	1 340 876	1 438 551

Provision for impairment losses

The Provision for impairment losses movement analysis for loans and facilities to customers' as follows:

	31/12/2016	31/12/2015
Balance at the beginning of the year	115 106	107 491
Impairment charge During the year	11 252	7 926
Foreign exchange differences	(2 584)	-
Debts written off	-	(565)
Transfers	1 439	160
Proceeds from loans previously written off	175	94
Balance at the end of the year	**125 388**	**115 106**

17. Financial investments

Available for sale investments

	31/12/2016	31/12/2015
Debt instruments – Fair value	9 908	9 665
Financial instruments measured at fair value		
- Quoted	1 952	2 853
- Unquoted	22 850	22 883
Total Available for sale investment (1)	34 710	35 401
Held to maturity investments		
- Quoted	234 154	72 440
Total held to maturity instruments (2)	234 154	72 440
Total Financial instruments (1+2)	268 864	107 841
- Current balances	-	-
- Non-current balances	268 864	107 841
Total	268 864	107 841
Fixed interest debt instruments	234 154	72 440
Variable interest debt instruments	9 908	9 665
Total	244 062	82 105

	Available for sale investments	Held to maturity investments	TOTAL
Balance at 1/1/2016	35 401	72 440	107 841
Additions	-	364 259	364 259
Disposals	(108)	-	(108)
Amortized issue premium for the year	-	(1 333)	(1 333)
Foreign exchange revaluation differences	-	(201 212)	(201 212)
Change in fair value (Note 26)	(583)	-	(583)
Balance at 31/12/2016	34 710	234 154	268 864
Balance at 1/1/2015	50 364	106 491	156 855
Additions	23	52 830	52 853
Disposals (Sale / Redemption)	(13 370)	(85 629)	(98 999)
Amortized issue premium for the year	-	(1 252)	(1 252)
Change in fair value (Note 26)	(1 310)	-	(1 310)
Provision of impairment losses	(306)	-	(306)
Balance at 31/12/2015	35 401	72 440	107 841

Gains from financial investments

	31/12/2016	31/12/2015
Profits on the sale of Available for sale investments	133	3 717
Impairment losses of Available for sale investments	(825)	(2 499)
Balance at the end of the year	**(692)**	**1 218**

18. Investments in associates

Equity participations where the Bank holds 20% or more than its capital shares are as follows:

Name of Company	Total assets	Total Liabilities (without equity)	Total Revenue	Net Profit	Region	Balance at 1/1/2016	Investments in associates (far value reserve)	Balance at 31/12/2016	Share %
Societe Arab International de Banque (SAIB)	4 203 582	3 911 386	668 731	48 523	A.R.E	132 030	16 742	129 014	46 ,07
Suez Canal Co. For Technology*	90 116	25 470	5 696	3 593	A.R.E	68 378	-	27 866	24,08
International Company for Tourist Investments (ICTI)	111 623	6 738	16 229	5 356	A.R.E	39 475	527	40 002	20,00
World Trade Centre (WTC)	143 544	12 211	2 526	892	A.R.E	131 418	432	131 850	50,00
Compagnie Arab De Financement International «CAFI »	9 684	132	27	(33)	Luxemburg	8 678	(173)	8 505	89,04
Suez Canal Bank (CSB)	1 720 702	1 610 576	118 892	11 478	A.R.E	116 137	-	116 137	41,50
Total						**496 116**	**17 528**	**453 374**	

* The contribution in Suez Canal Co. For Technology was reduced with an impairment of US$ 40 511 thousand for the year 2016 that is represented in exchange differences resulting from the liberalization of the foreign exchange rate that amounted to US$ 35 511 thousand (Note No. 27c) and the amount of US$ 5 000 thousand that represents the impairment of the recoverable value.

- The assets, liabilities, revenues and profits of Society Arab International de Banque (SAIB) were recorded based on the financial statements approved as at 31-8-2016 prior to the bank general assembly approved.
- The assets, liabilities, revenues and profits of Suez Canal Co. For Technology were recorded based on the financial statements approved as at 31-8-2016 prior to the company's general assembly approval.
- The assets, liabilities, revenues and profits of International Company for Tourist Investments (ICTI) were recorded based on the approved financial statements as at 31-12-2016.
- The assets, liabilities, revenues and profits of World Trade Centre (WTC) were recorded based on the unapproved financial statements as at 31-12-2016.
- The assets, liabilities, revenues of the Compagnie Arab De Financement International « CAFI » were recorded based on the approved financial statements as at 31-12-2016.
- The assets, liabilities, revenues and profits of Suez Canal Bank (CSB)were recorded based on the financial statements approved as at 31-12-2016.

Name of Company	Total assets	Total Liabilities (without equity)	Total Revenue	Net Profit	Region	Balance at 1/1/2015	Investments in associates (far value reserve)	Balance at 31/12/2015	Share %
Societe Arab International de Banque (SAIB)	6 273 000	5 974 258	572 858	42 991	A.R.E	126 214	14 192	132 031	46 ,07
Suez Canal Co. For Technology*	213 686	69 710	22 121	15 603	A.R.E	69 363	3 473	68 378	24,08
International Company for Tourist Investments (ICTI)	104 924	2 984	14 566	5 817	A.R.E	38 385	1 226	39 475	20,00
World Trade Centre (WTC)	142 582	12 356	4 416	(79)	A.R.E	131 152	408	131 417	50,00
Compagnie Arab De Financement International «CAFI »	-	-	-	-	Luxemburg	7 890	788	8 678	89,04
Suez Canal Bank (CSB)	2 699 976	2 464 179	154 483	-	A.R.E	116 137	-	116 137	41,50
Total						**489 141**	**20 087**	**496 116**	

The Bank owns 89.043% of the share capital of Compagnie Arab De Financement International « CAFI » and the Bank's direct participation in Societe Arabe International de Banque (SAIB) is 46.075%, and the indirect participation of 4.36% of the share capital of (SAIB). Accordingly, the Bank's direct and indirect interest in (SAIB) is 50.435%. However, since the Bank currently does not have sufficient control in the Board of Directors that represent its ownership share in SAIB, no consolidated financial statements have been prepared.

19. Investment Properties

	31/12/2016	31/12/2015
Investment Properties	17 483	17 483
Less: impairment (Note No. 27c)	(8 948)	-
Transferred to fixed assets (Note No. 22)	(8 535)	-
Total	**-**	**17 483**

The investment property is represented in a plot of land purchased on Nile Corniche El Maadi.

20. Intangible Asset

	31/12/2016	31/12/2015
	Computer software	Computer software
Cost at the beginning of the year	-	-
Additions	1 383	-
Total cost	1 383	-
Accumulated amortization at the beginning of the year	-	-
Amortization cost for the year	(185)	-
Accumulated amortization	(185)	-
Net book value at the end of the year	1 198	-

21. Other Assets

	31/12/2016	31/12/2015
Accrued revenue	20 743	10 871
The share of the Bank in profits of contributions (available for sale)	771	993
Prepaid expenses	321	544
Prepaid amounts to employees under the account of profits appropriations	6 730	6 550
Advances to purchase fixed assets	4 609	2 238
Assets transferred to bank (after deducting the impairment)*	3 733	10 313
Other debit balances (net)	1 237	1 976
Total	**38 144**	**33 485**

* The value of the commercial area of land in Al Maadi that amounted to US$ 661 thousand that was included in the assets reverted to the Bank was transferred to debit balances as the management of the bank decided to utilize that area of land as a new branch of the bank .

22. Fixed assets

	Land	Building & Improvements	Furniture Fittings & Equipment	Vehicles	Computers	Total
Balance at 1/1/2016	21 000	15 792	1 346	218	1 322	39 678
Addition	8 535	439	449	245	370	10 038
Disposals	-	-	(27)	-	(29)	(56)
Depreciation at 31/12/2016	-	(686)	(221)	(81)	(459)	(1 447)
Net Book Value at 31/12/2016	29 535	15 545	1 547	382	1 204	48 213
Net Book Value at 31/12/2015	21000	15 792	1 346	218	1 322	39 678

* On 22/12/2016 the management of the bank decided to utilize the land located at Cornich Al Maadi that is recorded under the item of investment properties in order to construct new premises thereon for the Arab International Bank after reducing its value with the impact of the impairment (Note No. 19 and No. 27c).

23. Due to Banks

	31/12/2016	31/12/2015
Current Accounts	110 238	142 557
Deposits	803 206	565 493
Total	**913 441**	**708 050**
Local Banks	357 428	217 157
Foreign Banks	556 013	490 893
Total	**913 441**	**708 050**
Non - Interest Bearing Balances	26 143	56 479
Interest Bearing Balances	887 298	651 571
Total	**913 441**	**708 050**
Current Balance	808 851	698 050
Non – Current Balance	104 590	10 000
Total	**913 441**	**708 050**

24. Customers Deposits

	31/12/2016	31/12/2015
Demand deposits (current accounts)	178 357	219 524
Time and call deposits	2 135 709	1 143 163
Certificates of deposits	207 608	209 254
Saving deposits	234 449	269 290
Other deposits	45 615	102 665
	2 801 738	1 943 896
Financial Institutions deposits	1 396 134	472 178
Individual deposits	1 405 604	1 471 718
Balance	2 801 738	1 943 896
Non-interest bearing balances	97 349	130 270
Fixed bearing balances	2 638 173	1 714 564
Variable bearing balances	66 216	99 062
Balance	2 801 738	1 943 896
Current balance	2 010 202	1 346 287
Non-current balances	791 536	597 609
Balance	**2 801 738**	**1 943 896**

25. Other liabilities

	31/12/2016	31/12/2015
Accrued interest	20 377	12 548
Unearned revenue	4 202	2 836
Pension Fund	4 719	8 853
Employees' alternative benefit plan	5 149	-
Other credit balances	4 959	5 832
Total	**39 406**	**30 069**

26. Other Provisions

	31/12/2016					31/12/2015			
	Beginning Balance	Transferred	Provision No Longer Required	Formed (Used)	Year ending Balance	Beginning Balance	Transferred	Formed (Used)	Year ending Balance
Provision for Claims	6 591	-	-	(4 632)	1 959	11 626	-	(5 035)	6 591
Provision for Contingencies	4 953	560	(716)	-	4 797	4 834	(160)	279	4 953
Provision for Banking Operation	2 200	-	-	(2 000)	200	2 200	-	-	2 200
Total	13 744	560	(716)	(6 632)	6 956	18 660	(160)	(4 756)	13 744

27. Owners Equity

A. Capital

The Issued Capital as at December 31, 2016 amounted to U.S. $ 600 Million distributed over 30 000 common shares of U.S.$ 20 000 each and the paid-up capital amounted to U.S. $ 450 Million.

On March 6, 2016 the board of directors of the bank decided to call up the second and last portion of the issued capital increase that amounted to US$ 150 million paid as at June 30, 2016.

Thus the issued and paid in capital of the bank became US$ 600 million as at December 31, 2016 that is distributed over 30,000 common shares whose value is US$ 20 000 each.

The subscribed share capital is as follows:

	No. Of shares	Normal value	%	Paid
Arab Republic Of Egypt	11 628	232 560	38,76	232 560
Libya	11 628	232 560	38,76	232 560
Abu Dhabi Investment Authority	3 751	75 020	12,503	75 020
State Of Qater	1 495	29 900	4,984	29 900
State General Reserve Fund of Sultanate of Oman	747	14 940	2,49	14 940
International Capital Trading Co.	751	15 020	2,503	15 020
Total	**30 000**	**600 000**	**100**	**600 000**

B. Reserves

	31/12/2016	31/12/2015
Legal Reserve (Note No.B-1)	113 248	107 306
General Reserve	73 582	73 582
Change in equity for investment in associate (Note No.B-2)	52 873	72 631
Available for sale fair value reserve (Note No. B-3)	1 277	1 034
Total of reserve at the end of the year	**240 980**	**254 553**

(B / 1) Leagal Reserve

	31/12/2016	31/12/2015
Balance at the beginning of the year	107 306	102 516
Transfer from net profit of the year	5 942	4 790
Balance at the end of the year	**113 248**	**107 306**

(B / 2) Change in equity for investment in associate Corporations

	31/12/2016	31/12/2015
Balance at the beginning of the year	72 631	73 914
Change in equity for investment in associate (net)	(19 758)	(1 283)
Balance at the end of the year	**52 873**	**72 631**

(B / 3) Available for sale fair value reserve

	31/12/2016	31/12/2015
Balance at the beginning of the year	1 034	3 593
Transfer to income statement due to impairment of available for sale	825	2 193
Transfer from income statement due to selling of available for sale investments	-	(3 442)
Net change in Available for sale fair value reserve (Note No. 17)	(582)	(1 310)
Balance at the end of the year	**1 277**	**1 034**

C. Retained Earnings

As of November 3, 2016 and based on the exceptional economic decision issued by the Central Bank of Egypt of the effect of liberalizing the exchange rate, the matter that negatively affected the recoverable value of some assets of the bank and as a result of the exceptional circumstances and in order to have financial statements that presents more fairly the financial position of the bank and its financial performance of the year 2016, the management of the bank resolved to charge the retained earnings directly to the impairment losses of such assets that are resulting from the liberalization of the exchange rate for the period from November 3, 2016 to December 31, 2016 that are represented in the following:

Description	Impairment
Impairment of investments in associates (Note no. 18)	35 511
Impairment of investment properties (Note no. 19)	8 948
Impairment of assets whose ownership reverted to the bank (Note no. 21)	4 861
Total impairment of assets value resulting from the liberalization of the EGB exchange rate	49 320

The following represents the movement on retained earnings for the year:

	31/12/2016	31/12/2015
Balance at the beginning of the year	143 128	99 794
Net profit of the year	38 858	59 424
Dividends paid	(22 500)	-
Employees' profit share	(8 500)	(8 890)
Board of Directors remuneration	(3 098)	(2 410)
Transfer to legal reserve	(5 942)	(4 790)
Impairment resulting from the liberalization of the EGP exchange rate	(49 320)	-
Balance at the end of the year	**92 626**	**143 128**

28. Cash and cash equivalents

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

	31/12/2016	31/12/2015
- Cash in Central Bk. Of Egypt	128 020	45 001
- Balances with banks	752 386	355 915
- Treasury Bills	210 862	65 945
End of Year Balance	**1 091 268**	**466 861**

29. Commitment and contingent liabilities

A. Legal claims

There are lawsuits held against Bank as at 31 December 2016provisions were made for these lawsuits amounting to USD$ 1960 thousands.

B. Commitments for loans and facilities

	31/12/2016	31/12/2015
Letter of guarantee	110 534	148 965
Letters of Credit (export & import)	18 777	26 178
Commitments for loans	17 610	54 564
Total	146 921	229 707
Less :		
Cash margins	(12 131)	(24 784)
Net Balance	**134 790**	**204 923**

30. Related party transactions

Transactions with related parties have been conducted in the normal course of the business.

Related parties transactions and balances at the end of the financial year are as follows:

A. Loans & facilities to Related party

	Associates	
	31/12/2016	31/12/2015
Loans and facilities to customers & banks		
Loans at the beginning of the year	111 400	101 921
Loans issued during the financial year	50 000	50 000
Loans repaid during the financial year	(6 409)	(40 521)
Loans at the end of the year	**154 991**	**111 400**

B. Deposits from Related party

	Associates	
	31/12/2016	31/12/2015
Deposits at the beginning of the year	101 752	103 071
Deposits issued during the financial year	584	2 260
Deposits refunded during the financial year	-	(3 579)
Deposits at the end of the year	**102 336**	**101 752**

C. Other

	31/12/2016	31/12/2015
Balances due from banks	44 567	35 407
Balances due to banks	708 703	550 492

31. Pension fund

The Bank has a funded defined benefit contributory pension plan covering all full-time employees till 17 April 2008. The benefits provided by the plan are determined by the Board of Directors. The value of the vested benefit liability according to the plan and the sufficiency of the reserve are determined annually by an Actuary.

On 8 December 2013, the Board of Directors of the Bank, approved the Voluntarily Early Retirement Plan based on the new conditions and benefits instead of the adopted regulations of the end of service compensation, social insurance and pension plan program through the complete withdrawal from the Bank and the Employees' Pension Fund (without pension) provided that the proposed benefits shall be granted pursuant to the insurance wage as at 31 December 2013.In addition, the Bank shall finance the Employees' Pension Fund by a subordinated loan within the limit of US$ 55 million that represents the difference between the total employees' benefits amounts after being granted the additional benefits of the Voluntarily Early Retirement according to the regulations and the actuarial pension reserve allocated for such age categories.

The settlement of the subordinated loan occupies the second priority after the fulfillment of the Fund's obligations that are established upon the actuarial calculations while taking into consideration that the balance of the subordinated loan is included in the assets of the Fund that are allocated for the fulfillment of its obligations.

The share of the year of the surplus resulting from the implementation of the Voluntarily Early Retirement Plan as at 31 December 2016 was calculated and amounted to US$ 6 409 thousand, hence, the subordinated loan granted to the Employees' Pension Fund was reduced by the same amount of the surplus share for the year.

The balance of the subordinated loan after amortization amounted to US$ 4 991 thousand as at 31 December 2016.

The pension reserve fund on December 31, 2016 amounted to US$ 98.03 million corresponding to US$ 107.5 million as at December 31, 2015. The actuary's report stated that there is no deficit in the pension reserve fund on December 31, 2016, after the completion of the realized actual investment return difference that amounted to US$ 2 338 thousand in order to reach the minimum limit that should be achieved at a rate of 6% of the total reserve fund.

It is worth mentioning that during this year the Employees' Pension Fund has been financed by an increase of US$ 2 387 thousand that represents the investment return difference referred to in the Actuary's Report that were deducted from the provisions formed for this purpose among other provisions amounting to US$ 2 016 thousand and US$ 371 thousand deducted from the income statement this year.

32. Comparative figures

Certain comparative figures have been restated to conform on the current year presentation.

BALANCE SHEET AFTER APPROPRIATIONS

As of December 31, 2016

	31 /12/ 2016	31 /12/ 2015
	US$ (000)	US$ (000)
Assets		
Cash and Due from Central Bank	128,020	45,001
Due from banks	792,800	574,863
Treasury bills	1,623,658	790,422
Loans and facilities to customers & banks	1,340,876	1,438,551
Financial investments		
- Available for sale investments	34,710	35,401
- Held to maturity investments	234,154	72,440
Investments in associates	453,374	496,116
Investments properties	-	17,483
Intangible assets	1,198	-
Other assets	31,414	27,485
Fixed assets	48,213	39,678
Total Assets	**4,688,417**	**3,536,890**
Liabilities and Equity		
Liabilities		
Due to banks	913,441	708,050
Customers' deposits	2,801,738	1,943,896
Other liabilities	44,474	57,617
Other provisions	6,956	13,744
Total Liabilities	**3,766,609**	**2,723,307**
Equity		
Paid-up capital	600,000	450,000
Reserves	244,866	260,495
Retained Earnings	76,942	103,088
Total Equity	**921,808**	**813,583**
Total Liabilities and Equity	**4,688,417**	**3,536,890**

Fifth

Interconnection with the Bank

Assistant Managing Director

Mr. Amr Bahaa
Assistant Managing Director
Fax: 23963378

Mr. Amr Mahmoud Abd Elfattah Atallah
Assistant Managing Director
Fax: 35706469

General Managers

Mr. Abd-El Monsef Mohamed Ali Awad
General Manager – Information Technology
Fax:35706308

Mr. Adel Salah El Din Amin Ezzat
General Manager – Credit
Fax: 23933705 - 23911310

Mr. Gamal Ahmed Saad Zaghloul
General Manager – Financial Control
Fax: 23916275

Mr. Ahmed Bahaa El Din Youssef Mohamed
General Manager – Compliance
Fax: 23940237

Mr. Assem Kamel Awwad Hussein
General Manager – Risk Management
Fax: 35706478

Mr. Abdel Hamed Mohamed Al Zanaty
General Manager - Legal Affairs Administration

Mrs. Inas Mohamed Hassan Ali Tantawy
General Manager –Human Resources
Fax:23919302

Mr. Mohamed Mahmoud Medhat Mahmoud Tammam
General Manager –Financial Institutions
Fax: 35706681

Mr. Khaled Shaker Salama Metwali Fouda
General Manager –Administration & Services
Fax: 23927794

Mr. Amr Mohamed Mansour Mohamed
Head of information security systems
Fax:27479351

Mr. Osama Ibrahim Ramadan El Ziadi
Head of internal Audit
Fax:25931358

Mrs. Khadiga Ahmed Shawky El Meteny
Head of branches
Fax: 23916391

Mr. Rashad Helmy Abou El Hassan Ahmed
Head of Internal Control
Fax:23913304

Mrs. Abir Ali Zein El Abdeen Abd El Gawad
Head of direct investment
Fax: 35706445

Mrs. Shahinaz Ahmed Ramzy Hussein Ramzy
Head of Private Banking
Fax: 35706342

Mr. Mahmoud Mohamed Mahmoud Mohamed Labib
Head of Treasury &Capital Markets
Swift : ARIBEGCXMOK

Branches' Managers

Mr. Tarek Lotfy Megahed Mesbah
Manager – Cairo Main Branch
Fax: 23916233 - 23912319

Mr. Mohamed Ali Gamal El Din Abd El Maksoud
Manager – Heliopolis Branch
Fax: 22900261 - 22902491

Mr. Essam Sayed Ahmed El Gohary
Manager – Tahrir Branch
Fax: 35695541

Mrs. Nevine Youssef Ahmed Fawzy
Manager – Alexandria Branch
Fax: 03 – 4873230

Mr. Asser Mahmoud Saleh Sherif
Manager – Mohandessin Branch
Fax: 33029651

Mrs. Adel Thabet
Manager (Charge d'affaires) – Port Said Branch

Mr. Mohamed Hussein Safwat Mohamed Hassan
Manager – Nasr City Branch
Fax: 24034904

Mr. Wael Shamel Ismail Mahmoud Attia
Manager– 6 of October Branch
Fax: 38362148

Mr. Maged Mohamed Mohamed Yehia Rashdan
Manager – El sheikh zayed
Fax: 38517124

Mr. Khaled Abd El Fattah Abd El Latif Abd El Akher
Manager – Sharm El sheikh
Fax: 069-3710828 & 069-3710827

Addresses of The Bank Branches

Head Office
35 Abdel Khalek Sarwat Street, Cairo, A.R.E
P.O. Box: 1563 P. Code: 11511 Cable Address: ARABINBANK
Fax: 23916233 – 23912319
Telephone: 23918794 – 23916391 - 23916492 – 23916120
Swift: ARIBEGCX 001

Cairo Main Branch
35 Abdel Khalek Sarwat Street, Cairo, A.R.E
P.O. Box: 1563 P. Code: 11511 Cable Address: ARABINBANK
Fax: 23916233 – 23912319
Telephone: 23918794 – 23916391 - 23916492 – 23916120
Swift: ARIBEGCX 007

Tahrir Branch
5, Wisa Wasef Street, EL- Riyadh Tower, Giza, A.R.E
P.O. Box: 488 AL-Orman Zip Code: 12612 Cable Address: ARABINBANK
Fax: 35695541 - 35695542
Telephone: 35695532 - 35695525
Swift: ARIBEGCX 003

Heliopolis Branch
95 A Merghani Street, Heliopolis, Cairo, A.R.E
P.O.Box: 170 Heliopolis
Fax: 24173524
Telephone: 22902491 -22902069 – 22907592
Swift: ARIBEGCX 005

Mohandessin Branch
60 Mohamed Hassan Helmi (Ex Gueziret El Arab Street), A.R.E
P.O.Box: 273 Imbaba - Giza
Fax: 33029651
Telephone: 33029647 – 33029648 – 33029649
Swift: ARIBEGCX 008

Nasr City Branch
77 B, Nasr City Road, Nasr City, Cairo, A.R.E
P.O.Box: 1563
Fax: 22606321
Telephone: 22605914 – 22606359
Swift: ARIBEGCX 004

Alexandria Branch
2 El Horreya Avenue, Alexandria, A.R.E
P.O.Box: 21511
TELX: AIBLX UN 55457
Fax: (03) 4873230
Telephone: (03) 4869681 - 4806432
Swift: ARIBEGCX 002

Port Said Branch
23 July & Salah El Din Street, Port Said, A.R.E
P.O.Box: 42511
Fax: (066) 3225908
Telephone: (066) 3223739 – 3336653
Swift: ARIBEGCX 006

6th October Branch
Inside 6th October University, The Central Axis, Giza, A.R.E.
P.O.Box: 1563 Zip Code: 11511 Cable Address: ARABINBANK
Fax/ Telephone: 38362148
Swift: ARIBEGCX 007

El sheikh Zayed Branch
Americana Plaza Mall - El sheikh Zayed
Telephone: 38517127 - 38517126

Sharm El Sheikh Branch
Rixos Seagate Hotel - Nabq Bay - Sharm El Sheikh
Telephone: (069) 3710827 – (069) 3710828

International MarketsCapital Markets
Fax: 23902084
Telephone: 23955068 - 23925736

Money Markets
Telephone: 23917893 – 23927794 - 23934416
AIBC: Page on the Monitor
AICE: Reuter Dealing Code

Central Operations
77 B, Nasr Road, Nasr City, Cairo, A.R.E
-Central Swift
- Credit Card Center
- Foreign Trade
- Credit Operations
Fax: 22606321
Telephone: 22605914 – 22605958
Swift: ARIBEGCX 004