



بَنك مِصر
BANQUE MISR

WORKING TOGETHER FOR PROSPERITY

ANNUAL
SUSTAINABILITY
REPORT
2014 / 2015

Nations with History Can Build a Civilization



Nations With History Can Build a Civilization

Banque Misr has chosen Queen Cleopatra as the symbol represented on the bank's logo since its establishment in 1920.

Queen Cleopatra is one of the most famous female rulers in history. She is an icon of Egypt's great and ancient civilization. Cleopatra's rule was marked by prosperity and peace.

Over hundreds of years, historians have referred to Cleopatra as "Philopatris": "She who loves her country".

Cleopatra ruled as part of the Ptolemaic dynasty from 51-30 B.C. Ancient Egyptian civilization is renowned for the ground-breaking accomplishments it made in the fields of art and architecture, engineering, medicine, and statecraft. It was one of the earliest civilizations ever to show respect to human rights.

Ancient Egyptians were the first to acknowledge man's right to life; they had even applied the principle of equality to the entire population. Egyptians were equal before the law, without discrimination between the rich and the poor. Ancient Egyptian rulers were known to hold knowledge in high value, equally encouraging men and women to pursue a proper education.





BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Ancient Egyptians were pioneers in applying the human resource management techniques in real life. The great historical leaders of Egypt have come up with a system that was able to measure the responsibilities of the workforce, check their absence or presence and rotate them individually or in groups.

Furthermore, based on the workers' presence and performance, a compensation system was developed offering increases in payments to the personnel by using the basic wage multiples, for a fair distribution of salaries among workers in different posts.

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Who We Are

Banque Misr is the first bank to be wholly owned by Egyptians and the second largest bank in Egypt by total assets

Ownership:

State-owned bank

Customers:

More than 6.8 million in Egypt

Served by:

13,400 employees

Through Six Business Divisions:

Corporate Banking
Retail Banking
SME Banking
Capital Markets Group
Correspondent Network and Treasury
Islamic Banking

Across Five Countries:

Egypt
United Arab Emirates (UAE)
Lebanon
France
Germany

Branches:

Over 500, the largest branch network by any bank in Egypt and the Middle East

Direct Equity Participation:

162 multi- sector companies

Mutual Funds:

8

Automated Teller machines (ATMs):

1,400

Point of Sale Terminals (POS):

12,150

No. of Issued Cards:

3.8 million

Paid-up Capital:

15 billion Egyptian pounds

Shareholders' Equity:

23.3 billion Egyptian pounds

Total Assets:

331 billion Egyptian pounds

Customer Deposits:

290 billion Egyptian pounds

Net Interest Income:

8,537 million Egyptian pounds

Net Fee and Commission Income:

1,851 million Egyptian pounds

Income Tax Paid:

3.6 billion Egyptian pounds

Net Profit After Tax:

4.2 billion Egyptian pounds



“BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES”

Scribes and skilled workers not only kept records, they also often played a supervisory role in society.

 Scribe figure of domain administrator 18th Dynasty Thebes 1549-1292 BC



ABOUT BANQUE MISR

Banque Misr (BM) was established in 1920 by the pioneer Egyptian economist Mohamed Talaat Harb Pasha. Harb was the first to introduce to Egypt the economic system of investing in the public's savings, through injecting them into economic and social projects, making Banque Misr the first national bank to be wholly owned by Egyptians.

Since its foundation, BM has been committed to establishing several companies in various domains, including: textiles, insurance, transportation, aviation, entertainment, and filmmaking. It has also provided continuous support to its other regular banking and investment activities at a steady rate. The bank currently has equity participations in over 162 companies in the fields of: finance, tourism, housing, agriculture, and food, in addition to other companies in the fields of communication and information technology.

 Banque Misr Head Quarter 1927

13,400
employees

In recognition of the bank's continuous efforts to offer the best and most up-to-date services to all its esteemed clients, Global Finance, a leading financial advisory, named Banque Misr as "The Best Provider of Short-Term Investments/Money Market Funds" in the Middle East for the year 2015, for the seventh consecutive year.

Banque Misr has become a regional pioneer, becoming the first bank in Egypt and North Africa to comply with the PCI data security standards, obtaining the global Payment Card Industry Data Security Standard (PCI DSS) certification. Banque Misr is constantly geared towards expanding its customers' access to banking services through applying the most updated technologies and efficiently making use of all its available resources. Today, the bank is proud to offer one of Egypt's largest ATM networks, covering the entire country.

Banque Misr's role in all economic fields is evident due to its geographic outreach. The bank's 13,400 employees (including 826 outsourced employees) serve a client base of around 6.8 million, with a total paid-up capital amounting to 15 billion Egyptian pounds.

The bank's headquarters is located at 151 Mohamed Farid Street, Downtown, Cairo, Egypt. The bank currently owns and operates over 500 electronically connected local and international branches, including five in the United Arab Emirates and one in France. This is in addition to its regional and global presence in Lebanon, Germany and worldwide through a network of correspondents.

Banque Misr's ongoing endeavours to lead the industry as a credit-worthy financial institution in the local market have yielded fruitful results.

To achieve such success, Banque Misr has at all times complied with the United Nations' (UN) Global Compact

Principals. The bank's focus on Corporate Social Responsibility and sustainability initiatives comes in line with the 10 principles outlined by the UN Global Compact in the areas of: human rights, labor, preserving the environment and fighting corruption.

The bank also worked extensively to support the communities in which it operates by implementing a number of social initiatives and activities to enhance the general welfare of the community, with a special focus on health, human rights, and the environment.

As one of the leading public banks working towards the promotion of the state's public policy, Banque Misr closely cooperates with the state's Social Fund for Development on the financing of small projects and supporting economic development. Furthermore, Banque Misr has set a separate unit for small and medium-sized enterprises (SMEs) to encourage more people and businesses to seek finances for SMEs that strongly contribute to the state's GDP.

Banque Misr has been supporting the national economy since its establishment 95 years ago, and pledges to continue its sponsorship and support for national projects, companies, and investments to empower the national economy and investment prospects.

Ownership :

Banque Misr is a state-owned bank, with 100% of its shares owned by the Egyptian government.

MATERIAL TOPICS

The way we integrate sustainability into our business model, both in terms of seeking commercial opportunities and evaluating risk, is an integral part of our operations. The BM Annual Sustainability Report 2014/2015 is the first of its kind issued by a state-owned bank in Egypt, guided by the framework of the globally recognized Global Reporting Initiative (GRI). The report will articulate how we view sustainability at Banque Misr.

At Banque Misr, we identify sustainability topics that are material to the bank and its stakeholders. We define anyone who comes into contact with the bank as a stakeholder including employees, existing customers, prospective customers, government, partners, suppliers, and non-governmental organizations (NGOs).

This recognition focuses on action areas that are considered vital to the success and continuity of sustainability in our business and are divided into four main sections:

- **The BM Approach** discusses Banque Misr's efforts towards consolidating and disseminating the culture of financial inclusion, as mentioned in the introduction given by BM's Chairman Mr. Mohamed Mahmoud El-Etreby and in the introduction of Banque Misr's financial sector. The BM Approach also defines the principles that govern the bank's internal culture and community.

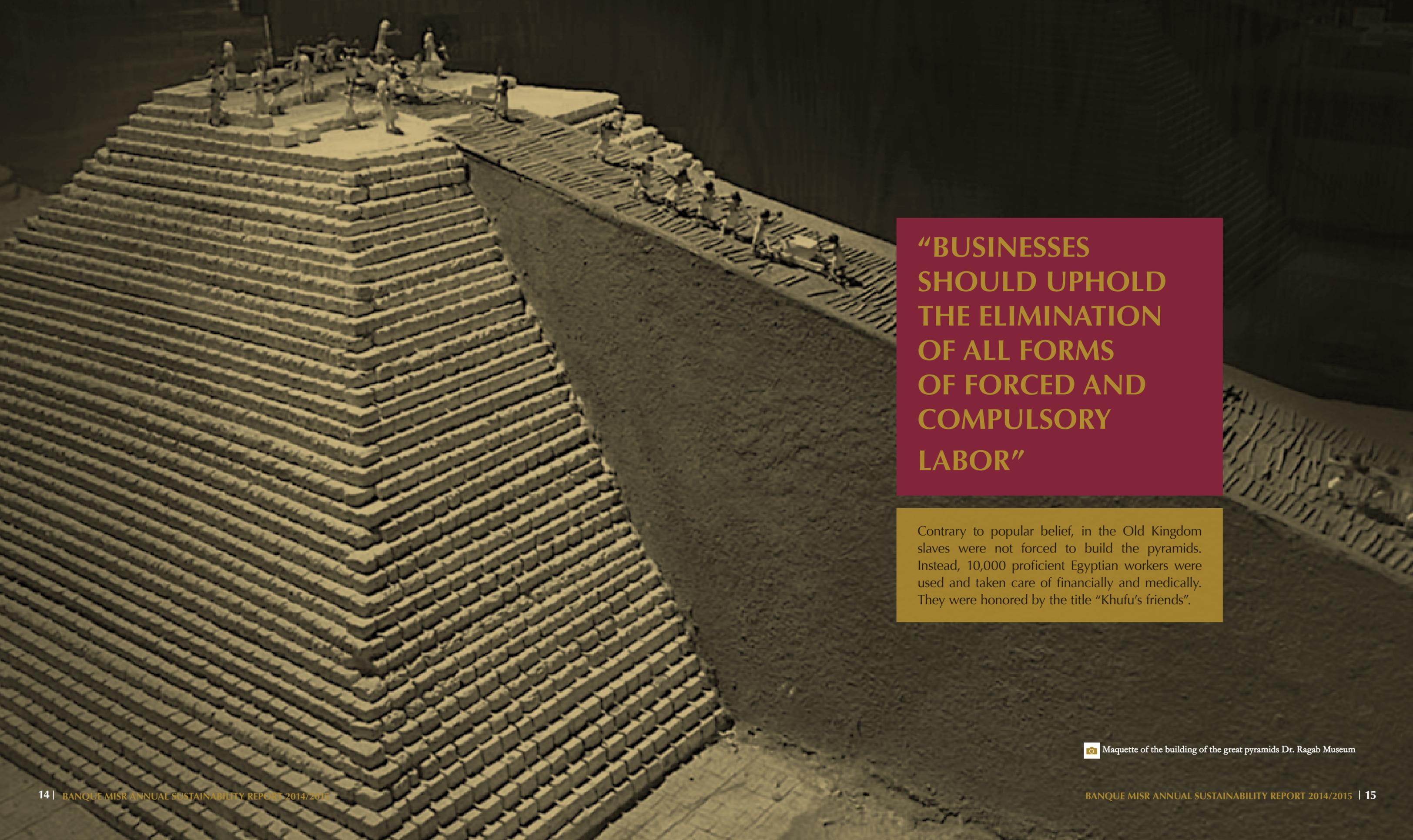
- **How BM Operates** explains the fundamental principles that govern our business as a whole; including how we keep our employees and facilities safe, how we reduce any potential harmful impact on the environment, how we engage with our community, and our collaborations and partnerships.

- **BM Activities** outlines our key accomplishments, with a focus on our operations in Egypt and the steps taken to support the national economy.

- **BM Financial Performance** drafts our performance data for the year based on transparent reports on revenue and environmental and social data.

6.8million
Clients

1,400
ATMs



“BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR”

Contrary to popular belief, in the Old Kingdom slaves were not forced to build the pyramids. Instead, 10,000 proficient Egyptian workers were used and taken care of financially and medically. They were honored by the title “Khufu’s friends”.

 Maquette of the building of the great pyramids Dr. Ragab Museum



BM APPROACH

Since its early post-establishment years, Banque Misr has adhered to its founding goal of serving the Egyptian public and securing its welfare. We continue to adhere to this motive through capitalizing on the interests and demands of the Egyptian masses, who have always been at the center of our operations and decisions. Our role does not solely comprise of profit generation but principally also includes serving as a national financial catalyst, to be relied on to implement and support national and strategic development in various social and economic fields.

To meet such objectives, Banque Misr worked hard to meet the Egyptian community's financial needs. Striving to own the largest branches' network in Egypt and the Middle East, the bank currently owns and operates more than 500 branches, serving the entire Egyptian population of over 90 million, across the various Egyptian governorates nationwide.

This section outlines our success story, maintained over long years and achieved by the main principles of sustainability, governance, and high standards that underpin all our operations. The section also describes our current role and future goals to keep up with the globe's speedy and continuous political, economic and environmental changes .

FOREWORD

OUR APPROACH

HOW BM OPERATES

OUR ACTIVITIES

FINANCIAL PERFORMANCE

INTRODUCTION FROM THE CHAIRMAN

We at Banque Misr (BM) are pleased to introduce our 2014/2015 sustainability report, including our assessment of the challenges we have faced and the progress we have achieved during the past year. As we work to maintain our commitments towards our country, society, and clients, we have continued to ensure that the principles of corporate governance remain uncompromised.

BM Annual Sustainability Report 2014/2015 is the first of its kind in Egypt issued by a state-owned bank, guided by the framework of the globally recognized Global Reporting Initiative (GRI). The report reflects the bank's strategy, which places a high emphasis on the importance of creating value for society. We, at BM, believe that for any financial entity to sustain long-term prosperity and create added value for its shareholders, it must first create added value for society.



331
billion
Egyptian pounds
TOTAL ASSETS

In fiscal year (FY) 2014/2015, Egypt was able to restore influential regional position, regaining the confidence of the international financial institutions. The national economic indicators showed a major advance in the real economic growth, which surged to 4.2% during FY 2014/2015, compared to a weak economic performance during the period from 2010-2014, through which the growth rate did not exceed 2.2%.

This mirrored the positive outcome of the reform measures taken by the new government of the 2014 elected President Abdel Fattah al-Sisi, who resumed the political road map to achieve security and stability, and adopted a comprehensive economic reform program that aims to improve the business climate and attract more local and foreign investments.

33,894
SMEs

The global economy has grown significantly over the past two years, recording a 3.5% increase in 2015, up from 3.4% in 2014. The rise owed to the developing economies' growth rates, which went up from 1.8% in 2014 to 2.4% in 2015.

FY 2014/2015 was seen as Egypt's profit reaping year. It witnessed the accomplishment of several economic and social reforms. It has also served as a motivation for the Egyptian people to maintain determination to move forward and support the state's economic goals through actively partaking in financing the nation's strategic project for the New Suez Canal.

The financial indicators reflected a positive economic performance during FY 2014/2015, as the bank's total assets

rose to 331 billion Egyptian pounds, marking an increase of 57 billion Egyptian pounds, allowing Banque Misr to acquire approximately 15% of the total assets in the Egyptian banking sector.

The bank's goal is to ensure sustainable development through maintaining regular direct contact with a diversified range of stakeholders. This strategy enabled Banque Misr to directly oversee dialogue that ensure its activities — as a financial institution and a responsible corporate — remain responsive, relatable and relevant to the needs and priorities of those we serve and who underpin the long-term growth of our business.

Towards A People-Centered Sustainable Economy:

Since our foundation as the first Egyptian national bank in 1920, BM has held prestigious standing among all Egyptian banks, earned from its strong and enduring presence in almost all of the state's major projects of profound economic and social impacts.

In 2015, BM supported and sponsored Egypt's large-scale national project for the New Suez Canal, and provided small loans for another state-initiated project called "Mashrouak", (Your Project), which offers fundings for small start-ups. The bank also agreed to fund a number of future projects that were proposed at the Egyptian Economic Development Conference that took place in the resort town of Sharm El-Sheikh in March, 2015.

Financial Inclusion:

Because our commitments stem from convictions not conveniences, we at Banque Misr believe that financial inclusion is one of the bank's most important tools to build customers' trust and actively engage in society.

Our deep respect and appreciation for our 6.8 million clients and for the environment act as a foundation for creating a shared value.

Financial inclusion is no longer optional. It has become a necessity. Its absence not only hinders the development of the countries with low growth rates, it also obstructs global growth; depriving millions from better work and life opportunities.

We at Banque Misr believe that an increase in the client-based banking system, through including new segments of society, offers a stronger support mechanism for the safety of the financial strategy as a whole. It also has a wider positive impact on the overall economic performance of the state, as a significant increase in the amount of savings opens new doors for investments. Moreover, it helps mobilize the state's financial resources through official channels, which positively contributes to the economy and helps decrease poverty and unemployment.

In this context, BM has launched a cash transfer service that enables both clients and non-clients all over Egypt to transfer cash via their phones at any time. Additionally, the bank has also provided funding to approximately 33,894 small and medium-sized enterprises (SMEs).

The bank further aims to open 275 new branches over the next three years to cater to its growing number of clients. Banque Misr maintains a strong foothold in the regional and global market with continued growth in the United Arab Emirates, Lebanon, France, and Germany. The bank inaugurated 10 branches in 2014/2015, expanding its network to over than 500 electronically connected local and international branches.



Fostering Corporate Social Responsibility:

Banque Misr plays a prominent role in developing and providing assistance to the Egyptian community through engaging in several activities to support the development of the community, such as developing slum areas, villages, hospitals, schools, and sports centers.

BM participated in an initiative held by the Ministry of Housing and the Central Bank of Egypt to encourage banks to offer long-term loans to low and middle-income housing projects. The total amount of loans offered amounted to 95 million Egyptian pounds in June 30, 2015.

Moreover, BM joined a national campaign to replace old taxis in Egypt to improve the transportation sector and minimize the pollution caused by the old taxi vehicles, which had a negative impact on tourism and the community in general. In collaboration with the Ministry of Finance, BM offered 300 million Egyptian pounds for the purchase of 4,600 new taxis.

The bank also signed a financing partnership protocol called "Tanweer" with both the Ministry of Education and the Egyptian Chamber of Commerce to finance the purchase of new computers and laptops for schools, in efforts to develop the education system.

Since its inception, Banque Misr has identified social responsibility as one of its prime goals. The Banque Misr Foundation for Community Development and Welfare (BMFCDW) was established as a separate entity managed by a board of trustees to address deep-rooted social, developmental

and health challenges. The foundation has initiated, as well as executed, a number of activities in line with this objective.

BMFCDW contributes positively and constructively through specific projects that are carried out either directly by the foundation or through its associated NGOs and development-oriented civil society partners. The foundation supervises an array of projects that mostly target youth and women, with a focus on development, education, work-related trainings, creating new job opportunities for young men and women and enhancing the competitiveness of the bank's products and services. All our employees are highly encouraged to take part in the foundation's projects.

Our Employees:

Over the past 95 years, we have worked with our employees to build a financial institution that rewards creativity, minimizes risk and maximizes productivity. With their support, we continue to strive for deeper and more effective economic, social and environmental changes.

Stemming from our profound belief in the importance of the human element in achieving the bank's strategy, Banque Misr focused on enhancing employee satisfaction levels and attracting skilful calibers, in addition to developing the employees' management and leadership skills to create future leaders.

The bank held a number of training sessions to boost the technical, administrative and leadership skills of its employees to qualify them to assume leading positions in their future careers.

The bank also organized several economic seminars to keep the staff up-to-date on the recent economic changes and their impacts



"We aspire to the highest level of performance and we reaffirm that vision."

on the financial environment in general and the banking business in particular. It also aids customer service staff in providing better advices to clients.

Preserving the Environment:

We take into utmost consideration any potential harmful impact on the environment from our operations, products, services and resources. We immediately eliminate conducts that pose any threat to the environment and/or the country's natural or valuable resources.

As we strive to enhance service excellence and ensure our long-term success, maintaining constructive communication with our customers and staff and actively participating in projects that cater to the wider society remain at the core of Banque

Misr's operations. Our values and business strategies will always reflect our long-standing commitment to the sustainable development of Egypt and the world.

In conclusion, I would like to thank all BM staff members for their outstanding efforts. I would also like to emphasize the necessity of exerting further efforts to continue providing distinctive banking services to maintain our prestigious banking status, which we achieved through the strong and fruitful cooperation between all our employees within this great institution.

Mohamed Mahmoud El-Etreby
Chairman

A handwritten signature in black ink, appearing to read "M. El-Etreby". The signature is written in a cursive style and is positioned below the printed name and title.

OUR STRATEGY

At Banque Misr, we know that in order to succeed in our business and promote effective financial inclusion, we must be closely connected to the economic, environmental and social landscape in which we operate. Throughout its 95 years in business; Banque Misr has adopted sustainable approaches to build long term businesses by maintaining a balance of social, environmental and economic considerations in all of its decisions.

Our Vision: Our distinctive performance secures us the leadership we deserve.

Our Mission: Excellence in fulfilling all of our customers' banking needs, maximizing shareholders' value, inspiring employees' loyalties and playing a leading role in the prosperity and development of Egypt.

Our Values: The bank maintains very high standards of integrity, customer service, excellence, teamwork, accountability and innovation, all of which are embedded in every decision we take and in our interactions with both our customers and employees. We at Banque Misr know that we succeed only when our customers and communities succeed. We do business in an open, direct and sustainable way.

OUR VALUES

ACCOUNTABILITY

We think beyond the moment and strive for quality

We:

- Are accountable to our shareholders, customers, coworkers and community
- Contribute to the economic, social and environmental development of Egypt

CUSTOMER SERVICES

Our customers are at the center of what we do

We:

- Sustain customer satisfaction and trust as a main objective
- Help our clients fulfil their financial goals
- Strive to surpass our customers' expectations

INTEGRITY

We are fair, ethical and honest in everything we say and do

We:

- Communicate openly
- Acknowledge, accept and learn
- Take risk seriously and manage it prudently
- Hold to what we view to be right and ethical

SENSE OF BELONGING

We are dedicated to the aspirations of our community and clients

We:

- Have a sense of ownership in the bank's activities and intensively participate in its successes and take lessons of its failures
- Have a strong sense of responsibility in terms of performance and risks in relation to both the bank and its clients
- Assume our responsibility towards the economy and society

TEAMWORK

We respect and value our team members

We:

- Believe the best outcome is achieved when people work together
- Believe great teams are built on mutual trust, shared ownership and accountability
- Place the team's success ahead of individual success
- Build diverse teams, capable of generating creative ideas and taking balanced decisions
- Value every person and respect individual differences in mentality, style, culture, ethnicity and experiences

EXCELLENCE

Sustainable performance and results are our objectives

We:

- Add value to shareholders by prioritizing long-term success over short term gains
- Make sure that discipline and perseverance govern all our actions to achieve outstanding results for our customers
- Work with our clients to reach their current goals, moreover anticipating and planning for their future objectives

INNOVATION

We generate ingenious ideas that are also practical and achievable

We:

- Produce new ideas and improve our processes and platforms by embracing updated and better methods
- Leverage technological innovation
- Provide our clients with suitable solutions to their problems
- Believe that the application of intelligence, reason and science has a positive impact on people and their businesses

DOMESTIC AND INTERNATIONAL PRESENCE



The bank's board of directors adopts a market-driven expansion strategy. All our branches are electronically connected to facilitate our clients' financial interactions in any branch across Egypt or through our nationwide ATM network.

The bank has also upgraded its operating procedures, branches' layout and ATM machines. In addition, all its branches are supplied with the most up-to-date technologies and modern equipment to provide clients with an efficient timesaving experience. The bank also provides easy access to all its products and services.

Banque Misr is widely acknowledged as the most prevalent bank in the Middle East and Africa.

BM's geographic privilege; owing to the fact that it owns and operates the largest banking network in Egypt, with over 500 branches and ATM machines, encouraged it to penetrate the international market, launching 25 branches in four countries; including five in the United Arab Emirates (UAE) along with others in Lebanon, Germany and France.

As part of the bank's development strategy, aiming to continue providing the latest financial services to its diverse client base, Banque Misr's senior management team exerted all possible efforts to develop and enhance the performance of the bank's international branches.

BM'S PRESENCE IN THE UAE

Banque Misr has a network of five branches in the UAE in the emirates of: Abu Dhabi, Dubai, Sharjah, and Ras Al Khaimah. The bank has tailored a number of banking services to best fit and satisfy the Egyptian community in the UAE, offering them several state-initiated funds and certificates, such as: Bayt Al Wattan (The Home of the Nation Fund) and Tahya Misr (Long Live Egypt fund). The UAE branches also allow them to purchase the high yield Suez Canal investments certificates.

In 2015, Banque Misr renovated its branch in Al-Ain, in the emirate of Abu Dhabi, in efforts to cater to the needs of its growing customers base there. The new branch was provided with all the necessary equipment and skilled staff to ensure the smooth flow of business.

The bank also doubled its paid-up capital in the UAE, and granted a subordinated loan to support its capital base. In addition, the bank also restructured the administrative sector of its foreign branches, improving the efficiency of the networks and developing the IT infrastructure and communication system. In addition, the bank also installed 26 new and upgraded ATM machines in various locations in the UAE.

The restructuring process enabled the bank to offer comprehensive packages for its various products and services, enabling it to become a regional center for activities in the Gulf Cooperation Council (GCC) states. Banque Misr's branches in the UAE are further working to provide new products to meet the demands of the UAE'S growing market.

BM'S PRESENCE IN LEBANON

In support of its expansion policy regionally and globally, Banque Misr Liban S.A.L. (BML) was established in Lebanon in 1929. The bank, located in the heart of Beirut's commercial center, offers a variety of distinctive corporate and retail banking services.

BML's network grew rapidly due to its strategic locations in different Lebanese cities, featuring an extensive ATM network and online banking services. The bank survived the political and economic turmoil in Lebanon. Its customer base continues to expand and diversify to encompass a wide section of the retail banking market, including blue chip institutional clients and SMEs. Over the past five years, BML's total assets grew by 55%, deposits increased by 65% and the loans and advances to customers surged by 163%.

This success came as a result of several internal reform measures that included re-structuring the senior executive management in 2007 and implementing a comprehensive and integrated plan to expand and develop the bank's services and operations to match the latest offered in the global banking industry. These major developments were also made possible by increasing BML's paid up capital from 30 billion Lebanese pounds to 120 billion Lebanese pounds.

BML has also been committed to enhancing its loans portfolio as well as supporting its provisions and reserves. The bank increased its branches from one in 2002 to 18 in 2015. In addition, the bank remains committed to applying the latest technologies to increase productivity and improve the quality and speed of its services.

Furthermore, the bank is dedicated to developing a cohesive set of banking products and services to meet the objectives of the banking market in the retail, corporate, institutional and private sectors. In this regard, BML established the Misr Liban Insurance Brokers in December, 2010.

The bank's significant increase in its deposits in 2013 enabled it to move from the Gamma group to the Beta group. The British "World Finance" organization also awarded Banque Misr Liban the prize for the best commercial bank in 2012, in recognition of its outstanding performance. The bank also won "The Best Visual" award in the same year for its distinctive and unique website.

The growth of BML's business comes in light of the application of highest standard of corporate governance, careful adherence to all regulatory requirements and standards, strict risk management guidelines and a strong balance sheet.

Under the leadership of its board of directors, and building on the strength of its qualified senior management team, as well as the strong backing of the parent bank, BML looks forward to a promising period of steady growth and continued development for all its activities and services, to continue its commitment to serving its customers in the best possible ways.

BM'S PRESENCE IN GERMANY

Banque Misr's top management decided to replicate its successful experience in international markets by opening a branch in Germany. The first branch in the country was established in 1992 in Frankfurt under the name of Misr Bank - Europe GmbH. The parent bank, Banque Misr, currently owns 69.75% of the branch.

Misr Bank - Europe GmbH is considered the first Egyptian bank in Germany to have a paid-up capital of 30 million euros. It also has a full banking license and is a member of the Association of German Banks. All customers' deposits are covered by the association's deposit insurance.

The bank's branch, which is operated by 25 employees only, earned prominent memberships in a number of local, Arab and International banking organizations, including the Germany-based Association of Foreign Banks, the Arab-German Chamber of Commerce and Industry, the

Private Banking Industry's Employers Association and the NUMOV German Near- and Middle-East-Association, along with the Union of Arab Banks in Beirut and the German-Arab Chamber of Industry and Commerce in Cairo.

The bank also achieved significant progress since 2007, including an administrative restructure and an upgrade of the bank's computer and risk management systems. Misr Bank-Europe GmbH applies a risk bearing capacity concept and a profit-oriented management.

Consciously assuming, actively managing and systematically transforming risk are essential tools for Misr Bank - Europe GmbH's generation of profit and competitiveness.

A comprehensive and forward-looking management of risk is also an important factor in Misr Bank - Europe GmbH's success. The continuous revision of the bank's risk management systems led to a subsequent increase in the exigencies imposed. The bank's limited allocation of risk capital in the framework of the yearly update to the risk strategy played an important role in ensuring the presence of a strong risk management system.

Misr Bank - Europe GmbH further offers insurances-covered financing of export receivables to Egyptian exporters, as well as correspondent bank services to banks in Egypt and the Middle East, along with financing and handling a range of exports from Egypt.

The bank's continuous marketing activities have positively contributed to the increase in the letter of credit activities between Egypt and Germany, in addition to the adoption of several initiatives targeting Germany-based small and medium-sized enterprises, which work in coordination with companies operating in Egypt.

The bank's ongoing efforts have strongly contributed to high growth rates in the secondary market and the establishment of a financial asset portfolio, which in turn generates revenue that guarantees the continuation of a steady flow of income and an increase in businesses volume, reflecting positively on the bank's overall financial performance.

BM'S PRESENCE IN FRANCE

Banque Misr's Paris branch was inaugurated in 1922 in Rue Danielle Casanova, formerly known as Rue Des Petits Champs. The branch includes Egyptian and French financial experts, selected according to the finest standards to represent Banque Misr and fulfil its goal of developing its international trading and investments between Egypt and France. The branch provides importing/exporting clients with the highest quality of services and solutions, relying on its extensive experience, reactivity and personalized services. The Paris branch recorded an increase in net profit of 6% in the period from July 1, 2014 to June 30, 2015 compared with the period ending on June 30, 2014.

“BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOR”

Although children in the ancient Egyptian civilization were not allowed to go to schools until the age of six, children were highly encouraged to attend either public schools or special ones that educate children to become priests or scribes.



Statue of two men and a boy that served as a domestic icon New Kingdom, Amarna Period 18th dynasty 1353-1336 BC

BOARD OF DIRECTORS



Mohamed El-Etreby
Chairman

Mr. Mohamed El-Etreby is a prominent banker with more than 30 years of experience in the banking field. Prior to joining Banque Misr, Mr. Mohamed was the CEO and Managing Director of the Egyptian Gulf Bank from January 2013 until December 2014.

Mr. Mohamed El-Etreby began his banking career in 1977 with Arab African International Bank (AAIB), followed by Crédit International D'Egypte bank. In 1983, he joined Misr International Bank (MIBank), currently Qatar National Bank (QNB), where he spent more than 22 years, during which he held several senior banking positions and acquired multiple experiences in different key areas of banking business.

Committees

In September 2005, he joined the Egyptian Arab Land Bank as Vice Chairman and Board Member. In 2009, he was appointed as Managing Director of Arab investment Bank. In 2011, Mr. El-Etreby returned to Egyptian Arab Land Bank as the Chairman. In recognition of his great achievements, Mr. El-Etreby was appointed as the Chairman of Banque Misr in January 2015. He is also appointed as the Chairman of Banque Misr Liban (BML) and is a Board Member of the Cairo Amman Bank, and the Chairman of the Board of Trustees of Banque Misr Foundation for Community Development and Welfare.

Other Current Positions:

- Board Member, Federation of Egyptian Banks (FEB)
- Board Member, Egyptian Mortgage Refinance Company (EMRC)
- Board Member, Egyptian General Company for Tourism and Hotels (EGOTH)
- Board Member, General Authority for Investment (GAFI)
- Board Member, Egyptian Banking Institute (EBI), Central Bank of Egypt
- Board Member, Faculty of Commerce, Ain Shams University (ASU)
- Board Member, Faculty of Economics and Political Science, Cairo University



Ahmed Abu El Ezz
Vice Chairman

Mr. Ahmed Abu El Ezz has over 30 years of diverse experience in Banque Misr, during which he held several senior posts, including occupying the prestigious position of the General Manager of Banque Misr's main branch. His current post is the Director of Central Operations at Banque Misr.

Mr. Abu El Ezz had represented Banque Misr as a Board Member in four boards: Banque Misr Exterior, Egyptian Global Fund for Investment and Belton. He also acted on behalf of the bank in a number of important banking conferences and financial gatherings in Kuwait, Bahrain, the UAE, and Egypt. He is also a member of the Board in BML (Banque Misr Liban), Misr Capital Investments, and Banque Misr Foundation for Community Development and Welfare.

Committees

I, E

Mr. Abu El Ezz completed a number of intensive training programs including the "Senior Executive Program for the Middle East" offered by Harvard Business School (USA). Mr. Abu El Ezz is a certified Board Member of the Egyptian Financial Supervisory Authority (EFSA) and the National Association of Corporate Directors (NACD) - USA. He also holds the "Future Leaders Certificate" from the Egyptian Banking Institute (EBI).

Other Current Positions:

- Board Member, Kafr El Zayat Pesticides and Chemicals Co. (S.A.E)
- Board Member, Misr Alexandria Fund For Financial Investments



Ahmed El-Nahas
Board Member

Committees

G, B

Mr. Ahmed El-Nahas attended Victoria College in Cairo and furthered his studies in Lausanne, graduating from Ecole Hôtelière De La SSH in 1961. Prior to returning to his native Egypt, he was trained in several Swiss hotels, rounding out the theory learned at school until 1963. Back in Cairo, he joined the Nile Hilton as Captain and was promoted to positions of increased responsibility in the Food and Beverage Department until 1966, when he became Banquet Manager of the Hotel. A year later, he was sent to the Cavalieri Hilton Hotel in Rome to undergo a training program, which prepared him for his next assignment as Food and Beverage Manager of the new Kuwait Hilton Hotel.

By 1969, his long experience, familiarity with Hilton International methods and his fluency in Arabic, English, French and Italian, enabled him to become the first Manager of the newly opened Al Ain Hilton in the Emirate of Abu Dhabi. The great success of this hotel led to the construction of the Abu Dhabi Hilton. In June 1972, Mr. El-Nahas was named General Manager of both operations. Mr. El-Nahas was given additional responsibilities as Director in the United Arab Emirates. In this position he oversaw the operation of the Fujairah Hilton, Dubai Hilton, Abu Dhabi Hilton, Al Ain Hilton, Kuwait Hilton, and Bahrain Hilton. In July 1979, he returned to Egypt as General Manager of the Nile Hilton Hotel. He then prepared for the opening of the Ramses Hilton Hotel, which he headed as General Manager. On July 1980, he was given additional responsibilities, whereby he became Director for all Hilton International Hotels in Egypt, namely, Nile Hilton, Isis and Osiris Floating Hotels, Fayrouz Village in Sharm El-Sheikh, Luxor Hilton Hotel as well as Ramses Hilton Hotel.

In March 1990, he was promoted to Vice President, Egypt, Gulf and Sudan. In 1994 he was promoted to Senior Vice President Middle East and Africa and in October 1997 he became the Area President overlooking 32 Hilton Hotels, 21 of which he himself signed the management agreement. In 1998, he was once again promoted to become President, Middle East and Africa and Board Member of Hilton International. After 36 years of service with Hilton, Ahmed decided to retire, So as not to break the ties with Hilton, he has agreed to become a Consultant for five years, helping in different aspects of the business and in particular with development opportunities in the Middle East and Africa. In 1999, he was given the title of President of the Egyptian Hotel Association and in 2002 he was elected as Vice President of the Egyptian Tourism Federation. Then in 2005, he was elected as the Chairman of the Egyptian Tourism Federation (ETF). Mr. El-Nahas has been elected again as Chairman of the ETF for its fourteenth term of 2008 – 2011.

Other Current Positions:

- Chairman, Arab International Company for Hotels and Tourism



Mohamed Sherif Sharaf
Board Member

Committees

R,G,B,A

Mr. Mohamed Sherif Sharaf enjoys a banking career of over 40 years, throughout which he occupied several top executive positions, including: Chief Executive Officer and Managing Director of ABC Bank-Egypt from 2008 to 2010, Board Member and Chairman of the Audit Committee at Suez Canal Bank from 2006 to 2008, Senior Financial Advisor at Egypt Kuwait Holding Company from 2006 to 2008, and the Executive Chairman of Export Development Bank from 2003 to 2006.

Mr. Sharaf graduated with a bachelor's degree from the Faculty of Commerce at Cairo University in 1968. He held several post-graduate studies in economics and computer science at Stockholm University in 1971. He also studied business administration at the American University in Cairo in 1979.

Other Current Positions:

- Managing Director, Misr Capital Investments





Ashraf El Sharkawy
Board Member
Committees
V, A, R, G, I

Dr. Ashraf El Sharkawy has more than 30 years of academic and professional experience in the fields of investment, accounting, and finance with a wide-ranging knowledge of banking and non-banking financial instruments, regulations on capital markets, mortgage finance, insurance, financial leasing, securitization, and factoring.

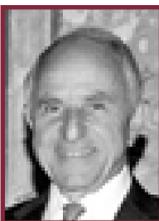
Dr. El Sharkawy is the former Chairman of the Egyptian Financial Supervisory Authority (EFSA). He has also been serving as a Senior Advisor for the Chairman of the Egyptian Capital Market Authority for six years. Dr. El Sharkawy has contributed to a number of significant legislations and financial regulations.

He had further served as a Board Member and Financial Advisor for a number of industrial and investment corporations. Dr. El Sharkawy is a former Board Member in the Central Bank of Egypt (CBE) and had served as a Chairman for its audit committee. He was a partner in Grant Thornton Egypt. Dr. El Sharkawy also served as Member of the Monetary Policy Committee, the Board of Trustees of the Egyptian Money Laundering Combating Unit, the Board of the Investor Protection Fund, and the Board of the Real Estate Mortgage Guarantee Fund. He had also headed the Board of the Egyptian Financial Services Institute, the Board of Trustees of the Egyptian Institute of Directors, and the Egyptian Corporate Social Responsibility Center.

Dr. El Sharkawy is also the Founder and first Executive Chairman of the Egyptian Audit Oversight Board, where he participated in the preparation of the board's regulations.

Other Current Positions:

- Professor and Head of Accounting Department, Faculty of Commerce, Cairo University
- Board Member, ASPEC and AMP
- Board Member, Incolase
- Board Member, Misr Insurance Company



Mohamed El-Hamamsy
Board Member
Committees
A, V, R, G, I, B

In a career spanning over 35 years, Mr. Mohamed El-Hamamsy gained wide experience in corporate and project management, strategic planning, marketing, finance, human resources, training, and information systems.

He is a board member in the Banque Misr Foundation for Community Development and Welfare and Misr Capital Investments.

During the course of his career, Mr. El-Hamamsy held various managerial positions in IBM Egypt from 1977 to 1997, when he became the company's Managing Director. He later moved to MegaCom SAE, where he held the position of a Senior Consulting Partner for two years before he moved to become the CEO of Vodafone Egypt.

Mr. El-Hamamsy received a B.Sc. in Telecommunication Engineering from Cairo University and two M.Sc. degrees in management and Arabic Studies from the American University in Cairo.

Other Current Positions:

- Board Member, El Mostakbal for Urban Development Company
- Deputy Chairman, Board of Trustees, Vodafone Egypt Foundation
- Board Member, Magdi Yacoub Heart Foundation



Dr. Ali El-Saiedi
Board Member
Committees
A.G.R.I

Dr. Ali El-Saiedi has over 50 years of experience in the energy, electricity, and industry sectors. He is the Vice President of the Board of Trustees of Banque Misr Foundation for Community Development and Welfare.

Dr. El Saiedi was the Minister of Industry and Technological Development (2001- 2004) and the Minister of Electricity and Energy (1999 – 2001). Afterwards, he became a member of the Standing Advisory Group on Nuclear Energy (SAGNE) and the International Atomic Energy Agency (IAEA) (2005-2012). He was also a member of the Board of Banque Du Caire (2005-2008). He joined Banque Misr's board of directors since 2005. From 2008 to 2011, he was a Board Member of the Higher Council of Science and Technology as well as the Egyptian Water and Wastewater Regulatory Agency.

Dr. El Saiedi held several prominent positions prior to his ministerial career. He was the Director of Technical Cooperation at the IAEA in Vienna from 1993 to 1999. During the same time, he was also the Chairman of the Board for the Power Generation Engineering and Services Company - Egypt (PGESCO) .

Dr. El Saiedi's career in the field of energy, which included local and international positions, began in 1957 when he was appointed at the Egyptian Atomic Energy Authority. In 1968, he was appointed Assistant Professor at the Nuclear Engineering Department of Kansas State University, United States until 1970. In addition, he assumed several leading positions within the energy sector from 1982-1993 including: Secretary of the Supreme Council for Peaceful Uses of Nuclear Energy, Board Member of the Atomic Energy Authority, Board Member of the Nuclear Materials Authority, Board Member of the Electrical Power Systems Engineering Company, and Head of the Nuclear Energy Branch of the Electricity and Energy Council at the Egyptian Academy of Scientific Research and Technology. In addition, he was the Executive Chairman of the Nuclear Power Plants Authority (1985-1993).

He also chaired the National Committee for Localisation of Components of Electric Power Stations and Equipment for Transmission and Distribution of Electricity (1988-1993) which included establishing PGESCO, the first company of its kind in Egypt and Middle East specialized in design and realization of major electric power projects.

Dr. El Saiedi was also part of the Egyptian team in charge of making Middle East a Nuclear Weapons Free Zone. He was also a member at numerous international expert groups, including the IAEA, to set systems and guides to help developing countries to use nuclear energy safely, including electricity generation, financing nuclear power projects, and overseas transportation of nuclear wastes.

Dr. El Saiedi earned a B.Sc. in Mechanical Engineering from the Faculty of Engineering at Cairo University in 1957. He also obtained a M.Sc. in Reactor Physics Technology from Birmingham University in 1961 in addition to a PhD in Nuclear Engineering from the University of Illinois in 1968. He also completed a Fellowship at the National Defence College at Nasser Higher Military Academy (NHMA) in 1979.

Other Current Positions:

- Board Member, Arab Organization for Industrialization
- Board Member, Capital investment Co.
- Executive Advisor to the Board of Power Generation Engineering and Services Co. (PGESCO).
- Chairman of the board, Islamic Charity Foundation
- Board Member, Egyptian Council for Foreign Affairs.



Maha Enayet Alla
Board Member
Committees
E, I, V, C, PCRC, ALCO

Mrs. Maha Enayet Alla holds 32 years of diversified experience in the banking sector; After graduating from the American University in Cairo in 1982, she joined Chase National Bank (Currently CIB) where she spent almost 26 years; and worked in several areas, mainly corporate banking, branches management, and SME banking. She is also a member of the board of BML (Banque Misr Liban), Misr Capital Investments, and Banque Misr Foundation for Community Development and Welfare.

She joined Banque Misr in September 2010. Her professional experience was complemented by intensive training programs with renowned international institutions.

Other Current Positions:

- Head of Business, Banque Misr

Committee Membership Key
Audit Committee (A)
Corporate Governance Committee (G)
Committee of Informatics (I)
Investment Committee (V)
Executive Committee (E)
Senior Credit Committee (C)
Higher Risk Committee (R)
Compensations and Benefits Committee (B)

BOARD AND EXECUTIVE COMMITTEES

BM BOARD

The Board of Directors is the principal decision making authority at the bank, setting the strategic direction and ensuring that the bank manages risks effectively. The Board is accountable to stakeholders for financial and operational performance.

Audit Committee (A)

Responsible for overseeing the financial reporting process, including the risks and controls in that process, and should supplement representations received from executive management with further information and assurance from both the internal and external auditors

Executive Committee (E)

Controls all funding operations, contributions made in the corporate capital and the bank's credit facilities

Corporate Governance Committee (G)

Ensures strict adherence to the prudent principles of corporate governance and oversees the strict compliance to all relevant laws and regulations imposed by the Central Bank of Egypt and all other regulatory bodies

Committee of Informatics (I)

Monitors the offered services, ensuring their needs are being catered for, up to the highest standards, to maximize the return on the bank's investments in the field of informatics

Supreme Investment Committee (V)

Evaluates and allocates the investment budget on the bank's macro level

Senior Credit Committee (C)

Considers the present credit cases, according to the credit endorsement policy

Compensations and Benefits Committee (B)

Oversees all relevant staff compensation and benefit policies, training, and career development requirements and ensures the availability of effective staff recruitment and retention schemes within approved budgets

Higher Risk Committee (R)

Risk taking is an integral part of banking business. The BM strategy should incorporate policies and actions regarding the risks it is willing to take and the means by which it will manage and mitigate those risks. The Higher Risk Committee ensures all relevant business risks are identified, their impact has been properly assessed and that there are enough policies and regulations in place to manage all risks effectively

1-Audit Committee:

The committee handles a number of responsibilities that include:

A- Financial statements

- Studying annual financial statements before presenting them to the Board of Directors for approval
- Ensuring that the bank's Executive Committee periodically reviews the value of collateral put up against loans and credit facilities
- Studying the Central Bank of Egypt's observations on the bank and its financial statements following inspections and reporting them to the Board of Directors with recommendations

B- Internal audit system

- Reviewing the reports compiled by the Inspection Department, including reports on the sufficiency of the internal audit system at the bank
- Coordinating between the tasks of internal and external auditing and ensuring that there are no obstacles preventing communication between the head of the Inspection Department and auditors
- Reviewing the procedures adopted by the bank's management to ensure compliance with the Central Bank of Egypt's auditing standards and regulations

C- Compliance, money laundering and risk management

- Reviewing reports compiled by the head of compliance at the bank

D- Auditors

- Providing recommendations to hire auditors and setting their dues, reviewing issues related to their resignation or dismissal, in accordance with legal provisions and the Central Auditing Organization law
- Providing counsel on permission to assign auditors to provide services to the bank, rather than reviewing financial statements

E- Inspection Department

- Reviewing and adopting the annual inspection plan

2-Executive Committee:

The Executive Committee reviews the overall bank strategy, prior to submission to the Board of Directors for approval.

The committee reviews and approves:

A- Newly delivered retail asset and liability products and/or financial schemes.

B- Credit facilities within the authority granted to the committee and in accordance with the bank's credit policy.

C- The investment strategies and decisions in accordance with the committee's set authorities.

D- Settlements and/or the rescheduling of remedial loans in accordance with the bank's set policies.

E- Allocated provisions and reserves in accordance with the Central Bank of Egypt's (CBE) regulations and internal policies.

The committee ensures the adherence to and enforcement of all the CBE regulations and legislations. It follows up on the financial results and performance indicators of the bank on a monthly basis and addresses areas of concern.

The committee approves capital expenditures related to the purchase of new branches, IT systems and procurement, after being studied and approved by the relevant committees.

The committee approves modifications on HR policies, incentive schemes, and appraisal systems.

It evaluates the bank's performance, competitiveness and brand positioning with regards to the local market and in all countries where Banque Misr has branches and/or subsidiaries.

The committees has administrative and financial authorities in accordance with the bank's regulations, approved by the Board of Directors. It also has lending authorities in accordance with the approved credit policy.

The Board of Directors may delegate additional authorities to the Executive Committee when deemed necessary to facilitate the bank's operations.

3-Corporate Governance Committee:

The committee handles a number of responsibilities that include:

A- Defining clear boundaries of responsibility and accountability in the bank and ensuring the clarity of the rules relating to the existence of:

- A policy to deal with related parties

- An effective system of internal control, risk management and compliance with laws and regulations
- A workable policy to replace the different functions
- A clear policy of social responsibility towards both the employees and the customers

B- Ensuring the availability of applicable policies, systems and the means to verify the following:

- Senior management and the board of directors' commitment to the principles of governance
- The application of good practices in the bank, in accordance with the Basel Quota
- Staff commitment to the implementation of the industry code of conduct
- The bank's assessment of the efficiency of governance to its potential customers as part of the process to approve the granting of credit to such customers
- The relevant departments indicating the bank's adherence to the application of corporate governance rules, founded by or added to the bank
- The application of corporate governance rules in emergency situations and crisis management

4-Committee of Informatics:

Providing domain expertise, leadership and guidance to the bank to help it achieve its objectives through the following actions:

A-Constant reviewing of the bank's strategies and activities. The committee also monitors the offered services, ensuring their needs are being catered to, up to the highest standards, to maximize the return on the bank's investments in the field of informatics

B-Following up on the development of the bank's services, the flow of its operations and the archiving of data, by bridging between the bank's reporting requirements and data architecture to ensure that all models of data are aligned with the bank's main strategy

C-Managing the development and distribution of data and reports provided to the bank's internal and external customers along with eliminating risky operations and protecting data from potential threats

5- Supreme Investment Committee:

Assisting the Board of Directors in overseeing the investment activities from a strategic perspective.

The committee focuses on the following areas:

A- Macro-economic and market conditions as they pertain to the bank.

B- The bank's investment strategy, taking into account the implications of accounting standards, taxation laws, regularity requirements and policies of the bank.

C- Overseeing investment exposures across multi-asset classes.

D- Reviewing Investment risk levels and for each asset class and overall.

E- Setting criteria for regular investment reporting.

F- Ensuring that investment guidelines are adhered to and that procedures are in place to ensure that portfolios are managed in compliance with investment policies for each asset class.

G- Monitoring performance in line with the bank's strategy and objectives.

6-Senior Credit Committee:

Review and approve credit cases in accordance with the bank's credit policy.

The Senior Credit Committee approves new credit cases extended to corporate borrowers, and joins in syndicated loans.

In addition, the committee conducts periodical reviews, in addition to restructuring and boosting existing credit facilities.

The committee takes decisions with regards to upgrading or downgrading borrowers based on their obligor risk rating, and channels critical cases to the remedial banking group.

The committee ensures that the bank is safe-guarded, risks are properly mitigated, and collaterals are legally binding, valid, and enforceable. Pricing and fees applied are also given major attention by the committee to ensure a risk-based return.

7-Higher Risk Committee:

Monitoring the Board of Directors and the executive management to make sure they are complementary responsible for the risk management in the bank. The committee also follows up on the functions of risk management through:

A- Reports and follow ups on the compliance to capital strategies, liquidity management, credit and market risks, and operational risk and any other risks the bank may become exposed to.

B- Controlling and supervising the development and evaluation of the general risk management framework in the bank in terms of: credit, investment, market and liquidity risk, as well as operational risk with all required policies, procedures, systems and tools used by the executive management in the risk control and identification of acceptable risk (risk appetite) for each of the major risks in light of the surrounding environment, economic and financial current and prospective conditions.

C- Ensuring the application and follow up of the related concepts and policies in line with the regulatory instructions and governance principles.

D- Auditing reports that contain the key risks faced by the bank; which covers all credit, investment, market, liquidity and operational risk and boundaries used for follow-up allocations (risk exposures) in addition to the standards of the risk management system in terms of acceptable risk percentages and rates.

E- Reviewing the procedures and policies followed for setting the maximum limits on risk and risk concentrations (risk/concentration limits) as well as ensuring that reports illustrate the trends in terms of investments and concentrations versus unauthorized limits.

F- Reviewing the size of the bank's liquidity and making recommendations to the board on the comprehensive framework for liquidity risk

including the results of the different assumptions of stress tests (liquidity stress).

G- Emphasizing the independence of the Risk Management General Manager through his/her jurisdiction in directly reporting to the Board of Directors or the High Committee of the Risks without any obstacles. Additionally he/she may not perform any financial or administrative responsibilities that contradict with his/her job as General Manager of the risk management system

H- Ensuring all risk management reports are rated according to:

- The probability of occurrence of those particular risks
- The completion of the internal control systems of the bank to manage those risks

8- Compensations and Benefits Committee:

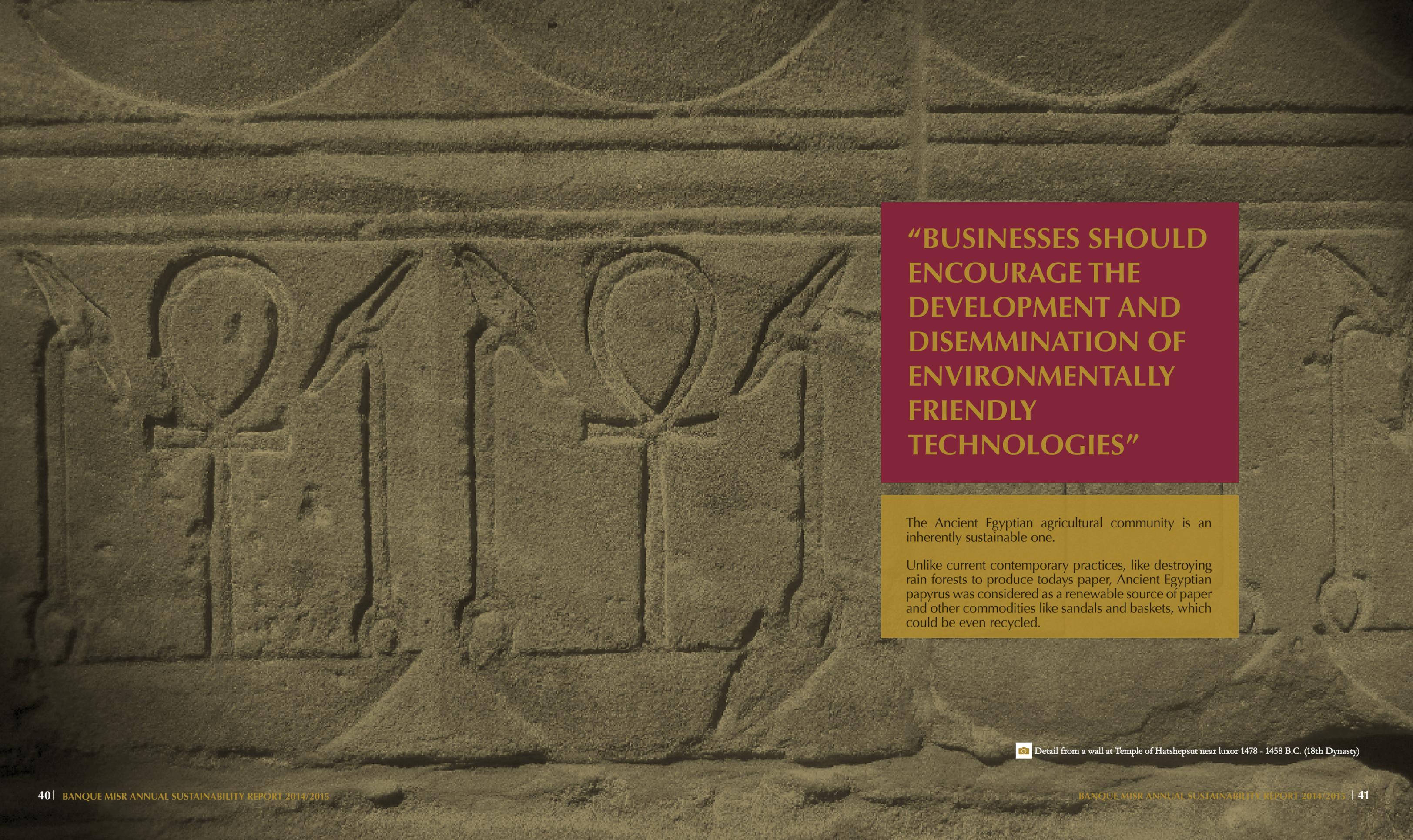
Managing the employees' compensations and all benefits offered to the bank's staff under the supervision.

The committee is further in charge of:

A- Reviewing the structure and competitiveness of the income and benefits' programs offered to the bank's employees to make sure they comply with the bank's strategy to attract and maintain outstanding human resources and to motivate employees to achieve the bank's goals and maintain growth.

B- Monitoring and evaluating the overall structure of the employees' income and benefits through:

- Studying and proposing fundamental aspects or changes related to the philosophy and strategy of the bank's income and benefits
- Making sure the incentive policies granted to managers do not lead to the acceptance of excessive risk
- Periodically reviewing the public policy programs of income and benefits and presenting them to the Board of Directors for approval
- Reviewing the long-term policy programs, such as the benefits related to the end of service or health care after retirement ahead of submitting them to the Board of Directors for approval



“BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DISEMINATION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES”

The Ancient Egyptian agricultural community is an inherently sustainable one.

Unlike current contemporary practices, like destroying rain forests to produce today's paper, Ancient Egyptian papyrus was considered as a renewable source of paper and other commodities like sandals and baskets, which could be even recycled.

 Detail from a wall at Temple of Hatshepsut near Luxor 1478 - 1458 B.C. (18th Dynasty)

OUR COMMITMENT

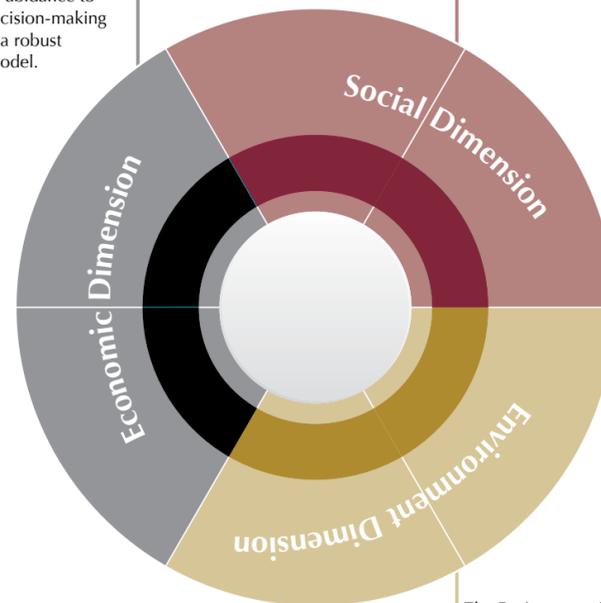
Our credibility as a leading financial institution relies on our operational integrity and the transparency of the information we provide to our stakeholders. Upholding strong corporate governance, adhering to the highest ethical standards and effectively managing risk are all vital factors to our continuation as an accountable, transparent and well-managed financial institution.

Banque Misr's adopted policies reflect a strong commitment to achieving its objectives and guaranteeing its compliance with sustainability fundamentals. We at BM strive to maintain our high standards of service by seeking new opportunities to develop our social and working environments. The bank continues to seek social and sustainable development opportunities that have a positive impact on the economy and society.

OUR VISION OF SUSTAINABILITY INCORPORATES THREE MAIN ASPECTS:

The Economic Dimension: Highly emphasizes the ethical conduct of our employees inside the bank and includes: corporate governance, fighting corruption, protection of clients' rights, respecting stakeholders' interests. This comes in addition to the abidance to the rule of law in any decision-making process and developing a robust governance operating model.

The Social Dimension: Requires the bank's full respect for the cultural norms, social values and differences among employees, in addition to engaging in projects of high social and/or developmental impacts.



The Environment Dimension: Closely monitoring for any potential harmful impacts on the environment as a direct or indirect result from any of the bank's operations, products, services or resources.

Sustainability aspects are reflected in the bank's overall operations through a number of policies:

- 1-Governance and Standards
- 2-Code of Conduct
- 3-Whistle Blowing
- 4-Data Protection
- 5-Anti-Money Laundering
- 6-Remuneration System
- 7-Risk Management

Governance and Standards:

Banque Misr's board of directors is committed to establishing and maintaining the highest standards of corporate governance in all its operations. Good corporate governance is crucial to BM's long-term success and sustainability. We believe that a robust and transparent corporate governance framework is vital to the sustainable success of Banque Misr.

BM is run by a dedicated management team that operates within a clear governance framework, aiming to optimise stakeholder value and preserve maximum book value as businesses and assets are divested. With the objective of continuously improving compliance measures as a key element in the bank's control system framework, several channels for staff issues/code of conduct and petitions have been introduced and announced to the employees.

Effective corporate governance in accordance with the highest international standards is at the core of our identity and operations. We work to ensure the responsibility, value-driven management and control of Banque Misr through our system of corporate governance, which includes three key elements: good relationships with stakeholders, performance-based compensations for managers and employees, and transparent reporting of problems.

The bank's board is also committed to the highest standards of integrity and ethics. Matters relating to the internal control and risk management governance as well as policies and practices concerned with compliance with legal and regulatory requirements are treated as a high priority in the Board of Directors' meetings.

BM's Five Pillars of Good Governance:

The bank works to ensure the implementation of the relevant governance policies through:

- **Clients:** Ensuring mutual benefits and returns for the bank and its clients, excellent customer service, commitment to information and accounts' confidentiality and transparency.

- **Employees:** Guaranteeing fair treatment, suitable and safe working conditions, commitment to the highest level of professionalism and work ethics and encouraging employees to participate in the bank's different social and charity activities.

- **Goals:** Encouraging funding projects that contribute to the sustainable development and/or environmentally friendly projects that serve a wider societal segment, including micro projects with high rates of employment, encouraging suppliers to abide by ethics and support the rationalization of water/energy/ paper consumption, recycling and the protection of the environment.

- **Community:** Adopting influential tools to assist the community's sustainability and avoid unaccepted social practices.

- **Reports and Follow-ups:** The bank's governance chief submits periodical reports every six months to the bank's Corporate Governance Committee for follow up to ensure the implementation of the bank's sustainability programs and goals in line with the international governance principles. These reports are also included in the Board of Directors' annual statement.

Banque Misr Code of Conduct:

BM's reputation for integrity is one of its most valuable assets and is guided by the conduct of its directors and employees. BM's Code of Conduct obliges directors and employees to avoid conflict areas involving a material risk of damage to existing or potential clients' interests. They are bound by professional discretion and prohibited to engage in outside employment.

Employees can only share confidential information if essential for performing a job function. There were no conflicts of interest from board members in FY 2014/2015.

Whistle Blowing:

Our staff act as our army, placed on the front lines to ensure honest and ethical operations are conducted at all times. They take full accountability in maintaining our corporate reputation. Banque Misr provides regular employee trainings on banking regulations and codes of practice regarding illegal activities, such as bribery, corruption, money laundering and insider trading, equal opportunities and privacy of data.

Banque Misr operates an inclusive compliance disclosure line, through mail, email and physical interviews, which is available to allow employees to make disclosures when the normal channels for airing grievances or concerns are unavailable or inappropriate. The compliance disclosure line is available as an outlet for employees' concerns on a number of matters, including breaches of law or regulations, allegations of bribery and/or corruption, failure to comply with policies, suspicions of money laundering, breaches of internal controls and/or fraud or deliberate error in the financial records.

The Regulatory Compliance department is responsible for the operation of the compliance disclosure line and the handling of all disclosure cases on the regional and international levels.

All compliance cases are reviewed and referred for appropriate investigations. Whistle blowing cases may also be raised directly with senior executives, line managers, and with the human resources, security and fraud departments.

The bank does not tolerate any risk to its long-standing esteemed reputation and is prepared to pursue a range of actions and alter outcomes of its business plans to preserve its name, status, identity and integrity.

Data Protection:

We apply comprehensive systems to ensure the appropriate use and protection of all data, particularly those related to customers' information. We also implement special procedures to minimize any potential exposure to individuals or organizations engaged in illegal activities such as money laundering, terrorism, irresponsible environmental practices and/or in operations that may involve forced or child labor or violate indigenous or global human rights.

We apply comprehensive data protection policies, rules, standards and processes to our

day-to-day operations to ensure compliance with all relevant statutory regulations, which may vary considerably from one country to another.

Preventative measures and thorough control help prevent loss of data and/or violation of data protection regulations. We always investigate complaints thoroughly. We also provide regular trainings to raise awareness on data protection among our staff members to ensure their compliance with regulations.

Our Data Protection (Group Data Protection) office coordinates, assesses and monitors practices in this field. It works closely with a network of data protection experts in the bank.

Anti-Money Laundering:

Our anti-money laundering program provides strong support for the international efforts to combat money laundering, financing terrorism and other criminal acts. We scrutinize clients and current transactions using meticulous procedures and an automated monitoring system.

Banque Misr's anti-money laundering procedures are applied worldwide to all our business units, irrespective of their locations. All our employees and senior managers are required to comply with them to prevent the misuse of our name or our products and/or services for money laundering purposes. To ensure the application of the best possible compliance practices, BM routinely reviews its strategies and policies on money laundering.

Within the scope of Banque Misr's compliance program, all our employees are committed to fully complying with the local and international anti-corruption and anti-bribery laws. All our senior managers and employees are strictly banned from receiving, accepting, offering, paying or authorizing any bribe or any other form of corruption.

Banque Misr highly values the importance of transparency and integrity in all of its business dealings, to avoid any improper action or even the emergence of a questionable conduct either from our employees or from any other third party with whom we conduct business.

Banque Misr completed all the procedures for the purchasing of the technological applications needed to implement the Foreign Account Tax Compliance Act (FATCA) regulations for its branches in Egypt, the UAE and France. The process was executed through concentrated efforts and involved the bank's most experienced staff and top management.

Developing a Transparent Remuneration System:

This section contains voluntary disclosures that BM has agreed to with the Central Bank of Egypt, regarding levels of remuneration for our 10 highest paid senior executive officers. It also contains additional voluntary remuneration disclosures about levels of remuneration of employees in the bank's local and international branches.

The bank has maintained a sharp focus on human resources, regarded as one of its most important assets. The construction of a new wage structure is updated annually to keep pace with any potential changes in the domestic market's wages. Modifications could be made to attract more qualified or young bankers.

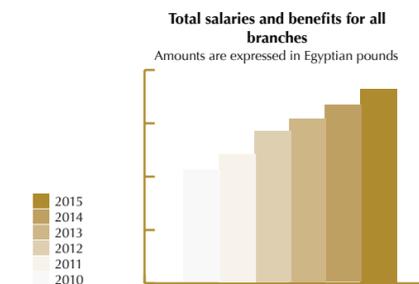
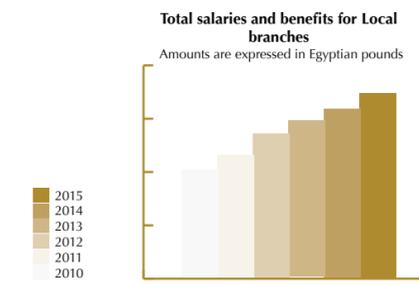
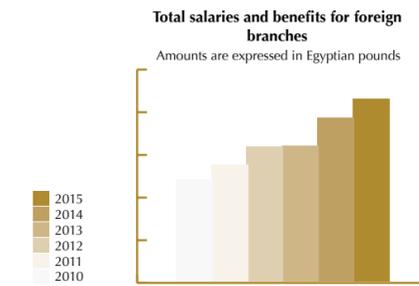
The average monthly income of the bank's top 20 employees in Egypt is 69,694 Egyptian pounds. The executive directors' salaries are benchmarked against comparable roles in peer banks. All staff salaries are set according to their professional experiences and up to the market's standards.

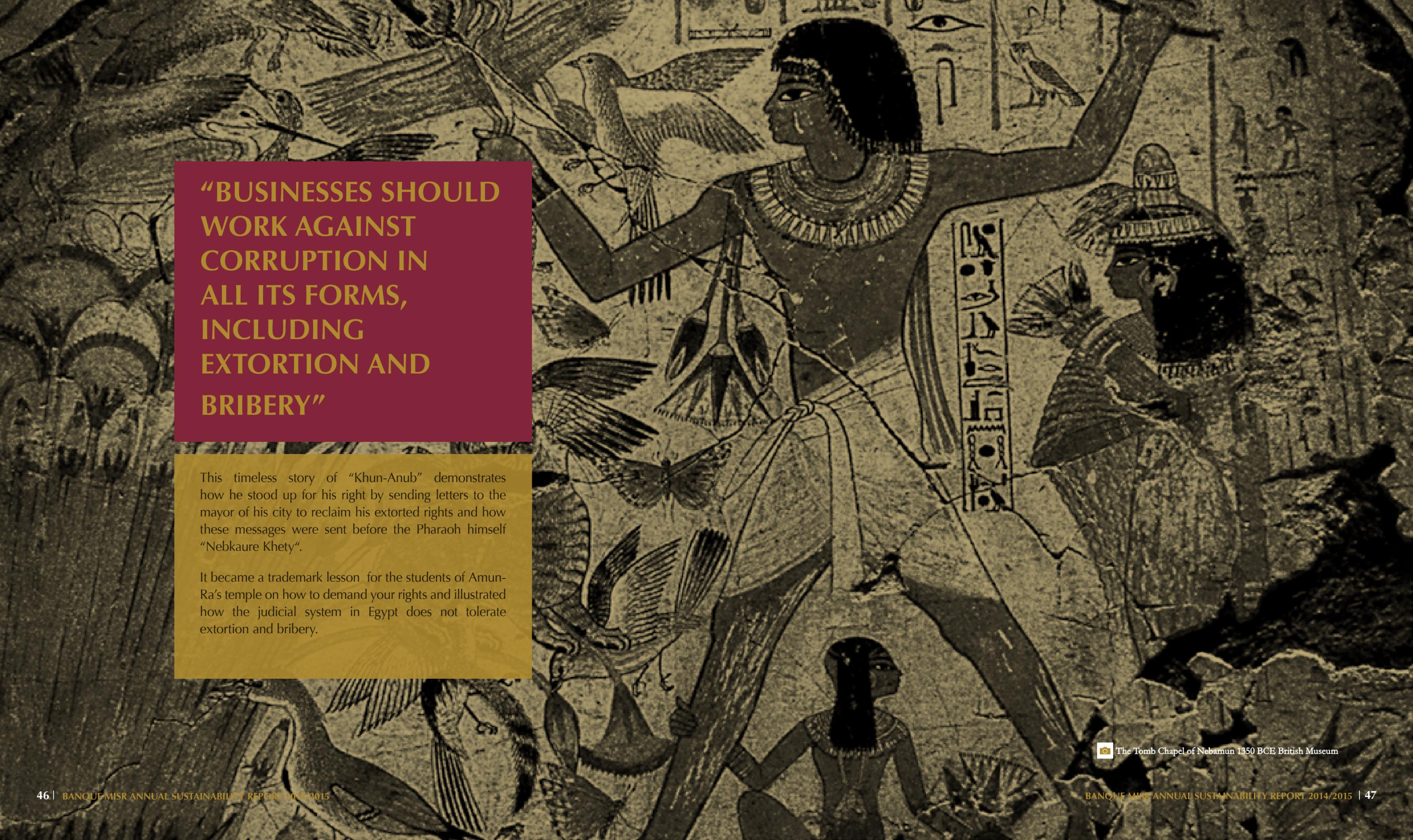
The bank's average monthly net salary for the entry level stands at 3,600 Egyptian pounds. The average annual cost of employees in terms of wages and benefits rose to 144,006 Egyptian pounds in 2015, up 69% from 85,127 Egyptian pounds in 2010.

BM remains committed to abiding by the CBE's regulations on payroll, which indicates that all banks' employees and any third party contractor or service provider should get paid and on time.

Amounts are expressed in Egyptian pounds

	2010	2011	2012	2013	2014	2015
Total salaries and benefits for foreign branches	47,547	54,684	63,333	63,931	77,191	86,428
Total salaries and benefits for Local branches	1,001,387	1,149,510	1,359,497	1,480,775	1,598,618	1,746,622
Total salaries and benefits for all branches	1,048,934	1,204,194	1,421,829	1,544,706	1,675,809	1,833,050





**“BUSINESSES SHOULD
WORK AGAINST
CORRUPTION IN
ALL ITS FORMS,
INCLUDING
EXTORTION AND
BRIBERY”**

This timeless story of “Khun-Anub” demonstrates how he stood up for his right by sending letters to the mayor of his city to reclaim his extorted rights and how these messages were sent before the Pharaoh himself “Nebkaure Khety”.

It became a trademark lesson for the students of Amun-Ra’s temple on how to demand your rights and illustrated how the judicial system in Egypt does not tolerate extortion and bribery.

 The Tomb Chapel of Nebamun 1350 BCE British Museum

Risk Management:

In a climate of a rising global financial concerns on risk, BM actively works to provide the best advice and most reliable information to enterprises of all kinds and sizes to offer them a robust financial risk management framework that satisfies compliance demands, contributes to better decision making and enhances performance.

BM's audit committee provides an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures within the bank and reports directly to the BM's Board of Directors.

A successful risk management system is fundamental to the growth of BM's business operations and the maximization of its shareholders' value. As such, risk management is at the core of our business strategies. The bank regularly runs check-up procedures on all its activities to ensure they remain protected from any major risks.

The bank aims to continue achieving an appropriate balance between risk and return while avoiding or at least minimizing any potential adverse effect on the environment, society and the bank's financial performance.

BM's risk management policies identify and analyze risk and set appropriate risk limits and efficient methods for control. They also monitor adherence to those limits through reliable and up-to-date information.

The bank frequently reviews its risk management policies and system to make sure they comply with the markets' changes and the emergence of new products. The bank's risk department identifies, evaluates and hedges financial risks in cooperation with other relevant units in the bank.

BM SERVICE PROVIDERS AND SUPPLIERS

The building of strong relationships with a network of suppliers is essential to our services and operations. We select our suppliers according to the finest standards. We seek in them the things we stand for, long-term commitments, loyalty, ethics and transparency.

Consequently, Banque Misr reserves the right to verify the suppliers' compliance with the Supplier Professional and Ethical Code of Conduct. Both the suppliers and their subcontractors are urged to maintain all records necessary to demonstrate compliance with the laws and principles specified in the code of conduct. Suppliers are also asked to ensure that their employees and all their direct or indirect subcontractors and agents acknowledge and adhere to the principles of the code of conduct.

If any violation to the Supplier Professional and Ethical Code of Conduct, the bank has the right to take any action it deems appropriate to address with the situation.

BM also requires that all its suppliers, and their subcontractors and employees involved in the supplying of goods or services to the bank, comply with the laws of the country and the market.

Privacy and confidentiality are crucial in all our dealings. Suppliers are not allowed to disclose any private or confidential information without previous authorization from the bank. They are also required to report on actual or suspected cases of disclosure or loss of any private or confidential information related to Banque Misr, its clients, operations or other suppliers the bank deals with.

Banque Misr further works to ensure that all its operations, employees and suppliers, adhere to the laws and agreements pertaining to environmental and social risks, including the following:

- No to child labor: The bank's administration and its suppliers are not allowed — under any circumstances — to employ children.
- Humane treatment: Suppliers should provide a workplace free of harsh and/or inhumane treatment.
- No discrimination on the basis of race and religion: Suppliers shall provide a work place free of harassment and/or inhumane treatment.
- The reduction of resource consumption and emissions: Suppliers are encouraged to use raw materials and natural resources in a responsible manner. The bank exerts all efforts to reduce the consumption of energy and fuel to lower their associated dangerous emissions and encourage the use of environmentally-friendly operations.
- Hazardous substances: The bank stresses on the safe-handling and disposal of any substance.
- Using safer technologies objective: The bank favors the usage of new, progressive, and environmentally-friendly technologies.



“BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES”

Egyptians worshipped the Nile River “Habi”. It was their umbilical cord. Even today, a common Egyptian blessing is: “May you always drink from the Nile!”

 Marsh Scene Tomb of Menna 1924 facsimile of original from ca. 1400-1352 BC Met Museum

ENVIRONMENTAL SUSTAINABILITY

Banque Misr remains committed to achieving strong and sustainable financial returns, while respecting the environment and the community within which the bank operates. To meet such targets, BM established a plan to reduce the carbon footprint within its premises through adopting various initiatives, including:

Lowering Energy Consumption:

BM new and renovated branches are fully equipped with modern LED lighting to reduce energy consumption by 75%.

The bank is also planning to adopt an automatic system that includes occupancy sensors to further lower its consumption of energy and water.

Recycling:

BM collaborates with various recycling facilities and institutes to secure proper disposal of wastes in an environmentally-friendly manner.

The bank recycled around 300 tons of paper during 2015.

BM carries out annual auctions to sell furniture and unused machines, tools, computers, cupboards, printers, and old cars.

Safety Procedures:

BM branches are fully equipped with fire detection systems.

The bank also equipped blue-collar workers on its premises with safety boots, protective masks and other tools to protect them from any potential harm from their exposure to dust or any other risks.

Reducing Paper-Use:

BM also adopted a long-term plan to convert from a paper-based to a paperless internal business environment, encouraging its staff to conduct most of their in-office operations online.

The bank is further working to promote double-side printing of internal memos, documents and reports.

BM will launch its internet banking service in 2016. The new service will decrease paper used in offline transactions. It will also reduce the couriered statements, amounting to 60,000 per month, to cardholders by around 30% within the next three years.

Emissions

BM substituted 52 old buses to be scrapped and recycled with new ones to reduce hazardous gas emissions by 80%.

The bank has further established an action guide to develop its branches to provide them with a healthy and environmentally-friendly workplace, where smoking is prohibited inside closed buildings.

OUR PEOPLE

At Banque Misr, we view human resources as our most valuable asset. Our work is a people-led business and we heavily rely upon our employees' commitments and efforts to continue our prosperity and success. We believe that high employee engagement leads to positive commercial outcomes, as it improves the business environment, leading to higher productivity, better talent retention, reduction of absenteeism, an overall enhancement in our services and higher customer satisfaction.

The bank highly regards its human resources as a vital tool for achieving sustainability through:

Values:

We seek excellence in fulfilling all of our customers' banking needs and that is why we require high standards of conduct from all our employees. We expect our staff to act with full integrity in the execution of their daily duties.

Our staff's values and behaviors are the foundation for our respected image, which is projected in all our businesses. BM applies strict regulations on the staff's code of performance to ensure their full abidance to the bank's code of ethics and internal policies.

Diversity:

Banque Misr is also keen to respect the different values and opinions of its employees as part of its commitment to serve a diverse and inclusive society. All of BM's employees are encouraged to freely discuss their opinions and concerns. Biases and/or discriminations of any kind, including those based on gender, age, ethnicity, religion, and disabilities, are met with a zero tolerance policy at Banque Misr.

Throughout its long years, Banque Misr had always believed in equal opportunities. Diversity is a fundamental value, a strategic business advantage and a driving force for BM's corporate culture.

The bank also highly appreciates special talents and works to provide them with care and attention. Talented individuals are granted special opportunities to learn and increase their competencies to be able to fill future key positions in the bank.

Banque Misr also believes in the importance of integrating more youth in the bank. In 2015, the average age of employees in BM went down to 38 from 44 in 2005.

Investing in Our People:

Banque Misr designs and implements a number of training programs directed at enhancing the skills and knowledge of its staff, which lead to a direct positive impact on the bank's performance.

In this context, BM had developed a program called "Ma'an", (Together), aimed at maintaining a positive team spirit and developing an efficient working environment among its staff members.

The program also offers seminars on the importance of teamwork and provides entertainment programs in which the bank's employees from the different regions interact and get to spend quality time together, which promotes positive energy among the employees.

BM signed a contract with Lobue Associates, Inc. to train a number of employees to assess and improve the production and quality of the business environment. The PSI training program is meant to ameliorate the business environment, improving its efficiency and raising the quality of the services offered by the employees to be fully equipped to understand and use PSI skills and techniques including: Process Flows, Capacity Analysis, Production MIS, Manpower Tracking and Implementation Planning.

Banque Misr also continues to increase the number of its vocational training sessions. BM offered 19,732 training sessions with a total of 315,769 hours during the fiscal year of 2014/2015, up from 297,532 hours of training in the previous fiscal year. In addition, the bank also secured external trainings for 7,209 employees in 2015.

Additionally, BM provides extensive training opportunities and a supportive environment that fosters career self-management in the Islamic Banking Sector. In 2015, 800 employees received 28 professional development training programs. Additionally, the bank hosted five development workshops for a total of 150 employees on the Islamic banking sector and its principles.

The Capital Markets Group moreover follows the bank's main principle of focusing on the development of the human resources. It provides regular training courses for its employees to keep them up-to-date on the recent administrative and technical skills offered in the local, regional and global financial markets.

In 2015, the Capital Markets Group organized a special training course on the preparations of banks' financial statements according to the

standards set by the Central Bank of Egypt (CBE), and the International Financial Reporting Standards (IFRS). It also offered trainings on the fixed-income portfolio and crisis management, along with other courses in the fields of: capital markets, trading, investment, and assessment processes. The group had also organized special seminars for other staff members on the bank's various products and mutual funds.

Banque Misr Liban's 220 employees receive constant work-related trainings to ensure the maintenance of an efficient work environment.

Succession Planning:

Future Leaders:

Our strategy in spotting young talents through the "Future Leaders" project was aimed to ensure that we have highly qualified candidates, who comprehend our standards and work to exemplify our values, to be able to hold future leadership positions.

Talent Program:

BM constantly works to make sure it maintains a fair share of talented young bankers, who are on par with the bank's high standards, capable of meeting its demands and implementing its strategies.

Employee Turnover:

Banque Misr is distinguished by a low employee turnover rate among other banks, which was recorded at 1.24% in the fiscal year 2014/2015, and was mainly constituted by employees who had reached retirement age; reflecting a high rate of employee satisfaction.

Human Rights and Working Welfare:

The bank and its suppliers are committed to comply with all applicable regulations, as well as with any existing industrial standards, agreements and/or guidelines on human rights and the welfare and safety of employees and clients by abiding with the following requirements:

- No to child labor: The bank's administration and its suppliers are not allowed — under any circumstances — to hire children.
- Humane treatment: A workplace that is free of harsh and/or inhumane treatment is guaranteed.
- No discrimination: harassments of all forms and/or deliberate discrimination; on the basis of race, religion, political convictions, or on any other basis are prohibited by the power of law.
- Health and safety: A safe working environment is guaranteed at all times.
- Wages and employment benefits: Salaries and employment benefits that satisfy all applicable employment laws are paid on time.

Empowering Women:

We at Banque Misr view the high number of female employees as one of the top indicators for our success in implementing our values and commitments towards society.

In year 2015, women comprised 25% of the total number of the bank's employees. We also succeeded in raising the number of women in the managerial level by 12% in 2015.

BM also continues to work to accommodate female

staff members' conditions and needs, offering a maternity leave to 280 female employees in 2015 along with 162 child care vacations for others.

Our options for flexible working hours also support our commitment to the work-family balance that we strive to provide to our employees in Banque Misr.

Employees with Special Needs:

Banque Misr's sustainability strategy highly emphasizes the importance of integrating all members of society in our bank. We are a by-the-people-to-the-people institute and hence we work very hard to integrate all kinds of people, including those with special needs, in our system.

The recruitment process puts into consideration the type of disability and the candidate's skills and ability to meet the job's requirements.

Easing Employees' Financial Burdens:

Because Banque Misr understands the importance of human resources and sees them as one of the bank's most important assets, the bank launched a new loan package for its employees that included mortgage loans, personal loans and car loans with facilitated conditions, as a gesture of gratitude to boost their performance.

Competitive Benefits for Employees

In order to ensure our employees' continuous satisfaction and to reflect our deep appreciation to them; BM was eager to provide all its staff members with the most competitive benefits in wages and salaries, medical care that also covers

the employees' families, transportation facilities, leisure travel along with a number of other social and sports' benefits.

At BM; we provide competitive pay, benefits, and compensations based on performance. The bank has recently built a new wages' structure that is updated annually to keep pace with the changes that occur on the wages in the banking market. The year 2015 recorded an increase in the average employee cost to 144,006 Egyptian pounds, up from 85,127 Egyptian pounds in 2010, marking a 69% increase.

Employees Recognition

As a way of showing gratitude to our main asset of human resources, Banque Misr continues to hold regular award celebrations for distinguished staff members. Last year, the bank honored employee who held the first positions in competitions organized by the Egyptian Banking Institute in 2014.

Banque Misr also adopted an initiative to reward its best employees for their hard work and efforts. In 2015, the bank rewarded 95 employees based on their peer nominations.

Medical Care for Our Employees and Their Families

BM ensures the well being of all its employees through offering comprehensive medical packages for them and their families. To fulfil such a goal, the bank contracted with a number of medical specialists, doctors, hospitals, laboratories and pharmacies to cover the vast

number of employees working in the bank's different branches and offices.

The bank operates through an automatically updated medical service system to save time and facilitate the process. The cost of the employees' medical services; which included offering special treatments to 103 patients suffering from Hepatitis-C, netted 139.9 million Egyptian pounds for FY 2014/2015.

Post-Retirement Benefits :

The total cost of the employees' post-retirement benefits had significantly rising over the past six years, going up from 34 million Egyptian pounds in 2010 to 38 million Egyptian pounds in 2011. Further, in accordance with the Egyptian Accounting Standards, Central Bank of Egypt regulations, and a conducted study using actuarial expertise, benefits surged to 320 million Egyptian pounds in 2012, 619 million Egyptian pounds in 2013, 499 million Egyptian pounds in 2014 and reached 497 million Egyptian pounds in 2015.

Transportation Facilities:

BM is committed to providing an easy and subsidized means of transportation to its employees to increase their productivity and ensure their general well-being.

Leisure Travel:

BM had also offered a 70% discount on a number of leisure trips designed for its employees during the summer and the winter seasons, which positively reflected on their productivity, improving the rate of compliance and boosting the general disposition of the employees during office hours. The total cost of the leisure trips was recorded at 9 million Egyptian pounds in FY 2014/2015.

Social and Sports Activities:

Stemming from the bank's strong belief in providing employees and their families with the opportunity to practice sports, social and entertaining activities, the bank invested in renovations for its Talaat Harb Club and is currently working on establishing a New Cairo Club with total investments of 100 million Egyptian pounds.

BM further organizes frequent football tournaments during the Islamic holy month of Ramadan and the Christmas and Easter holidays and encourages its employees to participate in them. Other similar tournaments are also organized for volleyball, table tennis, chess, basketball, swimming, squash and futsal games. The total cost of the sports activities amounted 2.9 million Egyptian pounds in FY 2014/2015.

Freedom of Association and Collective Bargaining:

We at BM respect our employees' right to join, form or not join a labor union without fear of reprisal, intimidation or harassment. We are committed to establishing constructive dialogue with their freely chosen representatives. For employees who are represented by a legally recognized union, the bank remains committed to bargaining in good faith with all such representatives.

Child Labor :

Banque Misr adheres to the minimum age provision of the applicable laws and regulations. The bank strictly prohibits the hiring of individuals less than 18 years of age. The bank's prohibition of child labor is consistent with the regulations of the International Labor Organization.



“BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION WITH RESPECT TO EMPLOYMENT AND OCCUPATION”

The Egyptians had no word that meant “Queen”. The title of a female ruler was the same as a man’s: Pharaoh “The Ruling House”.

 Temple of Hatshepsut near Luxor 1478 - 1458 B.C. (18th Dynasty)

COMMUNITY DEVELOPMENT

Corporate social responsibility lies at the core of Banque Misr's strategy and in the hearts of its employees. It is an integral part of how we operate and through which we measure our success in maintaining sustainability. Through responsible businesses; we aim to create value for the society and strive for a better economic achievement. We contribute positively and constructively through specific projects that are either carried out directly or by the Banque Misr Foundation for Community Development and Welfare or through partnering with NGOs and development-oriented civil society institutions.

Supporting National Projects:

Banque Misr participated in the sponsorship of the launch of the state's New Suez Canal project in August 2015, out of its belief in the importance of the project and its significance to the state's long-term economic development. The project saw wide public support.

Mashrouak Program :

Banque Misr also participated in the national project for community development entitled "Mashrouak", (Your Project), by providing loans for micro enterprises that ranged from 1,000 Egyptian pounds to 50,000 Egyptian pounds and others for small enterprises in the range from 50,000 Egyptian pounds to 2 million Egyptian pounds. The finances had benefitted 6,700 entrepreneurs in different parts in Egypt and had a funding portfolio of 200 million Egyptian pounds.

Sponsoring Egypt's Economic Development Conference :

Banque Misr sponsored Egypt's Economic Development Conference, the state's largest international economic event in 2015. The conference was the first international gathering for economists, businessmen and world leaders since the eruption of Egypt's 2011 revolution.

The conference aimed to attract new foreign investments to Egypt, to improve the state's economic conditions and push for more growth and reforms. It was held in the Egyptian resort town of Sharm El-Sheikh in March 2015 and was attended by President Abdel Fattah al-Sisi along

with a number of Arab and foreign leaders and businessmen.

The conference was regarded as a milestone in the government's plan to enhance the performance of the economy.

New Mortgage Finance Programs for Low and Medium-Income Citizens :

As part of the bank's pioneering role in pushing Egypt's economy forward, Banque Misr announced its participation in the Central Bank of Egypt's (CBE) mortgage finance initiative, with the aim of boosting the real estate and construction sectors for the low and middle-income citizens. In that regard, Banque Misr has offered a long-term mortgage finance, with simple procedures, with 1,256 loans and an 92 million Egyptian pounds fund portfolio.

Supporting the Grand Egyptian Museum Projects

Banque Misr also allocated 12 million Egyptian pounds to establish a special school, one of the major projects of the new Grand Egyptian Museum (GEM) – Phase III. The amount will be paid over three years and the bank has already made the second payment. The new school will offer education for 1 million students annually from different age groups, in the fields of arts, crafts' making, sewing and jewellery designing. The new school, which is expected to carry the name of the bank, is meant to help encourage more youth to work in creative industries.



 BM has donated the amount of 12.3 million Egyptian pounds to the Aswan Heart Center that went into the constructing of a new fully equipped floor.

Developing Historic Areas

Banque Misr cooperated with the Federation of the Egyptian Banks along with a number of banks; including the National Bank of Egypt (NBE), Egypt's Commercial International Bank (CIB) and the state-owned Banque du Caire to develop the historic Downtown area of Cairo for 10 million Egyptian pounds each.

Participating in the International Financial Week Activities :

Banque Misr organized tours and seminars during the international financial week, aimed at spreading the financial culture among children and youth.

Supporting Youth Sports Activities:

Banque Misr continues to provide the best care for the youth; stemming from its belief in their importance for the development and success of any society. The bank was happy to continue to sponsor the Egyptian Youth Futsal Championship that includes 176 teams from different parts in Egypt, for the fourth consecutive year.

Employees Engagement:

Blood Donation Campaigns

Banque Misr launched blood donation campaigns among its employees under the supervision of BM's Medical Service Administration, in collaboration with the Ministry of Health, in a move signalling the bank's concern to save lives in dire need of blood.

Supporting the Orphans

Banque Misr and the Banque Misr Foundation for Community Development and Welfare also continued to play a significant role in social solidarity activities; like joining the community in the celebration on the Orphans' Day, which takes place on the first Friday of the month of April. BM holds yearly celebrations for orphans on their day in the governorates of Cairo, Alexandria, Menia, Beni Seuf, Luxor and Qena. The bank's employees are encouraged to join the celebrations as volunteers to organize and support the celebrations' events.

Developing Informal Settlements:

The banking sector's firm belief in the importance of CSR led to their cooperation through the Federation of Egyptian Banks and other state institutes; including the armed forces, to develop 17 informal settlements in Cairo and on its outskirts. Banque Misr joined the initiative with 22 million Egyptian pounds.

Funding the Aswan Heart center :

Banque Misr provided financial support to the Aswan Heart Center, an integral part of the foundation of the internationally recognized Egyptian surgeon, Magdi Yacoub, and one of Egypt's most renowned charity organizations. The bank donated 12.3 million Egyptian pounds to the Aswan Heart Center, which went towards the construction of a new fully equipped floor.

The bank also bought prosthetic devices and wheel chairs for 36 disabled persons.

Funding Illiteracy Programs

Banque Misr has also been an active founding member in the national project for eliminating illiteracy. It had worked in collaboration with Ain Shams University and the General Association for Eliminating Illiteracy and Adult Education to provide literacy sessions for 300 women in the governorates of Sohag and Sharqiya.

Funding Renovations of the Historic Manial Palace Museum

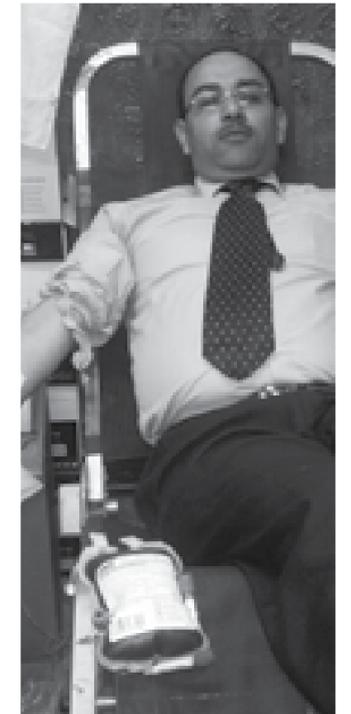
Banque Misr supported the Friends of Manial Palace Museum Organization by financing the restoration work of the historic Manial Palace Museum. It also paid for the purchase of the museum's display windows. The Arabian Organization for Social Responsibility awarded Banque Misr with the Golden Excellence Award and Certificate of Excellence in Corporate Social Responsibility in 2015, in recognition of its input in the restoration of Egypt's historic Manial Palace Museum.



BM supports Orphans' Day



BMFCDW provides financial support to Ain Shams Specialized Hospital



BM launched a blood donation campaign among its employees

Banque Misr Foundation for Community Development and Welfare:

Stemming from Banque Misr's deep faith in the importance of supporting Corporate Social Responsibility, the bank actively participated in several activities to support the development of the community, including establishing a nonprofit organization in 2007 specialized in this field under the name of: Banque Misr Foundation for Community Development and Welfare (BMFCDW). BMFCDW is officially registered under the Ministry of Social Solidarity.

BMFCDW aims to contribute to the overall development of the various sectors of society, including education, culture, employment, the economy, public health and the environment. It also supports other social solidarity projects through working to strengthen civil society's contribution to the BMFCDW's projects to widen the scope of its projects.

The foundation further works to offer support to various scientific research centers, schools, universities and public hospitals. The foundation has also financed a group of social projects either directly or indirectly through non-governmental organizations (NGOs).

The foundation also accepts donations from inside and outside of Egypt and from all individuals who wish to engage in charity and development opportunities. Contributions to the foundation are delivered to special accounts offered by Banque Misr in all its branches across the country. They can also be mailed directly to the bank's headquarters at 153 Mohamed Farid Street, Banque Misr Tower, Floor 22, Downtown, Cairo, Egypt.

Stemming from Banque Misr's firm belief in the vital role of BMFCDW, the bank had set an annual amount of its net profit to fund the activities of the foundation. It also finances 2,000 families in need, on a monthly basis.

During the period from 2008 to 2015, BMFCDW had actively taken part in several developmental activities in coordination with a number of NGOs and universities to implement different programs in the fields of social development, health, education and the development of the economy.

Developing Egyptian Villages

Banque Misr Foundation for Community Development and Welfare (BMFCDW) joined a group of NGOs and Egyptian universities from 2012 to 2015 in projects to upgrade 35 villages and informal settlements in different parts in Egypt. The foundation's partners included Masr El Mahrousa Balady Association (MMBA), the Association of Upper Egypt for Education and Development (AUEED), the Alliance for Arab Women, the Association for the Development and Enhancement of Women (ADEW), Omar Bin Abd El Aziz Association, in addition to the faculties of agriculture and veterinary medicine of Benha University in the Nile Delta.

The developed villages included:

- Al Hammas, Al Horayzat Al Gharbia villages, Markaz Juhyna, Al Zouk, in southern Sohag
- Tanfees and Asfoun villages in the touristic city of Luxor
- Bishet Amer Village of Sharqiya in the Nile Delta
- Mit Kenana, Tersa, Karkashanda, Moshtohor, Namoul, Manzala, and Toukh City in Qalyubia, on the outskirts of Cairo
- Four villages in Menouf City in the Nile Delta governorate of Menoufia
- Kom Ghorab in Misr Al Qadimah, Cairo governorate

The foundation also worked to improve the quality of life for the residents of the previously mentioned villages through developing educational and health services there, along with providing trainings and job opportunities for the youth and upgrading the infrastructure of the dilapidated and old houses.

It also sponsored medical convoys to serve around 5,000

residents in a number of Egyptian villages, and organized a number of seminars to raise the public's awareness on health, social and economic issues.

Education

Renovating Schools :

Banque Misr Foundation for Community Development and Welfare (BMFCDW) majorly participated in the development and renovation of a number of school classrooms and the establishment of universities in a number of Egyptian cities.

BMFCDW worked on the enhancement of the infrastructure of five schools in Luxor, Sohag, and Menoufia.

Also, the foundation contributed to the comprehensive development of the Modern Asfoun Primary School in Asfoun Village in Luxor, along with six other primary and preparatory schools in Manshaa city in the nearby southern city of Sohag. It also upgraded Kafr Al-Aamera Preparatory School in the Menouf city, located in the Nile Delta governorate of Menoufia, which was inaugurated in FY 2014/2015.

Opening New Classrooms

BMFCDW contributed to improving the learning level of 2,900 school subjects through sponsoring re-enrolment classes in Luxor and Sohag. The foundation also helped in establishing 46 new kindergarten classrooms in Luxor and Sohag.

Renovating Sports' Centers

BMFCDW renovated and furnished three sports centers for youth in the town of Esna in Luxor and Horayzat in Sohag. The bank had also provided these centers with educational equipment.

Training 700 Youngsters

BMFCDW also trained 200 young men and women in the Shoubra El-Kheima district of Cairo to help them meet the requirements of the competitive job market through a number of awareness seminars and practical trainings.

The foundation also provided numerous training workshops for youth in the fields of sales, accounting, customers' services, working with people with special needs, secretarial work, graphics, maintenance of appliances, running small projects, along with others. It had also helped some trainees to find suitable job opportunities. The foundation also provided technical trainings to approximately 500 youngsters in Luxor, Sohag, and Menoufia.

Providing Scholarship Opportunities

Acting upon its belief in the importance of science and supporting the new generation of scientists, BMFCDW signed an agreement of cooperation with Egypt's Nile University for Science and Technology to finance education scholarships for 20 undergraduate students in different specializations, along with five others for graduate students with a total cost of 5.3 million Egyptian pounds.

Culture:

Financing the Children's Civilization and Creativity Museum

BMFCDW agreed to cooperate with the Heliopolis Association to finance the establishment of a science center in the Children's Civilization and Creativity Museum by offering a grant of 6 million Egyptian pounds. The deal aims to establish a distinguished science center for children to help explain to them, in creative ways, the school's science curricula, develop the children's scientific abilities and provide them with an interactive education experience.

Supporting Developmental projects

Banque Misr Foundation for Community Development and Welfare (BMFCDW) dedicated 1.5 million Egyptian pounds to finance a number of developmental and environmental projects in cooperation with Benha University, which included a project to preserve the production of quails in an Egyptian village and another to produce genetically modified rabbits in five other villages. The two projects targeted providing means to enhance the living conditions in Egyptian villages.

Supporting Health Care Projects :

Providing Nutritional Biscuits for Students

BMFCDW signed in 2015 a partnership agreement with the United Nations World Food Programme (WFP) to provide kindergarten schools in the Sinai Peninsula and Luxor with nutritional biscuits for 11,000 children. The biscuits provided were stuffed with dates and contain the basic vitamins needed to cover almost 25% of the children's daily nutritional needs.

The foundation also carried out a special school nutrition program in the southern city of Sohag that served around 500 students in five primary and preparatory schools.

Developing Hospitals and Medical Units

BMFCDW provides financial support to a number of hospitals along with other medical centers, including Ain Shams Specialized Hospital, the Mansoura Kidney Disease and Urology Center and the Magdi Yacoub Heart Foundation, which was directed towards the purchase of new equipment, enhancing their medical services and providing

high-level training programs for doctors to aid them in their scientific research.

The foundation also contributed to the development of 33 medical units through the provision of appliances and medical needs for the universities and public hospitals. The foundation also took part in upgrading and modernizing Cairo University's Renal Failure and Surgeries Center in addition to the Fitness and Rehabilitation Unit of the university's Abu El Reesh children hospital. Similar work was done for the Obstetricians and Gynecologists Hospital of Ain Shams University, the Liver Research Institute and Hospital in Mansoura and in the Liver Hospital in Menoufia.

The foundation also contributed to the development of Zagazig University's hospitals, which are considered the largest network of university hospitals in the Nile Delta and Canal regions, by offering donations to the Endocrine Unit, the Chest Diseases Unit and the Intensive Care Unit.

In addition, it inaugurated a medical center in Mit Abu Ali Village in Minya Al-Qamh City in the Sharqiya governorate, providing it with needed medical equipment. The center hosts clinics for: dentistry, gynecology and obstetrics, internal medicine and heart, pediatrics, otorhinolaryngology, surgery, urology, dermatology, reproductive medicine along with medical labs.

The foundation further donated kidney dialysis machines for Qena Fever Hospital, to contribute to help it to continue providing free treatment for patients.

The foundation also contributed to the furnishing of an intensive care unit in Ain Shams University and the development of the emergency department in Abu El-Rish children's hospital.



BMFCDW aims to contribute to the overall development of the various sectors of the society including: education, culture, employment, competitiveness of products and services, the economy, public health and the environment.

The foundation also helped in furnishing needed facilities in the Fitness and Rehabilitation Unit of Cairo University's hospital and in the Injuries and Emergency Reception Unit in a hospital affiliated with Zagazig University in the Nile Delta. This was in addition to purchasing new medical equipment for the kidney transplant unit of Assiut University's Urology and Nephrology Surgical Hospitals.

The foundation also equipped Talaat Harb Medical Center in the Tafnees Village in Luxor with new clinics for pediatrics, internal medicine, orthopedics, an X-ray unit and a medical lab.

Supporting the Orphans

Banque Misr Foundation for Community Development and Welfare (BMFCDW) also contributed to Al-Manarat project that seeks to take care of orphans and single mothers in the following areas of Cairo: Basateen, Dar Al-Salam and Arab Maadi, serving 650 children and their families monthly.

The foundation also worked to provide school supplies and new cloths for 1,000 children yearly. In addition, BMFCDW continued to directly sponsor a group of over 2,000 orphanages, female-headed households and families in need.

Financing Developmental and Environmental Projects

BMFCDW implemented 900 new economic projects for the youth and female-headed households in different villages. The projects included various sectors, such as breeding cattle and sheep, rabbit farming, sewing, technical and craftsman trainings for carpentry, plastering, plumbing, mobile phone maintenance and electricity, all of which were aimed at enhancing the standard of living for many families.

TECHNOLOGY

In an effort to meet our clients' aspirations and raise expectations, BM highly emphasizes the importance of technology as a crucial element in the success of its operations. Over the years, BM renovated its IT infrastructure and technical services, adding new features and additional capacities and is currently working on streamlining its technical environment to remain dedicated to providing better experiences to all customers. With the great strides achieved in the technology upgrades, as well as ensuring the stability and sustainability of all our systems, Banque Misr continues to invest in technology through a range of new projects, including:

Infrastructure, Communications and Information-Projects

BM recently implemented an agreement with Microsoft to provide the bank with a new external interactive website as well as automating the documentation of the credit provision and approval. The bank also developed an internal site (intra-net) to provide the employees with the bank's different information and updates as well as receive their complaints and suggestions. Moreover, BM implemented the Swift Alliance system and the IP telephony project.

The bank also developed a new website for money transfer that allowed transfer operations between the bank and its foreign correspondents, which resulted in a quantum leap in the number of daily transfers, recording an average of 16,000 transfers with a total cost of 42 billion dollars. Furthermore, BM offered training sessions for 11,000 employees on how to best use the latest operating systems.

Out of our commitment to offering our clients the best service and making their visit to the bank an enjoyable one, we had developed and improved our queuing system. BM has completed the first phase of developing its network infrastructure for 150 branches using WAN Optimization technology.

Security of Information

Banque Misr became a regional pioneer after becoming the first bank in Egypt and North Africa to comply with the PCI data security standards,

obtaining the global Payment Card Industry Data Security Standard (PCI DSS) certification. This was in addition to implementing Access Right Matrix, Risk Log, Control Compliance Suit, Pen test and Centralize Log Management System.

Application of Information and Communication Technology-Projects

Underlining our commitment to a sustainable success, the continuity of development plans and the complete restructuring of the different activities and branches remain at the core of our principles and objectives. Banque Misr continues to serve and reach customers anywhere, anytime through different electronic channels by upgrading the core banking application (Flexcube) system that connects all branches with a unified electronic system.

It is a comprehensive banking system designed to provide the highest levels of banking services to clients, allowing them to easily carry out any banking process swiftly and with the highest standards of quality and flexibility, implementing internet-banking applications to serve our customers and attract new segment of clients. We have further expanded our ATM network to serve our customer and all other financial institution through 1,400 ATM machines.

CORPORATE BANKING

Our deep faith in the Corporate Social Responsibility (CSR) concept of supporting manpower to achieve sustainability has prompted us to ensure that our financing schemes integrate both the social and environmental standards in the assessment phases. In lending large-scale projects, Banque Misr gave more attention to the projects of high economic and/or social impact, along with environmentally-friendly ones.

Financing National Projects:

Banque Misr plays a leading role in financing large-scale national projects that significantly contribute to the Egyptian economic development, particularly in the sectors of petroleum, energy, electricity, gas, telecommunication, aviation, tourism and construction. Its public and private corporate loans have also increased to 56 billion Egyptian pounds while the total loans' portfolio rose to 67 billion Egyptian pounds.

Through a highly skilled team, BM's corporate banking arm is dedicated to providing creative financial packages, aiming to exceed our clients' expectations.

Banque Misr has the honour of continuously holding a high position among banks in Egypt and the Middle East region, sustained by its long-standing expertise in leading landmark funding transactions among different sectors within very tight time frames. It has also proven capable of guaranteeing and covering such transactions. BM also led, arranged, and underwrote most of the market's largest transactions carried out in the past 10 years.

Our Corporate Banking and Syndicated Loans Portfolio (Direct and Indirect) net growth amounted 12 billion Egyptian pounds in FY 2014/2015, leading to an increase in the

portfolio volume to 55.9 billion Egyptian pounds, a remarkable growth compared to the prevailing market rates.

In addition, the total recognized commissions in the department's scope of work during fiscal year 2014/2015 surged to 897.4 million Egyptian pounds, recording a 74% growth rate.

Moreover, the Corporate Banking and Syndicated Loans Department succeeded in maintaining an adequate portfolio credit rating, despite the prevailing political and economic conditions in the region. Concentration levels of the granted facilities within the portfolio's sectors by June 30, 2015 complied with the concentration percentages, according to the approved credit policies from the bank's board of directors, in addition to other efforts to expand facilities across promising sectors to further reduce concentration percentages within the portfolio.

In light of Banque Misr's vast experience and key performance in successfully leading landmark transactions in diversified sectors within very tight deadlines, 14 new syndicated loans have been concluded throughout the year of 2015 with a total finance volume of 41.3 billion Egyptian pounds; the biggest transaction in the market in the period from July 1, 2014 to June 30, 2015, out of which BM had underwritten a total amount of 9.5 billion Egyptian pounds, holding 8.7 billion Egyptian pounds.

Financing Environmentally-Friendly Projects:

Banque Misr believes that supporting the environmentally-friendly infrastructure projects is fundamental to maintaining its key strategic objectives for sustainable development. In FY 2013/14, Banque Misr secured 319 million Egyptian pounds for the purchase of 212 railcars for the Egyptian National Railway Authority and the upgrading of one of the passages in Cairo International Airport.

In FY 2014/2015, the bank provided 3.227 billion Egyptian pounds to finance the South Helwan Power Station, the Walidia Thermal Power Plant's new unit, along with other energy-related projects as part of a national emergency plan to increase the production of electricity.

Banque Misr has also been very committed to finance eco-friendly projects that aim to achieve sustainable development. In FY 2013/2014, the bank provided 450 million Egyptian pounds to finance the Egyptian Pollution Abatement Project (PMU) of the National Cement Company (NCC), which enabled the company to use coal in its operations.

In FY 2014/2015, Banque Misr secured 460 million Egyptian pounds to finance a new project that upgraded the production lines and installed an extra unit for the South Valley Cement Company. It also helped to supply and install an alternative fuel unit for the Amreyah Cement Company and Wadi El Nil Company.

Banque Misr also runs intensive check-ups on all projects to make sure they comply with the Ministry of Environment's regulations.

Delivering Excellence in Corporate Banking:

Our excelling services recently landed us multiple awards from major global financial institutions. According to the Bloomberg's league tables on Global Syndicated Loans for the first half of 2015, Banque Misr succeeded in:

1-Maintaining its ranking as the best Bookrunner for Syndicated Loans and Project Finance Transactions across Africa for the first two quarters of 2015.

2-Achieving the second best Mandated Lead Arranger across Africa.

3-Ranking the third best Bookrunner for Syndicated Loans and Project Finance Transactions across the Middle East and North Africa region (MENA).

According to Bloomberg's Ranking Report of December 2013, Banque Misr was the only Egyptian bank ranked amongst the top 20 financial institutions for Syndicated Loans Bookrunners across the Middle East and North Africa.

In a further statement from Bloomberg on the classification results, Banque Misr topped the list of the best banks within Africa regarding performance level and marketing financing transactions, with a major margin of difference from the holder of the second position, the Bank of China. BM was the first Egyptian bank to lead such ranking in the past three years, during which the first position was dominated by European banks.

RETAIL BANKING

In its continuous efforts to meet and exceed clients' expectations, BM continues to provide its clients with the highest safety and quality measures through a range of creative products and services.

Continuous Geographical Expansion:

As we aim to help our customers access their accounts in the most convenient ways, the bank plans to open new 275 branches over the next three years, including 255 mini branches. The expansion plan comes in line with the Central Bank of Egypt (CBE) initiative to foster greater financial inclusion to increase the number of banks' customers. Our ultimate target is to have easy access to all parts of the country to reach all the different social segments.

Banque Misr also added many new services to its ATMs in addition to their basic service of cash withdrawal and deposit. These services included monetary transfers between individuals without payment cards, the payment of bills, donations, and various subscription fees. The new services are launched in collaboration with Fawry, an e-payment solutions company. The number of bill payments through the new services totalled 85 million Egyptian pounds.

Enhancing Service Level:

Banque Misr recently launched a new line of personal loans called the "Fast Cash", which provides loans to both Egyptian and foreign

clients who have savings in the bank in the form of certificates, deposits or saving accounts. Through the Fast Cash service, loans are provided with the clients' savings as a guarantee. The value of loans is estimated at 5 million Egyptian pounds with the added value of having the most prompt and facilitated administrative work with the least expenses. It also has a high loan rate at up to 90% of the saving fund's value. Banque Misr also offers a diverse range of loans catered to serve all our clients' different needs with many competitive advantages. The loans include personal loans, car loans, real estate financing, loans for durable commodities and memberships in sports' clubs.

BM also improved its tax and customs e-payment service through 296 branches spread all over Egypt, and was able to collect 5 billion Egyptian pounds through this service. This is in addition to applying the CPS corporate services, allowing customers to pay taxes, tariffs or other government dues from their offices without going to the bank. Banque Misr was ranked first in the government payment services, CSL and customs' duties.

Moreover, BM came in first place in terms of the collection of traders' operations, with 12,150 POS terminals spread across Egypt with a trading amount of 5.4 billion Egyptian pounds. In addition, the bank was ranked second in

terms of the volume of issued e-payment cards which reached 3.8 million. As part of the bank's strategy in promoting e-commerce and tourism, we introduced the DCC system, which allows purchases from Banque Misr's traders. The system is a financial service in which credit card holders, when making a payment in a foreign country, get the cost of transactions converted to their home currency at the point of sale.

Financial Inclusion:

Aiming to turn Egypt to a cashless society, Banque Misr pioneered to occupy a total market share of 45% in automating governmental workers' salaries through its ATM machines. The bank has maintained first place for the 11th consecutive year in this field. The total value of automated salaries had reached 20 billion Egyptian pounds used by 1.15 million card users from the public and private sectors, in addition to 45,000 accounts.

Further, based on Banque Misr's firm belief in the importance of financial planning for the prosperity of the people and the development of the economy, it works to ingrain the concept of saving and investing.

The bank participated in the Central Bank of Egypt's initiative entitled "Ashann Bokra", (For Tomorrow), which aims to spread financial awareness among the youth through educational bulletins and bank tours.

In this respect, the bank has held several symposiums for the youth, in addition to organizing school trips to BM's different branches and to the museum of Mohamed Talaat Harb, the bank's founder. Banque Misr has also, throughout such tours, offered educational scholarships to a 1.3 million students, in cooperation with the Ministry of Education and the Egyptian Banking Institute.

Supporting Home Ownership:

BM believes that the inclusion of new segments from the society best supports the safety of the bank's financial system, widening and enhancing its services and outlook. It also has a positive impact on the overall economic activity of the country, as it increases the amount of people's savings and investments, thus ensuring the mobilization of the financial resources through official channels. This in turn positively reflects on the economy, increasing its growth rates and decreasing poverty and unemployment rates.

BM participated in the Central Bank of Egypt's (CBE) initiative offering long-term loans to low and middle-income housing projects. Such projects are considered very promising for the banking sector as they are highly encouraged and supported by the government, which views them as an effective method to attract new local and foreign investments through public-private partnership housing projects.

The CBE announced in February 2014 that it allocated 10 billion Egyptian pounds to finance low and middle income citizens to buy houses at a low yearly interest rate of 7% to 8%. BM has so far contributed with 3 billion Egyptian pounds to the CBE's initiative.

Supporting Local Community Projects:

BM joined a national campaign to replace the old taxis in Egypt to improve the transportation sector and minimize the pollution caused by the old taxi vehicles that had a negative impact on tourism and the community in general. In collaboration with the Ministry of Finance, BM offered 300 million Egyptian pounds for the purchase of 4,600 new taxis.

Supporting Customers and Data Protection:

Providing a wide range of products and services allows the bank to create and sustain profit and fulfill its primary goal of keeping clients secure and satisfied. BM applies the latest modern technologies to protect its clients from any e-piracy risks, and consequently, the bank was ranked the first Egyptian bank to meet the requirements of PCI DSS compliant systems. Furthermore, Banque Misr maintained its number one ranking for the 11th year in a row in the field of automating government workers' salaries. The bank also kept its rank at first place with respect to the total number of operations conducted through the Debit Card Scheme and Shared Cash Network "123".

Adapting to the latest technologies in internet banking, BM will launch its secure and convenient internet banking services within 2016. The new service will decrease paper used in offline transactions. It will also reduce couriered statements, amounting to 60,000 statements per month, to cardholders by approximately 30% within the next three years.

Gaining Strong Foothold:

Banque Misr took the lead in the Bank's Electronic Delivery Channels through operating the largest network of branches, ATMs and Point of Sales (POS) terminals across Egypt. In continuation of the bank's strategy to develop, it has opened new branches throughout the country, increasing its network of branches to more than 500. Additionally, the bank has expanded its sophisticated network of ATMs, reaching a total of 1,400.

The value of the retail-banking portfolio at Banque Misr recorded 8 billion Egyptian pounds in June 2015, surging from 5.8 billion Egyptian pounds in the same month of 2014, with a 2 billion Egyptian pounds increase and a growth rate of 36%.

BM acquires 45% of the market of governmental employees' salary transfers. It also serves 489 companies on employees' salary transfers. The total amount of transferred salaries is 20 billion Egyptian pounds annually.

SME BANKING

It is Banque Misr's unwavering belief that the small and medium enterprises (SMEs) industry is the gateway to economic prosperity and as such we continue to offer them sustained support in the form of distinguished opportunities to grow their businesses. Having the largest number of branches, BM has an edge over other banks in being accessible to all kinds of entrepreneurs: micro, small, and mid cap.

As the bank continues its leading role in pushing economic and social development, Banque Misr continues to work to actively offer SMEs appropriate financing services.

Offering Funds and Boosting Investment Opportunities:

We view it as more of a social responsibility than a business opportunity to be more involved in developing the SME sector. We do whatever we believe is necessary to help SMEs succeed. We increased the SME funding portfolio to 5.3 billion Egyptian pounds by the end of June 2015.

BM has invested a great portion of time and resources to increase the number of branches that serve SMEs to 188 branches, covering 25 of Egypt's 27 governorates. Through its micro financing services, Banque Misr has expanded its funds to 387 million Egyptian pounds for 32,664 SMEs clients with a 150% growth rate. During 2015, Banque Misr approved 180 million Egyptian pounds to fund 551 small enterprise clients; in its latest efforts to encourage private employment, reduce poverty and achieve an overall sustainable social development and economic growth.

The bank works in collaboration with the government to ensure that creditworthy SMEs have access to finance working capital and investment. We provided new funds to 1,816 SMEs of 44 million Egyptian pounds through the "Mashrouak" initiative, a joint project between the Ministry of Local Development, the National Bank of Egypt

and the Principal Bank for Development and Agricultural Credit (PBDAC). The initiative was launched in April 2015 to fund small and medium projects.

Training and Development Opportunities for Clients:

We encourage SMEs to adopt sustainable business practices to gain confidence. We consistently provide our SME clients with business advice and support through holding training workshops in collaboration with the European Bank for Reconstruction and Development and the Frankfurt School of Finance and Management. We view the workshops as a prerequisite for effective financial inclusion as they enable enterprises to make informed decisions, deal with financial complexities on a day-to-day basis and take effective actions to improve their financial situations, welfare and avoid distress in financial matters.

The bank continues to reach out for more and various business classes through conducting extensive research and market studies with the help of specialized professionals to know what new tools or services are needed for the various business communities to prosper.



“BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING”

The Egyptian labor system made sure that taxes in ancient Egypt also supported the wages of skilled workers, scribes, artisans, and military personnel, as well as financing large projects carried out by peasants during times of flood.

 Egyptian wall paintings from The New Kingdom, facsimiles of ancient Egyptian wall decoration

CAPITAL MARKETS GROUP

Banque Misr's Capital Markets Group aims at maintaining the bank's leading position in Egypt to continue to be the most obvious choice for retail and corporate banking in the area of financial management and specialized investment services, while creating favorable value for the bank's various stakeholders. Total income generated from the group's activities amounted to 2.4 billion Egyptian pounds during FY 2014/2015, marking a year-on-year increase of 650 million Egyptian pounds, which accounts for a 37% increase. Accordingly, the annual average growth rate generated from the income group's activities over the past five years stood at 22.5%. The fair value reserve for assets managed by the group reached 3.1 billion Egyptian pounds on June 30, 2015, compared to 2.9 billion Egyptian pounds of the previous year, marking an 8.6% growth.

Pool of Expertise:

The Capital Markets Group relies on a diversified group of in-house experts who are able to lead and offer a wide spectrum of integrated financial services, including managing the proprietary, listed equities and bonds portfolio of the bank. They also offer corporate advisory and transaction banking businesses (trustees and securities services), sales and security trading and distribution of diversified mutual funds.

The Capital Markets Services:

The Mutual Funds

Banque Misr's Mutual Funds business is one of the largest and oldest in the Middle East. Established in 1994, Banque Misr currently manages eight mutual funds. The bank has a diversified range of mutual fund types that include Money Market Funds, Balanced Funds, Equity Funds, Capital Guaranteed Funds and Islamic Funds. The bank's funds aim to cater to different client needs, on both the individual and corporate levels.

In recognition of the bank's continuous efforts to offer the best and most advanced services to all its esteemed clients, the leading financial advisory, Global Finance, named Banque Misr as Best Provider of Money Market Funds in Africa and the Middle East for the years: 2009 and 2010, Best Provider of Money Market

Funds in the Middle East for the years: 2008, 2012, 2013 and 2014 and Best Provider of Short-Term Investments/Money Market Funds in the Middle East for 2015.

Portfolio Management

The Capital Markets Group actively manages and monitors Banque Misr's proprietary trading equity and fixed income, local and international portfolios, as well as managing the bank's investments in the mutual funds of other banks.

The rise in prices of shares at the beginning of the current fiscal year encouraged the management to continue adopting a profit-taking strategy, that led to its recording 450 million Egyptian pounds in gains on sale of listed equities in FY 2014/2015, up from 419 million Egyptian pounds in the previous year.

Equity Participation and Direct Investments

Banque Misr supports all efforts exerted to develop the Egyptian economy, becoming one of the largest and most active private equity investors in Egypt through direct shareholding in companies across a number of vital economic sectors.

The bank's Capital Markets Group holds a diversified direct equity portfolio among different sectors, including tourism and services, construction and housing, agricultural

and food, IT and communications amongst others.

The bank holds equity stakes in 162 companies with a total capitalization of 108 billion Egyptian pounds as of June 30, 2016.

The bank has endeavored to strengthen the capital structure of 13 companies within its direct equity portfolio by injecting 900 million Egyptian pounds into their capital. Meanwhile, capital gains realized from the diversification of equity stakes in some companies amounted to 225 million Egyptian pounds in 2014.

Investment Banking Services

The Capital Markets Group also provides companies, institutions and the government with a wide range of comprehensive and innovative financial services to enable them to achieve their financial goals and implement their short and long term plans.

Stemming from Banque Misr's leading role in supporting the Egyptian economy, the bank plays a vital role in supporting the debt instruments in the market and also acts as a main pillar to fund the state's investments and activate its efforts to offer a one stop shop for investors.

The bank also has directly funded the state's treasury through the purchase of treasury bills and government securities with an average balance of treasury bills and bonds of 173 billion Egyptian pounds in June 2015, marking a 36% increase compared to the closing figures of June 2014 and achieving a profit of 18.1 billion Egyptian pounds.

The bank's Capital Markets Group's services in that area also included: mergers and acquisitions, transitions, bonds (both corporate and securitized), privatization deals, initial public offering (IPOs), and divestitures, as well as acting as a financial advisor for corporate restructuring.

Our team in the Capital Markets Group works alongside the different industries to help develop and deliver strategic and fully

integrated financial solutions to our clients' most challenging issues.

The group is also active on both the Equity Capital Markets (ECM) and the Debt Capital Markets (DCM), fulfilling Banque Misr's role in transactions and focusing on originating, structuring, pricing, executing, underwriting, and fund raising basic fixed income securities. This comes in addition to offering securitized products for our corporate and institutional clients through relying primarily on our large underwriting capabilities and widely distributed network.

The bank has promoted and guaranteed four securitized bond issuances during the year, totalling 2.1 billion Egyptian pounds, of which the bank's share of underwriting was 0.6 billion Egyptian pounds.

Real Estate Services

The Capital Markets Group team is also responsible for managing the bank's real estate assets' portfolio, which involves the purchasing and selling of different kinds of real estate properties on behalf of our customers. It also works on conducting real estate marketing auctions as well as promoting industrial and touristic projects.

The bank has divested a number of its non-earning assets during FY 2014/2015, generating capital gains of 396 million Egyptian pounds from the sale of such assets compared to 111 million Egyptian pounds a year earlier

Custody and Trustees Services

Banque Misr's Capital Markets Group custodian offers a range of services to meet all of the customers' needs and objectives. This includes the purchasing and selling of securities, subscribing in public offered shares and bonds on behalf of customers, as well as issuing account statements, collecting securities coupons, and offering all corporate actions for individual and institutional clients alongside sub-custodian services.

CORRESPONDENT NETWORK AND TREASURY

Correspondent Network:

Banque Misr has a huge network of around 280 correspondent banks covering 59 countries to ensure a smooth flow of business between clients and their counterparts around the globe. Our worldwide presence through foreign branches, subsidiaries, and correspondent banks has enabled us to provide the fastest and the most efficient services to our customers to meet both their current and future needs.

In cooperation with our correspondent banks, we provided funding sources for foreign currency through short-term loans and business operations funding schemes for FY 2014/2015 amounted to 130 million dollars. Also, we played a vital role in supporting the government and the private institutions in importing strategic goods, such as petroleum and food goods. Banque Misr further plans to raise a three-year global syndicated term loan of 250 million dollars in its favor.

Treasury:

The treasury department plays a very important role within our banking system. Its significance as a provider of sufficient liquidity is crucial to the performance of any bank or financial institution. The constant availability of cash allows the bank to cater to its clients' and corporate customers' immediate financing needs. Our treasury department also works on effectively investing any liquidity surplus in the best and safest available methods to achieve high returns with low risk. Moreover, it provides practical solutions through different financial engineering tools. It also helps finance public debt by playing an active role in the Primary Dealers as well as in the Secondary Market.

Banque Misr played a vital role in helping the economy overcome several financial and political crises; including the 2008 global financial crisis and Egypt's 2011 popular uprising that ousted the state's former president and which was followed by a long period of economic recession and a sharp

drop in the country's strategic foreign reserves and currency value. Our bank was one of the best banks in providing adequate liquidity, which had a positive impact on the national economy; boosting its performance during difficult circumstances.

In the context of the bank's commitment to facilitating the mobilization of imported goods and essential services, Banque Misr allocated foreign-currency letters of credit and documents against payment for importing goods of around 9 billion dollars during the FY 2014/2015, in addition to a currency exchange service that recorded 3.8 billion dollars.

Offering Creative Solutions

Our team of professionals in the treasury department offers value-creating ideas, innovative application of cutting-edge technology and deep industry experience to our clients, helping them stay well ahead of the curve.

Our bank is one of the first banks to invest in innovative structural products that fall

under the Credit Derivatives division through international transactions' room, credit linked note (CLN) and first to default (FTD) which contributed to the bank's profits.

We were also the first to join the "Dollar Interbank" mechanism, established in 2004. The dollar loans between banks on the local market are considered an important component in any successful free exchange rate system. The interbank in dollars also ensures a better functioning of the foreign exchange market in Egypt, already battling tough political and economic conditions.

Banque Misr's Money Market Desk also introduced new investment tools for the dollar and euro treasury bills. The new mechanisms provided high liquidity and high returns. It is worth noting that the BM's treasury bills portfolio reached 1170 million dollars and 175 million euros respectively by the end of June 2015.

ISLAMIC BANKING

BM's Islamic banking adopts a sustainable framework that incorporates the Islamic fundamental principles of accountability, morality, Islamic banking business, capacities, and a result-based approach to hedge against any contagion risk.

A Focus on Customer Experience:

BM was the first public bank to establish branches devoted entirely to Islamic transactions, providing banking, financial and trading activities in line with the rules of the Islamic Shariah to cater to the diverse needs of our customers. The funds of such branches were separated from others at Banque Misr. The branches that handle the Islamic transactions were also further supervised by the Shariah Committee, which consists of uniquely qualified professors of Al Azhar and Dar Al-Ifta Al Missriyyah.

By combining its unique heritage and tradition with the adoption of modern banking techniques, underscored by technology and innovation, BM maintained its status as a leading Shariah-compliant bank in Egypt. In terms of Islamic retail banking activity, Banque Misr's Islamic Banking Unit, "Kenana", offers a diverse range of products, including Islamic credit cards, auto Murabaha, durable Murabaha, which is known as the Islamic concept of Murabaha.

Acknowledged as a pioneer in the development of the Islamic financial industry

in Egypt, BM offered Islamic banking services through a network of 35 branches and offices across Egypt. All our special branches for Islamic finance utilize advanced computer systems to provide innovative banking services to keep up with other banks in Egypt and abroad. With respect to the Islamic banking sector, the credit portfolio directed to this sector rose to 3.1 billion Egyptian pounds in June 2015, up from 1.9 billion Egyptian pounds in June of the previous year.

Living up to Customers' Expectations:

Because BM provides the highest standards of service to all its sectors, we expanded the Islamic banking portfolio to include new competitive products and services (Bank assurance). One of the biggest Egyptian insurance companies, Takaful, was chosen to provide insurance services throughout BM's Islamic branches and the bank is proceeding in finalizing the contract with it.

In 2015, the bank launched a new retail Islamic package that used the Islamic Murabaha concept to finance some clients' pilgrimage and tourism visits, as well as Islamic alternative products (Education Murabaha). The bank also

offers the Sharia-compliant Kenana credit card based on the Murabaha model that is accepted inside and outside Egypt.

With the aim of meeting the needs of various customers, we developed a new type of investment called "Islamic Treasury Products", in collaboration with the Islamic banking sector and under the provisions of the Islamic Sharia law. We succeeded in achieving a bank portfolio for the supply of the government treasury bills and goods worth of 1.6 billion Egyptian pounds and 2.7 billion Egyptian pounds respectively by the end of June 2015.

We will soon undertake the first Islamic financing for small and medium sized enterprises, according to the Central Bank of Egypt's definition as those enterprises as having sales revenues/year not exceeding 100 million Egyptian pounds (13.5 million dollars) along with other micro enterprises' financing products. We are planning to launch five products: small enterprise financing Murabaha, factories equipment's financing Murabaha, medical and hospitals equipment financing Murabaha, means of private transportations financing Murabaha, schools, institutes and private universities financing Murabaha, along with other micro enterprises' financing products.

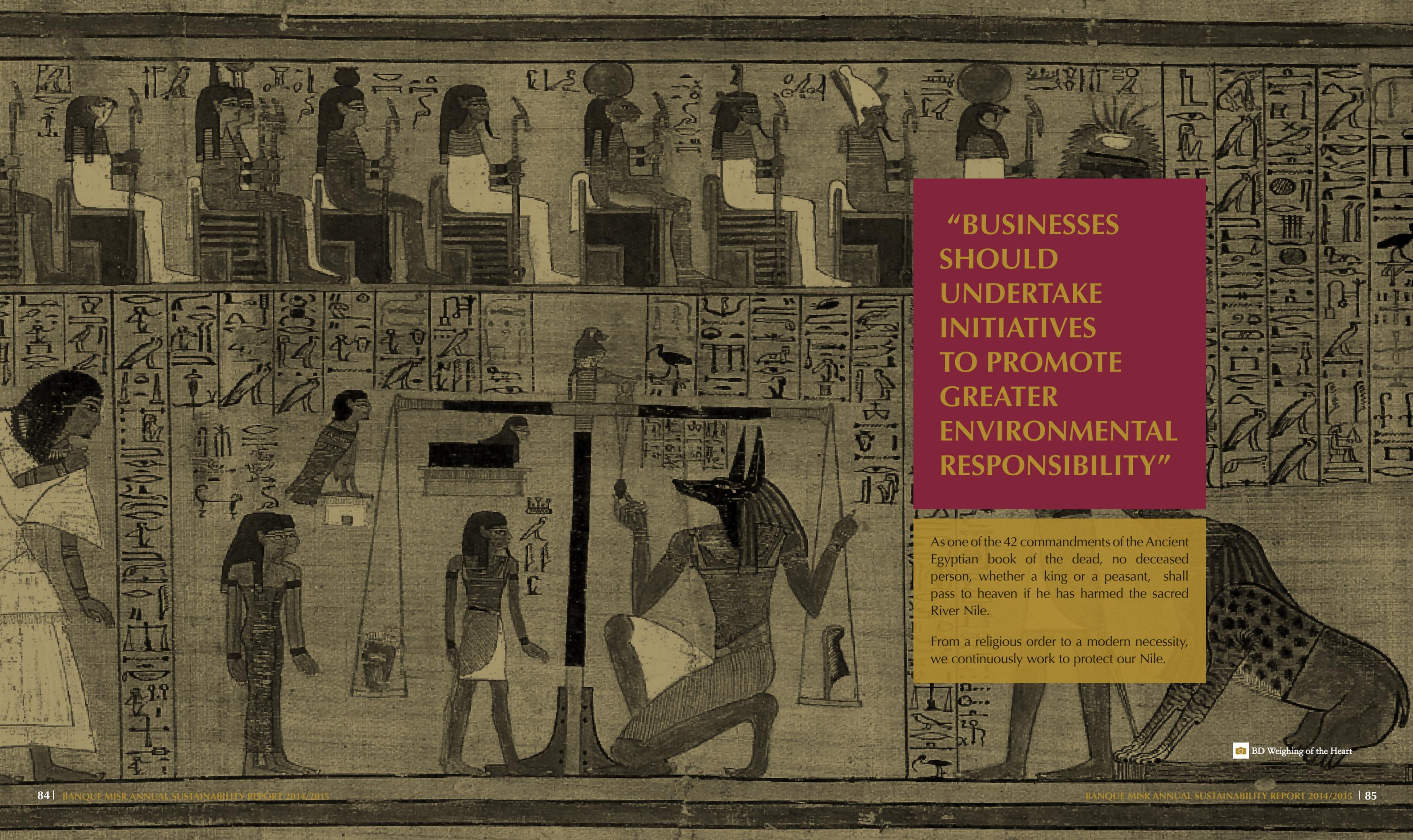
Supporting the National Economy:

Out of Banque Misr's devotion to supporting the national economy and financing strategic projects that positively affect the country's economic development, during 2015, the Islamic Banking Sector had led a consortium of Egyptian banks to partially finance Egyptian Electricity Holding Company in the implementation of its emergency plan for the summer of 2015 to meet the expected electricity peak in household and industry consumption during the summer of 2015. A total amount of 1.62 billion Egyptian pounds was granted, of which Banque Misr's contribution was 500 million Egyptian pounds.

Also during 2015, the Islamic Banking Sector was the mandated lead arranger that participated in granting National Port Said Steel Company 1.84 billion Egyptian pounds to finance the construction of a greenfield steel plant in Ain Sokhna. Banque Misr's contribution was 300 million Egyptian pounds.

The Islamic Sector was granted numerous awards during the past few years, including:

- IFN Dubai Awards for Al Sharqiya Sugar Manufacturing Infrastructure and Project Finance Deal of the Year 2014.
- The IJGlobal Award for MENA Metals and Mining: Ain Sokhna Steel Plant Deal of the Year 2015.



“BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY”

As one of the 42 commandments of the Ancient Egyptian book of the dead, no deceased person, whether a king or a peasant, shall pass to heaven if he has harmed the sacred River Nile.

From a religious order to a modern necessity, we continuously work to protect our Nile.

MESSAGE FROM THE CHAIRMAN



It is a great honor to present to you our impressive performance for FY 2014/2015. In this respect, I would like to begin by thanking the board members and all my employees, who exerted all efforts to enable the bank to achieve such outstanding results and overcome any hardship. FY 2014/2015 was marked by a number of positive changes on the political, economic and financial levels; both locally and internationally.

Customers' deposits rose by 50 billion Egyptian pounds to surpass 290 billion Egyptian pounds. Banque Misr currently acquires around 17% of the total customer deposits of the Egyptian banking sector.

Banque Misr's credit portfolio has surpassed 64 billion Egyptian pounds, marking a year-on-year rise of 10.2 billion Egyptian pounds. As pursuant to CBE regulations, NPLs coverage ratio and capital adequacy ratio recorded 105.5% and 12.59%, respectively.

Additionally, the financial results revealed that Banque Misr has managed to achieve a huge leap. Our net interest income had neared 8.5 billion Egyptian pounds, reflecting a year-on-year increase of 2 billion Egyptian pounds. The net profit almost doubled to 4.2 billion Egyptian pounds, after the bank paid income tax of 3.6 billion Egyptian pounds. Shareholders Equity recorded around 23.3 million Egyptian pounds.

In The Banker magazine's July 2015 issue, Banque Misr ranked number 446 from a total of 1,000 banks based on the value of its total assets. Banque Misr also held the second position among the Egyptian banks and the 38th among the Arab banks on its total assets value.

The bank also provided different financing systems that cover various economic needs. The value of the retail-banking portfolio at Banque Misr rose to 10.4 million Egyptian pounds in June 2015, recording a 37.8% rise.

The bank's portfolio of treasury-bills in dollars rose to 1.2 billion dollars, a 43.2% increase in comparison to last year. Similarly, the bank's treasury-bills in euros have increased by 35.7% to reach 175 million euros.

Banque Misr also updated its Islamic banking unit to fully comply with the principles of the Islamic Shariah law, to widen the investment activities of the bank's Islamic branches, which have reached a volume of 2.6 billion Egyptian pounds in 2015.

The bank has played an important role in attracting new investments and revitalizing the stock market performance since its foundation in 1920, under the leadership of the founder of the Egyptian national industry and leading economist Mohamed Talat Harb. We remain committed to constructive participation to achieve development in all sectors of the national economy. The bank has direct investments of 11.5 billion Egyptian pounds, covering 162 companies.

We funded numerous national projects to promote economic growth in the hydrocarbon, energy, electricity, telecommunications, aviation, tourism, and construction sectors. The bank's diversified funds aimed at meeting different corporate needs, on both the public and private levels. Our Corporate Banking and Syndicated Loans Portfolio has reached a total of 56 billion Egyptian pounds showing remarkable growth in the overall gross loan portfolio of 67 billion Egyptian pounds in June 30, 2015.

In addition, we also provided investment services through expanding in central depository and trading services, along with custody and trustees services. The bank's Capital Markets Group investments also include: merger and acquisitions operations, bonds, both corporate and securitized bonds, privatizations' deals, Initial Public Offering (IPOs), divestitures as well as acting as a financial advisory for corporate restructuring. The capital markets and investment sectors has reached 2.4 billion Egyptian pounds during FY 2014/2015, in comparison with 1.7 billion Egyptian pounds in the previous year, marking a growth rate of 41%.

4.2
billion
Egyptian pounds
Net Profit

FINANCIAL STATEMENTS
FOR THE YEAR ENDED - JUNE 30, 2015

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Wahid Abd ElGhaffar
BAKER TILLY
Public Accountants and consultants

Hussen Mohamed Abd Elmonem
Central Auditing Organization

AUDITORS' REPORT

ON THE SUMMERIZED FINANCIAL STATEMENTS

OF BANQUE MISR FOR THE YEAR ENDING JUNE 30, 2015

To: The Shareholders' of Banque Misr (S.A.E.)

We have audited the financial statements of Banque Misr (S.A.E) as of and for the year ending June 30, 2015 from which the accompanying summarized financial statements were derived in accordance with the Egyptian Standards on Auditing and under the provisions of applicable Egyptian laws and regulations. In our report dated February 4, 2016 we expressed an unqualified opinion on the bank's financial statements as of June 30, 2015 from which the accompanying summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived as of and for the year ending June 30, 2015.

To better understand the bank's financial position as of June 30, 2015 and the results of its operations for the year then ended, and the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereupon.

Cairo : 17/ 3/ 2016

Wahid Abd ElGhaffar
BAKER TILLY
Public Accountants and consultants

Hussen Mohamed Abd Elmonem
Central Auditing Organization



BANQUE MISR - S.A.E.

Separate balance sheet as of June 30, 2015
(Amounts are expressed in thousand Egyptian pounds)

	Note No.	30/6/2015	30/6/2014
Assets			
Cash and balances with central banks		21 554 367	17 713 747
Due from banks		25 827 274	25 555 614
Treasury bills		89 813 835	74 345 636
Financial assets held for trading	(5)	315 709	4 787 209
Loans and advances to banks (net)	(6)	236 809	986 064
Loans and advances to customers (net)	(7)	63 807 209	53 602 675
Available for sale investments	(8)	109 334 663	79 537 575
Investments held to maturity	(8)	363 914	503 902
Investments in subsidiaries and associates		3 881 528	3 278 963
Other assets		15 334 195	13 480 392
Property , Plant , and Equipment (net)		702 048	572 088
Total Assets		331 171 551	274 363 865
Liabilities and Shareholders' Equity			
Liabilities			
Due to banks		4 109 626	3 460 577
Customers' deposits	(9)	290 146 318	240 203 665
Other loans	(10)	3 321 867	2 295 943
Other liabilities		6 987 650	5 184 771
Other provisions	(11)	1 384 470	1 608 307
Deferred tax liabilities		249 114	230 524
Post retirement benefits liabilities	(12)	1 706 439	1 301 758
Total Liabilities		307 905 484	254 285 545
Shareholders' Equity			
Paid in capital	(13)	15 000 000	11 400 000
Reserves	(14)	4 084 150	6 163 305
Retained earnings		4 181 917	2 515 015
Total shareholders' equity		23 266 067	20 078 320
Total Liabilities and Shareholders' Equity		331 171 551	274 363 865
Contingent Liabilities and Commitments			
Liabilities for letters of guarantee, letters of credit and other commitments		22 910 555	17 178 802

The accompanying notes are an integral part of these financial statements and are to be read therewith.

Sherif Samy
Chief Financial Officer



Wahid Abd ElGhaffar
BAKER TILLY

Public Accountants and consultants

Ahmed Moly El Deen Abo El ezz
Vice Chairman



Auditors

Mohamed Mahmoud Eletreby
Chairman



Hussen Mohamed Abd Elmonem

Central Auditing Organization



BANQUE MISR - S.A.E.

Separate income statement for the year ending June 30, 2015
(Amounts are expressed in thousand Egyptian pounds)

	Note No.	30/6/2015	30/6/2014
Interest on loans and similar income		24 777 418	19 531 704
Interest on deposits and similar expense		(16 240 405)	(12 865 072)
Net interest income		8 537 013	6 666 632
Fee and commission income		1 866 154	1 307 767
Fee and commission expense		(15 185)	(15 564)
Net fee and commission income		1 850 969	1 292 203
Dividends income		398 680	414 140
Net trading income		367 944	415 350
Gains from financial investments		357 857	124 860
Impairment (charge) for credit losses		(131 057)	(78 528)
Administrative expenses		(3 623 101)	(3 192 438)
Other operating income (expenses)		39 389	(366 738)
Profit before income tax		7 797 694	5 275 481
Income tax expense		(3 615 777)	(2 760 466)
Net profit for the year		4 181 917	2 515 015
Earnings per share (Egyptian pounds/share)	(15)	1.60	1.03

BANQUE MISR - S.A.E.

Separate statement of changes in shareholders' equity for the year ending June 30,2015
(Amounts are expressed in thousand Egyptian pounds)

	Paid in Capital	Legal Reserve	General Reserve	Capital Reserve	Fair Value Reserve	Special Reserve	Banking Risk Reserve	Supportive Reserve	Fixed Assets Prices Increased Reserve	F.C Translation Differences Reserve	Retained Earnings	Total
Balance as of July 1, 2013	11 400 000	350 584	342 538	243 064	(88 156)	6 927	582 615	301 113	40 796	134 865	1 160 632	14 474 978
Dividends paid	-	-	-	-	-	-	-	-	-	-	(492 500)	(492 500)
Transferred to reserves	-	115 169	107 354	8 940	-	-	(37 016)	473 685	-	-	(668 132)	-
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	44 728	-	44 728
Net change in fair value of available for sale investments (net of tax)	-	-	-	-	3 536 099	-	-	-	-	-	-	3 536 099
Net profit for the year	-	-	-	-	-	-	-	-	-	-	2 515 015	2 515 015
Balance as of June 30, 2014	11 400 000	465 753	449 892	252 004	3 447 943	6 927	545 599	774 798	40 796	179 593	2 515 015	20 078 320

Balance as of July 1, 2014	11 400 000	465 753	449 892	252 004	3 447 943	6 927	545 599	774 798	40 796	179 593	2 515 015	20 078 320
Dividends paid	-	-	-	-	-	-	-	-	-	-	(767 500)	(767 500)
Transferred to reserves	-	248 655	219 310	28 462	-	-	44 803	1 206 285	-	-	(1 747 515)	-
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	(56 770)	-	(56 770)
Net change in fair value of available for sale investments (net of tax)	-	-	-	-	(169 900)	-	-	-	-	-	-	(169 900)
Capital Increase	3 600 000	(671 331)	(669 202)	(280 466)	-	-	-	(1 938 205)	(40 796)	-	-	-
Net profit	-	-	-	-	-	-	-	-	-	-	4 181 917	4 181 917
Balance as of June 30, 2015	15 000 000	43 077	-	-	3 278 043	6 927	590 402	42 878	-	122 823	4 181 917	23 266 067

BANQUE MISR - S.A.E.

Summarized statement of cash flows for the year ending June 30, 2015
(Amounts are expressed in thousand Egyptian pounds)

	Note No.	30/6/2015	30/6/2014
Net cash flows provided from operating activities		26 343 133	32 195 859
Net cash (used in) investing activities		(29 398 233)	(25 888 904)
Net cash flows provided from (used in) financing activities		8 731	(246 599)
Net (decrease) increase in cash and cash equivalents during the year		(3 046 369)	6 060 356
Cash and cash equivalents at the beginning of the year		32 781 577	26 721 221
Cash and cash equivalents at the end of the year		29 735 208	32 781 577

Cash and cash equivalents are represented in :			
Cash and balances with central banks		21 554 367	17 713 747
Due from banks		25 827 274	25 555 614
Treasury bills		89 813 835	74 345 636
Balances with central banks (within the mandatory reserve percentage)		(16 590 338)	(13 263 530)
Due from banks (over three months maturity)		(1 075 301)	(71 401)
Treasury bills and other government securities (over three months maturity)		(89 794 629)	(71 498 489)
Cash and cash equivalents		29 735 208	32 781 577

BANQUE MISR - S.A.E.

Separate statement of profit appropriation for the year ending June 30, 2015
(Amounts are expressed in thousand Egyptian pounds)

	Note No.	30/6/2015	30/6/2014
Net Profit		4 181 917	2 515 015
Less:			
Gains on sale of fixed assets transferred to capital reserve		237 397	28 463
Distributable profit for the year:		3 944 520	2 486 552
Less:			
Legal reserve		394 452	248 655
Banking risk reserve		277 448	44 803
Distributable net profit for the year		3 272 620	2 193 094
Distributed as follows:			
General reserve		327 262	219 310
Supportive reserve		1 870 358	1 206 284
Employees' share in profits		225 000	167 500
State share in profits		850 000	600 000
Total		3 272 620	2 193 094

BANQUE MISR - S.A.E.

Summarized notes to the separate financial statements for the year ending June 30, 2015

1. General information

Banque Misr (S.A.E.) was established on April 3, 1920 as a commercial bank. The head office is located at 151, Mohamed Farid Street, Cairo.

The bank carries out corporate, retail and investment banking in addition to Islamic banking through more than 500 branches in Arab Republic of Egypt and five branches in the UAE and one branch in France. The number of employees at the balance sheet date is 12,689 employees.

These financial statements were approved by the general assembly meeting on March 16, 2016.

2. Summary of accounting policies

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

A- Basis of preparation

These separate financial statements have been prepared in accordance with Egyptian financial reporting standards issued in 2006 and their amendments and in accordance with the Central Bank of Egypt's regulations approved by the Board of Directors on December 16, 2008 under the historical cost convention, as modified by the revaluation of financial assets held for trading and available for sale investments.

B- Foreign currency translation

B/1 Functional and presentation currency

The financial statements are presented in Egyptian pounds. Items included in the financial statements of each of the bank's foreign branches are measured using their functional currency, being the basic currency of the economic environment in which the foreign branch operates.

B/2 Transaction and balances in foreign currencies

Each branch maintains its accounting records in its functional currency. Monetary assets and liabilities denominated in foreign currencies are retranslated on the balance sheet date at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:

- Net Trading Income. (Case of held-for-trading financial assets)
- Other operating revenues (expenses) for the remaining items

B/3 Foreign Branches

Assets and liabilities of foreign branches are translated using the closing rate at the balance sheet date, while items of income and expense are translated into the Egyptian pound at the rates prevailing at the dates of the transactions or average rates of exchange, where these are approximate to actual rates. The differences arising in the translation of foreign branches are included in equity.

C- Revenue recognition

C/1 Interest income and expense

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

The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

C/2 Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost are recognized as revenue as the service is provided.

Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off the balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss. At that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

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

Fees and commissions resulting from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized upon completion of the underlying transaction in the income statement.

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

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

C/3 Dividends Income

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

D- Treasury bills

Treasury bills are recorded at par value while discount (un-earned interest) is included in Credit Balances and Other Liabilities. Treasury bills are presented on the balance sheet net of unearned interest.

E- Purchase and resale agreements, and sale and repurchase agreements

Securities that may be lent or sold subject to a commitment to repurchase (repos) are reclassified in the financial statements and deducted from treasury bills' balance. Securities borrowed or purchased subject to a commitment to resell them (reverse repos) are reclassified in the financial statements and added to treasury bills balance. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

F- Loans and advances to banks and customers

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

G- Impairment of financial assets

G/1 Financial assets carried at amortized cost

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

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

If the bank determines that objective evidence of financial asset impairment exists, that is individually assessed for impairment and for which an impairment loss is or continues to be recognized, those assets will not be included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement.

G/2 Available-for-sale investments

The bank assesses, at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets classified under available for sale is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. The decrease is considered significant when it becomes 10% of the cost of book value of the financial instrument and the decrease is considered to be extended if it continues for period more than nine months. If the mentioned evidences become available then the accumulated loss is posted from the equity and disclosed at the income statement.

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

H- Financial assets held-for-trading

A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the near future or if it is a part of a portfolio of identified financial instruments that are managed together for short-term profit taking. Financial assets held-for-trading are measured at fair value. Unrealized holding gains and losses are recognized in the income statement.

I- Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated as available for sale or do not fit into any other category of financial assets. Available-for-sale investments are measured at fair value. Unrealized holding gains and losses are included in a separate component of equity until the financial asset is sold or impaired. At this time, the cumulative gain or loss previously recognized in equity is recognized in the income statement.

J- Held-to-maturity investments

Investments held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the bank management has the positive intent and ability to hold to maturity. Debt investments held-to-maturity are measured at amortized cost using the effective interest method. Banque Misr's mutual funds certificates, which the bank is required by law to hold until fund liquidation, are included in held-to-maturity investments, according to Central Bank of Egypt's rules, and are measured at cost. Any decrease in redemption value below cost is recognized as impairment in the income statement. Impairment loss previously recognized is reversed in case of subsequent increase. The reversal cannot result in a carrying value greater than original cost.

K- Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. If fair value of an individual investment declines below book value, it is reduced to reflect the impairment and such decrease is charged to the income statement under "Gains (losses) on financial investments". Subsequent increase in the fair value is credited to the same item in the income statement up to the amount previously charged.

L- Fixed assets and depreciation

Fixed assets are recorded at historical cost minus depreciation and impairment losses. Depreciation of fixed assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings and constructions	5%	Vehicles	From 20% to 25%
Equipment	12.5%	Furniture	100%
IT equipment	From 25% To 100%	Fixtures	From 12.5% to 33.5%

M- Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash and balances due from the Central Bank of Egypt, current accounts with banks, and treasury bills maturing within three months from the acquisition date.

N- Post-retirement benefits liabilities

Banque Misr provides some post-retirement benefits. Benefits are given provided that the employee remains in the employment of the bank until the retirement age.

An independent actuary who applies the projected unit credit method calculates the liability of the defined benefit at the end of the year.

O- Other provisions

Other provisions are recognized when the bank has present legal or constructive obligations as a result of past events, where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

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

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

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.

P- Income tax

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

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

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax. This determines the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet. Deferred tax assets of the bank are recognized when it is possible to achieve profits subject to tax to be possible through to use that asset in the future and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

Q- Financial risk management

The bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is fundamental to the financial business, and the operational risks are an inevitable consequence of being in business. The bank's

aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Market risk also includes exchange rate risk, rate of return risk and other price risks.

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

Risk management is carried out by a risk department under policies approved by the Board of Directors. The risk department identifies, evaluates and hedges financial risks in close co-operation with the bank's operating units. In addition, the risk department is responsible for the independent review of risk management and the control environment.

3. Capital management

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the banking supervision unit in the Central Bank of Egypt. The required data is submitted to the Central Bank of Egypt on a quarterly basis.

The Central Bank of Egypt requires the following:

- Maintaining 500 million Egyptian pounds as a minimum requirement for the issued and paid-in capital.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities

The bank manages its capital resources to ensure that foreign branches that are subject to local capital adequacy regulation in individual countries meet their minimum capital requirements.

The table below summarizes the compositions of tier 1, tier 2 and the capital adequacy ratio at the end of financial year according to Basel II:

According to Basel II

Amounts are expressed in thousand Egyptian pounds

Capital	30/6/2015	30/6/2014
Tier 1 capital	16 039 233	14 454 040
Tier 2 capital	3 616 901	3 878 957
Total capital	19 656 134	18 332 997
Total risk weighted assets and contingent liabilities	156 072 840	139 489 016
Capital adequacy ratio	12.59 %	13.14%

4- Critical accounting estimates and judgments

The bank makes estimates and judgments that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated, and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available info.

A. Impairment of loans and advances

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

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default.

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

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 considered significant or prolonged impairment 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 a deterioration in the financial health of the investee, operational and financing cash flows, industry and sector performance, and changes in technology.

5- Financial assets held for trading

Amounts are expressed in thousand Egyptian pounds

	30/6/2015	30/6/2014
Debt instruments		
Investment portfolios managed by external managers	-	4 201 623
Other debt securities	220 704	419 352
Total debt instruments	220 704	4 620 975
Equity instruments		
Local shares	88 451	158 812
Mutual fund certificates	6 554	7 422
Total equity instruments	95 005	166 234
Total financial assets held for trading	315 709	4 787 209

6- Loans and advances to banks

	30/6/2015	30/6/2014
Term loans	247 873	999 978
Deduct: provision for loan losses	(11 064)	(13 914)
Total	236 809	986 064

7- Loans and advances to customers

	30/6/2015	30/6/2014
(1) Retail		
Overdraft	1 589 764	1 308 416
Credit card loans	180 883	164 939
Personal loans	8 390 053	5 895 586
Mortgages loans	226 885	169 564
Total retail	10 387 585	7 538 505
(2) Corporate loans (including loans to small businesses)		
Over draft	20 021 742	29 534 142
Direct loans	20 620 887	14 332 393
Syndicated loans	17 620 294	11 166 585
Other loans	308 238	-
Total corporate	58 571 161	55 033 120
Total loans and advances to customers(1+2)	68 958 746	62 571 625
Deduct: provision for loan losses	(5 009 130)	(8 591 831)
Deduct: unearned discount and interest in suspense	(142 407)	(377 119)
Net loans and advances to customers	63 807 209	53 602 675
Gross loans distributed to:		
Current	28 931 753	26 896 075
Non-current	40 026 993	35 675 550
	68 958 746	62 571 625

Impairment from loans provision for customers

Movement analysis of the Impairment provision of loans and advances for customers

Amounts are expressed in thousand Egyptian pounds

	30/6/2015			30/6/2014		
	Non Performing Loans	Performing Loans	Total	Non Performing Loans	Performing Loans	Total
Balance at beginning of the year	7 765 340	826 491	8 591 831	7 554 891	580 509	8 135 400
Transfers	3 846	8 428	12 274	906	(750)	156
Charge (release) of impairment from loans	53 734	167 573	221 307	(150 883)	230 098	79 215
Recoveries of loans previously written off	260 115	0	260 115	338 443	0	338 443
Foreign currency revaluation differences	136 215	(26 175)	110 040	40 896	16 634	57 530
Write-offs	(4 186 437)	0	(4 186 437)	(18 913)	0	(18 913)
Balance at the end of the year	4 032 813	976 317	5 009 130	7 765 340	826 491	8 591 831

Analysis of the Impairment provision of loans and advances for individuals :-

	Individual				
	Overdrafts	Credit cards	Personal loans	Mortgages	Total
June 30, 2015	152 348	2 666	256 826	8 340	420 180
June30, 2014	115 681	2 270	249 658	9 398	377 007

Analysis of the Impairment provision of loans and advances for corporates :-

	Corporate				
	Overdrafts	Direct loans	Syndicated loans	Other loans	Total
June 30, 2015	2 851 609	718 617	1 002 846	15 878	4 588 950
June 30, 2014	7 770 558	229 280	214 986	0	8 214 824

8- Financial investments

Amounts are expressed in thousand Egyptian pounds

	30/6/2015	30/6/2014
(A) Available-for-sale investments		
Debt instruments – Listed	88 635 968	58 450 638
Equity instruments – Listed	9 027 177	8 867 223
Debt instruments – Unlisted	8 234 014	9 065 420
Equity instruments – Unlisted	3 437 504	3 154 294
Total available-for-sale investments (1)	109 334 663	79 537 575
(B) Held-to-maturity investment		
Debt instruments – Listed	29 250	27 846
Debt instruments – Unlisted	71 384	142 785
Equity instruments – Unlisted	263 280	333 271
Total held-to-maturity investments (2)	363 914	503 902
Total financial investments (1+2)	109 698 577	80 041 477
Current	17 053 689	11 360 518
Non-current	92 644 888	68 680 959
Total financial investments (1+2)	109 698 577	80 041 477

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

	Available for sale investments	Held to maturity investments
Beginning balance on June30, 2014	79 537 575	503 902
Additions	46 725 905	29 250
Deductions	(16 836 945)	(166 691)
Translation differences resulting from monetary foreign currency assets	414 804	348
Losses from fair value difference	(151 310)	-
Impairment charges	(355 366)	(2 895)
Balance at end of year 2015	109 334 663	363 914

Beginning balance on June30, 2013	49 807 691	695 675
Addition	42 424 236	-
Deduction	(16 467 780)	(211 525)
Translation differences resulting from monetary assets in foreign currency	278 016	1 713
Gains from fair value difference	3 503 846	-
Impairment charges	(8 434)	18 039
Balance at end of year 2014	79 537 575	503 902

9- Customers' deposits

Amounts are expressed in thousand Egyptian pounds

	30/6/2015	30/6/2014
Demand deposits	19 748 364	14 664 843
Call and time deposits	79 829 748	58 080 096
Saving certificates	85 698 151	75 447 493
Saving deposits	98 736 038	88 756 720
Other deposits	6 134 017	3 254 513
Total	290 146 318	240 203 665

Corporate deposits	90 020 833	63 647 204
Retail deposits	200 125 485	176 556 461
Total	290 146 318	240 203 665

Non-interest bearing balances	18 304 801	16 079 426
Variable interest rate balances	128 865 414	106 367 610
Fixed interest rate balances	142 976 103	117 756 629
Total	290 146 318	240 203 665

Current	217 759 369	183 672 585
Non current	72 386 949	56 531 080
Total	290 146 318	240 203 665

10- Other loans

Amounts are expressed in thousand Egyptian pounds

	Interest Rate	Balance as at	Balance as at
	%	30/6/2015	30/6/2014
Denmark International Development Loan of Egyptian Holding Co. for Silos and Storage - Fayoum	Nil	8 900	14 515
Qena / Menia / Beni Sweif Silos Complex	Nil	32 045	49 900
Contract for development of small and medium-projects	7%	1 199	2 804
Contract for development of a poultry	4%	539	971
CBE Local Supportive Loan	Nil	1 397 984	1 245 255
CBE Local Supportive Loan (Five years)	Nil	785 382	688 418
Long term loans for financing SMEs- future step	7%	51 000	85 000
Social Fund for Development loans-Bright future	8.50%	59 063	37 500
Long-term loans-Egyptian Company for Refinancing	10.25%	17 444	18 778
Social Fund for Development loans- Enterprise development project	8.50%	40 000	10 000
Social Fund for Development loans- Agriculture projects support	8.50%	70 000	-
Social Fund for Development loans- Bedaia	8.50%	30 000	-
Short-term loans from foreign banks		828 311	142 802
		3 321 867	2 295 943
Current		920 753	1 038 500
Non current		2 401 114	1 257 443
		3 321 867	2 295 943

11- Other Provisions

Amounts are expressed in thousand Egyptian pounds

	30/6/2015	30/6/2014
Provision for legal claims and taxes	971 321	1 158 750
Provision for contingent liabilities	408 487	427 281
Other	4 662	22 276
Total	1 384 470	1 608 307

12- Post-retirement benefits liabilities

Amounts recognized in the balance sheet

	30/6/2015	30/6/2014
Post-retirement medical benefits	1 560 336	1 172 956
End of service benefits	146 103	128 802
Total	1 706 439	1 301 758

Amounts recognized in the income statement

	30/6/2015	30/6/2014
Liabilities for post-retirement medical benefits	483 133	470 587
Liabilities for end of service benefits	24 284	22 361
Balances at the end of the year	507 417	492 948

The main actuarial assumptions used by the bank are outlined below

	30/6/2015	30/6/2014
Discount rate	11%	11%
Long term inflation rate	8%	8%

13- Paid-in capital and reserves

A. Authorized capital

Based on the extraordinary general assembly meeting on March 22, 2015, the authorized capital has been increased from 15 billion Egyptian pounds to 30 billion Egyptian pounds.

B. Issued and paid-in capital

Following the extraordinary general assembly meeting held on March 22, 2015, the paid-in capital has been increased by 3.6 billion Egyptian pounds through capitalization of reserves. Accordingly, the issued and paid-in capital amounted to 15 billion Egyptian pounds divided over 3 billion shares of 5 Egyptian pounds per share.

14- Reserves

- In accordance with the bank's articles of incorporation, 10% of net profit is to be credited to legal reserve. Crediting legal reserve ceases when its balance reaches 100% of the paid-up capital.

- In accordance with the Central Bank of Egypt's directives, the balance of the special reserve cannot be used prior to the Central Bank of Egypt's approval.

Amounts are expressed in thousand Egyptian pounds

	30/6/2015	30/6/2014
Legal reserve	43 077	465 753
General reserve	-	449 892
Capital reserve	-	252 004
Reserve for the rise in fixed asset prices	-	40 796
Supportive reserve	42 878	774 798
Fair value reserve	3 278 043	3 447 943
Special reserve	6 927	6 927
General banking risk reserve	590 402	545 599
Financial statements translation differences reserve	122 823	179 593
Total reserves	4 084 150	6 163 305

15- Earnings per share

	30/6/2015	30/6/2014
Net profit attributable to the shareholder (thousand Egyptian pounds) (1)	3 956 917	2 347 515
Divided by weighted average number of shares (thousands of shares)(2)	2 469 370	2 280 000
Earnings per share (Egyptian pounds)(1:2)	1.60	1.03

16- Comparative figures

Comparative figures were reclassified to be consistent with current year presentation.

سُـبْحَانَكَ يَا رَبِّ الْعَالَمِينَ

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