Annual Report 2010

NSGB

البنك الأهلى سوسيتيه جنرال

NATIONAL SOCIETE GENERALE BANK

Your first choice bank

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Société Générale Group:

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognized on its markets, close to clients, chosen for the quality and commitment of its teams. Its 157,000 employees* based in 85 countries accompany more than 33 million clients throughout the world on a daily basis. Societe Generale' teams offer advice and services to individual, corporate and institutional customers in three core businesses:
1-Retail banking in France with the Societe Generale branch network, Credit du Nord and Boursorama, 2-International retail banking, with a presence in Central and Eastern Europe and Russia, in the Mediterranean basin, in Sub-Saharan Africa, in Asia and in the French Overseas Territories, 3-Corporate and investment banking with a global expertise in investment banking, financing and global markets. Societe Generale is also a significant player in specialized financing and insurance, private banking, asset management and securities services.Societe Generale is included in the international socially-responsible investment indices: FTSE4good and ASPI. www.societegenerale.com

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

International Networks:

For more than a decade, the Societe Generale Group has pursued a diversification strategy to step up its international development in regions with considerable potential. Its success with its customers is the result of implementing a universal banking model adapted to local circumstances. As a result, International Retail Banking enjoys a leadership position in regions such as Central and Eastern Europe including Russia, North Africa, Sub-Saharan Africa and French Overseas Territories.
The setting up of International Retail Banking operations in Asia since 2008 is part of a strategy to expand in buoyant regions. The Group has also helped finance the different economies of the regions where it has expanded its operations via an innovative range of products and services and partnerships that it has formed with its customers. International Networks therefore have 3,817 branches in 37 countries. More than 62,400 employees, representing numerous nationalities, offer a wealth of experience for the benefit of 12.3 millions of individual customers and nearly 800,000 companies. At end of 2010, International Retail Baking's outstanding loans amounted to € 65.2 billion, or nearly 8 times more than in 2000 and deposits totaled 66.4 billion, or nearly 7 times more than in 2000.

Corporate Values:

Creativity and innovation is embedded in the fabric of our day to day operations, which is the wheel for all the activities of National Société Générale Bank, Keeping in mind our core values :

▪ Innovation ▪ Professionalism ▪ Team Spirit

Message from the Chairman and Managing Director

In spite of the instability of the economical situation as a result of the world economic crisis after-shocks, NSGB has achieved a permanent growth and has had a distinguished performance due to the bank's capacity to offer different sophisticated products which meet the market needs whether for corporate or for individual customers.

Good planning and in-depth studies of the economic and investment environment along with the implementation of effective banking policies allowed increasing growth rates in 2010. NSGB achieved Net Banking Income (NBI) growth of 3.5% reaching EGP 1338 Mio (after deduction of goodwill resulting from MIBank merger at EGP 362 mln) relative to EGP 1293 mln for the same period in 2009 (after adjustments according to new regulations) while net income increased by 17% and earnings by 15 %, parallel to the growth of the loan and deposit portfolio.

While the competition in the loan market intensified, NSGB managed to increase its loan portfolio by 18% as its market share hit 7.09% compared with 6.46% in 2009, according to the Central Bank of Egypt's data.

Client deposits increased at the end of 2010 to reach EGP 50 bln with a growth rate of 15% compared to end of year 2009, while NSGB market share hit 5.26% in December 2010.

It is worth mentioning that the loan/deposit rate reached 65% and is among the highest rates in the market.

NSGB continued to expand whether in geographic coverage or in business volume. Overheads reached EGP 921 Mio with 10% YoY increase reflecting the bank's focus on controlling expenses to maximize profitability.

One of NSGB first priorities in year 2010 was establishing a specialized unit to serve small & medium enterprises. This unit achieved a tangible success that reached almost 1900 client based on our belief in the importance of SMEs in developing the National Economy.

Also NSGB leading position in Project finance was confirmed by a number of prestigious international awards.

NSGB exerted sustained effort towards the development of retail banking products to fulfill the needs of its clientele, mixing the experience of Société Générale Group with NSGB knowledge of the banking market in Egypt. NSGB relies on the diversity of its retail banking products in which NSGB is often a pioneer. In addition, NSGB developed constant upgrade of its products and added specifications and amendments required to meet client satisfaction. NSGB continued its effort to improve asset quality and credit portfolio management in 2010, decreasing the rate of non-performing loans to 3.5% relative to 4.8% at the end of 2009. The non-performing loan coverage reached 94% (according to new accounting rules). The Capital Adequacy Ratio (CAR) registered 15.4% while the return on equity reached 27.44%.

The bank's positive results confirm the effectiveness and resilience of the policies and procedures that helped the bank develop its operations, overcome crises and strongly compete in various markets as well as benefit from the available opportunities through its network of branches that reached 150, an excellent geographic coverage that fulfills the needs of the majority of clients.

In order to reach the right level of professionalism and quality, NSGB is bringing all its attention to the development of its human resources. In addition to hiring the highest calibers to the bank, NSGB is formulating specialized training programs to cope with the latest banking and financial services as well as devoting new human resources to enhance relations between management and staff to reach the aspired level of professionalism and employee satisfaction.

NSGB takes pride in its contributions to the development of society. In 2010, NSGB engaged in several Corporate Social Responsibility initiatives including rebuilding a poor village in Fayoum, to give local families a better life. NSGB also donated a Coronary Care Unit (CCU) to the Aswan Heart Centre under the auspices of the world class heart surgeon Sir Magdi Yacoub, in addition to various medical, scientific, cultural and social contributions.

Finally, no one can ignore the rapid and great developments in Egypt since the beginning of 2011 due to the January 25 Revolution that opened the door for freedom and justice, in addition to making Egypt more optimistic about the political and economic future in the medium and long run. In light of these new factors, we at NSGB – with the support of SG- spare no effort in formulating the necessary plans and studies to deal with this historic transitional stage in the Egyptian economy. As usual, we will be selective for new business opportunities that are still present in view of the long-term growth potential of the Egyptian economy.

On behalf of the board of directors, I would like to express my deepest gratitude to NSGB staff on their commitment to the bank especially during the difficult time that faced the banking and business sectors during the first quarter of 2011.

I would also like to thank our valued clients for their constant confidence in us and to thank NSGB shareholders for their support and precious trust in the management team.

National Société Générale Bank

Overview

Shareholders Structure:

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

NSGB Subsidiaries:

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

Sogelease Egypt (NSGB Leasing Company) Created in 1997:

The first incorporated Egyptian leasing company as a joint venture between Société Générale (40%), National Société Générale Bank (40%) and National Bank of Egypt (20%) to provide leasing services to Egyptian companies. Sogelease Egypt is the market leader with around 2.192 billion book value assets leased.

NSGB Life Insurance Company Created in 2003:

NSGB Life Insurance Company is a joint stock between SOGECAP (No.5 in France, fully owned by Société Générale) and NSGB. The company has developed a large range of products meeting main customer needs in saving and planning (AlRafiq Graduation, AlRafiq Wedding, AlRafiq Retirement, AlRafiq Project) & El Nokhba Saving Program. In addition, the protection policies for both individuals and corporate staff clients. Licensed by EISA, the company is among the few players in Egypt combining local roots with international standards.

ALD Automotive Company Created in 2005:

ALD automotive company is a subsidiary of National Société Générale Bank (25%) and ALD (Europe) (75%), began its activity on September 2005. Its a long-term rental & fleet management for vehicles. The company offers full service operating lease for all marks and models of vehicle for corporate clients, vehicle's delivery service, maintenance and tyres management, and road assistance service. Its considered the first company of its kind in the Egyptian market.

Board of Directors

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

Executive Committee

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

Audit Committee

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

Head Office Divisions

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

"Corporate And Investment Banking"

Corporate'

NSGB Corporate Banking Activities

The year 2010 witnessed a continued growth and outstanding performance for the Corporate & Investment Banking Division. Year-to-year, corporate loans portfolio grew by a strong 14 % equivalent to EGP 3.5 billion. This has been the result of the bank's strong performance with its core clients in addition to attracting new clients and businesses.

NSGB's project financing activities continued to demonstrate strong results with the famous first PPP financing led by NSGB in the field of waste water treatment that won two prestigious awards; the first was the «Water Deal of the Year» Award which was granted by Global Water Intelligence (GWI) due to its biggest contribution to the advancement of Public-Private Partnership (PPP) in the international water sector and the second award was the «African PPP Deal of the year for 2010» from the Euromoney Project Finance Magazine.

On the other side, the assets quality of NSGB`s corporate banking activities remains to be resilient and strong representing one of the best in the local market.

Our Dealing Room continued to show impressive results, thanks to its unique FX performance with the core clients as well as the fixed income operations. Trade Finance operations regained its strong performance in line with the improved international trade for the Egyptian economy. On the deposits side, corporate deposits continued to grow strongly recording a strong 17% growth rate year-to-year equivalent to EGP 4.6 billion.

The picture for 2011 is expected to look rather different. The 25th of January Revolution is expected to have downward pressure in the economy in general - which is a natural phenomenon - and on the banking sector in specific. With slowdown and shortage of government spending accompanied with delays of private sector spending as well as the severe drop in FDI and the expected very weak performance of the tourism sector, the economy's growth rate will be at its lowest levels for many years if growing at all. Until the political situation stabilizes, the economy is estimated to continue to contract providing quite little business opportunities.

NSGB enters this period with a very solid financial position, excellent asset quality, and committed and dedicated staff. The bank will continue to pay deep attention to client's relationship during these difficult times providing support yet controlling the risk. We will be very prudent and selective as usual in approaching new opportunities which we believe are still there, thanks to the long term growth potentials of the Egyptian economy and its sound fundamentals. The Bank is, and will always be, ready and prepared to seize business opportunities during this period of historic transformation of the Egyptian economy.

"Enjoy shopping with **NSGB** cards"

Retail'

Supporting enhanced processes and methodologies:

Aligning and enhancing processes and methodologies for the network was an on going iterative mission of NSGB Retail Division during 2010. Applying standardized processes and methodologies to support NSGB branch network aimed to provide more quickness, safety and reliability to its customers by revolutionizing the payroll process in terms of automating, centralizing and standardizing such processes. Such an industrialized approach is mainly dedicated towards gaining more accuracy and efficiency thus decreasing the load on branches to focus more on its day to day activities as well as enhancing customer relationship by introducing a "Better Service".

Commercial Activities & Multi-channel Approach:

Methodologies were set to NSGB network's sales techniques by organizing and directing the commercial activity and adopting a new way of commercial management. Such an integrative development is designed as a support tool to enhance and optimize commercial animation that has already proved successful effect on Retail efficiency level.

NSGB- A Universal Bank:

Complying with its global strategy towards being a universal bank, NSGB is witnessing recognized effort regarding the continuous introduction of Retail products that match the needs of its entire customer base. On one hand, an active on going fine-tuning with respect to interest rates of "MY Time Deposit in USD" took place. Furthermore, introducing the two years duration was an innovative solution that NSGB is the only bank offering it currently. On the other hand, restructuring NSGB car loan was a must and the secret of its success story was imbedded in launching the new brand "Easy Auto". For the first time, "Easy Auto" introduced the concept of a car offer rather than just selling a Retail facility.

Matching the Segmentation approach:

"Better customer service" is more than ever the bank's motto that plays the main role in segmenting and filtering clients to be able to satisfy their needs.
To build customer loyalty and enhance NSGB personalized relationship with its customers, the Retail Banking Division continues to adopt the segmentation strategy. NSGB implements the segmentation approach by creating innovative specific commercial offers to different client segments to attract new clients and to retain existing client base. Tailored offer "Safwa" was especially addressing the top segmented clients. Through successful customer relationship management and continuous development of new offers, NSGB Retail Division is able to enlarge the client base and make the best out of it. The innovation did not end at introducing the mentioned offer, it extended to marketing a new concept of "Life Style" through NSGB two premium cards the Gold and the Platinum credit cards. NSGB Retail Division had surrounded its premium range of cards with several services that would accompany its SAFWA customer wherever he is and whenever there is a need to it.

2010 Retail Commercial Achievement - A full reset

To wrap up, year 2010 was a remarkable year full of planning, standardization, creativity, measurement settings, commercial offers and revolutionary approaches. In financial year 2010, Retail Division contributed remarkably and stronger than ever to NSGB commercial results. Moreover, a higher level of commitment towards risk monitoring and controls were established in order to further secure these achievements and guarantee the continuity of it.

Retail Banking
Products and Services:

Accounts:

- Current account
- Checking account
- Savings account
- Minor Savings account

Deposits:

- Time deposits :
  - Time Deposits in local and foreign currencies
  - My Tim€ D£po$it in Dollar, Euro, and Sterling
- "Harmony" Certificates of Deposit in local currency:
  - Fixed rate 3, 4, 5, 7, 10 years
  - Floating rate 3 years
  - Cumulative rate 5, 6, 7, 8 years
  - "Nahr El Khier" 3 years Charity Certificate of Deposit

Investment Products:

- "Themar" the daily cumulative money market fund
- "Tawazon" the balanced fund

Loans and Credit Facilities:

- Cash loan
- Easy Auto
- Education loan
- Speed loan
- "Espresso loan" facilities against NSGB CDs and TDs
- CD interest advance service
- Salary Advance service
- "Aqarat" Residential Mortgage Finance program

Electronic Banking Services:

- "PortaBank" Mobile banking
- "FonaBank" Phone banking
- "Email@Bank" Email banking
- "NetaBank" Internet banking

Payment Cards:

- NSGB VISA Electron (Debit card)
- NSGB Credit card (VISA Classic and Gold)
- NSGB VISA Internet card

Services :

- "TransClick" Automatic transfer service
- Safe deposit boxes
- Internal Transfer service
- External Transfer service
- "Makany" Property Insurance program

Packages:

- "Safwa universe" the high net worth clients offer
- "YO!" the youth offer

Professionals Program:

- "Pack Pro" Professionals package
- Savings Pro account
- Medical Sector credit facilities:
  - Equipment finance
  - Business premises renovation finance
  - Pharmacy supplies finance
  - Pharmacy management solution finance
  - Pro loan against CD

CorpStaff Products:

- Payroll Automated System
- Global Agreement
- VISA Business Card

Life Insurance Savings Plans and Protection Products:

Through NSGB Life Insurance Company

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

sMEs

"From Micro to Corporate"

SMEs'

NSGB SMEs Banking Activities

Emphasizing on the role of NSGB to access all clients› segments and cover their banking needs according to the universal bank model, 2010 witnessed explicit growth in credit portfolio provided to SMEs.

SMEs' business line team continued approaching targeted customers efficiently. Thanks to the solid infrastructure, proximity through 44 branches covering Cairo, Giza, Alexandria, Delta, Canal area, Upper Egypt and Red Sea, in addition to the integrated commercial offering including 3 added value programs to the clients: Consultancy, Finance & Banking Services as well as 2 packages: Marhaba & Mazaia.

1-Finance & Facilities:

- **Expansion and development of existing Projects:**

Presenting the best financing solutions for production lines, machinery equipments, transportation vehicles & trucks, administration offices, exhibitions and warehouses for tenors up to 5 years with competitive prices.

- **Financing working capital:**

Short term facilities: supported by commercial papers, assigned contracts, export documents, local purchasing orders.
Credit facilities for issuance L/Cs & L/Gs.

2-Services:

Fully fledged banking services:

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

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

- 2010 witnessed also presenting new product - SMEs Visa business for SMEs

- During 2010 SMEs grow by 968 new client & EGP1,014 Mio (funded & unfunded) to reach 1893 credit facilities clientele base for a total portfolio for EGP 1,877Mio & leasing portfolio of EGP 173Mio

3-Consultancy:

- **Financial advisory:**

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

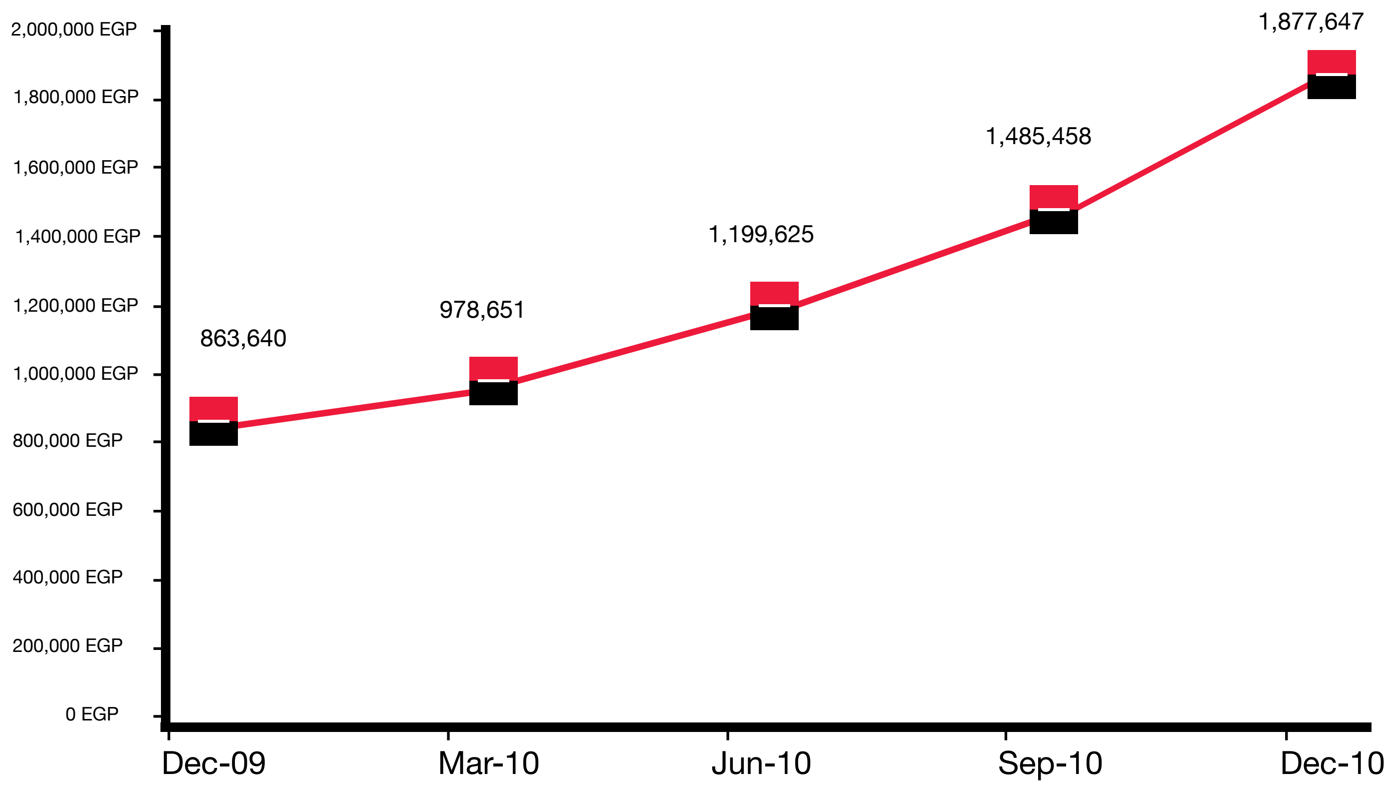
- **Trade finance advisory**:

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

- **Personal investment advisory:**

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

Evolution of SME’s portfolio (funded & unfunded) 2010



“Financial Statements”

Supplementary Notes To The Financial Statements For The Financial Year Ending on **31-12-2010**”

Financials

Statement of financial position as at
December 31, 2010

	Note No	December 31, 2010 EGP	"Restated" December 31, 2009 EGP
Assets			
Cash and due from Central Bank of Egypt (CBE)	(15)	5 154 348 602	4 072 859 973
Due from banks	(16)	4 724 038 990	5 847 884 350
Treasury bills	(17)	12 348 692 703	9 095 881 405
Trading investments	(18)	--	115 726 059
Loans and credit facilities to customers, net	(19)	31 345 320 461	26 569 063 484
Financial derivatives	(20)	34 697 434	43 941 100
Financial Investments:			
-Available for sale	(21)	5 315 919 205	5 406 309 223
-Held to maturity	(21)	206 196 247	201 666 897
Investments in associates	(22)	90 166 340	81 509 105
Intangible assets	(23-A)	105 334 201	119 972 318
Goodwill	(23-B)	--	361 917 659
Other assets	(24)	678 298 493	534 446 824
Deferred tax assets	(31)	181 770 468	82 750 839
Fixed assets, net	(25)	700 077 473	685 701 347
Total assets		60 884 860 617	53 219 630 583
Liabilities and shareholders› equity :			
Liabilities :			
Due to banks	(26)	942 375 975	725 452 736
Customers› deposits	(27)	50 083 624 883	43 715 473 849
Financial derivatives	(20)	3 093 599	--
Other loans	(28-A)	79 567 562	61 450 211
Other liabilities	(29)	1 511 869 712	1 434 631 266
Other provisions	(30)	386 803 609	426 105 898
Current income tax payable		351 547 412	251 992 080
Defined benefits obligation	(32)	91 918 000	75 506 000
Total liabilities		53 450 800 752	46 690 612 040
Shareholders› equity:			
Issued and paid-up capital	(33)	3 665 585 980	3 332 350 890
Reserves	(35)	1 756 211 473	1 238 070 103
Reserve for employee stock ownership plan (ESOP)	(34)	831 785	--
Retained earnings	(35)	1 198 744 627	1 190 641 550
Total shareholders› equity		6 621 373 865	5 761 062 543
Subordinated loan	(28-B)	812 686 000	767 956 000
Total shareholders› equity & subordinated loan		7 434 059 865	6 529 018 543
Total liabilities and shareholders› equity		60 884 860 617	53 219 630 583

The accompanying notes from (1) to (40) are an integral part of these financial statements.

Income statement For the year ended
December 31, 2010

	Note No	From 01/10/2010 to 31/12/2010 EGP	From 01/01/2010 to 31/12/2010 EGP	"Restated" From 01/10/2009 to 31/12/2009 EGP	"Restated" From 01/01/2009 to 31/12/2009 EGP
Loans interest and similar income	(6)	1 032 268 332	3 866 288 370	877 047 545	3 357 401 150
Deposits interest and similar expense	(6)	(545 081 151)	(1 970 149 394)	(436 683 104)	(1 705 752 650)
Net interest income		487 187 181	1 896 138 976	440 364 441	1 651 648 500
Fee and commission income	(7)	181 643 531	697 527 683	148 128 981	596 531 874
Fee and commission expense	(7)	(3 265 510)	(12 258 371)	(3 845 270)	(14 629 749)
Net interest, fee and commission income		665 565 202	2 581 408 288	584 648 152	2 233 550 625
Dividend income	(8)	(626 822)	20 063 973	1 630 578	21 585 110
Net trading income	(9)	18 359 225	135 723 832	44 370 939	163 667 050
Gain on financial investments	(21)	36 601 482	65 987 069	2 461 962	17 544 390
Reversal of impairment losses	(12)	42 634 927	71 305 965	215 949 070	280 941 037
Administrative expenses	(10)	(264 483 765)	(867 591 195)	(223 306 647)	(781 958 719)
Goodwill amortization		(90 479 405)	(361 917 659)	(90 479 418)	(361 917 672)
Other operating revenues (expenses)	(11)	(15 184 090)	(60 800 434)	(25 357 610)	(65 950 409)
Share on operating income of associated companies		(382 181)	6 680 447	5 690 584	18 296 328
Profit before income tax		392 004 573	1 590 860 286	515 607 610	1 525 757 740
Income tax expense	(13)	(50 424 369)	(253 034 269)	(63 396 172)	(232 578 221)
Net profit for the year		341 580 204	1 337 826 017	452 211 438	1 293 179 519
Earnings per share	(14)		3.35		3.29

The accompanying notes from (1) to (40) are an integral part of these financial statements .

Statement of changes in shareholder's equity

	Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve
	EGP	EGP	EGP	EGP	EGP
Balance at 01/01/2009 as reported	3 029 409 900	165 076 742	790 081 614	7 333 408	5 593 083
Effect of change in accounting policies (after tax)	--	--	--	166 348 560	--
Balance at 01/01/2009 as restated	3 029 409 900	165 076 742	790 081 614	173 681 968	5 593 083
Transfer	--	28 301 945	163 300 000	--	373 400
Profit distribution for year 2008	--	--	--	--	--
Capital increase	302 940 990	--	(302 940 990)	--	--
Net unrealized gain/loss on AFS investments after tax	--	--	--	--	--
Net profit for the year	--	--	--	--	--
Transfer to general banking risk Reserve	--	--	--	--	--
Balance at 31/12/2009 as restated	3 332 350 890	193 378 687	650 440 624	173 681 968	5 966 483
Transfer	--	59 102 896	617 700 000	--	1 242 488
Profit distribution for year 2009	--	--	--	--	--
Capital increase	333 235 090	--	(333 235 090)	--	--
Net unrealized gain/loss on AFS investments after tax	--	--	--	--	--
Net profit for the year	--	--	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	--	--	--
Net unrealized gain/loss on CFH Risk Reserve after tax	--	--	--	--	--
Tranfer to general banking risk Reserve	--	--	--	--	--
Balance at 31/12/2010	3 665 585 980	252 481 583	934 905 534	173 681 968	7 208 971

for the year ended December 31, 2010

AFS Investments Revaluation Reserve	General Banking Risk Reserve	Cash Flow Hedge Risk Reserve	Retained Earnings	Net profit for the year	Reserve for employee stock ownership plan (ESOP)	Total
EGP	EGP	EGP	EGP	EGP	EGP	EGP
123 524 105	--	--	(21 068 182)	587 492 014	--	4 687 442 684
(395 160)	--	--	--	--	--	165 953 400
123 128 945	--	--	(21 068 182)	587 492 014	--	4 853 396 084
--	--	--	21 075 679	(213 051 024)	--	--
--	--	--	--	(374 440 990)	--	(374 440 990)
--	--	--	--	--	--	--
(11 072 070)	--	--	--	--	--	(11 072 070)
--	--	--	--	1 293 179 519	--	1 293 179 519
--	102 545 466	--	--	(102 545 466)	--	--
112 056 875	102 545 466	--	7 497	1 190 634 053	--	5 761 062 543
--	--	--	7 344 808	(685 390 192)	--	--
--	--	--	--	(505 243 861)	--	(505 243 861)
--	--	--	--	--	--	--
24 897 439	--	--	--	--	--	24 897 439
--	--	--	--	1 337 826 017	--	1 337 826 017
--	--	--	--	--	831 785	831 785
--	--	1 999 942	--	--	--	1 999 942
--	146 433 695	--	--	(146 433 695)	--	--
136 954 314	248 979 161	1 999 942	7 352 305	1 191 392 322	831 785	6 621 373 865

		December 31, 2010 EGP	"Restated" December 31, 2009 EGP
Operational activities			
Profit before tax		1 590 860 286	1 525 757 740
Non cash adjustment to reconcile profit tbefore tax to cash flows from operating activities:			
Depreciation and amortization		469 961 762	466 838 056
Reversal of loans impairment losses		(71 305 965)	(280 941 037)
Used from loans provision		(126 351 865)	(167 308 886)
Recovery from loans previously written off		8 266 828	20 135 380
Expenses of other provisons		75 311 167	10 195 260
Provision utilization except the loans provision		(117 691 980)	(163 033 017)
Differences in revalution of other provisions in foreign currencies		3 078 524	(379 613)
Valuation difference of trading investments		--	(17 146 615)
Valuation difference of subordinated loan		44 730 000	(3 962 000)
Gains on sale of fixed assets		(598 173)	(1 242 488)
Uncollected dividends		(14 394)	--
Share of profits of associates from applying the equity method		(6 680 447)	(18 296 328)
Profit from selling associates companies		--	(3 000 000)
Profit from selling available for sale investments		(65 987 069)	(14 544 390)
Share based payments		831 785	--
Operating profits prior changes in assets and liabilities utilized in operational activities		1 804 410 459	1 353 072 062
Net decrease (increase) in assets & liabilities			
Due from banks		416 969 426	(954 077 844)
Treasury bills		(3 899 872 281)	(5 571 619 606)
Loans to customers		(4 586 865 975)	(990 225 104)
Financial derivatives		14 337 207	(38 851 872)
Other assets		(143 837 275)	(182 643 390)
Due to banks		216 923 239	(734 793 963)
Customers› deposits		6 368 151 034	6 826 247 582
Credit balances and other liabilities		77 564 877	236 694 609
Defined benefits obligation		16 412 000	5 048 000
Paid income tax		(252 188 565)	(187 479 864)
Net cash flows resulting from / used in operating activities (1)		32 004 146	(238 629 390)

Cash flows from investing activities			
Payments for the purchase of fixed assets and branches preparation		(107 782 112)	(127 664 488)
Proceeds from sale of fixed assets		598 173	1 408 305
Proceeds from sale investments other than held for trading investments		2 066 247 108	544 714 027
Payments for the purchase of investments other than held for trading investments		(1 774 085 873)	(2 494 170 026)
Proceeds from sale of trading investments		--	22 263 779
Proceeds from sale of investments in associates		--	3 000 000
Payments for capital increase in associates companies		(4 026 001)	--
Cash dividends received from investments in associates		2 049 212	3 761 512
Net cash flows resulting from / used in investing activities (2)		183 000 507	(2 046 686 891)
Cash flows from financing activities			
Long term loans		18 117 351	2 390 753
Dividends paid		(505 570 292)	(458 676 238)
Net cash flows used in financing activities (3)		(487 452 941)	(456 285 485)
Net increase (decrease) in cash and cash equivalents during the year (1+2+3)		(272 448 288)	(2 741 601 766)
Cash and cash equivalents at the beginning of the year		6 204 784 531	8 946 386 297
Cash and cash equivalents at the end of the year	(36)	5 932 336 243	6 204 784 531
Cash and cash equivalents at end of year are represented in :			
Cash and due from Central Bank of Egypt		5 154 348 602	4 072 859 973
Due from banks		4 724 038 990	5 847 884 350
Treasury bills		12 348 692 703	9 095 881 405
Balances with Central Bank of Egypt (mandatory reserve)		(3 992 504 343)	(3 116 707 156)
Balances due from banks with maturities more than 3 months		(736 703 543)	(2 029 470 156)
Treasury bills with maturity more than 3 months		(11 565 536 166)	(7 665 663 885)
Cash and cash equivalents at end of the year		5 932 336 243	6 204 784 531
The accompanying notes from (1) to (40) are an integral part of these financial statements .			

STATEMENT OF THE PROFITS DISTRIBUTION PROPOSAL FOR THE FINANCIAL YEAR ENDED December 31, 2010

		December 31, 2010	"Restated" December 31, 2009
		EGP	EGP
	Net year›s profits (from income statement)	1 337 826 017	1 293 179 519
Less :			
	Profits of sale fixed assets transferred to capital	(598 173)	(1 242 488)
	General Banking Risk Reserve	(146 433 695)	(102 545 466)
	Distributable year›s net profits	1 190 794 149	1 189 391 565
Add :			
	Beginning balance of retained earnings	7 352 305	7 497
	Total	1 198 146 454	1 189 399 062
To be distribute as follows :			
	Statutory reserve	66 861 392	59 102 896
	General reserves	551 500 000	617 700 000
	Shareholders› profit share	458 198 248	416 543 861
	Employees› profit share	119 814 645	87 000 000
	Remuneration for board members	1 700 000	1 700 000
	Retained earnings carried forward	72 169	7 352 305
	Total	1 198 146 454	1 189 399 062

"Financial Statements"

Supplementary Notes To The Financial Statements For The Financial Year Ending on **31-12-2010**"

1.Background:

National Société Générale Bank (S.A.E) was incorporated as an investment and commercial Bank on April 13, 1978, in accordance with the provisions of Investment Law no 43 of 1974 and its Executive Regulations and the amendments thereon. The Bank provides all Banking services related to its activity, through its Head Office located in Cairo and its one hundred and forty five branches served by 3984 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).

2.Summary of significant accounting policies:-

2.1 Basis of preparation of the financial statements

These financial statements are prepared in accordance with the Central Bank of Egypt (CBE) Basis of Preparation of the Banks Financial Statements and Principles of Recognition and Measurement as approved by its Board of Directors on 16 December 2008. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, available for sale financial assets and all derivative contracts.

The financial statements have been prepared in accordance with the Egyptian related local laws.
The financial statements of the Bank had been prepared up to December 31, 2009 applying the CBE previous regulations effective until that date which were different in certain aspects from the new Egyptian Accounting Standards ‹EAS› issued in 2006 and its amendments. Upon the preparation of the financial statements for the financial year ended 31 December 2010, the Bank›s management changed certain accounting policies, and basis of recognition and measurement in compliance with the new Egyptian Accounting Standards issued in 2006 and the CBE Basis of Preparation of the Banks' financial statements and Principles of Recognition and Measurement as issued by the CBE's Board of Directors -on December 16, 2008.

CBE amendments applicable for financial year starting on or after January 1, 2010 include:
The Bank applied the new CBE Basis as well as the EAS applicable to the Banking industry. Consequently, comparative figures for the year ended 31 December 2009 have been amended, as appropriate, in line with the requirements of the new Basis and Standards.
Summary of the most significant changes in the accounting policies and the financial statements arising from the application of these amendments are set out below:

-Changes in the disclosure requirements for financial risks management objectives, policies and procedures and for management of capital adequacy as well as other disclosures.

-Starting 2009, the Bank identified the useful lives of the new additions to fixed assets for significant components of the assets. However, the Bank was unable to analyze its fixed assets acquired prior to 2009 by significant components, since it was impracticable to determine the values of these components at their acquisition dates.

-The Bank redefined its related parties in accordance with the amended requirements and added new disclosures in connection therewith.

-The Bank applied the equity method in accounting for its investments in associates instead of the cost method. For the purpose of applying the equity method, the Bank has compared the acquisition cost to the fair value of the investee's net assets at the acquisition date and accounted for the positive difference as goodwill. In circumstances where the fair value of the investee's net assets at the date of acquisition was not available, the book value of the investee›s net assets was deemed to equal it's the fair value as a basis for determining any goodwill. No goodwill has arisen from applying the equity method in accounting for the Bank›s investments in its associates.

Consequently, the book value of investments in associates reported at the balance sheet has been adjusted by the Bank›s share in post-acquisition changes in the net assets of these associates. Therefore, the special reserve as of January 1, 2009 was adjusted by EGP 26 637 789 representing the Bank›s share in post-acquisition net profits or losses of the associates resulting from applying the equity method up to that date.

-Change in the accounting policy for goodwill in the Bank's financial statements starting from January 1, 2009 by requiring goodwill to be tested for impairment annually and recognizing in profit or loss, on an annual basis, the higher of amortization of goodwill at 20% or impairment loss.

-The Bank has reassessed the useful lives of its intangible assets; no adjustments have resulted from such reassessment.

-The Bank has studied all tax temporary differences and recognized retrospectively any deferred tax liabilities arising on taxable temporary differences. Deferred tax assets on deductible temporary differences have been only recognized to the extent of the future economic benefits expected to arise from them.

-Change in the basis of measurement of impairment loss for loans, facilities, and other debt instruments that are carried at the balance sheet at amortized cost, where the general provision previously recognized for loans and facilities has become no longer appropriate and was replaced by allowances for impairment loss recognized for individual loans and facilities in addition to the collective allowance for groups of assets which carry similar credit risk and characteristics.

The method of recognition of specific allowances for individual assets has changed as well. Excess in the book value of the outstanding provisions for credit losses as of January 1, 2009 over the allowance for impairment losses as calculated in accordance with the new method in the amount of EGP 112 739 320 for loans and facilities and EGP 39 486 484 for the relevant credit contingent liabilities was carried to a special reserve in equity. Note (35) illustrates the impact of this change in accounting policy on Bank›s equity and the assets exposed to credit risk.

-Change in the basis of measurement of the Bank's debt instruments that are either classified as available for sale or held to maturity investments. Such investments are now measured at amortized cost using the effective interest rate.

2.2 Investment in associates

Companies over which NSGB exercises significant influence directly or indirectly are accounted for under the equity method. Significant influence is the power to participate in the financial and operating policies of an entity without exercising control over that entity. The Bank has share capital participation in a range of 20% to 50% of voting rights of its investees.
The purchase method is applied to account for the Bank›s acquisitions of associates. Subsequent to acquisition, the Bank applies the equity method of accounting for its investments in associates.

2.3 Segment reporting

Segment activity is such a group of assets and operations related to providing products or services associated with risks and benefits that are different from other segment activities. The geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

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

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

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at period end at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions as well as translation differences are recognized in the income statement and reported under the following line items:

- Net trading income for assets and liabilities classified as held for trading.

- Other operating revenues (expenses) for the remaining items.

Changes in the fair value of monetary financial instruments denominated in foreign currencies and classified as available for sale investments (debt instruments) are analyzed into valuation differences resulting from changes in amortized cost of the instrument, translation differences arising from changes in foreign exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences are recognized in profit or loss.
The Bank's classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

This category includes financial assets held for trading, and financial derivatives.
A financial asset is classified by the Bank as at fair value through profit and loss if it is designated, upon initial recognition, as at fair value through profit or loss or met the criteria to be classified as held for trading being acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated as hedging instruments under hedge accounting rules.

2.5.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:
- That the Bank intends to sell immediately or in the short term, which are classified as held for trading;

- That the Bank upon initial recognition designates as available for sale; or

- For which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration of the issuer.

2.5.3 Held to maturity financial assets

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

2.5.4 Available for sale financial assets

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

The following is applied to financial assets

- Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale and loans and receivables are recognized using the settlement-date of accounting method, the date on which an asset is delivered to or by the entity.

- Financial assets are initially recognized at fair value plus transaction costs except for those classified, upon initial recognition, as at fair value through profit or loss.

- Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

- Available for sale financial assets, held for trading and financial assets at fair value through profit or loss are all subsequently measured at fair value. Loans and receivables and held-to-maturity investments are subsequently measured at amortized cost.

- Gains and losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognized in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of «available for sale financial assets» are recognized directly in equity, until the financial asset is derecognized or impaired, at which time, the cumulative gain or loss previously recognized in equity is recognized in income statement.

- Interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognized in the income statement. Dividends on available for sale equity instruments are recognized in the income statement when the entity's right to receive payment is established.

- The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Bank measures the equity instruments that are classified as available for sale at cost net of impairment loss, if any.

2.6 Offset of financial assets and financial liabilities

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

2.7 Financial derivative and hedge accounting

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

Embedded derivatives in a hybrid contract, such as the conversion option in a convertible bond, are treated as separate derivatives when they meet the definition criteria of a standalone derivative, their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement as part of «net trading income».

Embedded derivatives are not split if the Bank chooses to designate the entire hybrid contact as at fair value through profit or loss.

The accounting treatment used to recognize changes in fair value of derivatives depends on whether or not the derivative is designated as a hedging instrument under hedge accounting rules and on the nature of the hedged item. The Bank designates certain derivatives as either hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge); Hedge accounting is used for derivatives designated when certain criteria are met as follows The Bank documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated as hedging instruments and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Effective changes in fair value of interest rate swaps and related hedged items are reflected in 'net interest income'. Any ineffectiveness is reported as part of the 'net trading income' line item.
If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item that is measured at amortized cost is amortized to profit or loss over the period to maturity using the effective interest method.

2.7.2 Cash flow hedging

The effective portion of changes in the fair value of derivatives designated for cash flow hedge shall be recognized under

equity while change in fair value relating to ineffective portion shall be recognized in the income statement «net income from trading».
Amounts accumulated in equity are transferred to income statement in relevant periods when the hedged item hits the income statement.
When hedged item become due or is sold or if hedging instrument no longer qualify for hedge accounting requirement, then profits or losses accumulated accumulated under equity are taken promptly to income statement.

2.7.3 Derivatives that do not qualify for hedge accounting

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

2.8 Interest income and expense

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

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.
Interest income on loans is recognized on accrual basis except for the interest income on non performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.

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

1- When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and loans to small business.

2- For corporate loans, interest income is also recognized on the cash basis, according to which interest earned during the periods subsequent to reschedule agreements does not start to accrete on the loan principal until the Bank collects 25% of the rescheduled installments and after payments of the installments continue to be regular for at least one year.

2.9 Fees and commission income

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

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

A syndication fee received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants) is compensation for the service of syndication. Such a fee is recognized as revenue when the syndication has been completed.
Fees and commissions resulting from direct negotiations or participation in such negotiations for the benefit of or on behalf of another party, such as those earned on the allotment of shares or other financial assets to a client or acquisition or disposal of entities for a client, are recognized as revenue when the specific transaction has been completed.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.
Fees charged for financial planning services and custodian services provided over long periods are recognized as income over the period during which the service is rendered.

2.10 Dividends

Dividends are recognized in the income statement when the right to receive dividends is established.

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

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

2.12 Impairment of financial assets

2.12.1 Financial assets carried at amortized cost

At each balance sheet date, the Bank assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognized (a "loss event") and whether that loss event has impacted the future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Expected bankruptcy of borrower or upon being subject to liquidation lawsuit or to re-structuring the finance granted to it.
- Deterioration of competitive position of borrower;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- Impairment in the value of guarantee;
- Deterioration of creditworthiness.

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

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

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

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

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

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

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

As a practical expedient, the Bank may measure impairment of a financial asset carried at amortized cost on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms.

When assessing the impairment loss for a group of financial assets on the basis of the historical loss rates, future cash flows in the group are estimated on the basis of the contractual cash flows of the Bank's assets and the historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The Bank ensures that estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

2.12.2 Available-for-sale financial assets

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

When a decline in the fair value of an available for sale financial asset has been recognized in equity and there is objective evidence that the asset is impaired the cumulative loss that had

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

2.13 Intangible assets

2.13.1 Goodwill

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

2.13.2 Software (computer programs)

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

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

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

Fixed assets

Lands and buildings basically comprise the head office premises and branches. All fixed assets are carried at historical cost net of accumulated depreciation and accumulated impairment losses.
Cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.
Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method to the extent of their estimated residual values based on the following annual rates:

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

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

Furniture	10 years
Safe boxes & strong doors	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The Bank reviews the carrying amounts of its depreciable fixed assets whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.
The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains and losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in profit or loss in other operating income (costs) in the income statement.

Impairment of non financial assets

Non financial assets that do not have definite useful lives, except for goodwill, shall not be amortized. These are annually tested for impairment. Depreciable fixed assets are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered.
Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

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

the recoverable amount of the cash-generating unit to which the asset belongs.
At each balance sheet date, non-financial assets for which an impairment loss is recognized shall be reviewed to assess whether or not such impairment losses should be reversed through profit or loss.

Leasing

All lease contracts in which NSGB is a party are treated as operating leases as follows:
NSGB as a lessee
Lease payments made under operating leases, net of any discounts received from the lessor, are recognized in profit or loss on a straight-line basis over the lease term.
NSGB as a lessor
Assets leased out under operating lease contracts are reported as part of the fixed assets in the balance sheet and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents comprise balances due within three months from date of acquisition. They include cash and balances due from Central Bank of Egypt - other than those within the mandatory reserve, current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.
For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.
When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses) line item.

Financial guarantees

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

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

Employee benefits

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

NSGB awards its employees post employment benefits, such as medical care schemes. The medical care scheme is a defined benefits plan. A defined benefit plan commits the Bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium - or long - term risk.
The Bank recognizes the defined benefit obligation on the liability side of the balance sheet as “obligations for post retirement schemes” to cover these obligations as whole. This is assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, staff turnover, salary rises and discount and inflation rates.
When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligation.
Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts:
10% of the present value of the defined benefit obligation (before deducting plan assets); and
10% of the fair value of the asset at the end of the previous financial year.

Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Bank's defined benefit obligation and the fair value of plan assets as at the end of the prior year are

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

Defined contribution plans are pension schemes whereby the Bank pays defined contributions to an independent entity. The Bank shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay the employees' benefits in return for their service in the current and previous periods.
According to the defined contribution plans, the Bank pays contributions to private sector pension scheme under mandatory or voluntary contractual arrangement. The Bank shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

Income taxes

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

The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax adjustments related to previous years.
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

Borrowing

Loans obtained by the Bank are initially recognized at the fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in profit or loss using the effective interest rate method.

Capital

Capital issuance cost

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

Dividends

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

Fiduciary activities

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

Comparative figures

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

Management of financial risks

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

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

products and services and the best up-to–date applications.
Risk management policies and procedures are in place to identify and analyze risks and to set risk limits and tools to control those risks through the use of reliable methods and based on information systems regularly updated.

The Bank performs regular review on risk management policies and procedures and amends them, where necessary, to reflect changes in markets, products, services and the best up-to-date practices.
Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the Bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy

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

The primary objectives of the Bank's risk management framework are therefore:
- To contribute to the development of the Bank's various business lines to reach an ideal level of general risk level.
- To guarantee the Bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.
- In defining the Bank's overall risk appetite, the Bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the Bank's various activities
- Earnings sensitivity to business, credit and economic cycles
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles

NSGB risk management governance is based on:

1-Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams;
2-A tight framework of internal procedures and guidelines;
3-Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.
Within the Board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories

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

(a) Credit risk: (including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments. Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability

(b) Market risk: represents risk of loss resulting from changes in market prices and interest rates.

(c) Operational risk: (including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the Bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

(d) Structural interest and exchange rate risk: represents risk of loss or of residual depreciation in the Bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from Banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

(e) Liquidity risk: represents risk of the NSGB not being able to meet its obligations as they come due;

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

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

More specifically, the Risk Division:

Defines and approves the methods used to analyze, assess,

approve and monitor credit risks, country risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management.
Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers
Identifying a frame for all Bank's operational risks
The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the NSGB's long term financing, management of capital requirements and equity structure.
The Internal Legal Counsel deals with compliance and legal risks.
Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the Bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.)
On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policymaking and planning.
All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.
Operational risks, permanent control and Audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.
Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS

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

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

Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the NSGB's primary source of risk – is vital to preserving NSGB financial strength and profitability. As a result, the Bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

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

Risk approval

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

The risk approval process is based on four core principles:

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

Risk management and audit

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

Replacement risk

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

Replacement risk management

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

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

(A/2)Risk measurement and internal ratings
NSGB rating system is based on three key pillars:

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

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.
Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models their capacity to predict default cases.

(A/3) Provisioning policy

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

A provision for impairment losses is formed for a group of similar financial assets based on the available historical experience, personal judgment and statistical methods.
At each balance sheet date, NSGB assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognized (a "loss event") and whether that loss event (or events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

NSGB first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant irrespective from any collaterals obtained. The Bank considers the following factors in determining whether there is objective evidence of impairment:

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

The allowance for impairment losses reported in the balance sheet at the end of the reporting period is derived from internal four credit risk ratings; however, major part of that allowance is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and facilities reported in the balance sheet for each of the four internal ratings of the Bank and their relevant impairment losses:

	December 31, 2010 EGP		December 31, 2009 EGP	
	Loans and facilities	Impairment loss provision	Loans and facilities	Impairment loss provision
	%	%	%	%
1- Good debts	94	7	93	8
2- Regulars follow up	2	10	1	4
3- Special follow up	1	1	1	3
4- Non performing loans	3	82	5	85
	100%	100%	100%	100%

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

In addition to the four categories of the Bank's internal credit ratings indicated in note (A/1), management classifies loans and facilities based on more detailed subgroups in accordance with the CBE requirements.
Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Bank calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the application of the discounted cash flow method or the loss rates method, that excess shall be debited to retained earnings and carried to the general reserve for Banking risks in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distributable; note (35) shows the movement on the general reserve for Banking risks during the financial year.

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

CBE rating	Description	Required Provision %	Internal Rating	Internal Description
1	Low risk	0	1	Good debts
2	Moderate risk	1	1	Good debts
3	Satisfactory risk	1	1	Good debts
4	Appropriate risk	2	1	Good debts
5	Acceptable risk	2	1	Good debts
6	Marginally acceptable risk	3	2	Regular Follow-up
7	Risk needs special attention	5	3	Special Follow-up
8	Substandard	20	4	Non-performing loans
9	Doubtful debts	50	4	Non-performing loans
10	Bad debts	100	4	Non-performing loans

(A/5) Maximum limit for credit risk before guarantees

Balance sheet items exposed to credit risks

	December 31, 2010 EGP	December 31, 2009 EGP
Treasury bills	12 348 692 703	9 095 881 405
Loans and facilities to costumers		
Retail loans		
Debit current accounts	761 816 529	721 369 365
Credit cards	169 148 929	139 248 178
Personal loans	4 501 460 404	3 518 960 736
Real estate loans	103 056 026	49 740 104
Corporate loans		
Debit current accounts	14 823 394 716	13 044 876 276
Direct loans	7 237 319 675	6 173 083 651
Syndicated loans	4 231 486 464	3 753 098 438
Other loans	671 845 750	592 860 026
Provision for impairment loss, reserved interest & unearned discount for discounted bills	(1 154 208 032)	(1 424 173 290)
Financial derivatives	34 697 434	43 941 100
Financial investments		
Debt instrument	5 017 544 160	5 052 717 001
Other assets	284 270 955	262 851 552
Total	49 030 525 713	41 024 454 542

Off balance sheet items exposed to credit risks

Financial guarantees	15 990 678	130 377 154
Commitments for loans and other commitments irrevocable related to credit	543 649 246	477 879 468
L/Cs	2 078 360 158	1 843 034 773
Accepted papers	727 779 938	610 871 992
L/Gs	11 018 604 249	9 544 533 612
Total	14 384 384 269	12 606 696 999

Based on the analysis included in the preceding table, the maximum limit of risks to be exposed to at the end of December 2010 and end of December 2009 without taking into consideration any guarantees. For balance sheet items, amounts stated depends on the net carrying amount shown in the balance sheet.

As shown in the preceding table, 64% of the maximum limit exposed to credit risk results from loans and facilities to customers against 66% at the end of prior year while investments in debt instruments represents. 10% against 12% at the end of prior year and treasury bills represents 25% against 22% at the end of prior year.

The management is confident in its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments as follows:
96 % of the loan portfolio and facilities classified at the highest 2 ratings in the internal rating against 94% at the end of prior year.
96% of the loan portfolio and facilities having no arrears or indicators of impairment against 95% at the end of prior year.
Loans and facilities valued on a standalone basis amounting to EGP 1 110 610 241 with impairment less than 77% from its value against EGP 1 335 925 569 with impairment less than 77% from its value at the end of prior year.

The Bank applied more prudential selection process on granting loans and facilities during the financial year ended at December 31, 2010.
93% of investments in debt instruments and treasury bills representing debt instruments due from the Egyptian government against 91% at the end of prior year.

(A/6) Loans and facilities

The status of balances of loans and facilities in terms of credit rating are as follows:

	December 31, 2010		December 31, 2009	
	EGP		EGP	
	Loans and facilities to costumers	Loans and facilities to Banks	Loans and facilities to costumers	Loans and facilities to Banks
Not having arrears subject to impairment	31 129 603 281	--	26 491 096 287	--
Arrears not subject to impairment	259 314 971	--	166 214 918	--
Subject to impairment	1 110 610 241	--	1 335 925 569	--
Total	32 499 528 493	--	27 993 236 774	--
Less: provision for impairment losses	(1 041 574 828)	--	(1 225 403 640)	--
Less: Reserved interest	(94 485 239)	--	(171 786 015)	--
Unearned discount for discounted bills	(18 147 965)	--	(26 983 635)	--
Net	31 345 320 461	--	26 569 063 484	--

Total impairment expense for loans and facilities amounted to EGP 1 041 574 828 against EGP 1,225,403,640 at the end of prior year of which EGP 857 394 120 representing impairment of separate loans against EGP 1 040 107 205 at the end of prior year, and the remainder amounting EGP 184 180 708 represents impairment expense for the group of credit portfolio against EGP 185 296 435 at the end of prior year. Note 19 include additional information on the provision for impairment losses for loans and facilities to customers.
During the year, the Bank's portfolio loans and facilities increased at 16 % due to expansion in lending activities. The Banks concentrate on dealing with big institutions, Banks, or individuals of credit worthiness.

Loans and facilities having no arrears and not subject to impairment

Credit quality of the portfolio of loans and facilities having no arrears and not subject to impairment by reference to internal rating used by the Bank.

	December 31, 2010								
	Retail				Corporate				
Rating	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
Good debts	761 816 529	129 445 011	4 179 467 731	98 950 026	14 613 140 247	5 995 605 485	3 985 763 189	671 845 750	30 436 033 968
Regular follow up	--	--	--	--	163 375 385	281 153 388	177 546 515	--	622 075 288
Special follow up	--	--	--	--	46 110 269	25 383 756	--	--	71 494 025
	--	--	--	--	--	--	--	--	--
Total	761 816 529	129 445 011	4 179 467 731	98 950 026	14 822 625 901	6 302 142 629	4 163 309 704	671 845 750	31 129 603 281

	December 31, 2009								
	Retail				Corporate				
Good debts	721 369 365	110 752 882	3 317 548 067	46 689 104	12 668 649 775	4 844 695 482	3 479 476 958	592 860 026	25 782 041 659
Regular follow up	--	--	--	--	72 348 360	137 813 529	174 394 077	--	384 555 966
Special follow up	--	--	--	--	303 094 309	21 404 353	--	--	324 498 662
Total	721 369 365	110 752 882	3 317 548 067	46 689 104	13 044 092 444	5 003 913 364	3 653 871 035	592 860 026	26 491 096 287

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

Loans and facilities having arrears and not subject to impairment

They are loans and facilities having arrears until 90 days and they are not subject to impairment unless there is information to the contrary. Loans and facilities to customers having arrears and not subject to impairment and fair value of related guarantees are represented as follows:

December 31, 2010

Retail

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

Corporate

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

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

	December 31, 2009				
	Retail				
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
< 30 days	--	14 758 863	21 110 102	--	35 868 965
30 – 60 days	--	--	--	--	--
60 – 90 days	--	--	--	--	--
Total	--	14 758 863	21 110 102	--	35 868 965
	Corporate				
	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
< 30 days	--	81 609 261	7 735 799	--	89 345 060
30 – 60 days	--	25 743 309	--	--	25 743 309
60 – 90 days	--	10 859 634	--	--	10 859 634
> 90 days	--	4 366 022	31 928	--	4 397 950
Total	--	122 578 226	7 767 727	--	130 345 953

Past due loans and facilities are those whose maturity dates or that of part thereof fell due but no payment was made as contractually agreed upon. These include arrears from one day to 90 days. Figures shown in the note represent the whole balance of the loan or facility not the past due part only. They do not include the remaining balances of loans and facilities so long as the client did not default payment all or part of them. On initial recording of loans and facilities, the fair value of guarantees is assessed based on valuation methods used for similar assets. In subsequent periods, fair value is updated to reflect market price or price of similar assets.

Loans and facilities subject to individual impairment

Loans and facilities to customers

Balance of loans and facilities subject to individual impairment before taking into consideration cash flow from guarantees amounted to EGP 1.110.610.241 against EGP 1 335 925 569 at the end of prior year.

Below is a breakdown in total value of the loans and facilities subject to individual impairment including fair value for guarantees obtained by the Bank for these loans:

	December 31, 2010								
	Retail				Corporate				
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	Total
Loans subject to individual impairment	--	20 387 000	201 183 000	4 106 000	768 815	815 988 666	68 176 760	--	1 110 610 241

	December 31, 2009								
	Retail				Corporate				
Loans subject to individual impairment	--	13 736 433	180 302 567	3 051 000	783 832	1 046 592 061	91 459 676	--	1 335 925 569

Restructured loans and facilities:
Within NSGB, renegotiated outstanding loans relate to loans made to any type of clientele (retail clients and legal entities). These loans have been restructured (in terms of principal and/or interest rates and/or maturities) due to the probability that the counterparty will be unlikely to pay in the absence of such a restructuring.
These amounts do not include any renegotiation of the commercial terms pertaining to adjustments of conditions on interest rates and/or repayment periods granted by the Bank for the purpose of maintaining the quality of the Bank's relations with a client.
NSGB's Banking practices call for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the Bank remains uncertain of their ability to meet their future commitments (definition of default under Basel II). This approach explains the low number of unimpaired renegotiated loans and the volatility of this asset class. Renegotiated loans amounted to EGP 344 674 000 against EGP 472 280 000 at the end of prior year.

	December 31, 2010 EGP	December 31, 2009 EGP
Loans and facilities to costumers		
Corporate		
Direct loans	344 674 000	472 280 000
Total	344 674 000	472 280 000

The amounts represented in the above table not include any renegotiation amounts concerning the contractual conditions regarding to the adaptation of interest rate condition or/and repayment period granted from the bank to obtain a good relationship with customers.

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

The below table represents breakdown of debt instruments, treasury bills, and other governmental notes.

	December 31, 2010 EGP	December 31, 2009 EGP
Treasury Bills	12 348 692 703	9 095 881 405
Available- for- sale investment		
Egyptian Treasury Bonds	3 529 817 689	3 568 082 902
US Treasury Bonds	1 291 530 224	1 287 967 202
Held-to -maturity investment		
Egyptian Treasury Bonds	196 196 247	196 666 897
Total	17 366 236 863	14 148 598 406

(A/8) Acquisition of guarantees

During the current year, the Bank owned some assets y acquisition of guarantees as following:

Nature of the asset	Book Value
Lands	20 422 038 EGP
Buildings	9 543 910 EGP

Assets acquired were classified under other assets in the balance sheet. Such assets shall be sold.

(A/9) Concentration of risks of financial assets

The below table represents breakdown of the most significant credit risk limits before provision to which the Bank is exposed at the carrying amount distributed by geographical segment at the end of the current financial year broken

	Arab Republic of Egypt		
	Cairo	Giza	Alex-Delta
Treasury bills	12 348 692 703	--	--
Loans and facilities to costumers			
Retail loans			
Debit current accounts	450 829 930	152 168 050	103 012 726
Credit cards	72 545 015	60 682 231	24 184 348
Personal loans	1 806 924 454	1 393 436 342	908 559 520
Real estate loans	35 273 858	43 537 935	15 709 695
Corporate loans			
Debit current accounts	7 223 884 508	3 716 900 006	2 423 739 567
Direct loans	4 198 036 610	1 763 301 117	1 001 953 667
Syndicated loans	2 030 300 173	1 428 051 342	773 134 949
Other loans	513 922 956	100 683 478	36 869 022
Financial derivatives	--	--	--
Financial investments			
Debt instrument	3 726 013 936	--	--
Other assets	195 011 373	32 343 665	30 085 585
Total at the end of current year	32 601 435 516	8 691 104 166	5 317 249 079
Total at the end of the comparative year	26 869 419 351	8 208 503 071	4 639 504 603

exposed to credit risks (Geographical segments)

down by geographical region for all financial assets expect investment in US treasury bonds which represented in other countries.

	Red Sea & Upper Egypt	Total	Other countries	Total
	--	12 348 692 703	--	12 348 692 703
	55 805 823	761 816 529	--	761 816 529
	11 737 335	169 148 929	--	169 148 929
	392 540 088	4 501 460 404	--	4 501 460 404
	8 534 538	103 056 026	--	103 056 026
	1 458 870 635	14 823 394 716	--	14 823 394 716
	274 028 281	7 237 319 675	--	7 237 319 675
	--	4 231 486 464	--	4 231 486 464
	20 370 294	671 845 750	--	671 845 750
	--	--	34 697 434	34 697 434
	--	3 726 013 936	1 291 530 224	5 017 544 160
	14 561 037	272 001 660	12 269 295	284 270 955
	2 236 448 031	48 846 236 792	1 338 496 953	50 184 733 745
	1 417 583 245	41 135 010 270	1 313 617 562	42 448 627 832

The below table represents breakdown of the most significant credit risk limits to which the Bank is exposed at the carrying amount distributed by the businesses of the Bank's clients.

	Agricultural entities	Industrial entities	Trading entities	Service entities	Governmental sector
Treasury bills	--	--	--	--	12 348 692 703
Loans and facilities to costumers					
Retail loans					
Debit current accounts	--	--	--	--	--
Credit cards	--	--	--	--	--
Personal loans	--	--	--	--	--
Real estate loans	--	--	--	--	--
Corporate loans					
Debit current accounts	122 503 426	9 383 886 619	1 899 553 252	3 417 451 419	--
Direct loans	176 193 174	5 337 302 936	1 074 254 835	649 568 730	--
Syndicated loans	--	2 789 431 168	87 073 500	1 354 981 796	--
Other loans	--	361 284 806	5 026 280	23 523 277	--
Financial derivatives	--				--
Financial investments					
Debt instruments	--	--	--	--	3 726 013 936
Other assets	1 595 862	95 485 215	16 380 395	43 690 305	112 818 740
Total at the end of current year	300 292 462	17 967 390 744	3 082 288 262	5 489 215 527	16 187 525 379
Total at the end of the comparative year	236 474 590	15 475 147 472	2 594 261 055	5 094 246 669	12 970 024 266

exposed to credit risks (Business segments)

Foreign Governments	Other activities	Individuals	Total
--	--	--	12 348 692 703
--	--	761 816 529	761 816 529
--	--	169 148 929	169 148 929
--	--	4 501 460 404	4 501 460 404
--	--	103 056 026	103 056 026
--		--	14 823 394 716
--		--	7 237 319 675
--		--	4 231 486 464
--	282 011 387	--	671 845 750
--	34 697 434	--	34 697 434
1 291 530 224	--	--	5 017 544 160
12 269 295	--	2 031 143	284 270 955
1 303 799 519	316 708 821	5 537 513 031	50 184 733 745
1 299 739 971	349 415 426	4 429 318 383	42 448 627 832

(B) MARKET RISKS

Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some Banking book portfolios valued using the mark-to-market approach.
NSGB policy on market risk transactions is "Prudent"
The "market risk" products offered by NSGB to customers are restricted to cash and simple derivatives products such as interest rate and foreign exchange forward contracts.
The only trading activity conducted by NSGB is over-night foreign exchange position, within a conservative limit.
Positions must be centrally managed and be matched.
The front-office managers assume primary responsibility in terms of risk exposure; however, global management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the Bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:
Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the Bank's market activities and comparison of said exposure and risks with the limits set.
Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including on gross or nominal basis.
Management of the approval process for limits.
Reviewing new products or services for market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.
At the proposal of this MRC and Head of Risk Division, the Board sets the levels of authorized risk by type of market activity and makes the main decisions concerning Bank's market risk management.

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

As a part of managing market risk, the Bank has several hedging strategies and enters into forex swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. NSGB uses a lot of methods to control market risk such as stress testing.
Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing are designed to match business using standard analysis for specific scenarios. The bank has calculated the maximum limit for expected risk at 10%.

(B/2) Stress test for Forex risk

Currencies	O/N Fx position with sign in EGP	O/N Fx short positions	O/N Fx long positions	Nominal limit usage	ST FX	ST limit usage
USD	9 929 247	--	9 929 247	32%	992 925	32%
EUR	(930 531)	(930 531)	--	3%	(93 053)	3%
GBP	125 666	--	125 666	2%	12 567	2%
JPY	169 582	--	169 582	2%	16 958	2%
CHF	56 544	--	56 544	1%	5 654	1%
DKK	4 687	--	4 687	1%	469	1%
NOK	57 666	--	57 666	7%	5 767	7%
SEK	30 980	--	30 980	4%	3 098	4%
CAD	18 595	--	18 595	2%	1 860	2%
AUD	(23 536)	(23 536)	--	3%	(2 354)	3%
AED	(163 255)	(163 255)	--	21%	(16 326)	21%
BHD	(90)	(90)	--	0%	(9)	0%
KWD	378 368	--	378 368	49%	37 837	49%
OMR	(10)	(10)	--	0%	(1)	0%
QAR	5 156	--	5 156	1%	516	1%
SAR	75 797	--	75 797	5%	7 580	5%
EGP	(9 734 866)	(9 734 866)	--			
Maximum expected loss at December 31, 2010					973 488	
Maximum expected loss at December 31, 2009					1 364 081	

(B/3) Forex rate volatility risk (Concentration of forex risks on financial instruments)

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

	EGP	USD	EUR	GBP	Other Currencies	Total
Financial assets						
Cash and balances with Central Banks	4 928 729 583	140 590 144	65 305 550	8 015 744	11 707 581	5 154 348 602
Due from Banks	142 131 943	1 728 233 342	2 454 194 224	333 153 873	66 325 608	4 724 038 990
Treasury bills	12 348 692 703	--	--	--	--	12 348 692 703
Loans and facilities to costumers	19 130 752 427	11 495 236 068	658 212 144	24 501 312	36 618 510	31 345 320 461
Financial derivatives	34 697 434	--	--	--	--	34 697 434
Financial investments						
Available for sale	4 016 227 383	1 299 475 682	216 140	--	--	5 315 919 205
Held to maturity	206 196 247	--	--	--	--	206 196 247
Other financial assets	244 990 993	33 859 794	5 187 199	158 147	74 822	284 270 955
Total financial assets	41 052 418 713	14 697 395 030	3 183 115 257	365 829 076	114 726 521	59 413 484 597

	EGP	USD	EUR	GBP	Other Currencies	Total
Financial liabilities						
Due to Banks	358 049 994	515 369 278	23 799 768	11 627 190	33 529 745	942 375 975
Customer's deposits	34 399 031 309	11 816 017 801	3 434 078 149	353 481 822	81 015 802	50 083 624 883
Financial derivatives	3 093 599	--	--	--	--	3 093 599
Other loans	14 600 000	6 716 886	58 250 676	--	--	79 567 562
Subordinated loans	--	812 686 000	--	--	--	812 686 000
Other financial liabilities	1 084 649 888	24 370 661	4 202 593	257 319	36 839	1 113 517 300
Total financial liabilities	35 859 424 790	13 175 160 626	3 520 331 186	365 366 331	114 582 386	53 034 865 319
Net financial position- the balance sheet	5 192 993 923	1 522 234 404	(337 215 929)	462 745	144 135	6 378 619 278
At the end of the comparative year						
Total financial assets	33 978 472 604	14 197 491 415	3 009 213 991	367 515 219	63 490 814	51 616 184 043
Total financial liabilities	30 060 778 172	12 289 079 543	3 386 902 415	513 129 524	69 835 022	46 319 724 676
Net financial position- the balance sheet	3 917 694 432	1 908 411 872	(377 688 424)	(145 614 305)	(6 344 208)	5 296 459 367

(B/4) Structural Interest Rate Risk

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

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

Organization of the management of Structural Interest Rate risks

Identification and measurement of the risk is carried out by the Assets & Liabilities management Unit (ALMU) which comes under the authority of the NSGB Finance Department.
Risk assessment, limits and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

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

Assets & Liabilities Management Committee (ALCO) duties

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

Assets & Liabilities Management Unit (ALMU) duties

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

Dealing Room duties

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

Objective of NSGB

NSGB aim is to reduce exposure to structural interest rate risk as much as possible.
Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks

In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.
On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. shareholders' equity).
Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency.
The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.
The following table summarizes the extent to which the Bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

	Until one month	More than one month until 3 months	More than 3 months until one year	More than one year until 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and balances with central Banks	--	--	--	--	--	5 154 348 602	5 154 348 602
Due from Banks	2 617 990 430	1 765 612 245	195 039 639	--	--	145 396 676	4 724 038 990
Treasury bills	2 476 963 374	3 815 168 800	6 056 560 529	--	--	--	12 348 692 703
Loans and facilities to costumers	11 861 544 398	7 759 332 054	6 051 616 314	5 086 513 817	586 313 878	--	31 345 320 461
Financial derivatives	--	--	--	--	--	34 697 434	34 697 434
Financial investments							
Available for sale	25 510	142 084 324	666 187 792	3 037 177 585	975 872 701	494 571 293	5 315 919 205
Held to maturity	--	--	76 177 556	120 018 691	--	10 000 000	206 196 247
Other financial assets	--	--	--	--	--	284 270 955	284 270 955
Total financial assets	16 956 523 712	13 482 197 423	13 045 581 830	8 243 710 093	1 562 186 579	6 123 284 960	59 413 484 597
Financial liabilities							
Due to Banks	910 468 866	--	28 458 522	--	--	3 448 587	942 375 975
Customer's deposits	17 196 384 106	10 727 052 913	4 673 488 616	4 723 089 466	357 956 000	12 405 653 782	50 083 624 883
Financial derivatives	--	--	--	--	--	3 093 599	3 093 599
Other loans	--	--	21 316 886	--	--	58 250 676	79 567 562
Subordinated loans	812 686 000	--	--	--	--	--	812 686 000
Other financial liabilities	--	--	--	--	--	1 113 517 300	1 113 517 300
Total financial liabilities	18 919 538 972	10 727 052 913	4 723 264 024	4 723 089 466	357 956 000	13 583 963 944	53 034 865 319
Re-pricing gap	(1 963 015 260)	2 755 144 510	8 322 317 806	3 520 620 627	1 204 230 579	(7 460 678 984)	6 378 619 278
At the end of the comparative year							
Total financial assets	14 533 898 646	12 919 287 442	10 068 510 975	7 604 727 840	1 256 777 744	5 232 981 396	51 616 184 043
Total financial liabilities	19 493 814 891	7 278 735 095	3 050 733 963	3 089 962 310	735 839 000	12 670 639 417	46 319 724 676
Net financial position - the balance sheet	(4 959 916 245)	5 640 552 347	7 017 777 012	4 514 765 530	520 938 744	(7 437 658 021)	5 296 459 367

(C) Liquidity Risk

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.
NSGB manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management
Identification and measurement of the risk is carried out by the Assets & Liabilities management Unit (ALMU) which comes under the authority of the NSGB Finance Department.
Risk assessment and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.
Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO

Assets & Liabilities Management Committee (ALCO) duties
Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
Review the structured liquidity gap reported by ALMU
Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties

Document and maintain the respective risks' management policy as approved by the ALCO.
Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
Report to ALCO on the respective exposures and the evolution of such exposures over time.
Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties

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

Objective of NSGB

NSGB's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.
To this end, the main principles of NSGB liquidity management are as follows:
Management of the short-term liquidity in accordance with the regulatory framework.
Diversification of funding sources.
Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural interest rate risks

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

Liquidity risk

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

December 31, 2010

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

- Based on spot rate for both F.X rate & interest rate.
- Undiscounted cash flows are required to be disclosed, therefore it is not possible to compare figures that are not disclosed with matching items in the balance sheet.

December 31, 2009

	Until one month	More than one month until 3 months	More than 3 months until one year	More than one year until 5 years	More than 5 years	Total
Financial liabilities						
Balances due to Banks	698 329 652	--	27 357 090	--	--	725 686 742
Customer's deposits	28 280 533 978	7 267 098 122	3 415 491 771	5 728 190 643	843 503 298	45 534 817 812
Other loans	--	--	625 000	60 825 211	--	61 450 211
Subordinated loans	21 918 211	--	--	822 790 614	--	844 708 825
Total financial liabilities	29 000 781 841	7 267 098 122	3 443 473 861	6 611 806 468	843 503 298	47 166 663 590

- Based on spot rate for both F.X rate & interest rate.
- Undiscounted cash flows are required to be disclosed, therefore it is not possible to compare figures that are not disclosed with matching items in the balance sheet.

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

Cash flow derivatives

Derivatives settled in net

The Bank's derivatives settled in gross represented in forward deals.

The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining period of contractual maturities as at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

	December 31, 2010					
	Until one month	More than one month until 3 months	More than 3 months until one year	More than one year until 5 years	More than 5 years	Total
Derivatives held for trading						
Forward deals derivatives						
Cash outflows	522 822 350	200 729 744	227 019 782	74 003 766	--	1 024 575 642
Cash inflows	513 738 459	200 244 174	235 272 715	74 114 059	--	1 023 369 407
	December 31, 2009					
Derivatives held for trading						
Forward deals derivatives						
Cash outflows	164 383 934	77 449 101	80 408 413	--	--	322 241 448
Cash inflows	172 532 433	85 390 974	84 967 531	--	--	342 890 938

Cash flow for off balance sheet items:

	December 31, 2010			
	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Loan commitments	543 649 246	--	--	543 649 246
Cash guarantees, certified drafts, and other cash facilities	15 990 678	--	--	15 990 678
Operating lease commitments	34 415 702	95 151 779	46 001 696	175 569 177
Capital commitments resulting from acquisition of fixed assets	162 676 282	--	--	162 676 282
Total	756 731 908	95 151 779	46 001 696	897 885 383
	December 31, 2009			
Loan commitments	477 879 468	--	--	477 879 468
Cash guarantees, certified drafts, and other cash facilities	130 377 154	--	--	130 377 154
Operating lease commitments	27 863 084	73 427 799	33 057 421	134 348 304
Capital commitments resulting from acquisition of fixed assets	41 056 416	--	--	41 056 416
Total	677 176 122	73 427 799	33 057 421	783 661 342

(D) Fair value of financial assets and liabilities

(D/1) Financial instruments measured at fair value using valuation methods

The financial assets classified in trading category measured at fair value and the result of evaluation recorded in income statement in the net trading item. Debt instrument classified in available for sale category measured at fair value and the result of evaluation is recorded in the available for sale investment evaluation reserve. . Equity instruments quoted in stock market measured in fair value and the result of evaluation recorded in evaluation investment available for sale reserve, equity instruments not quoted in stock market measured at cost.

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

The following table summarizes the current value and fair value of financial assets and liabilities not shown in the Bank's balance sheet at fair value:

	Carrying amount		Fair value	
	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Financial assets				
Due from Banks	4 724 038 990	5 847 884 350	4 724 038 990	5 847 884 350
Loans and facilities to costumers	31 345 320 461	26 569 063 484	31 041 472 000	25 076 795 000
Financial investments :				
Equity instruments available for sale	416 858 202	476 438 712	NA	NA
Held to maturity				
Debt instruments	196 196 247	196 666 897	201 094 090	202 762 197
Mutual fund certificates	10 000 000	5 000 000	12 054 865	6 495 800
Financial liabilities :				
Balances due to Banks	942 375 975	725 452 736	942 375 975	725 452 736
Customer's deposits	50 083 624 883	43 715 473 849	48 433 490 000	42 665 481 000
Other loans	79 567 562	61 450 211	79 567 562	61 450 211
Subordinated loan	812 686 000	767 956 000	812 686 000	765 234 066

Due from Banks:

Fair value of variable interest rate of placements and deposits for one day represents the current value. Fair value expected for due to Banks with free interest rate is the current value. Fair value expected for deposits bearing fixed interest rate is the current value for these deposits as its maturity is less than one year.

Loans and facilities to costumers:

Loans and facilities are carried net after deducting the provision for impairment losses. Fair value expected for loans and facilities represents the discounted value of future cash flows expected to be collected, and cash flows are discounted using the current market interest rate to determine fair value.

Investment held to maturity:

Investments held to maturity as shown in the preceding paragraph include Egyptian treasury bonds classified investment held to maturity and NSGB money market funds units on initial issuing of fund held to maturity according the Egyptian law. Fair value of financial assets held to maturity is determined based on market prices for Egyptian treasury bonds and the publish price for NSGB money market funds unit at December 31, 2010.

Due to other Banks and clients:

Fair value estimated for deposits of indefinite maturity date including interest free deposits represent the amount paid on call. Fair value of deposits of fixed interest rate and other loans not tradable in an active market is determined based on discounted cash flows using the rate calculated for new debts of similar maturity date.

(E) Capital adequacy ratio

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

- Compliance with capital legal requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth.

Capital adequacy and uses are reviewed according to the regulatory authority's requirements (CBE) by the Bank's management. Data are submitted and filed at CBE on a quarterly basis. CBE requires the following from the Bank:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital. The NSGB paid capital at the end of the year amounted to EGP 3 665 585 980.
- Maintaining a ratio between capital elements, and asset and contingent liability elements weighted by risk weights at 10 % or more. The capital adequacy ratio at the end of year 15.41%.

The numerator in capital adequacy comprises the following 2 tiers:

- Tier 1: It is the basic capital comprising paid in capital (after deducting the carrying amount of the treasury stocks), retained earnings, and reserves resulting from profit appropriations except the general reserve for banking risks less any goodwill previously recognized and any carried forward losses.
- Tier 2: It is the subordinate capital comprising the equivalent of the general reserve according to CBE credit rating bases issued by CBE not in excess of 1.25 % of total assets and contingent liabilities (risk weights applied), subordinate loans/ deposits maturing over more than 5 years (amortizing 20% of their value each year of the last years of their maturity term), and 45 % of the increase between the fair value and carrying amount for the available for sale investments, investments held to maturity, and investments in affiliates and subsidiaries.

On calculating the total numerator of capital adequacy, it is to be considered that tier 2 should not be greater than tier 1, and subordinate loans (deposits) should not be greater than 50 % of tier 1.
Assets are risk weighted in a range from 0 to 150 %. Classification is made according to the debit party for each asset to reflect related credit risk taking into consideration cash guarantees. Same treatment is used for the off-balance sheet amounts after making relevant adjustments to reflect the contingent nature and the potential loss for these amounts.

	December 31, 2010	December 31, 2009
Capital	EGP	EGP
Tier 1 capital		
Capital shares	3 665 585 980	2 970 433 231
General reserve	934 905 534	650 440 624
Legal reserve	252 481 583	193 378 687
Other reserves	7 208 971	5 966 483
Retained earning *	7 352 305	7 497
Total tier 1 capital **	4 867 534 373	3 820 226 522
Tier 2 capital		
The equivalent of the provision for general reserve ***	478 295 200	416 337 626
Subordinate loans	487 611 600	614 364 800
45 % of the increase in the fair value compared to the carrying amount of available for sale investment, investments held to maturity, and investments in affiliates and subsidiaries.	63 833 471	53 726 121
Total tier 2 capital	1 029 740 271	1 084 428 547
Total capital	5 897 274 644	4 904 655 069

Risk weighted assets and contingent liabilities:		
Assets in the balance sheet	33 067 588 700	28 696 864 394
Contingent liabilities	5 196 027 317	4 610 145 712
Total risk weighted assets and contingent liabilities	38 263 616 017	33 307 010 106
Capital adequacy ratio (%)	15.41%	14.73%

* Exclusive of carried forward losses, if any

** Exclusive of goodwill

*** On condition that it do not exceed 1.25% from total risk weighted assets and contingent liabilities

4. Accounting estimates and assumption

The Bank makes estimates and assumptions 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.

a. Impairment loss for loans and facilities

The Bank reviews the portfolio of loans and facilities on, at least, a quarterly basis. The Bank uses discretionary judgment on determining whether it is necessary to record impairment expense in the income statement to identify any reliable data indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline at the level of one loan. This evidence include data indicating negative change in the ability of a portfolio of borrowers to repay the Bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having 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 given experience.

b. Impairment of available for sale equity investment

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. The Bank determines that decline in fair value is significant if fair value of available for sale equity instrument is decreased by 10% or more below its cost and determines it prolonged if continued for more than nine months. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the invested, industry and sector performance, changes in technology.
The Bank will not suffer any additional loss, as there are no unrealized losses recognized on available for sale investments in the valuation reserve within equity.

c. Derivative fair value

Fair value of financial instruments not quoted in an active market is determined using valuation techniques (such as models), that are subject to tests and reviewed periodically using qualified independently personnel after succeed trials. All the models were approved before using them, to guarantee that their results reflect accurate data and prices can be compared to the market. These models are used to the extent it is practical, however, some areas such as credit risk related to the Bank and counterparty, volatility and correlations requires management's judgment. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

d. Held to maturity investments

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

5. Segmentation analysis

If classification of investments as held to maturity is suspended, the carrying amount shall increase by EGP 6 952 708 to reach the fair value and increasing the valuation reserve within the equity.

(5/A) Segment activity analysis

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

Corporate:

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

Individuals:

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

Other businesses:

They include other Banking activities such as fund management.
Inter-segment activities are affected in the normal course of business in the Bank. Assets and liabilities include operating assets and liabilities as shown in the Bank's balance sheet.

	Corporate	Individual	Other businesses	Total
Income and expenses according to segment activity				
Interest from loans and similar income	5 680 309 387	2 074 345 290	(3 888 366 307)	3 866 288 370
Interest expense and similar expenses	(4 858 727 443)	(1 403 483 502)	4 292 061 551	(1 970 149 394)
Net interest income	821 581 944	670 861 788	403 695 244	1 896 138 976
Fees and commissions income	452 697 620	215 481 903	29 348 160	697 527 683
Fee and commissions expense	(4 681 977)	(7 556 708)	(19 686)	(12 258 371)
Net interest, fees and commissions income	1 269 597 587	878 786 983	433 023 718	2 581 408 288
Dividend income	--	--	20 063 973	20 063 973
Net trading income	15 969 150	32 181 530	87 573 152	135 723 832
Gain on sale of financial investments	--	--	65 987 069	65 987 069
Impairment losses	112 379 020	(41 073 055)	--	71 305 965
Administrative expenses	(329 913 065)	(536 187 782)	(1 490 348)	(867 591 195)
Goodwill amortization	--	--	(361 917 659)	(361 917 659)
Other operating revenues (expenses)	(77 242 354)	(31 752 996)	48 194 916	(60 800 434)
Share on operating income of associated companies	--	--	6 680 447	6 680 447
Profit before income tax	990 790 338	301 954 680	298 115 268	1 590 860 286
Income tax expenses	(198 158 067)	(60 390 936)	5 514 734	(253 034 269)
Net profit for the year	792 632 271	241 563 744	303 630 002	1 337 826 017
Net profit for the comparative year	1 225 761 247	22 684 198	44 734 074	1 293 179 519

	Corporate	Individual	Other businesses	Total
Assets and liabilities according to segment activity				
Segment activity assets				
Due from Central Bank of Egypt	--	--	3 992 504 343	3 992 504 343
Due from Banks	--	--	4 724 038 990	4 724 038 990
Treasury bills	--	--	12 348 692 703	12 348 692 703
Loans to customers	26 964 046 605	5 535 481 888	--	32 499 528 493
Provision for impairment losses, reserved interest & unearned discount for discounted bills	(914 275 824)	(239 932 208)	--	(1 154 208 032)
Financial derivatives	--	--	34 697 434	34 697 434
Investments available for sale	293 711 980	--	5 022 207 225	5 315 919 205
Investments held to maturity	--	--	206 196 247	206 196 247
Investments in affiliates	90 166 340	--	--	90 166 340
Unclassified assets				
Cash	--	--	--	1 161 844 259
Intangible assets	--	--	--	105 334 201
Goodwill	--	--	--	--
Other assets	--	--	--	678 298 493
Deferred tax assets	--	--	--	181 770 468
Fixed assets (Net)	--	--	--	700 077 473
Total assets	26 433 649 101	5 295 549 680	26 328 336 942	60 884 860 617
Segment activity liabilities				
Due to Banks	--	--	942 375 975	942 375 975
Customers› deposits	31 594 627 799	18 488 997 084	--	50 083 624 883
Financial derivatives	(13 063 898)	--	16 157 497	3 093 599
Other loans	--	--	79 567 562	79 567 562
Unclassified liabilities				
other liabilities	--	--	--	1 511 869 712
Other provisions	--	--	--	386 803 609
Current income tax payable	--	--	--	351 547 412
Employee benefit liabilities	--	--	--	91 918 000
Total liabilities	31 581 563 901	18 488 997 084	1 038 101 034	53 450 800 752
Total equity & Subordinated loan	--	--	--	7 434 059 865

Total assets	22 746 552 929	4 230 391 230	23 501 744 620	53 219 630 583
Total liabilities	27 034 026 733	16 681 447 116	786 902 947	46 690 612 040
Total equity & Subordinated loan	--	--	--	6 529 018 543

(5/A) Analysis of geographical segments

	Cairo	Giza	Alex-Delta	Red sea/ Upper Egypt	Head office	Total
Income and expenses according to geographical segments_						
Interest from loans and similar income	2 652 688 307	2 137 234 427	1 051 054 575	359 194 563	(2 333 883 502)	3 866 288 370
Interest expense and similar expenses	(1 993 892 751)	(1 502 409 635)	(777 836 270)	(265 614 656)	2 569 603 918	(1 970 149 394)
Net interest income	658 795 556	634 824 792	273 218 305	93 579 907	235 720 416	1 896 138 976
Fee and commission income	255 206 414	191 228 832	97 473 607	44 375 740	109 243 090	697 527 683
Fee and commission expense	(4 659 811)	(3 803 981)	(2 246 088)	(1 044 569)	(503 922)	(12 258 371)
Net interest, fees & commissions income	909 342 159	822 249 643	368 445 824	136 911 078	344 459 584	2 581 408 288
Dividend income	--	--	--	--	20 063 973	20 063 973
Net trading income	22 021 362	15 794 949	8 397 918	6 377 889	83 131 714	135 723 832
Gain on sale of financial investments	--	--	--	--	65 987 069	65 987 069
Impairment losses	27 105 748	22 127 452	13 065 314	2 931 274	6 076 177	71 305 965
Administrative expenses	(329 800 015)	(269 228 288)	(158 967 784)	(73 929 829)	(35 665 279)	(867 591 195)
Goodwill amortization	--	--	--	--	(361 917 659)	(361 917 659)
Other operating revenues (expenses)	(20 245 359)	(16 527 056)	(9 758 519)	(4 538 314)	(9 731 186)	(60 800 434)
Share on operating income of associated companies	--	--	--	--	6 680 447	6 680 447
Profit before income tax	608 423 895	574 416 700	221 182 753	67 752 098	119 084 840	1 590 860 286
Income tax expense	(121 684 779)	(114 883 340)	(44 236 551)	(13 550 419)	41 320 820	(253 034 269)
Net profit for the year	486 739 116	459 533 360	176 946 202	54 201 679	160 405 660	1 337 826 017
Net profit for the comparative year	469 674 453	608 730 290	182 232 085	(21 717 998)	54 260 689	1 293 179 519

Assets and liabilities per geographical segments

Assets of geographical segments	Cairo	Giza	Alex-Delta	Red sea/ Upper Egypt	Head office	Total
Cash and due from Central Bank of Egypt	136 321 022	208 751 368	99 985 928	79 827 468	4 629 462 816	5 154 348 602
Due from Banks	100 000	--	162 305	--	4 723 776 685	4 724 038 990
Treasury bills	--	--	--	--	12 348 692 703	12 348 692 703
Loans to customers	16 331 717 504	8 658 760 501	5 287 163 494	2 221 886 994	--	32 499 528 493
Provision for impairment loss & reserved interest & Unearned discount for discounted bills	(338 560 475)	(546 170 674)	(196 456 495)	(64 357 649)	(8 662 739)	(1 154 208 032)
Financial derivatives	--	--	--	--	34 697 434	34 697 434
Investments available for sale	--	--	--	--	5 315 919 205	5 315 919 205
Investments held to maturity	--	--	--	--	206 196 247	206 196 247
Investments in affiliates	--	--	--	--	90 166 340	90 166 340
Other assets	73 641 489	39 670 471	32 163 270	17 796 188	515 027 075	678 298 493
Fixed assets (Net)	136 872 847	177 975 198	108 350 021	91 237 263	185 642 144	700 077 473
Unclassified assets						
Intangible assets	--	--	--	--	--	105 334 201
Goodwill	--	--	--	--	--	--
Deferred tax assets	--	--	--	--	--	181 770 468
Total assets	16 340 092 387	8 538 986 864	5 331 368 523	2 346 390 264	28 040 917 910	60 884 860 617

Liabilities of geographical segments	Cairo	Giza	Alex-Delta	Red sea/ Upper Egypt	Head office	Total
Due to Banks	3 117 395	55 953 875	5 446 928	--	877 857 777	942 375 975
Customers› deposits	20 349 788 429	17 395 728 580	8 932 700 351	3 300 137 439	105 270 084	50 083 624 883
Financial derivatives	(3 575 971)	--	--	(9 487 927)	16 157 497	3 093 599
Other loans	5 398 734	7 042 755	3 711 059	--	63 415 014	79 567 562
Other liabilities	468 774 022	587 043 162	193 331 860	49 151 347	213 569 321	1 511 869 712
Unclassified liabilities						
Other provisions	--	--	--	--	--	386 803 609
Current income tax payable	--	--	--	--	--	351 547 412
Employee benefit liabilities	--	--	--	--	--	91 918 000

Total liabilities	20 823 502 609	18 045 768 372	9 135 190 198	3 339 800 859	1 276 269 693	53 450 800 752
Total equity & subordinated loan	--	--	--	--	--	7 434 059 865
at the end of the comparative year						
Total assets	13 917 102 506	7 867 141 396	4 629 309 766	1 526 133 039	24 715 303 060	53 219 630 583
Total liabilities	19 791 177 357	15 624 137 350	7 567 660 461	2 033 180 491	920 852 403	46 690 612 040
Total equity & Subordinated loan	--	--	--	--	--	6 529 018 543

6- Net interest income

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Interest from loans and similar income:		
Loans and facilities:		
Customers	2 280 294 372	2 163 482 447
	2 280 294 372	2 163 482 447
Treasury bills and bonds	1 472 199 560	989 455 212
Deposits and current accounts	82 512 338	171 822 142
Net profit (losses) of hedging instruments	31 282 100	32 641 349
Total	3 866 288 370	3 357 401 150
Cost of deposits and similar costs		
Deposits and current accounts:		
Banks	(4 927 241)	(8 418 315)
Customers	(1950 488 832)	(1674 592 337)
	(1 955 416 073)	(1 683 010 652)
Other loans	(14 733 321)	(22 741 998)
Total	(1970 149 394)	(1 705 752 650)
Net	1 896 138 976	1 651 648 500

7- Net income from fees and commissions

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Fees and commissions related to credit	416 366 623	351 761 486
Custody fees	6 936 884	6 296 768
Investment commission	33 771 208	41 312 648
Others	240 452 968	197 160 972
Total	697 527 683	596 531 874

Fees and commissions expense:		
Brokerage fees paid	(1 484 613)	(1 296 286)
Other fees paid	(10 773 758)	(13 333 463)
Total	(12 258 371)	(14 629 749)
Net	685 269 312	581 902 125

8- Dividend income

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Available for sale investments	20 063 973	21 585 110
Total	20 063 973	21 585 110

9- Net trading income

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Forex operations:		
Forex profit	130 367 644	73 461 710
Profit resulting from revaluation of trading assets and liabilities in foreign currencies	--	(544 328)
Profit resulting from revaluation of Forward deals	(23 468 467)	34 352 574
Trading debt instruments	28 824 655	56 397 094
Total	135 723 832	163 667 050

10- Administrative expenses

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Staff cost:		
Salaries and wages	375 618 301	327 793 685
Social insurance	14 956 851	12 053 084
Pension cost:		
Defined contribution scheme	26 862 157	23 902 882
Other retirement benefits (Defined benefit scheme)	20 797 738	5 048 000
	438 235 047	368 797 651
Other administrative expenses	429 356 148	413 161 068
Total	867 591 195	781 958 719

11- Other operating incomes (expenses)

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Profit resulting from revaluation of foreign currency balances of assets and liabilities of monetary nature other than those held for trading or originally classified at fair value through profit or loss	65 594 090	(6 200 388)
Gain on sale of fixed assets	598 173	1 242 488
Program cost	(12 762 061)	(17 281 504)
Operating lease	(40 496 563)	(36 949 758)
Gain on sale of assets reverted to the Bank in settlement of debts	388 000	6 933 413
Valuation difference of assets reverted to the Bank in settlement of debts	(410 000)	(3 499 400)
Other provisions	(75 311 167)	(10 195 260)
Others	1 599 094	--
Total	(60 800 434)	(65 950 409)

12- Credit impairment expense

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Loans and facilities to customers	71 305 965	280 941 037
Total	71 305 965	280 941 037

13- Income tax expense

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Current tax	(351 743 897)	(251 944 064)
Deferred tax	98 709 628	19 365 843
Total	(253 034 269)	(232 578 221)

Additional data concerning deferred tax has been disclosed in note 31.
The income tax is different from the value resulting from applying tax rates as follows:

Profit before tax	1 590 860 286	1 525 757 740
Income tax calculated at 20 % tax rate	318 172 057	305 151 548
Non-taxable income	(45 161 792)	50 244 541
Expensed not recognized by tax department	4 641 555	4 948 400
Recognizing deferred tax assets not previously recognized	47 162 351	38 216 154
Provision and reserved interest	(3 193 661)	(21 686 849)
Changing in accounting standards	30 123 387	(124 929 730)
Current income tax expense	351 743 897	251 944 064

Tax Position

A) NSGB Position:

A-1) Corporate Tax

The Bank's accounts were examined and reconciled with respect to Tax since the beginning of activity till the end of 2006.
Year 2007 is under inspection by tax authorities.
Years 2008, 2009 the Bank presented the tax return within legal period but the tax inspection is underway.

A-2) Salaries Taxes

The Bank's books have been inspected, and the due tax was paid until year 2002.
Years 2003 till 2004 have been inspected and the Bank objected on the claims and waits for holding the internal committee.
Years 2005 till 2006 are still under inspection by tax authorities.

A-3) Stamp Tax

The Bank's books have been inspected, and the due tax was paid for some branches until 31/07/2006 & the others branches are still under inspection to reach 31/07/2006.
Period from 01/08/2006 till 31/12/2009 is still under inspection.

(B)EX-MIBank Position:

B-1) Corporate Tax

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

B-2) Salaries Taxes

The Bank's books have been inspected, and the due tax was paid till end of 2004.
Years 2005, 2006 are still under inspection with tax authorities.

B-3) Stamp Tax

The Bank's books have been inspected, and the tax due was paid for some branches until 31/07/2006 & the others branches are still under inspection to reach 31/07/2006.

14- Earnings per share

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Net profit for the year	1 337 826 017	1 293 179 519
Board Members› bonus	(1 700 000)	(1 700 000)
Staff Profit Sharing	(107 000 000)	(87 000 000)
Shareholders› share in profit	1 229 126 017	1 204 479 519
Number of shares	366 558 598	366 558 598
Earnings per share	3.35	3.29

15- Cash and due from Central Bank of Egypt

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Cash	1 161 844 259	956 152 817
Balances with Central Banks (mandatory reserve)	3 992 504 343	3 116 707 156
Total	5 154 348 602	4 072 859 973
Interest free balances	5 154 348 602	4 072 859 973
Total	5 154 348 602	4 072 859 973

16- Due from Banks

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Current accounts	405 563 700	306 006 159
Deposits	4 318 475 290	5 541 878 191
Total	4 724 038 990	5 847 884 350
Central Bank other than mandatory reserve	1 613 208 111	2 197 449 250
Local Banks	42 034 209	29 463 156
Foreign Banks	3 068 796 670	3 620 971 944
Total	4 724 038 990	5 847 884 350
Interest free balances	145 396 677	182 343 593
Variable interest balances	264 652 323	123 662 566
Fixed interest balances	4 313 989 990	5 541 878 191
Total	4 724 038 990	5 847 884 350
Current balances	4 724 038 990	5 847 884 350
Total	4 724 038 990	5 847 884 350

17- Treasury bills

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
91 days maturity	786 625 000	1 443 100 000
182 days maturity	5 939 275 000	4 372 100 000
More than 182 days maturity	5 947 625 000	3 524 950 000
	12 673 525 000	9 340 150 000
Less : Unearned interest	(324 832 297)	(244 268 595)
Net	12 348 692 703	9 095 881 405

18- Trading investments

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Local Companies' shares *	--	115 726 059
Total trading investments	--	115 726 059

* During the year the Bank reclassified the financial assets portfolio managed by a portfolio management company from financial assets for trading to financial assets available for sale as the Bank does not have an intention to sell these investments in the near future. The Bank transfers the portfolio using the fair value at the revaluation date in which no revaluation impact has been charged to the income statement.

19- Loans and facilities to costumers (net of provision)

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Debit current accounts	761 816 529	721 369 365
Credit cards	169 148 929	139 248 178
Personal loans	4 501 460 404	3 518 960 736
Real estate loans	103 056 026	49 740 104
Total (1)	5 535 481 888	4 429 318 383
Corporate including small loans for businesses		
Debit current accounts	14 823 394 716	13 044 876 276
Direct loans	7 237 319 675	6 173 083 651
Syndicated loans	4 231 486 464	3 753 098 438
Other loans	671 845 750	592 860 026
Total (2)	26 964 046 605	23 563 918 391
Total loans and facilities to customers (1+2)	32 499 528 493	27 993 236 774
Less: Provision for impairment losses	(1 041 574 828)	(1 225 403 640)
Less: Reserved interest	(94 485 239)	(171 786 015)
Unearned discount for discounted bills	(18 147 965)	(26 983 635)
Net to be distributed as follows:	31 345 320 461	26 569 063 484
Current balances	16 893 870 934	14 365 779 439
Non-current balances	14 451 449 527	12 203 284 045
Total	31 345 320 461	26 569 063 484

19-A Provision for impairment losses

Dec. 31, 2010			
		Individuals	
	Specific provision	Collective provision	Total
Balance at the beginning of the year	161 164 784	37 498 777	198 663 561
Impairment loss	18 861 705	22 211 350	41 073 055
Balance at end of the year	180 026 489	59 710 127	239 736 616
		Corporate	
	Specific provision	Collective provision	Total
Balance at the beginning of the year	878 942 421	147 797 658	1 026 740 079
Reversal of impairment losses	(75 839 675)	(36 539 345)	(112 379 020)
Write off	(126 351 865)	--	(126 351 865)
Recoveries during the year	--	8 266 828	8 266 828
Forex revaluation differences	616 750	4 945 440	5 562 190
Balance at end of the year	677 367 631	124 470 581	801 838 212
Total	857 394 120	184 180 708	1 041 574 828

	Dec. 31, 2009 Individuals Specific provision	Collective provision	Total
Balance at the beginning of the year	156 809 983	81 724 936	238 534 919
Impairment losses	4 354 801	--	4 354 801
Reversal of impairment loss	--	(44 226 159)	(44 226 159)
Balance at end of the year	161 164 784	37 498 777	198 663 561
	Corporate_ Specific provision	Collective provision	Total
Balance at the beginning of the year	1 309 359 010	106 751 123	1 416 110 133
Impairment losses	--	41 764 620	41 764 620
Write off	(167 308 886)	--	(167 308 886)
Reversal of impairment losses	(282 834 299)	--	(282 834 299)
Recoveries during the year	20 135 380	--	20 135 380
Forex revaluation differences	(408 784)	(718 085)	(1 126 869)
Balance at the end of the year	878 942 421	147 797 658	1 026 740 079
Total	1 040 107 205	185 296 435	1 225 403 640

20- Financial Derivatives

		Dec. 31, 2010		
(A)	Trading	Notional	Assets	Liabilities
	Forward foreign exchange contracts	1 024 575 642	--	3 093 599
	Interest rate swap	919 204 753	26 301 153	--
	Total (1)		26 301 153	3 093 599
(B)	Fair value hedge			
	Interest rate Swap	1 577 380 844	5 896 354	--
	Total (2)		5 896 354	--
(C)	Cash flow hedge			
	Interest rate swap	319 269 500	2 499 927	--
	Total (3)		2 499 927	--
	Total assets derivatives (1+2+3)		34 697 434	3 093 599
		Dec. 31, 2009		
(A)	Trading	Amount	Assets	Liabilities
	Forward foreign exchange contracts	322 241 449	20 374 868	--
	Interest rate swap	1 251 955 276	15 129 494	--
	Total (1)		35 504 362	--
(B)	Fair value hedge			
	Interest rate swap	644 942 608	8 436 738	--
	Total (2)		8 436 738	--
	Total assets derivatives (1+2)		43 941 100	--

Forward contracts represent commitments to purchase local and foreign currencies including the unexecuted portion of spot transactions. Interest rate swap represents commitments to swap fixed interest rate with variable interest rate and there is no actual swap for contracted amounts but only in foreign exchange. Credit risk for the Bank is represented in the potential cost of exchanging swaps if other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and a percentage of the contracted amounts. To control the outstanding credit risk, the Bank valuates other parties in the same manner used in lending activities.

Fair value hedge

The Bank has hedged part of return rates risk that results from probabilities of decreasing in fair value hedge of customers' deposits with fixed rate in foreign currencies and this is by using interest rate swap.
The fair value for swaps represents net assets by EGP 5 896 354 as of December 31, 2010 against net assets by EGP 8 436 738 as of December 31, 2009.

Cash Flow Hedge

The Bank has hedged part of cash flow risk that results from granted loans to customers and this is by using interest rate swap.
The fair value for swaps represents net assets by 2 499 927 EGP in current year.

21- Financial investments

	Financial investment available for sale	Dec. 31, 2010	Dec. 31, 2009
(A)	Debt instruments – fair value	EGP	EGP
	Listed instruments	3 529 817 689	3 568 082 902
	Unlisted instruments	1 291 530 224	1 287 967 202
(B)	Equity instruments – fair value		
	Listed instruments	77 713 090	73 820 407
	Unlisted instruments	416 858 202	476 438 712
	Total financial investment available for sale (1)	5 315 919 205	5 406 309 223
	Financial investments held to maturity		
(A)	Debt instruments		
	Listed instruments	196 196 247	196 666 897
	Unlisted instruments	--	--
(B)	Equity instruments		
	Listed instruments	--	--
	Unlisted instruments *	10 000 000	5 000 000
	Total financial investments held to maturity (2)	206 196 247	201 666 897
	Total financial investments (1+2)	5 522 115 452	5 607 976 120
	Current balances	886 028 407	666 629 756
	Non-current balances	4 636 087 045	4 941 346 364
	Total	5 522 115 452	5 607 976 120
	Fixed interest debt instruments	5 017 544 160	5 052 717 001
	Variable interest debt instruments	--	--
	Total	5 017 544 160	5 052 717 001

- Investments movement during the year :

	Financial investments available for sale	Financial investments held to maturity
Beginning balance for the current year	5 406 309 223	201 666 897
Additions	1 702 028 683	5 000 000
Amortization of premium / discount	(12 130 836)	(470 650)
Disposals (sale/redemption)	(2 000 260 039)	--
Transfers (Note 18)	119 978 377	--
Differences resulting from foreign currency assets of monetary nature	75 406 358	--
Profit resulting from change in fair value	24 587 439	--
Provision for impairment loss	--	--
Closing balance at the end of the financial year	5 315 919 205	206 196 247

- Investments movement during the comparative year :

Beginning balance for the comparative year	3 430 596 558	224 846 403
Additions	2 503 279 258	--
Amortization of premium / discount	(6 368 382)	(179 506)
Disposals (sale/redemption)	(507 169 637)	(23 000 000)
Differences resulting from foreign currency assets of monetary nature	(3 030 099)	--
Profit resulting from change in fair value	(10 998 475)	--
Provision for impairment loss	--	--
Closing balance at the end of comparative year	5 406 309 223	201 666 897

	Dec. 31, 2010	Dec. 31, 2009
Profit (losses) of financial investments		
Gain on de-recognition of investments available for sale	--	2 139 254
Gain on sale of financial assets available for sale	65 987 069	12 405 136
Profit of selling shares in associates	--	3 000 000
	65 987 069	17 544 390

Equity instruments listed in held to maturity category represent certificates of NSGB money market Funds at the first initial of the fund which have to be held until fund termination which contain 50 000 certificates with the amount of 5 000 000 EGP represent 5% of our share in the first initial issuing of Themar fund and 50 000 certificates with the amount of 5 000 000 EGP represent 20% of our share in the first initial issuing of Tawazon fund.

22- Investments in associates

The Bank's shareholding percentage in affiliates and subsidiaries are as follows:

Dec 31, 2010	Company country	Assets of the company EGP	Liabilities of the company (without equity) EGP	Revenues of the company EGP	Profit/ loss of the company EGP	Book value EGP	Share holding %
Sogelease Egypt Company	Egypt	2 492 234 026	2 337 121 452	540 827 744	16 509 040	62 045 029	%40
NSGB Life Insurance Company	Egypt	352 217 064	263 504 049	23 961 660	13 345 341	22 178 254	%25
ALD Automotive	Egypt	108 832 000	89 177 000	43 855 000	(2 168 000)	2 456 875	%12.5
Senouhi Company for Construction Materials	Egypt	15 567 909	2 635 119	11 673 656	774 730	2 986 182	%23.09
Servinil *	Egypt					500 000	%25
Total		2 968 850 999	2 692 437 620	620 318 060	28 461 111	90 166 340	

* Investment in affiliates disclosure do not provide details related to Bank contribution in Servinil Co. amounted to EGP 500 000 as Servinil has not started operations yet.

At 31st December 2010, the Bank owned 12.5% of ALD (2009- 25%). Although the Bank holds less than 20% of the ownership interest and voting control in ALD, the Bank has the ability to exercise significant influence through:

-Its Participation in policy-making processes, including participation in decisions about dividends or other distributions.

-Material transactions between the Bank and ALD Automotive Co.

Dec. 31, 2009	Company country	Assets of the company EGP	Liabilities of the company (without equity) EGP	Revenues of the company EGP	Profit/ loss of the company EGP	Book value EGP	Share holding %
Sogelease Egypt Company	Egypt	2 450 374 620	2 297 790 192	537 688 030	31 848 857	61 033 771	40%
NSGB Life Insurance Company	Egypt	245 259 465	184 845 387	115 770 000	21 424 000	15 103 519	25%
ALD Automotive	Egypt	119 464 203	113 141 777	46 181 000	639 370	1 580 607	25%
Senouhi Company for Construction Materials	Egypt	17 671 356	3 417 533	15 764 328	1 534 378	3 291 208	%23.09
Servinil *	Egypt	--	--	--	--	500 000	25%
Total		2 832 769 644	2 599 194 889	715 403 358	55 446 605	81 509 105	

* Investment in affiliates disclosure do not provide details related to Bank contribution in Servinil Co. amounted to EGP 500 000 as Servinil has not started operations yet.

23-A Intangible assets

		Dec. 31, 2010 EGP	Dec. 31,2009 EGP
	Software		
	Net book value at the beginning of the year	119 972 318	137 395 505
	Addition	8 081 924	6 312 291
	Amortization	(22 720 041)	(23 735 478)
	Net book value at the end of the year	105 334 201	119 972 318
23-B Goodwill			
	Net book value at the beginning of the year	361 917 659	723 835 331
	Amortization	(361 917 659)	(361 917 672)
	Net book value at the end of the year	--	361 917 659

24- Other assets

		Dec. 31, 2010 EGP	Dec. 31,2009 EGP
	Accrued revenues	284 270 955	262 851 552
	Pre-paid expenses	24 611 178	22 101 226
	Advance payments for purchasing fixed assets	102 955 334	61 225 660
	Assets reverted to the Bank in settlement of debts	42 924 097	14 432 150
	Deposits & custody	2 890 849	2 777 819
	Others	220 646 080	171 058 417
	Total	678 298 493	534 446 824

25- Fixed assets

	Lands and buildings EGP	Renovations of leased assets EGP	Machinery & equipment EGP	Others EGP	Total
Beginning balance (1/1/2009)					
Cost	557 759 769	63 877 042	224 346 377	53 726 810	899 709 998
Accumulated depreciation	(132 382 185)	(16 663 857)	(127 596 871)	(30 941 508)	(307 584 421)
Net book value	425 377 584	47 213 185	96 749 506	22 785 302	592 125 577
Balance of the current financial year					
Net book value at the beginning of the year	425 377 584	47 213 185	96 749 506	22 785 302	592 125 577
Additions	117 578 937	15 902 965	29 379 676	12 064 915	174 926 493
Disposals	(18 000)	(63 868)	(83 949)	--	(165 817)
Deprecation cost	(28 954 111)	(8 773 835)	(36 724 268)	(6 732 692)	(81 184 906)
Net book value (31/12/2009)	513 984 410	54 278 447	89 320 965	28 117 525	685 701 347
Beginning balance (1/1/2010)					
Cost	675 320 706	79 716 139	253 642 104	65 791 725	1 074 470 674
Accumulated depreciation	(161 336 296)	(25 437 692)	(164 321 139)	(37 674 200)	(388 769 327)
Net book value	513 984 410	54 278 447	89 320 965	28 117 525	685 701 347
Balance of the current financial year					
Net book value at the beginning of the year	513 984 410	54 278 447	89 320 965	28 117 525	685 701 347
Additions	69 003 244	7 140 948	16 220 863	7 855 662	100 220 717
Disposals	(389 713)	--	(121 768)	(9 048)	(520 529)
Depreciation cost	(34 854 755)	(10 161 685)	(33 808 158)	(6 499 464)	(85 324 062)
Net book value (31/12/2010)	547 743 186	51 257 710	71 611 902	29 464 675	700 077 473
Balances (31/12/2010)					
Cost	743 934 237	86 857 087	269 741 199	73 638 339	1 174 170 862
Accumulated depreciation	(196 191 051)	(35 599 377)	(198 129 297)	(44 173 664)	(474 093 389)
Net book value	547 743 186	51 257 710	71 611 902	29 464 675	700 077 473

26- Due to Banks

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Current accounts	64 297 354	94 730 439
Deposits	878 078 621	630 722 297
Total	942 375 975	725 452 736
Central Banks	60 848 767	89 336 550
Local Banks	359 324 188	4 156 509
Foreign Banks	522 203 020	631 959 677
Total	942 375 975	725 452 736
Interest free balances	3 448 587	3 079 336
Variable interest balances	60 848 767	91 651 103
Fixed interest balances	878 078 621	630 722 297
Total	942 375 975	725 452 736
Current balances	942 375 975	725 452 736
Total	942 375 975	725 452 736

27- Customers' deposits

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Demand deposits	10 579 719 848	9 301 640 180
Time deposits & call accounts	28 469 054 867	22 943 506 718
Term saving certificates	5 981 065 000	6 143 512 000
Savings deposits	3 227 851 234	3 058 302 943
Other deposits *	1 825 933 934	2 268 512 008
Total	50 083 624 883	43 715 473 849
Corporate deposits	31 594 627 799	27 176 963 313
Individual deposits	18 488 997 084	16 538 510 536
Total	50 083 624 883	43 715 473 849
Interest free balances	12 405 653 782	11 557 342 990
Variable interest balances	4 875 884 234	4 660 379 947
Fixed interest balances	32 802 086 867	27 497 750 912
Total	50 083 624 883	43 715 473 849
Current balances	43 871 304 982	37 571 961 849
Non-current balances	6 212 319 901	6 143 512 000
Total	50 083 624 883	43 715 473 849

* Other deposits balances include deposits amounted to EGP 635 080 742 as of December 31, 2010 against EGP 1 023 493 383 as of December 31, 2009, they represents letter of credit covers, the fair value of these deposits is approximately equal to its book value.

28. A- Other loans

	Interest Rate %	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Central Bank of Egypt loan	--	56 061 056	58 577 334
European Union loan	4.5	--	625 000
European Investment Bank loan	--	2 189 619	2 247 877
National Egyptian Bank Loan (Ebab & Eco)	--	16 316 887	--
Commercial International Bank	--	5 000 000	--
Total		79 567 562	61 450 211

28. B- Subordinated loan

Represent a loan from SG Paris acquired on December 27, 2006 for USD 140 000 000 equivalent to EGP 812 686 000 as of December 31, 2010 and equivalent to EGP 767 956 000 as of December 31, 2010. The loan period is 7 years ending on January 27, 2014, the interest is paid at the end of each year with an interest rate of 0.9% over LIBOR 12 months.

29- Other liabilities

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Accrued interest	1 113 517 300	1 049 391 880
Unearned revenues	64 472 052	74 830 656
Accrued expenses	100 957 708	101 065 209
Dividends payable	--	326 791
Sundry credit balances	232 922 652	209 016 730
Total	1 511 869 712	1 434 631 266

30- Other provisions

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

Description	Dec. 31, 2009 Balance at the beginning of the year EGP	Formed during the year EGP	Refunded during the year EGP	Foreign currencies revaluation differences EGP + (-)	Amounts used during the year EGP	Balance at the end of year EGP
Provision for tax probable claims	420 203 232	--	(33 007 258)	--	(163 033 017)	224 162 957
Provision for legal probable claims	23 792 643	16 557 737	--	(38 670)	--	40 311 710
Contingent liabilities provision	103 928 358	2 183 081	--	(301 271)	--	105 810 168
Sell-out honesty provision	14 335 621	--	(10 785 292)	(39 672)	--	3 510 657
Provision for probable claims	13 363 414	35 246 992	--	--	--	48 610 406
Provision for staff vacations	3 700 000	--	--	--	--	3 700 000
Total	579 323 268	53 987 810	(43 792 550)	(379 613)	(163 033 017)	426 105 898

31- Deferred income tax

Deferred income tax was fully calculated on the deferred tax difference according to balance sheet method using a tax rate of 20% for the current financial year.
Deferred tax asset and liabilities are offset against each other to the extent this is a legally enforceable right when the deferrals belong to the same tax entity.

Deferred tax assets and liabilities

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

	Deferred tax assets			Deferred tax liabilities_	
	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP		Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Fixed assets	--	--		(29 801 239)	(33 992 597)
Goodwill (Amortization)	175 342 203	125 427 732		--	--
Provisions (other than the provision for loan impairment)	61 725 170	46 267 706		--	--
Fair value differences	--	--		(22 251 160)	(22 561 160)
Change in accounting standards	--	--		(3 244 506)	(32 390 842)
Total tax of which an asset (liability) arises	237 067 373	171 695 438		(55 296 905)	(88 944 599)
Net tax of which an asset (liability) arises	181 770 468	82 750 839			
Movement of deferred tax assets and liabilities:					
	Deferred tax assets_			Deferred tax liabilities_	
	Dec. 31, 2010	Dec. 31, 2009		Dec. 31, 2010	Dec. 31, 2009
	EGP	EGP		EGP	EGP
Beginning balance	171 695 438	122 572 866		(88 944 599)	(61 255 835)
Additions	65 371 935	49 122 572			--
Disposals	--	--		33 647 694	(27 688 764)
Closing balance	237 067 373	171 695 438		(55 296 905)	(88 944 599)
Deferred tax stated directly in equity					
	Dec. 31, 2010			Dec. 31, 2009	
	EGP			EGP	
Fair value differences	(22 251 160)			(22 561 160)	
Special reserve (Impact of applying the new accounting policies)	(3 244 506)			(16 896 768)	

32- Retirement benefit liability

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Liabilities stated in the balance sheet for:		
Post-retirement medical benefits	91 918 000	75 506 000
Amounts recognized in the income statement:		
Post-retirement medical benefits	20 797 738	849 472
Post-retirement medical benefits		
Present value of liabilities not financed	98 676 805	82 602 302
Unrecognized actuarial loss	(6 758 805)	(7 096 302)
	91 918 000	75 506 000
Liability movements during the financial year are represented as follows:		
Beginning balance (at the beginning of the current year)	75 506 000	61 866 178
Current service cost	2 986 205	1 072 703
Interest cost	4 770 204	4 376 960
Actuarial gains (losses)	13 041 329	12 683 427
Benefits paid	(4 385 738)	(4 493 268)
	91 918 000	75 506 000
Amounts recognized in the income statement are represented as follows:		
Current service cost	2 986 205	1 072 703
Interest cost	4 770 204	4 376 960
Net actuarial losses (gain) recognized during the year	13 041 329	(4 600 191)
	20 797 738	849 472
Main actuarial assumptions used are represented as follows: Discount rate (two plans):		
A- NSGB current employees plan	6.43%	7.40%
B- Ex-MIBank retirees plan	5.75%	7.16%
NSGB long term increase in the cost of medical care (on top of inflation)	8.26%	7.50%
Ex-MIBank long term increase in the cost of medical care (on top of inflation)	7.50%	7.50%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost		DBO
Post-retirement medical benefits - NSGB current employees plan	-26.05%		-22.16%
Post-retirement medical benefits - Ex-MiBank retirees plan	--		-14.28%
Post-retirement medical benefits			
	Dec. 31, 2010 EGP		Dec. 31, 2009 EGP
Present value of defined benefit liabilities	91 918 000		75 506 000
Adjustments to assumptions related to benefit scheme liabilities	1 979 348		2 433 296

33- Paid - in capital

(A) Authorized Capital

The authorized capital amounts to EGP 5 Billion.

(B) Issued and Paid in Capital

The issued & subscribed capital on January 1, 2009 amounted to EGP 3 029 409 900, representing 302 940 990 shares with a nominal value of EGP 10 each, of which 177 617 990 shares were paid in Egyptian Pound and EGP 125 323 000 shares were paid in foreign currency. The value of the shares paid in foreign currencies is recorded according to the exchange rates prevailing on the payment date.

On March 11, 2009 the Extra Ordinary General Assembly decided to increase the issued capital from EGP 3 029 409 900 to EGP 3 332 350 890 with an increase of EGP 302 940 990 to be deducted from general reserve.

On March 25, 2010 the Extra Ordinary General Assembly decided to increase the issued capital by an amount of EGP 333 235 090 through a transfer from the General Reserves to reach EGP 3 665 585 980. The issued capital is EGP 3 665 585 980 on December 31, 2010, representing 366 558 598 shares with a nominal value of 10 EGP each, of which 241 235 598 shares were paid in Egyptian pound and.125.323.000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

34- Share-Based Payments

Bank of Societe Generale Paris (France), which is the parent of National Societe Generale Bank, has launched new employees share ownership plan (ESOP) According to the Board of Directors meeting on 2 November 2010. It has issued equity-settled share-based payments from Societe Generale Paris' shares in the favor of employees in National Societe General Bank based on specific performance terms:

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

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

35- Reserves and retained earnings

(1) Reserves

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
General reserve (a)	934 905 534	650 440 624
General Banking risk reserve (b)	248 979 161	102 545 466
Legal reserve (c)	252 481 583	193 378 687
Fair value reserve – available for sale financial investments (d)	136 954 314	112 056 875
Special reserve (e)	173 681 968	173 681 968

Capital reserve	7 208 971	5 966 483
Cash flow hedge risk reserve	1 999 942	--
Total reserves at the end of the year	1 756 211 473	1 238 070 103
Reserves movements are as follows:		
(a) General reserve		
Balance at the beginning of the financial year	650 440 624	790 081 614
Transferred to /from retained earning	617 700 000	163 300 000
Transferred to capital increase	(333 235 090)	(302 940 990)
Balance at the end of the financial year	934 905 534	650 440 624
(b) General Banking risk reserve		
Balance at the beginning of the financial year	102 545 466	--
Transferred from year profit	146 433 695	102 545 466
Balance at the end of the financial year	248 979 161	102 545 466

CBE regulations require that general Banking risk provision shall be formed to meet unexpected risks. Use of this provision is contingent on CBE approval.

(c) Statutory reserve

Balance the beginning of the financial year	193 378 687	165 076 742
Transferred from profit of the year	59 102 896	28 301 945
Balance at the end of the financial year	252 481 583	193 378 687

According to local laws 5 % of net profit of the year shall be transferred to undistributable reserve until it reaches 100 % of capital.

(d) Fair value reserve – available for sale financial investments

Balance at the beginning of the financial year	112 056 875	123 524 105
Net profit resulting from change in fair value (Note 21)	49 000 507	(23 457 639)
Less: deferred income tax (Note 31)	310 000	11 992 909
Net profit transferred to income due to derecognition (Note 21)	(24 413 068)	(2 500)
balance at the end of the financial year	136 954 314	112 056 875

(e) Special Reserve

The application of rules of preparation and presentation of financial statements of the Banks as well as the modified principles of recognition or measurement requires undertaking some modifications to the comparative figures for the first financial year that have impact on the balance sheet (comparative figures) income statements (for the previous year). As the impact of adjustment is positive so it is charged directly through retained earnings to the special reserve in equity and shall not be used except by approval from CBE.

Beginning balance before amendment	7 333 408
Allowance for loans to customers	112 739 320

Contingent liabilities Provision	39 486 484
Amortized cost method using EIR for investments held to maturity	253 607
Amortized cost method using EIR for investments Available for sale	393 930
Equity method for affiliates companies	26 637 789
Deferred tax (Tax impact on adjustments)	(22 288 030)
Investments available for sale	9 125 460
Beginning balance after amend	173 681 968

(2) Retained earnings

Movements on retained earnings:	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Balance at the beginning of the financial year	1 190 641 550	566 423 832
Net profit of the financial year	1 337 826 017	1 293 179 519
Previous year's profit appropriations	(416 543 861)	(302 940 990)
Employees' share in profit	(87 000 000)	(70 000 000)
Board of directors' remuneration	(1 700 000)	(1 500 000)
Transferred to capital reserve	(1 242 488)	(373 400)
Transferred to general reserve	(617 700 000)	(163 300 000)
Transferred to the statutory reserve	(59 102 896)	(28 301 945)
Transferred to general Banking risk reserve	(146 433 695)	(102 545 466)
Balance at the end of the financial year	1 198 744 627	1 190 641 550

36- Cash and cash equivalents

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

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Cash and balances with central Banks	1 161 844 259	956 152 817
Due from banks	3 987 335 447	3 818 414 194
Treasury bills and other governmental notes	783 156 537	1 430 217 520
Total	5 932 336 243	6 204 784 531

37- Contingent liabilities and other commitments

(a) Legal claims (litigation)

There are lawsuits filed against the Bank as of December 31, 2010 and no provision has been formed for these lawsuits since no loss is expected therefore.

(b) Capital commitments

The Bank's contracts for capital commitments amounted to EGP 162 676 282 as of December 31, 2010 against EGP 41 056 416 in the comparative year representing purchases of equipments and the management is adequately confident that net profit shall be realized and finance shall be made available for covering these commitments.

(c) Commitments for loans, guarantees and facilities

The Bank's commitments for loans ,Guarantees and facilities are represented as follows:

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Loan commitments	543 649 246	477 879 468
Accepted papers	727 779 938	610 871 992
L/Gs	11 018 604 249	9 544 533 612
Import L/Cs	1 799 212 025	1 655 904 992
Export L/Cs	279 148 133	187 129 781
Other contingent liabilities (Financial guarantees)	15 990 678	130 377 154
	14 384 384 269	12 606 696 999

(d) Commitments for operating lease contracts

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

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Not more than one year	34 415 702	27 863 084
More than one year and less than 5 years	95 151 779	73 427 799
More than 5 years	46 001 696	33 057 421
Total	175 569 177	134 348 304

38- Related-party transactions

The Bank is a subsidiary of a parent Societe Generale Paris, France which owns 77.2% of the ordinary shares. The remaining 22.8% shares are publicly held.
A number of Banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, and foreign currency transactions.

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

	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Due from Banks	166 730 466	192 798 023
Due to Banks	520 632 172	630 558 749
Subordinated debt	812 686 000	767 956 000
Bank undertaking	13 873 740	119 166 837
Export LCs	47 598 564	51 235 448
LGs for Banks	1 733 641 448	1 460 649 387
Forward deals	652 493 303	129 955 906
IRS	2 815 855 097	1 896 897 884

(1) Loans and facilities to related parties

	Directors and others key management personnel (and close family members*)		Affiliates companies	
	Dec. 31,2010 EGP	Dec. 31, 2009 EGP	Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Outstanding loans at the beginning of the financial year	261 637	1 240 313	1 283 732 582	1 287 074 491
Loans issued during the financial year	1 001 590	3 234 024	3 131 082 719	1 121 364 851
Loans repayment during the financial year	(672 250)	(4 212 700)	(3131 890 848)	(1124 706 760)
Loans outstanding at the end of the financial year	590 977	261 637	1 282 924 453	1 283 732 582
Return on loans	39 185	23 845	90 936 030	65 524 721
*No provisions have been recognized in respect of loan given to related parties				
The loans and advances to Affiliates and subsidiaries are				
Overdrafts on current accounts	95 645	83 907	11 038 059	976
Cash credit - Staff	331 297	163 945	--	--
Revolving term loan	--	--	1 200 971 624	1 175 381 606
Visa card	164 035	13 785	--	--
Equipment loans	--	--	70 914 770	108 350 000
Total	590 977	261 637	1 282 924 453	1 283 732 582

Deposits from Related parties	Directors and others key management personnel (and close family members) Dec. 31,2010 EGP	Dec. 31, 2009 EGP	Affiliates companies Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Deposits outstanding at the beginning of the financial year	13 303 809	12 864 337	567 046 207	730 346 949
Deposits received during the financial year	90 465 757	114 743 317	7 303 112 961	10 848 005 556
Deposits repaid during the financial year	(88 459 007)	(114 303 845)	(7346 086 513)	(11011 306 298)
Deposits outstanding at the end of the financial year	15 310 559	13 303 809	524 072 655	567 046 207
Interest expense on deposits	725 229	412 540	2 767 252	3 246 515
The Deposits due to affiliates and subsidiaries are:				
Current account	662 687	646 475	19 999 407	7 669 759
Saving account	830 701	416 387	--	--
Certificates of deposits	6 167 000	5 777 000	--	--
Time deposits	7 650 171	6 463 947	504 073 248	559 376 449
Total	15 310 559	13 303 809	524 072 655	567 046 207

c- Other transactions with related parties

	Directors and others key management personnel (and close family members) Dec. 31,2010 EGP	Dec. 31, 2009 EGP	Affiliates companies Dec. 31, 2010 EGP	Dec. 31, 2009 EGP
Fee and commission income	17 178	15 430	1 564 375	1 336 723
Guarantees issued by the Bank	--	--	8 189 933	4 588 499
The guarantees issued by the Bank are:				
LGs	--	--	55 853	77 922
LCs	--	--	8 134 080	4 510 577
Total	--	--	8 189 933	4 588 499

NSGB Money Market Funds

39A-NSGB Money Market Funds (THEMAR)

NSGB has set up an investment fund named NSGB Investment Fund with daily accumulated interest (Themar) as one of the Banking activities authorized for the Bank according to the law of the Capital Market Stock number 95 for the year 1992.

The first issue of Investment fund (THEMAR) was one Million certificates amounting to EGP 100 Million 50 000 certificates were subscribed by NSGB, for an amount of EGP 5 Million. EFG HERMES is managing this investment fund.

The number of securities of the investment fund reached 60 214 355 at December 31, 2010, with a total value of EGP 8 437 476 280 , NSGB held 1 204 287 investment certificates with a value of EGP 166 743 312 , of which EGP 5 000 000 are classified as held to maturity and represent 5% of the number of securities of the first issue of the investment fund, while EGP 161 743 312 representing 2 % of the increase in the value of the investment fund are recorded as investments available for sale.

According to the fund management agreement and the prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions amounted to EGP 33 653 908 in the financial year ended as at December 31, 2010 recorded under the item of fee and commission income in the income statement.

B-NSGB Balanced Fund (Tawazon)

NSGB has set up an investment fund named NSGB Balanced Fund with Periodic Income (Tawazon) as one of the Banking activities authorized for the Bank according to the law of the Capital Market Stock number 95 for the year 1992.

The first issue of Investment fund (Tawazon) was two hundered fifty thousand certificates amounting to EGP 25 Million. 50 000 certificates were subscribed by NSGB, for an amount of 5 Million EGP. Beltone Asset Management is managing this investment fund.

The number of securities of the investment fund reached 952 959 at December 31, 2010, with a total value of EGP 96 223 415 , NSGB held 50 000 investment certificates with a value of EGP 5.000.000 , represent 20% of the number of securities of the first issue of the investment fund and are classified as held to maturity.

According to the fund management agreement and the prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions amounted to 117 300 EGP in the financial year ended as at December 31, 2010 recorded under the item of fee and commission income in the income statement.

40-Non-adjusting subsequent events after the reporting period

Subsequent to the balance sheet date, some substantial accelerated political events took place in Egypt that could potentially impact the operating environment and accordingly will affect; either positively or negatively; the Bank performance in terms of profitability and its business growth as variables such as exchange rate fluctuations and valuation and impairment of assets crystallize. .

These events do not have an impact on the financial statements for the year ended December 31, 2010, but may impact the financial statements of future periods. While it is difficult to quantify this effect at this point in time, the impact will become visible in the future financial statements. The significance of such an impact will depend on extent and length until which these events and its effect will end.

"Innovation
Professionalism
Team Spirit"

Human Resources

Human Resources

Throughout 2010 HR scope and strategy had been expanded to achieve the strategic plans of NSGB through targeting and hiring the key assets in a very competitive market, adopting new training modules, and developing exceptional careers that meet staff's expectations. Also, in order to cope with SG ambition 2015, a new function "Project Management" was created.

As one of our core concerns is "People Development", we paid more attention to reinforce and optimize the role of Career Management in order to maintain healthy and professional environment for all staff through enriching their career path, not to mention that to guarantee everlasting stream of successors, we introduced the "Succession Planning Guide". In order to supplement the Career Management role, NSGB has taken the initiative to introduce Coaching as a developmental tool, which complements current staff development practices.

The Training strategy were developed to cope with the current and future bank's needs, in this respect Training Needs Analysis were initiated in order to have a tailor made training modules for all the jobs and functions. The School Branch was activated where the fresh employees have a real-life practical experience and different simulation models. An Internal Training Program was initiated where we give the opportunity for our staff to develop their skills and become trainers.

In order to motivate, maintain our precious Human Recourses Capital and in the same time attract exceptional profiles and be competitive in this fierce market, we restructured the global staff remuneration methodology.

Coping with the expansion plans of the bank, we recruited 406 new staff making the total number of staff 3971.

As one of our objectives is optimizing the efficiency of HR performance, outputs, communication with staff and simultaneously fulfills all SG ongoing projects, we created the Project Management Department in October 2010. The year witnessed the kick-off the new appraisal system "evaluation".

نهر الخير

NAHR EL KHAIR

"More than an interest earned"

CSR'

معاك

NSGB Corporate Social Responsibility

CSR Objectives

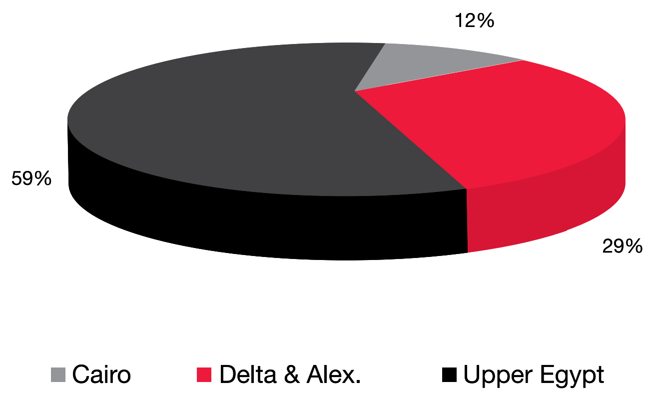
Out of its belief that no continuous growth without being operative in a healthy competitive growing environment, NSGB's social responsibility towards society is based on making sustainable positive influences in different social fields in need for improvements. Our CSR activity provides different and new channels for stronger presence in our markets in addition to being a very good opportunity for the bank to gain employees' commitment and loyalty.

Social Fields covered by CSR Activity

Health Care	: Supporting health care sector in the country by either sponsoring some free of charge medical care units or through Donating of Medical Equipments to Governmental Hospitals
Social Support	: Helping to upgrade the living standards of people in need
Education	: Supporting students in need
Participation	: in the restoration project of the National Luxor Musuem and the Ramesseum temple in Abo Simbel
Sponsorship	: Supporting the Grand Egyptian Museum Project through the sponsorship of one of its galleries to be launched on 2011

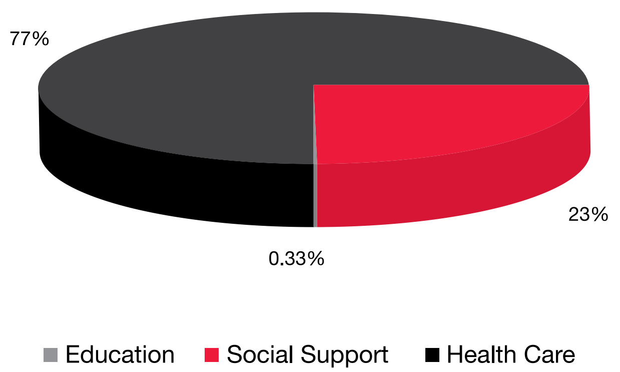
During 2010, there was a variety in the CSR activities as mentioned above; however, it can be said with confidence that it was the year where Upper Egypt was remarkably supported with bigger portion than ever before.

CSR Activity per Geographical Distribution



In addition, new social field was introduced for the first time by supporting University Students in need. On the other hand, providing assistance to improve health care services, in the governmental medical institutions, is still in the center of NSGB's CSR activity.

CSR Activity per Category



In 2010, NSGB approved the sponsorship of CCU - CORONARY CARE UNIT Sir Magdi Yacoub Foundation - Aswan Heart Centre. Under the auspices of the world class heart surgeon "Sir Magdi Yacoub", This 4-bed ward Unit provides free medical care for critically ill patients (e.g. patients with heart attacks, instability of the heart rhythm, severe heart failure and other conditions that require close continuous monitoring and treatment). Its close proximity to the cath-lab allows it to be utilized as a post-cardiac catheterization recovery room for patients undergoing complex coronary interventions who need more intensive post-procedural monitoring.

Following are some examples of the CSR projects done through 2010:

Health Care:

Supporting health care comprised 77% of the donation budget for 2010 which reflects the importance of such sector and the ba d need for improvement especially in Upper-Egypt. Every year, NSGB finances and donates medical equipment to several medical institutions and public hospitals in Cairo, Delta and Upper-Egypt cities that offer free medical services in over populated areas such as Ain Shams University, Luxor & Isna Public Hospitals. In addition, NSGB finances one big project after careful analysis of the needs and the targeted population:

Social Support:

a) NSGB keeps targeting the poor social categories for more sharing and participation from staff towards people in need. In addition to the donations presented to some NGOs specialized in community services, NSGB organized, for the second year, the Orphans' Day which hosted more than 100 orphans to give them the chance to mix and share their happiness with the bank staff. It was a great Ramadan night when the orphans had the chance to play with their favorite cartoon characters, receive presents and above all meet with NSGB staff and Management. The Day witnessed higher number of staff who came to join the orphans their happiness and pleasure. The organization of this day was a sign that NSGB cares about those orphans and it was a chance to re-enforce the staff's loyalty and sense of belonging from through communicating message that NSGB is not only a strong financial institution, but also it is a responsible body towards the society it exists in.

b) With the attendance of All El-Fayoum Branch staff, another project sponsored by NSGB has been launched in Dec. 2010: the Development of El-Wabour Village in Al-Fayoum - Upper-Egypt. The village is considered one of the poorest 1000 villages in Egypt where a large number of inhabitants do not have a permanent source of income for living and many houses are lacking electricity and fresh water. With the objective of gaining the staff's involvement to help the locals in making their life standard better, NSGB sponsored this project to included four elements for upgrade:

- supplying connections for fresh water to 52 houses
- providing 46 houses with electricity
- building ceilings to 89 houses
- delivering 31 livestock for some of the village inhabitants to secure permanent source for living

Education

NSGB financed the education fees for 28 students in Alexandria Public University. This kind of social activity is important as there are a large number of students who cannot afford the fees for their education. It is expected to continue the support in this field through 2011 specially for Upper-Egypt Public Universities students.

Cultural Sponsorship & Participation

The Egyptian Grand Museum (under foundation) is considered one of Egypt's largest Cultural projects in the Century. The Grand Egyptian Museum (GEM) will be built by 2013 at the cost of $US 550M. The museum will be sited on 50 hectares of land in Giza and is part of a new master plan for the plateau. The amazing thing about this building is how modern the design is, and its location next to the Giza plateau, with the pyramids in the background. The GEM will be a beautiful space in which visitors can experience the art and artifacts of ancient Egypt in the shadow of the pyramids. Noting the importance of such a project and its great value, NSGB board has approved to donate $US 1M to sponsor one of the galleries in GEM that will be named after NSGB.

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and more than **280**
ATMs at your service"

Branches' & ATMs'

NSGB Branches Network

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Downtown - 2664 Cairo
Tel: 27707000 - Fax: 27707099
Postal Code - 11111 - Cairo

Head Office 2

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

Dealing Room

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

Cairo Branches:

1. Head Office & Champollion Branch:
5, Champollion St., Downtown,
11111 Cairo
Tel.: 27707000
Fax: 27707099
2. Talaat Harb Branch:
10, Talaat Harb St., “Evergreen
Building”, Downtown - 11511 Cairo
Tel.: 27708005 - Fax: 27708095
3. Bab El Louk Branch:
6, El Falaky Square, Bab El
LoukDowntown 11513 Cairo
Tel.: 27919512 / 23 -
Fax: 27919598 / 99
4. Alfy Branch:
14, Alfy, St., Downtown - 11511 Cairo.
Tel.: 25970890 - Fax: 25970899
5. Kasr El Nile Branch:
39, Kasr El Nile St., Downtown -
11511 Cairo
Tel.: 23994200 - Fax: 23994299
6. Manial Branch:
18 Manial St., El Mamalik Square - El
Rawdah 11553 Cairo
Tel.: 23661200 - Fax: 23661299
7. Manial Palace Branch:
78 El Manial St., 11451 Cairo
Tel.: 25352200 - Fax: 25352299
8. El-Kamel Mohamed Branch:
2, El Kamel Mohamed St., Zamalek -
11561 Cairo
Tel.: 27281600 - Fax: 27281699
9. Ahmed Heshmat Branch:
31, Ahmed Hesmat St., Zamalek -
44561 Cairo
Tel.: 27281700 - Fax: 27281799
10. Shobra Branch:
53 Shobra st., Shobra 11231 Cairo
Tel: 25945900 - Fax: 25945999
11. Aghakhan Branch:
12th tower - Nile towers - Aghakhan -
11614 Cairo
Tel.: 22253000 - Fax: 22253099
12. Nile City Branch:
2005 Kornish El nile, Nile city towers
- North Tower, Ground Floor -
11611 Cairo
Tel.: 24619243 - Fax: 24619244
13. Opera Branch:
42, Gomhoria St., Opera Square -
Downtown - 11511 Cairo
Tel.: 23999521 - Fax: 23999599
14. El Sayeda Zeinab Branch:
202, Port Said St., El Sayeda Zeinab -
11461 Cairo
Tel.: 23993400 - Fax: 23993499
15. Rod El Farag
74, Rod El Farag St., El Sahel, Shobra -
11241 Cairo
Tel.: 24291000 - Fax: 24291098
16. Kasr El Aini Branch:
5, El Kasr El Aini St., Down Town -
11441 Cairo
Tel.: 25352100 - Fax: 25352199
17. Mineyet El Sereg Branch:
237, Shobra St., 1 El Ghamrawy St., El
Sahel, Shobra - 11241 Cairo
Tel.: 22050575 - Fax: 22052454
18. Ramsis - Ghamra Branch:
219 Ramsis st., Cairo
Tel: 25971100 - Fax: 25971199

Heliopolis and Nasr City Branches:

19. Abbasseya Branch:
111 El Abbasseya St., Abbasseya -
11517 Cairo
Tel.: 24884000 - Fax: 24884099
20. Hadayek El Kobba Branch:
16, Waley El Ahd St., Saray El Hadayek
Mall - 11646 Cairo
Tel.: 24885700 - Fax: 24885799
21. Thawra Branch:
18, El Thawra St., Heliopolis - 11341 Cairo
Tel.: 24136300 / 23 / 30 -
Fax: 24136349
22. Heliopolis Branch:
7, El- Sayed El Merghany St., Heliopolis
- 11361 Cairo
Tel.: 24163700 - Fax: 24163798
23. Mahkama Square Branch:
36, El Hegaz St., Heliopolis -
11351 Cairo
Tel.: 26311700-26311741
Fax: 26311799
24. Hegaz Branch:
143 - 145, El Hegaz St.,
Heliopolis-11771 Cairo
Tel.: 26311600 / 97 -
Fax: 26311698 / 99
25. Triumph Branch:
102, Osman Ebn Affan St., Heliopolis -
11361 Cairo
Tel.: 26311400 - Fax: 26311499
26. New Nozha Branch:
3A, Dr. Mohamed Hussein Kamel St.-
11796 Cairo
Tel.: 26253600 - 26253603 -
Fax: 26253699
27. Nozha Branch:
7, El Hegaz Square - Heliopolis -
11771 Cairo
Tel.: 22410432 - 26390597
Fax: 26326682
28. Safir Branch:
60, Abou Bakr El-Sedik -
Safir square - 11361 - Heliopolis
Tel.: 26310700 - Fax: 26310799
29. Roxy Branch:
25, El Kobba St., Heliopolis -
11757 Cairo
Tel: 24563600 - Fax: 24563699
30. Merghany Branch:
95D, El-Sayed El-Merghany St., (El
Shams Tower) Heliopolis - 11361 Cairo
Tel.: 24164800 - Fax: 24164899
31. City Stars Branch:
City Stars Mall - Omar Ben El-Khatab
St., Market Level - Nasr City -
11361 Cairo
Tel.: 24802480 - 24802481
Fax: 24802483
32. Sheraton Heliopolis Branch:
5, Khaled Ebn El Walid St., Heliopolis -
11736 Cairo
Tel.: 22667136 - Fax: 22667158
33. Sakr Koreish Branch:
90, Sakr Koreish Building - Masaken
Sheraton, Heliopolis 11736 Cairo
Tel.: 26969500 - Fax: 26969599
34. Shorouk City Branch:
Heliopolis Club - Shorouk City -
14811 Cairo
Tel: 26875581 - Fax: 26875582
35. ABB Branch:
7, Dr. Mohamed Kamel Hussein St.,
New Nozha - ABB Company -
11796 Cairo
Tel.: 26205226 - Fax: 26205227
36. Arab Academy Branch:
Block 1159, Building 1, Mosheir Ahmed
Ismail St., Sheraton Heliopolis Buildings
Heliopolis - 11736 Cairo
Tel.: 22686751 - Fax: 22686751
37. El Rehab Branch:
Banks Area - Zone B-El Rehab City -
11841 El Rehab City.
Tel.: 26940200 - Fax: 26940299

38. Shams Branch:
48, Farid Semeka St., Heliopolis - 11371 Cairo
Tel.: 26207092 - Fax: 26207093

39. Makram Ebeid Branch:
86, Makram Ebeid St., Nasr City- 11371 Cairo
Tel.: 22767000 - Fax: 22767099

40. Nasr City Branch:
3, Abbas El-Akkad St., Nasr City - 11471 Cairo
Tel.: 24074600 - Fax: 24074699

41. Ard El Golf Branch:
5, Samir Mokhtar St., Heliopolis - 11341 Cairo
Tel.: 24139304 - Fax: 24139399

42. Abbas El Akkad:
20 Abou El Attahia St., Ext. of Abbas El Akkad St. Nasr City -11471 Cairo
Tel.: 22769500 - Fax: 22769599

43. Tayaran Branch:
32 Tayaran St., Nasr City - 11709 Cairo
Tel.: 24078100 - Fax: 24078199

44. Hassan Mamoon Branch:
125, Hassan El Mammon St., Zone 6 Nasr City 11391 Cairo
Tel.: 22769000 - Fax: 22769099

45. Sebak Branch:
7 El-Sebak St., Heliopolis - 11351 Cairo
Tel.: 26311200 - Fax: 26311299

46. Obour Branch:
18 Salah Salem St., Heliopolis - 11811 Cairo
Tel.: 24054024 - 24054023 - 24054019
Fax: 24054021

47. Beirut Branch:
22, Beirut St., Heliopolis - 11341 Cairo
Te.l: 24563800 - Fax: 24563899

48. House of Financial Affairs Branch:
Abdel-Aziz El Shenawy St., Nasr City- 11371 Cairo
Tel.: 24010496 - 24011067
Fax: 24011952

49. Makrizi Branch
43, El Makrizi St., Roxy, Heliopolis - 11341 Cairo
Tel.: 22570676 - Fax: 22570668

50. El Nasr Road Branch
17, Rabaa Investment Bldg, El Nozha St., Nasr City - 11371 Cairo
Tel.: 24159725 -
Fax: 24159475

51. Ain Shams Branch:
115, Selim El Awal St., Ain Shams - 11321 Cairo
Tel.: 26311900 -
Fax: 26311999

52. Helmeyet El Zeitun Branch:
Bait El-Ezz Towers, Ibn El-Hakam Square, Helmeyet El-Zeitun - 11321 Cairo
Tel.: 26312000 - 26312098
Fax: 26312099

53. Sindbad Branch:
81 Joseph Tito St.-Airport Road - New Nozha - 11769 Cairo
Tel.: 26253700 - Fax: 26253799

54. Gisr El Suez:
149 Gisr El-Suez St., - El Nozha - Heliopolis - 11321
Tel.: 26371850 - Fax: 26371859

55. Egypt Air Branch:
Egypt Air bldg - South bldg - Finger 6 - Airport road - Nasr City - 11776
Tel.: 22679517

56. Ahmed Fakhry Branch:
23, Ahmed Fakhry st. - block 126 - El-Hay El-Sades - Nasr City.
Tel: 22739314 - Fax: 22739316

Giza Branches:

57. Gameat El Dowal Branch:
9, Gameat El Dowal Al Arabia St., Mohandessin - 12411 Giza
Tel.: 33003700 - Fax: 33003799

58. El Batal Ahmed Abdel Aziz Branch:
54, El Batal Ahmed Abdel Aziz St., Mohandessin - 12411 Giza
Tel.: 33324100/01 - Fax: 33324199

59. Shehab Branch:
30, Lebanon St., Mohandessin - 12655 Giza
Tel.: 33000900 - Fax: 33000999

60. Dokki Branch:
64, Mossadak St., Dokki - 12311 Giza
Tel.: 33338900 - Fax: 33338999

61. Messaha Branch:
5, Messaha Square, Dokki - 12311 Giza
Tel.: 33338198 - Fax: 33338199

62. Agouza Branch:
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Tel.: 33000500 - Fax: 33000599

63. Sphinx Branch:
3 Ahmed Orabi St., Mohandessin - 12655 Giza
Tel.: 33002500 - Fax: 33002599

64. Sudan Branch:
168, Sudan St., Mohandessin - 12655 Giza
Tel.: 33007300 - Fax: 33007399

65. Faisal Branch:
179 El Malek Faisal St. - 12944 Giza
Tel.: 33891600 - 33891698
Fax: 33891699

66. King Faisal Branch:
457 King Faisal St. 12111
Tel.: 37891398
Fax: 37891399

67. Haram Branch:
360, El Haram St. - 12555 Giza
Tel.: 35992400 - 35992498
Fax: 35992499

68. AL-Marriotia:
44 Haram ST. - Crystal Palace Mall -
Telephone: 33866002 - Fax: 33866088

69. Nasr El-Din Branch:
426, Pyramids Road, Borg El-Gezira El-Arabia, Haram - 12555 Giza
Tel.: 35674200 - Fax: 35674299

70. Mourad Branch:
28, Mourad St. - 12511 Giza
Tel.: 35684865/6/9 - Fax: 35684971

71. Giza Branch:
61, Mohamed Bahi El-Din Barakat St.- 12511 Giza
Tel.: 33311100
Fax: 33311184 - 33311199

72. El Nile Branch:
5, Wisa Wasef St., Borg El Riyadh - El Nile - 12511 Giza
Tel.: 35732095 - 35732080
Fax: 35732080

73. Mohi El-Din Abo El Ezz Branch:
72,Mohi El Din Abo El Ezz St., Dokki - 12311 Giza
Tel.: 33321780 - Fax: 33321799

74. Wadi El Nil Branch:
22, Wadi El Nil St., Mohandessin - 12411 Giza
Tel.: 33001900 - Fax: 33001999

75. Mostafa Mahmoud Branch:
2, EL Fawakeh St., Mohandessin - 12411 Giza
Tel.: 33315000
Fax: 33315097- 33315098 - 33315099

76. Galaa Branch:
106, Nile St., Agouza - 12311 Giza
Tel.: 33323300 - 33323400
Fax: 33323399 - 33323499

77. El Bahr El Aazam Branch:
304, El Bahr El Aazam St., El Kawthar Bldg, 12211 Giza
Tel.: 35670700 - Fax: 35670799

78. Kit-Kat Branch:
8, Mohamed Roushdy St., El-Nabawy El Mohandess Square. Agouza 12311 Giza
Tel.: 033080200 - Fax: 33080299

Maadi and Mokatam Branches:

79. Mahata Square Branch:
1, El Mahata Square, Sarayat El Maadi - 11728 Cairo
Tel.: 27680000 - Fax: 27680099

80. Street 9 Branch:
Corner St., 9 & 79 St., Maadi - 11693 Cairo
Tel.: 27683803 - Fax: 23580992

81. New Maadi Branch:
48, El-Nasr St., New Maadi - 11431 Cairo
Tel.: 27557300 - Fax: 27557399

82. El-Nasr Branch:
Cross-roads of Nasr & El Lasilky St., part 7 block 1, Maadi - 11742 Cairo
Tel.: 27067200 - Fax: 27067299

83. Maadi Degla Branch:
Cross-roads of 218 & 231 St., - 11693 Cairo
Tel.: 25220600 / 20 - Fax: 25220699

84. Mokatam Branch:
Cross roads of 9 and 10 St., El Hadba El Olya - 11585 Cairo
Tel.: 25031800 - Fax: 25031819

85. Wadi Degla Branch:
Wadi Degla Club - Zahraa El Maadi - 11693 Cairo
Tel.: 25195136 - Fax: 25195168

86. Corniche El Maadi Branch:
380, Jawharet El-Maadi Tower, Corniche El-Nile, Maadi - 11728 Cairo
Tel.: 25296400 - Fax: 25296499

87. Kattameya Road Branch:
2, Badr Tower, El Kattameya Road - 11742 Cairo
Tel.:(202)27557390-Fax:(202)27557398

88. New Cairo:
Down Town Project, 90 street , 5th settlement , New Cairo - 11835
Tel.: 0108906010

89. Helwan:
13 Moustafa EL maraghy St., Helwan - 11722
Tel.: 25485600 - Fax: 25485699

Alexandria Branches:

90. Roushdy Branch:
240, El Guish Road, Businessman bldg, Syria St., Corner. - 21311 Alexandria
Tel.: (03) 5419500 - Fax: (03) 5419599

91. Borg El Arab Branch:
New Borg El Arab City - 22511 Alexandria
Tel.: (03) 4630100 - Fax: (03) 4592558

92. Zizinia Branch:
601, El Horeya St. - 21411 Alexandria
Tel.: (03) 5819300 - Fax: (03) 5749093

93. Kafr Abdou Branch:
26 Ismailia Street, Corner of Ismailia Street with St., Giny Street Kafr Abdou, 21311 Alexandria
Tel.: (03) 5419 560 - 5419 567
Fax: (03) 5419596

94. Fawzy Mooaz Branch:
74A Fawzy Mooaz- Saraya Bldg Alexandria
Tel.: 03 / 4196700 - Fax- 03 / 4196799

95. Semouha Branch:
35, Victor Emanuel St., Semouha - 21615 Alexandria
Tel.: (03) 4195900 - Fax: (03) 4195999

96. Mostafa Kamel Branch:
16, Ibrahim Sherif St., Mostafa Kamel - 21311 Alexandria
Tel.: (03) 5419600 - Fax: (03) 5419699

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

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

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

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

101. Montazah Branch:
794 Tanzeem Military Road - El Madndara - El Montazah - 21421 Alexandria
Tel.: (03) 5544483 - Fax: (03) 5544482

102. Alexandria Entrance Branch:
Unit 11, fence of the International Garden, Alexandria Entrance - 21111 Alexandria
Tel.: 03-3872000 - Fax: 03-3872099

103. Alex Port Branch:
Unit No. 6, 7 / Investment Bldg / Alex Port - 21534 Alexandria
Tel.: 03-4833343 - Fax: 03-4877797

104. Ibrahimeya Branch:
118, Port Said St., Ibrahimeya - 21321 Alexandria
Tel.: 03-5980400 - Fax: 03-5980499

105. Loran Branch:
723, Horreya Road, Loran - 21111 Alexandria
Tel.: (03) 5759016 - Fax: (03) 5759052

106. Mansheya Branch:
2, Salah Salem St., El Mansheya - 21351 Alexandria
Tel.: (03) 4881200 - Fax: (03) 4881299

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

108. Glym branch:
78 Abdel Salam Aref st., Glym, Alexandria - Tel.: 03/5815511 - 03/5815521 - Fax: 03/5815599

6th of October & 10th of Ramadan Branches:

109. 6th of October Branch:
Industrial Zone 4 - Banks' area - 6th of October City - 12563 Egypt
Tel.: 38281600/02
Fax: 38281649 - 38281647

110. Dandy Mall Branch:
Kilo 28th, Cairo - Alexandria Desert Road - 14111
Tel.: 35367200 - Fax: 35367299

111. 6th of October Residential Area Branch:
El Fath Buildings - Unit # 7, Bldg # B, Block # 23/2, central axis, 12451 6th of October
Tel.: 38274000 - Fax: 38274099

112. 10th of Ramadan Branch:
Banks Area - 10th of Ramadan City - 44637 10th of Ramadan City
Tel.: (015) 390300
Fax: (015) 378327 - 390398 - 390399

113. 6th of October - Distinguished Neighborhood:
El-Gamaa Mall - Behind Misr University for science & Technology - Distinguished District - 6th October - 12451
Tel.: 38351392 - Fax: 38351392

114. Sheikh Zayed Branch:
El-Mogawra El-Owla - El-Hay El-Sakany El-Thany - Building 105 - 6th of October.
Tel: 0101685562 - 0106086298

Delta Branches:

115. Mohafza Square Branch:
242. El Geish St., Midan El Mohafza, Mansoura - 35511 El Dakahleya
Tel.: (050) 228 0000 - Fax: (050) 228 0099

116. Mansoura Branch:
213, El Gomhoria St., Mansoura - 35511 Mansoura
Tel.: (050) 2280300 -
Fax: (050) 2280399

117. Tanta Branch:
El Safwa Plaza center tower - Tanta - 31511 El Gharbeya
Tel.: (040) 338 5600 -
Fax: (040)338 5699

118. Delta City Mall Branch:
42, El-Geish St., Delta City Mall - Tanta - 31111 Tanta
Tel.: (040) 3385200 -
Fax: (040) 3385298

119. Damietta Branch:
67, Saad Zaghloul St., (Corniche El Nile) - 34111 Damietta
Tel.: (057) 2279912 - 2279917
Fax: (057) 2279902 - 2269948

120. Damietta Port:
Investment Building – Damietta Port – first floor - Damietta
Tel.: (057) 2292405 – (057) 2292406 –
Fax: (057) 2292408 –
Postal Code: 34516

121. Mahalla Branch:
22, El Tegara School St., (Shokry El Kawatly Previously), El Mahalla - 31911 Mahalla
Tel.: (040) 2281000 -
Fax: (040) 2281099

122. El Zagazig Branch:
Saad Zaghloul St., El Bahr, Borg Abou Aisha - 44111 El Zagazig
Tel.: (055) 2390000 -
Fax: (055) 2390099

123. Damnhour Branch:
19, El Gomhoria St., - In front of Cinema El Nasr - Damnhour
Tel.: (045) 3370900 -
Fax: (045) 3370999

124. Mit Ghamr:
Port Said St., Abu Aisha tower, Meet Ghamr, Dakahleya - 35611
Tel.: 050-6930000 - Fax: 050-6930099

125.Shebeen El Koum:
Gamal Abd El Nasser St., Sharaf Sq, Borg El Kawsar -
Shebeen El Koum - 32111
Tel.: 048-2229397 - Fax: 048-2229395

Suez Canal Branches:

126. Portsaid Branch:
58 El Gomhuria St., Safwa class tower - Portsaid - 42511 Portsaid
Tel.: (066) 3390100
Fax: (066) 3390198/99

127. 23 July Branch
Miami Tower - 23 July St., - Portsaid - 42111 port said
Tel.: (066) 3390300 - (066) 3390398
Fax: (066) 3390399

128. Ismailia Branch:
Panorama El Ismailia Tower, Unit no.1, El Mawkaf El Gedid St., Corner El Eshreen St., & Shebeen El Koom St., Infront Of Courts Center - Ismailia City - 41111 Ismailia.
Tel.: (064) 3269000 -
Fax: (064) 3269099

129. Suez Branch:
5, El Galaa St. - 43221 Suez
Tel.: (062) 3393300 -
Fax: (062) 3393399

Red Sea Branches:

130. Hurghada Branch:
Esplenda Bay Mall, Resorts St., “Next to Sindbad Resort” - 84511 Hurghada
Tel.: (065) 3416100
Fax: (065) 3416199

131. Hurghada Sheraton Road Branch:
36 El Gabl El Shamaly St. -
84511 Hurghada
Tel.: (065) 3416500 -
Fax: (065) 3416599

132. El Dahar - Hurghada Branch:
1 Hurghada Stadium shops, El Nasr St., El Dahar - 84511 Hurghada
Tel.: (065) 3562000 -
Fax: (065) 3562099

133. El Ain El Shokna Branch:
KM 46 Suez, Ain El Sokhna, Hurgada Desert Road –Stella Di Mare Resort fence
Tel.: (062) 3393600 -
Fax: (062) 3393699

134. Hurghada Banks Area - El Khawthar:
Banks Area - Block 8 - Hurghada -
Red Sea 84111
Tel.: (065) 3416163 -
Fax: (065) 3416161

Sinai Branches:

135. Neama Center Branch:
Neama Commercial Center - Neama Bay - 46619 Sharm El Sheikh
Tel.: (069) 3601668 -
Fax: (069) 3601668

136. Sharm El Sheikh Branch:
Neama Bay Al Salam Road - Opposite Gafy Resort - 46619 Sharm El Sheikh
Tel.: (069) 3622000 -
Fax: (069) 3622099

137. Hadabet Um Sid Branch:
Commercial Unit No. (4) at the City for aquatic games, entertainment & restaurant and shops at Um Sid / Sharm El Sheikh - 46619 South Sinai
Tel.: (069) 3622090 -
Fax: (069) 3622095

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

Upper Egypt Branches:

139. Assuit Branch:
2, El Gomhuria St., Al Wataneya Towers - 7111 Assuit
Tel.: (088) 2422500
Fax: (088) 2422599

140. Beni Suef Branch:
16, Port Said St., Takseem El Horreya - Beni Suef - 62111
Tel.: (082) 4494001
Fax: (082) 4494099

141. Aswan Branch:
Shark El Bandar St., City Center Aswan - Aswan - 81111
Tel.: (097) 2391000 - Fax: (097) 2391099

142. Fayoum Branch:
10, Horreya St., Bandar Fayoum - Fayoum
Tel.: (084) 6390700 - Fax: (084) 6390799

143. Sohag Branch:
46, Corniche El Nil El Kebly St., Borg El Nil, Sohag
Tel.: (093) 2380600 -
Fax : (093) 2380699

144. Luxor Branch
109 Karnak Temple St., Luxor 85111,
Tel.: +(2095) 239 9101
Fax: +(2095) 239 9199

145. Minya Branch
76, Shalaby Section, Sarofiem - Gharb El Minya - Minya
Tel.: +(2086) 238 6300
Fax: +(2086) 238 6399

Kallubeya:

146. Banha Branch :
19, Ibn Kamr - Saad Zaghloul St., Banha City
Tel.: 0133806200 - Fax: 0133806299

147. El Obour City Branch:
Shops 34 & 35 outer fence of City Club El Obour City - 11828.
Tel.: 46140300 - Fax: 46140399

148. Shobra El-Khaima Branch:
15 of May st.135 Teraa El-Bolakia -Mansheyet El-Horia - Shobra El-Khaima - Qalubia.
Tel: 22261200 - Fax: 22261299

Branches expected to be opened by the end of 2011

- Almaza - Thawra
- Kasr El Tahra
- Zaker Hussien

NSGB Offsite ATM Network:

Downtown:

- Four Seasons - Nile Plaza: *
1089, Corniche Elnile - Garden City
- Novartis Company:
Sawah St. - Amirya
- Maghrabi Hospital:*
El Sayeda Nafeesa Square - Cairo
- Egypt Gas: *
El Warak - Cornishe Elnile
- Town Gas: *
El Warak - Cornishe Elnile
- Misr Petroleum Company: *
El Tawfikeia, Ahmed Orabi Square - Down Town
- Bisco Misr: *
Sawah St. - Amirya

Heliopolis and Nasr City:

- Egyptian Airports Company: *
Cairo International Airport
- City stars:
City Stars, 4th Retail Level - Food Court
- Petrogas:
Tayran St. - Nasr City
- PWtagasco:
3, Anwar El Mofty St. - Nasr City behind Tibba Mall
- Ministry of Electricity:
Ramsis St. - Extension Abasseya Square
- ECG:
El Sefarat District - Nasr City
- Egypt Air: (9 ATMs)
Airport Buildings
- Town Gas: *
El Wafaa we El Amal, 10th Distrcit - Nasr City
- IT Soft: *
Free Industrial Zone - Nasr City

Maadi & Helwan:

- Carrefour Cairo - Maadi
Ring Road - Katamya
- Torah Cement Company:
Misr Helwan Agricultural Road - Maadi
- Link Dot Net:
Misr Helwan Agricultural Road - Maadi
- La Poire:
El Bassatin Industrial Zone
- Cement Portland:
Kafr El Elw - Helwan
- DSD - Arab Contractors:
Ring Road - Torah

Haram & Giza:

- Eastern Tobacco: (4 ATMs) *
450, El Ahram St. - Giza
- Enjoy:
Kombearah, Imbabah - Giza
- SGS:
Harraneya, Ossman Bridge - Giza
- Vaccera:
El Batal Ahmed Abdel Aziz St.

6th of October:

- Union Air Company:
Plot # 238-239-241, Industrial Zone Three - 6th October City
- Flora:
2nd Industrial Zone - 6th October City
- Misr University: *
Misr University for Science & Technology
- Universal:
Industrial Zone
- El Rasheedy Al Mezan
Industrial Zone - 6th October City
- Mobica Company
Abou Rawash
- Mobinil Company Smart Village: *
Smart Village
- Nahdet Misr for Printing:
1st Industrial Zone - 6th October City
- Travco: *
Entrance of El Sheikh Zaied City
- Misr Food:
1st Industrial Zone
- Eastern Tobacco:*
El Wahat Road
- Inter Cairo
6th Industrial Zone
- Ghabbour:
Abou Rawash
- Future Pipe:
1st Industrial Zone

10th of Ramadan:

- Kandil Industries Factory:
Plot # 3/6, Industrial Area, Zone 2 - 10th of Ramadan City
- Oriental Weavers: (3 ATMs)*
Industrial Zone - 10th of Ramadan City
- Family Nutration:
Abdel Kawy St. - Industrial Zone A1 - 10th of Ramadan City
- ABB: *
Industrial Zone - 10th of Ramadan City
- Eipico Company:
Industrial City - 10th of Ramadan City
- MAC Company: (2 ATMs) *
Industrial Zone B1 - 10th of Ramadan City
- MAC Company: (1 ATM) *
Industrial Zone B3 - 10th of Ramadan City
- Egyptian Company for Prestress Concrete:
1st Industrial Zone block A1 - 10th of Ramadan City
- Swiss Company for Ready Made Clothes:
3rd Industrial Zone block A1 - 10th of Ramadan City
- Best Cheese:
2nd Industrial Zone - 10th of Ramadan City
- MEMCO:
Industrial Zone B1 - 10th of Ramadan City
- Delta Pharma:
Industrial Zone B4 - 10th of Ramadan City

Obour City:

- Moemen Chain:
1st Industrial Zone, behind Souk Elobour - Obour City
- Pack Line:
1st Industrial Zone, behind Souk Elobour - Obour City

- Habitat:
3rd Industrial Zone - Obour City
- MCV:
Km 24, Cairo - Ismailia - Desert Road
- Rajac Language School:
Km 30, Cairo- Ismailia - Desert Road
- El Nour Factory:
Block 12008, parts 16/17/18 - Industrial Zone

Alexandria:

- Carrefour Alexandria:
Alexandria - Cairo Dessert Road
- Petrochemical Company:
36, Alexandria - Cairo Desert Road, Amreya - Alexandria
- Alexandria Portland La Farge:
El Max, Om Zeghio - Alexandria
- Lord Factory:
Ard El Sobheya, El Nozha - Alexandria
- Arab Academy * Miami
- Arab Academy * Abu Keir
- Alexandria Fertilizers: *
Free Industrial Zone - Alexandria
- Alexandria National Iron & Steel Company -EZDK: *
El Dekheila - Alagami
- Eastern Tobacco Company: *
91, Suez Canal St. - Moharram Baik.
- PMS -Petroleum Marine Service: *
Elmadia - khat Rashid
- El Maamoura for Development:
El Maamoura
- Bisco Misr
El Seyouf - Alexandria
- Town Gas: *
Semouha - Alexandria

Sharm El Sheikh:

- Old Market:
Old market - Sharm Elbalad
- C-Club Hotel:
Nabq Bay-Sharm El-Sheikh.
- Maritime Hotel:
El Salam Road - Sharm Elbalad
- Nubian Village:
Nabq Bay - Sharm El-Sheikh

Hurghada:

- Beach El Batros Hotel:
El Mamsha El Seyahy Road - Hurghada
- Stiegenberger El Daw Hotel:
El Mamsha El Seyahy Road - Hurghada

Others:

- Renissance Cinema Suez:
El Geish St. - Suez
- Plaza:
Free Industrial Zone - Suez
- Delta Fertilizers Company: (2 ATMs)
El Mansoura - Talkha
- El Ezz Steel Factory - Sadat City: *
Ezz Steel Manufacturing Co. (main entrance)
- Egyptian Language School:
Ring Road, El-Tagamoaa El-Khames - New Cairo City
- Misr Spinning & Weaving Company - El Mahala:
Mahala
- Takki Showroom:
Hasballa Kafrawy St. - New Damietta
- Ring-Connect:
3, Borg El Horeya # 4, Gomhoureya St. - Assiout
- Semeramis Hotel:
El Fatth St., El Fariq Fouad Zekry - El Areesh City
- Mercure Hotel Ismailia:
Entrance of Mercure Hotel - beside Suez Canal Authority
- Kapci:
Industriel Zone - Port Said
- MCV : (2 ATMs)
New Salheya City
- Velocity:
Industrial Zone - Ismailia City
- Embe:
Industrial Zone - Ismailia City
- Nahda University:
Beni Sweif
- Egyptian Fertilizers Company:
End of El Shokhana Road
- Ghabbour:
Km 3, Cairo - Alexandria Agricultural Road
- Abou Zaabal Fertilisers Company: *
El Khanka - Abou Zaabal City
- Suez Cement Company: *
Km 35, El Ein El Sokhana Road
- Arab Contractors: *
10 6 of October St. - Tereat El Ismailia Sabekan
- El Ezz Steel Factory -El Ein El Sokhana: *
El Sokhana - Suez Desert Road

* For payroll clients only.