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**EGYPTIAN MORTGAGE REFINANCE COMPANY S.A.E  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014  
TOGETHER WITH AUDITOR'S REPORT**



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Translation of financial statements  
Originally issued in Arabic

## AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

#### Report on the Financial Statements

We have audited the accompanying financial statements of Egyptian Mortgage Refinance Company (S.A.E), represented in the balance sheet as of 31 December 2014, and the related statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Egyptian Mortgage Refinance Company (S.A.E) as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.



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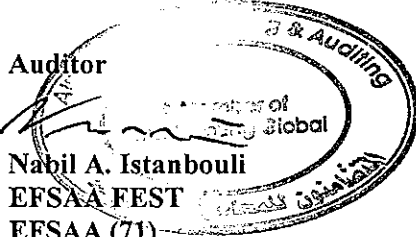
### Report on Other Legal and Regulatory Requirements

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

The financial information included in the Board of Directors' Report prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the books of the Company insofar as such information is recorded therein.

**Cairo: 4 March 2015**

**Auditor**

  
Nabil A. Istambouli

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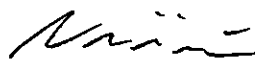
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# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## BALANCE SHEET

As Of 31 December 2014

	Note	31 December 2014 LE	31 December 2013 LE
<b>Assets</b>			
Cash on hand and at banks	(3)	23,083,979	28,646,581
Investments in treasury bills	(4)	65,523,004	87,492,809
Mortgage refinance loans	(5)	530,506,243	513,053,739
Financial Investment held to maturity	(6)	10,000,000	-
Prepayments and other debit balances	(7)	3,592,655	3,389,532
Intangible assets	(8)	458,360	669,123
Fixed assets	(9)	1,436,799	1,549,520
<b>Total assets</b>		<b>634,601,040</b>	<b>634,801,304</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Accrued expenses and other credit balances	(10)	5,274,562	5,672,667
Income tax payable	(22)	10,028,108	8,040,586
Term loan	(15)	175,965,300	191,259,180
Deferred tax liabilities	(21)	650,964	373,228
<b>Total liabilities</b>		<b>191,918,934</b>	<b>205,345,661</b>
<b>Equity</b>			
Paid up capital	(11)	363,542,000	363,542,000
Legal reserve	(12)	18,693,890	17,340,022
Retained earnings		35,644,191	21,496,285
Profits for the year		24,802,025	27,077,336
<b>Total equity</b>		<b>442,682,106</b>	<b>429,455,643</b>
<b>Total liabilities and equity</b>		<b>634,601,040</b>	<b>634,801,304</b>



Auditor



Chief Financial  
Officer



Chairman and  
Managing Director

- The accompanying notes from (1) to (23) are an integral part of these financial statements.  
- Auditor's report attached.

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**STATEMENT OF INCOME**

For the Year Ended 31 December 2014

	Note	31 December 2014 LE	31 December 2013 LE
Interest income and commissions on mortgage refinance loans	(23)	55,052,010	53,953,444
Interest income on treasury bills		9,614,617	8,519,834
Interest income on time deposits and current accounts	(23)	702,141	412,631
Interest income on financial investments held to maturity		364,932	-
Gain on sale of financial assets at fair value through profit or loss		1,055,595	5,005,984
Other Revenue		15,071	-
<b>TOTAL REVENUES FOR THE YEAR</b>		<b>66,804,366</b>	<b>67,891,893</b>
General and administrative expenses	(13)	(13,074,300)	(12,533,167)
Depreciation and amortization	(8-9)	(830,930)	(803,152)
Finance expenses	(14)	(17,494,302)	(18,889,175)
Board of Directors members' allowance		(303,500)	(372,000)
Gain on sale of fixed assets		6,535	56,500
<b>PROFITS BEFORE INCOME TAXES</b>		<b>35,107,869</b>	<b>35,350,899</b>
Current income tax	(22)	(10,028,108)	(8,040,586)
Deferred tax (expense)		(277,736)	(232,977)
<b>PROFITS FOR THE YEAR</b>		<b>24,802,025</b>	<b>27,077,336</b>

- The accompanying notes from (1) to (23) are an integral part of these financial statements.

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 31 December 2014

	Paid up capital LE	Legal reserve LE	Retained earnings LE	Profits for the year LE	Total LE
Balance as of 1 January 2013	363,542,000	16,329,719	10,938,614	20,206,068	411,016,401
Transferred to retained earnings and legal reserve	-	1,010,303	10,557,671	(11,567,974)	-
Dividends declared	-	-	-	(8,638,094)	(8,638,094)
Profits for the year	-	-	-	27,077,336	27,077,336
<b>Balance as of 31 December 2013</b>	<b>363,542,000</b>	<b>17,340,022</b>	<b>21,496,285</b>	<b>27,077,336</b>	<b>429,455,643</b>
Balance as of 1 January 2014	363,542,000	17,340,022	21,496,285	27,077,336	429,455,643
Transferred to retained earnings and legal reserve	-	1,353,868	14,147,906	(15,501,774)	-
Dividends declared	-	-	-	(11,575,562)	(11,575,562)
Profits for the year	-	-	-	24,802,025	24,802,025
<b>Balance as of 31 December 2014</b>	<b>363,542,000</b>	<b>18,693,890</b>	<b>35,644,191</b>	<b>24,802,025</b>	<b>442,682,106</b>

-The accompanying notes from (1) to (23) are an integral part of these financial statements.

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**STATEMENT OF CASH FLOWS**

For the Year Ended 31 December 2014

Note  
31 December  
2014  
LE  
31 December  
2013  
LE

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profits before income taxes		35,107,869	35,350,899
Depreciation and amortization	(8-9)	830,930	803,152
Gain on sale of financial assets at fair value through profit or loss		(1,055,595)	(5,005,984)
Gain from sale fixed assets		(6,535)	(56,500)
		<u>34,876,669</u>	<u>31,091,567</u>
Change in mortgage refinance loans	(5)	(17,452,504)	(88,566,715)
Change in prepayments and other debit balances	(7)	(203,123)	143,445
Change in accrued expenses and other credit balances	(10)	(398,105)	(374,124)
		<u>16,822,937</u>	<u>(57,705,827)</u>
Income Tax Paid	(22)	(8,040,586)	(5,283,287)
<b>NET CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>		<u>8,782,351</u>	<u>(62,989,114)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments in treasury bills		(5,959,367)	(43,326,628)
Proceeds from matured treasury bills more than 90 days		43,326,628	61,039,090
Purchase of financial assets at fair value through profit or loss		(31,460,813)	(257,692,954)
Proceeds from sale of financial assets at fair value through profit or loss		32,516,408	262,698,938
Purchase of financial investments held to maturity		(10,000,000)	-
Proceeds from sale of fixed assets		6,535	56,500
Payments to acquire fixed assets and intangible assets	(8-9)	(507,446)	(1,255,876)
<b>NET CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES</b>		<u>27,921,945</u>	<u>21,519,070</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividends Paid		(11,575,562)	(8,638,094)
Term loan repayment	(15)	(15,293,880)	(15,293,880)
<b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>		<u>(26,869,442)</u>	<u>(23,931,974)</u>
<b>Net increase (decrease) in cash and cash equivalent during the year</b>		<u>9,834,854</u>	<u>(65,402,018)</u>
Cash and cash equivalent – beginning of the year		<u>72,812,762</u>	<u>138,214,780</u>
<b>CASH AND CASH EQUIVALENT – END OF THE YEAR</b>		<u>82,647,616</u>	<u>72,812,762</u>

For the purpose of preparing the statement of cash flows, the cash and cash equivalent represent the following:

		31 December 2014 LE	31 December 2013 LE
Cash on hand and at banks	(3)	23,083,979	28,646,581
Treasury bills maturing within 90 days		59,563,637	44,166,181
		<u>82,647,616</u>	<u>72,812,762</u>

-The accompanying notes from (1) to (23) are an integral part of these financial statements.

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 1 ACTIVITIES

Egyptian Mortgage Refinance Company S.A.E. was established in Egypt under the provisions of companies-law No. 159 of 1981 and its executive regulations, capital market law No. 95 of 1992 and its executive regulations and the provisions of Real Estate Finance law No. 148 of 2001 and its executive regulations. The Company was registered under the commercial registry No. 19101 on 5 June 2006.

The main objective of the Company is Real Estate finance activity through refinancing activities in accordance with prescribed regulations. The Company may, for the purpose of achieving its objectives, issue bonds collateralized by its assets. The Company may also participate with other companies of common interest that have similar activities and may merge or acquire them.

The financial statements of Egyptian Mortgage Refinance Company S.A.E for the year ended 31 December 2014 were authorized for issue in accordance with a resolution of the Board of Directors on February, 26<sup>th</sup> 2015.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2-1 Basis of preparation

The financial statements are prepared under the going concern assumption on a historical cost basis except for the financial assets at fair value through profit or loss which is referred to in note (2-8) that has been measured at fair value.

#### Statement of compliance

The financial statements of the Company are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

#### 2-2 Changes in accounting policies

The accounting policies adopted this year are consistent with those policies adopted in the previous year.

#### 2-3 Accounting estimates

The preparation of the financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial year. Actual results could differ from these estimates.

#### 2-4 Foreign currency translation

The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.

Transactions in foreign currencies are initially recorded using the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date. All differences are recognized in the statement of income.

Nonmonetary assets and liabilities that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing on the date of the initial recognition.

Nonmonetary assets and liabilities measured at fair value in foreign currencies are translated using the exchange rates prevailing on the date when the fair value is determined.

#### 2-5 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of income as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	<u>Years</u>
Computers	3-5
Furniture and Fixtures	5
Motor Vehicles	5
Office Equipment	5
Leasehold Improvements	The lease term



# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2-5 Fixed assets (Continued)

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset is included in the statement of income when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each balance sheet date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

#### 2-6 Intangible assets

The Company's intangible assets represent the value of computer software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to either finite or indefinite. Intangible assets with finite lives are amortized over the useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software	<u>Years</u> 5
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#### 2-7 Treasury bills and CBE Certificate of Deposits

Treasury bills and CD's are stated at cost. The difference between cost and nominal value represents the unearned interest on these bills and CD's. Treasury bills and CD's are shown in the balance sheet net of unearned interest. Interest is credited to income on an accruals basis, and the unearned interest is reduced by earned interest.

#### 2-8 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as either held for trading acquired for the purpose of selling in the near term or financial assets designated upon initial recognition at fair value through profit and loss.

Financial assets at fair value through profit or loss are initially recognized at fair value exclusive direct attributable expenses.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with gains or losses recognized in the statement of income.

A gain or loss arising from sale of a financial asset at fair value through profit or loss shall be recognized in the statement of income.

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2-9 Mortgage refinance loans

Mortgage refinance loans to customers are carried at amortized cost, using effective interest rate method, less allowance for impairment.

#### 2-10 Impairment of assets

##### Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

In accordance with the approval obtained from the Egyptian financial supervisory authority (EFSA), no allowance ratios are calculated for the performing mortgage refinance loans portfolio.

##### Impairment of non financial assets

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

#### 2-11 Revenue recognition:

##### • Interest income

Interest income is recognized as interest accrues using the effective interest method.

When:

- It can be measured accurately.
- Company expects inflow of future economic benefits.

#### 2-12 Cash and cash equivalent

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, Bank balances, and short-term deposits, and treasury bills with a remaining maturity of three months.

#### 2-13 Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### 2-14 Employees' pension benefits

The Company is participating in the social insurance program carried by the Egyptian government for the employees benefit in accordance with the social insurance law no. 79 of 1975 and its amendments, Employees and the employer pay a contribution according to this law of a fixed percentage out of the employee salary.

The Company's obligation regarding this program is limited to its contribution which is recognised in profit or loss according to the accrual basis.

#### 2-15 Financial investments held to maturity

Financial investments held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognized at fair value inclusive direct attributable expenses.

After initial recognition, the held to maturity investments are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, impairment is recovered, as well as through the amortization process

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2-16 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

##### Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of income for the year, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period, directly in equity.

#### 2-17 Legal reserve

According to the Company's articles of association, 5% of the profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the General Assembly meeting based on the proposal of the Board of Directors.

#### 2-18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

#### 2-19 Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the balance sheet date, then the loan balance maturing after one year should be classified as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the statement of income.

#### 2-20 Borrowing cost

Borrowing costs are recorded in the statement of income as financing costs.

#### 2-21 Expenses

All expenses including general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

#### 2-22 Leases

Lease contracts are classified as operating lease in accordance with the Egyptian laws and regulations where the lease payments are recognized as an expense on a straight line basis over the lease term.

#### 2-23 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2014

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2-24 Related party transactions**

Related parties represent associated companies, major shareholders, directors and key management personnel of the company, entities controlled, jointly controlled or significantly influenced by such parties; The Company consummates transactions with related parties on an arm's length basis subject to the rules, policies and regulations applied in the Company and also in accordance to the company's Articles of Association which restrict the company's activity in Real Estate finance to only with its shareholders.

**3 CASH ON HAND AND AT BANKS**

	31 December 2014	31 December 2013
	LE	LE
<u>Egyptian Pound</u>		
Current accounts	533,979	1,946,581
Time deposits maturing within three months	22,550,000	26,700,000
	<u>23,083,979</u>	<u>28,646,581</u>

- Time deposits booked at commercial banks in Egypt with an annual average interest rate 7.98%.

**4 INVESTMENTS IN TREASURY BILLS**

	31 December 2014	31 December 2013
	LE	LE
Treasury bills maturing before 30 days	15,500,000	20,000,000
Treasury bills maturing after 30 days to 60 days	10,000,000	-
Treasury bills maturing after 60 days to 90 days	35,000,000	24,750,000
Treasury bills maturing after 90 days to 150 days	-	15,500,000
Treasury bills maturing after 150	6,300,000	30,000,000
	<u>66,800,000</u>	<u>90,250,000</u>
Unearned interest	(1,276,996)	(2,757,191)
	<u>65,523,004</u>	<u>87,492,809</u>

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 5 MORTGAGE REFINANCE LOANS

The Company has outstanding (65) mortgage refinance loans to (10) customers, as follows:

	Short Term	Long Term	Total	Committed Limit
	LE	LE	LE	LE
Egyptian Arab Land Bank (One Loan)	8,400,000	11,200,000	19,600,000	19,600,000
Egyptian Arab Land Bank (One Loan)	1,400,000	9,100,000	10,500,000	10,500,000
Taameer Mortgage Finance Company First Agreement (Aloula)- (Three Loans)	6,205,556	18,091,667	24,297,223	24,297,223
Taameer Mortgage Finance Company Second Agreement (Aloula)- (One Loan)	420,000	2,940,000	3,360,000	3,360,000
Taameer Mortgage Finance Company Third Agreement (Aloula)- (One Loan)	3,916,666	35,250,001	39,166,667	39,166,667
Taameer Mortgage Finance Company Fourth Agreement (Aloula)- (One Loan)	2,916,666	27,222,223	30,138,889	30,138,889
Taameer Mortgage Finance Company Fifth Agreement (Aloula)- (One Loan)	722,222	5,055,556	5,777,778	5,777,778
Taameer Mortgage Finance Company Sixth Agreement (Aloula)- (One Loan)	533,333	5,333,334	5,866,667	5,866,667
Taameer Mortgage Finance Company Seventh Agreement (Aloula)- (One Loan)	500,000	5,000,000	5,500,000	5,500,000
Taameer Mortgage Finance Company Eighth Agreement (Aloula)- (One Loan)	520,000	4,636,667	5,156,667	5,156,667
Taameer Mortgage Finance Company Ninth Agreement (Aloula)- (One Loan)	860,000	7,668,334	8,528,334	8,528,334
Tamweel Mortgage Finance Company- First Agreement- (Five Loans)	3,755,000	11,922,500	15,677,500	15,677,500
Tamweel Mortgage Finance Company- Second Agreement- (Ten Loans)	4,503,790	24,300,759	28,804,549	28,804,549
Tamweel Mortgage Finance Company- Third Agreement- (Five Loans)	4,909,091	27,279,545	32,188,636	32,188,636
Tamweel Mortgage Finance Company- Fourth Agreement- (One Loan)	550,000	3,300,000	3,850,000	3,850,000
Tamweel Mortgage Finance Company- Fifth Agreement- (One Loan)	233,336	1,516,664	1,750,000	1,750,000
Tamweel Mortgage Finance Company- Sixth Agreement- (One Loan)	317,647	2,064,706	2,382,353	2,382,353
Tamweel Mortgage Finance Company- Seventh Agreement- (One Loan)	325,000	2,031,250	2,356,250	2,356,250
Tamweel Mortgage Finance Company- Eighth Agreement- (One Loan)	662,500	4,306,250	4,968,750	4,968,750
Tamweel Mortgage Finance Company- Ninth Agreement- (One Loan)	1,504,516	392,207	1,896,723	1,896,723
Tamweel Mortgage Finance Company-Tenth Agreement- (one Loan)	350,000	2,450,000	2,800,000	2,800,000
Tamweel Mortgage Finance Company- Eleventh Agreement- (one Loan)	1,244,040	465,292	1,709,332	1,709,332
Egyptian Housing Finance Company-First Agreement - (One Loan)	800,000	1,200,000	2,000,000	2,000,000
Egyptian Housing Finance Company-Second Agreement (Two Loans)	4,017,858	17,008,928	21,026,786	21,026,786
Egyptian Housing Finance Company-Third Agreement - (One Loan)	5,824,385	7,234,017	13,058,402	13,058,402
Egyptian Housing Finance Company-Fourth Agreement - (One Loan)	3,268,627	3,244,487	6,513,114	6,513,114
Sakan Company - First Agreement - (One Loan)	2,285,714	10,285,715	12,571,429	12,571,429
Sakan Company - Second Agreement - (One Loan)	965,854	1,126,829	2,092,683	2,092,683
AlAhly Mortgage Finance Company - (One loan)	2,245,488	993,180	3,238,668	3,238,668
Amlak Finance and Real Estate Investments - (Two Loans)	3,571,428	20,595,238	24,166,666	24,166,666
Housing And Development Bank-First Agreement (Three Loans)	3,002,500	32,968,750	35,971,250	35,971,250
Housing And Development Bank-Second Agreement (Three Loans)	3,231,250	38,690,625	41,921,875	41,921,875
National Bank Of Egypt (Seven Loans)	8,070,588	85,487,353	93,557,941	93,557,941
Banque Misr (One Loan)	1,333,333	16,777,778	18,111,111	18,111,111
	<b>83,366,388</b>	<b>447,139,855</b>	<b>530,506,243</b>	

Contractual interest rates vary from 10.25% to 12.75%.

- Each loan is secured by first-degree possession mortgage of the mortgage finance portfolio of the borrower.
- The mortgage finance portfolio of each borrower within the period represents more than 110 % of the above loans balances (As per EFSA Regulations).

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2014

**6 FINANCIAL INVESTMENTS HELD TO MATURITY**

	31 December 2014	31 December 2013
	LE	LE
<u>Egyptian Pound</u>		
Suez Canal Investment Certificates (matured on 12 September 2019)	10,000,000	-
	<u>10,000,000</u>	<u>-</u>

**7 PREPAYMENTS AND OTHER DEBIT BALANCES**

	31 December 2014	31 December 2013
	LE	LE
Withholding tax on treasury bills	3,164,719	3,015,383
Prepaid expenses	152,761	152,260
Security deposit	183,807	199,408
Accrued interest income	82,418	11,374
Other debit balances	8,950	8,493
Staff receivable	-	2,614
	<u>3,592,655</u>	<u>3,389,532</u>

**8 INTANGIBLE ASSETS**

	31 December 2014	31 December 2013
	Computer software LE	Computer software LE
<b>Cost</b>		
At the beginning of the year	1,801,168	1,801,168
Additions for the year	153,300	-
At the end of the year	<u>1,954,468</u>	<u>1,801,168</u>
<b>Accumulated amortization</b>		
At the beginning of the year	(1,132,045)	(771,811)
Amortization for the year	(364,063)	(360,234)
At the end of the year	<u>(1,496,108)</u>	<u>(1,132,045)</u>
<b>Net book value</b>		
At the end of the year	<u>458,360</u>	<u>669,123</u>

**EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)**

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2014

**9 FIXED ASSETS**

	<b>Computers</b>	<b>Furniture &amp; fixtures</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>
<b>Cost</b>						
As of 1 January 2014	2,268,507	1,190,654	666,900	461,188	920,785	5,508,034
Additions during the year	203,796	77,991	-	36,935	35,424	354,146
Disposals	(263,808)	-	-	(2,550)	-	(266,358)
As of 31 December 2014	<u>2,208,495</u>	<u>1,268,645</u>	<u>666,900</u>	<u>495,573</u>	<u>956,209</u>	<u>5,595,822</u>
<b>Accumulated depreciation</b>						
As of 1 January 2014	(1,509,396)	(982,530)	(213,450)	(341,357)	(911,781)	(3,958,514)
Depreciation for the year	(226,089)	(65,232)	(109,400)	(42,789)	(23,357)	(466,867)
Disposals	263,808	-	-	2,550	-	266,358
As of 31 December 2014	<u>(1,471,677)</u>	<u>(1,047,762)</u>	<u>(322,850)</u>	<u>(381,596)</u>	<u>(935,138)</u>	<u>(4,159,023)</u>
<b>Net Book Value as of</b>						
31 December 2014	<u>736,818</u>	<u>220,883</u>	<u>344,050</u>	<u>113,977</u>	<u>21,071</u>	<u>1,436,799</u>
31 December 2013	<u>759,112</u>	<u>208,124</u>	<u>453,450</u>	<u>119,830</u>	<u>9,004</u>	<u>1,549,520</u>

- There is no mortgage over the fixed assets.
- The gross carrying amount of fully depreciated fixed assets that are still in use amounted to LE 3,380,335 as of 31 December 2014 (31 December 2013: LE 3,467,360)

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 10 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2014	31 December 2013
	LE	LE
Accrued interest on term loan	4,933,717	5,362,527
Tax Authority – payroll tax	151,886	145,595
Tax Authority – withholding tax	3,872	4,582
Accrued expenses	116,000	98,600
Accrued EFSA development fees	33,876	34,152
Social Insurance Authority	15,348	13,594
Other credit balances	19,863	13,617
	<u>5,274,562</u>	<u>5,672,667</u>

### 11 CAPITAL

The Company's authorized capital amounts to LE 640,000,000 whereas the issued and paid up capital amounts to LE 363,542,000 divided over 363542 shares (300466 common shares and 63076 preferred shares of 2 voting rights per each) of LE 1,000 each and is distributed as follows:

Description	No. of shares		Value	%
	Common	Preferred		
Central Bank of Egypt (founder)	40000	40000	80,000,000	22,01
National Bank of Egypt (founder)	40000	-	40,000,000	11
Mortgage Finance Guarantee and Subsidy Fund (founder)	4000	4000	8,000,000	2,2
Arab Bank	5000	-	5,000,000	1,38
HSBC Bank	18000	-	18,000,000	4,95
Societe Arabe Internationale de Banque	10000	-	10,000,000	2,75
Emirates NBD	2000	-	2,000,000	0,55
Commercial International Bank	5000	-	5,000,000	1,38
Faisal Islamic Bank	4000	-	4,000,000	1,1
Banque Misr	40000	-	40,000,000	11
National Bank of Kuwait	4000	-	4,000,000	1,1
Tameer Mortgage Finance Co, (Al Oula)	20000	-	20,000,000	5,5
QNB AlAhly	10000	-	10,000,000	2,75
Piraeus Bank	19000	-	19,000,000	5,22
Blom Bank	2000	-	2,000,000	0,55
Egyptian Housing Finance Company	2000	-	2,000,000	0,55
Misr Iran Bank	5000	-	5,000,000	1,38
Egyptian Gulf Bank	10000	-	10,000,000	2,75
Housing and Development Bank	20000	-	20,000,000	5,5
Ahli United Bank	4000	-	4,000,000	1,1
Egyptian Arab Land Bank	20000	-	20,000,000	5,5
Arab African International Mortgage Finance Company	3923	-	3,923,000	1,08
Tamweel Mortgage Finance Company	2806	-	2,806,000	0,77
International Finance Corporation	-	19076	19,076,000	5,25
United Bank	4000	-	4,000,000	1,1
Amlak Finance & Real Estate Investment	1000	-	1,000,000	0,28
El Tayseer for Mortgage Finance	2000	-	2,000,000	0,55
El Ahly Mortgage Finance Company	1825	-	1,825,000	0,5
Sakan Mortgage Finance Company	912	-	912,000	0,25
	<u>300466</u>	<u>63076</u>	<u>363,542,000</u>	<u>100</u>

Based on the request of IFC, Holding 19076 preferred shares with a value of EGP 19,076,000 of the company shares, for exit from EMRC based on the Commitment by the company to buy IFC shares if it so requires, based on the approval of the extraordinary GA dated 13/05/2007, at the time when IFC entered as a shareholder. Accordingly, the Egyptian Mortgage Refinance Company approved to buy IFC shares at the fair value of EGP 1211.64 per share, based on an independent financial advisor report dated 10/12/2014. Transfer of ownership was completed after the approval of the Egyptian Stock Exchange during the session of 19/1/2015. The Egyptian Mortgage Refinance Company received a notice of transfer of ownership dated 1/2/2015.



# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 12 LEGAL RESERVE

Legal reserve balance amounting to LE 18,693,890 as of 31 December 2014 is represented as follows:

- 1) The transfer of premium on increase in capital of LE 96,000 resulting from the difference between the par value and amount paid for the issuance of 4,904 new shares, in accordance with the resolution of the Extraordinary General Assembly Meeting on 11 December 2006.
- 2) The transfer of premium on increase in capital of LE 923,278 resulting from the difference between the par value and amount paid for the issuance of 19,076 new shares, in accordance with the resolution of the Extraordinary General Assembly Meeting on 13 May 2007.
- 3) The transfer of 5% of the net profit of the year ended 31 December 2007, with the amount of LE 847,111 according to the ordinary general assembly meeting held on 31 March 2008.
- 4) The transfer of premium on increase in capital of LE 138,900 resulting from the difference between the par value and amount paid for the issuance of 5,000 new shares, in accordance with the resolution of the Extraordinary General Assembly Meeting on 31 March 2008.
- 5) The transfer of 5% of the net profit of the year ended 31 December 2008, with the amount of LE 572,435 according to the ordinary general assembly meeting held on 31 March 2009.
- 6) The transfer of 5% of the net profit of the year ended 31 December 2009, with the amount of LE 672,772 according to the ordinary general assembly meeting held on 11 April 2010.
- 7) The transfer of 5% of the net profit of the year ended 31 December 2010, with the amount of LE 658,046 according to the ordinary general assembly meeting held on 16 June 2011.
- 8) The transfer of 5% of the net profit of the year ended 31 December 2011, with the amount of LE 723,860 according to the ordinary general assembly meeting held on 10 May 2012.
- 9) The transfer of premium on increase in capital of LE 11,697,317 resulting from the difference between the par value and amount paid for the issuance of 122562 new shares, in accordance with the resolution of the board of directors held on 2 July 2012.
- 10) The transfer of 5% of the net profit of the year ended 31 December 2012, with the amount of LE 1,010,303 according to the ordinary general assembly meeting held on 13 June 2013.
- 11) The transfer of 5% of the net profit of the year ended 31 December 2013, with the amount of LE 1,353,868 according to the ordinary general assembly meeting held on 8 May 2014.

### 13 GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2014	31 December 2013
	LE	LE
Salaries and wages	9,351,078	8,831,296
Premises rent	1,421,407	1,361,332
Professional fees	465,397	558,989
IT support contracts	383,108	379,954
Tax, legal and other consultants	86,267	93,690
Cleaning and security	126,006	108,783
EFSA development fees	133,622	135,900
Insurance	120,400	120,442
Employees training	74,968	29,577
Stationary and printing materials	37,527	37,599
Repair & maintenance	79,895	88,676
Electricity	46,912	40,654
Telephone and mobile	54,863	52,478
Internet and ADSL	32,970	33,380
Entertainment, meals and public relations	27,778	20,566
AGM & EGM Meeting Expenses	9,166	13,047
Legal expenses	17,338	19,465
Travel and transportation	4,083	1,986
Donations	500,000	500,000
Other expenses	101,515	105,353
	<b>13,074,300</b>	<b>12,533,167</b>

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 14 FINANCE EXPENSES

	31 December 2014	31 December 2013
	LE	LE
Interest on term loan & Overdraft Account	17,466,823	18,875,799
Other charges	27,479	13,376
	<u>17,494,302</u>	<u>18,889,175</u>

### 15 A) LOAN AGREEMENT

A loan agreement has been made between the government of the Arab Republic of Egypt (the borrower) and "International Bank for Reconstruction and Development" (the lender) by which the bank agrees to lend the borrower an amount of L.E. 214,200,000 to assist in financing the project as described in note (16) to the financial statements.

A commitment charge is payable at 0.75% per annum on the un withdrawn loan balance, less waiver of a portion of such charge as may be determined by the World bank. Net commitment charge, after waiver is 0.25%.

A front-end fee is payable at 0.25% of the loan amount amounted to LE 535,500 which was fully incurred during 2007.

The loan will be repaid on 15 March and 15 September of each year starting from 15 September 2012 up to 15 March 2026.

The loan amount repaid during the year ended 31 December 2014 amounted to LE 15,293,880.

The loan balance as of 31 December 2014 amounted to LE 175,965,300 (31 December 2013: LE 191,259,180) is represented as follows:

	31 December 2014	31 December 2013
	LE	LE
Non-Current	160,671,420	175,965,300
Current	15,293,880	15,293,880
	<u>175,965,300</u>	<u>191,259,180</u>

### 15 B) Credit Facility

- An agreement was made between Egyptian Mortgage Refinance Company (the borrower) and Egyptian Gulf Bank (the lender) the bank agreed to grant the borrower credit facilities with an amount of EGP 40,000,000 as follow:

- Amount of EGP 10,000,000 as short term loans (over draft).

- Amount of EGP 30,000,000 as medium term loans.

With an interest rate of Central Bank of Egypt – Corridor lend in addition to 1.25% including a commission on highest debit balance valid from October, 1<sup>st</sup> 2014 to September, 30<sup>th</sup> 2015.

### 16 PROJECT AGREEMENT

The Company has entered into a project agreement as "Project Implementing Entity" dated 12 November 2006 with "International Bank for Reconstruction and Development" in connection with the loan agreement described in note (15-A) above.

The Company undertakes that a mortgage loan shall be made to each "Primary Mortgage Lender" (PML) on the terms and conditions acceptable to the bank. The Company shall also exercise its rights in relation to each PML under the respective participation agreement in such a manner as to protect the interest of the bank and the Company and to comply with its obligations under the project agreement.

# EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 17 EXPENDITURE COMMITMENTS

	31 December 2014 LE	31 December 2013 LE
<b>Operating lease commitments</b>		
Future minimum lease payments:		
Within one year:		
Operating lease commitment	1,210,678	1,404,399
Less: Advance payment of operating lease	-	-
Net operating lease commitment within one year	<u>1,210,678</u>	<u>1,404,399</u>
After one year but not more than five years	48,000	1,230,333
More than five years	-	-
Total operating lease expenditure contracted for at the balance sheet date	<u>1,258,678</u>	<u>2,634,732</u>

### 18 TAX SITUATION

#### a) Corporate tax

- No tax inspection took place for the Company's records for the years from 2007 till 2008.
- Currently tax inspection took place for the company's records from 2009 till 2010, the Company files its tax declaration on time.
- Tax inspection took place for the company's records from 2011 till 2012 and the Company waiting for the Tax authority inspection.

#### b) Salary tax

The Company's records were inspected for the years from 2006 till 2008. The Company objected on the assessment and the issue was transferred to the Internal Committee. The Internal Committee verdict accepted the Company's objection and the amount owed to the Company. The tax authority approved LE 4,638 credit balance to be deducted from the next years

No tax inspection took place for the Company's records for the years from 2009 till 2013.

#### c) Stamp duty tax

Tax inspection took place for the Company's records from 2007 till 2013 and resulted in as stamp tax of EGP 10208.35; noted that the company did not agree with the results of the internal committee and submitted a request to forward it to a specialized Committee and if the dispute is not settled the Company will forward it to appeal committee.

#### b) Taxes on Treasury bills

Taxes on Treasury Bills are deducted by the banks at maturity and tax amount is transferred to the tax authority (Ministry of finance) on behalf of the company. An amount of EGP 1,437,040 was deducted during the years 2009 and 2010 currently suspended in other debit balances till finalization of tax examination and Final Settlement for years 2009 and 2010.

### 19 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments are represented in financial assets and financial liabilities. The financial assets include cash on hand and at banks, mortgage refinance loans, and other debit balances. The financial liabilities include accounts payable, income tax payable, term loans, and other credit balances.

The significant accounting policies applied for the recognition and measurement of the above - mentioned financial assets and liabilities and the related income and expenses are included in note (2) of the notes to the financial statements.

EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

**20 RISK MANAGEMENT**

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its term loan, bank deposits, and held to maturity investments.

The Company monitors the maturity structure of assets and liabilities with the related interest rates taking into consideration that interest rate on assets and liabilities is matched up to 10 years with the right of term loan early settlement after 10 years.

**b) Foreign Currency Risk**

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates.

For the purpose of minimizing the risk, the Company considers diversifying its foreign currencies position among different foreign currencies. No foreign currency financial assets or liabilities exist at the date of the financial statements. Expenditure commitments in foreign currency are disclosed under operating lease commitment in note (17) to the financial statements.

**c) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation at its maturity date. The Company is exposed to credit risk on its bank balances and mortgage refinance loans as follows:

	<b>31 December 2014</b>	31 December 2013
	LE	LE
Bank balance	23,083,979	28,646,581
Mortgage refinance loans	530,506,243	513,053,739
	<u>553,590,222</u>	<u>541,700,320</u>

**Credit risks related to banks accounts:**

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and there are concentration limits with banks.

**Credit risk related to investments at fair value through profit or loss:**

The investment manager closely monitors the credit worthiness of each fund's investment instruments.

**Credit risks related to mortgage refinance loans:**

The Company minimizes its credit losses by following the below procedures:

- Preparing credit studies of its customers (PML) and determining credit worthiness before dealing with them.
- Obtaining adequate guarantees to reduce the risks resulting from insolvency of customers (PML) or banks.
- Monitoring and preparing annual studies on customers (PML) in order to evaluate their financial and credit position.
- Customers (PML) are obligated according to the Mortgage Refinance Loan agreements to replace the defaulted loans in their loan portfolio.

**d) Capital risk management**

The company manages its capital to ensure that it will continue as a going concern while maximising the return to the shareholders through the optimisation of debt to equity balance. The company's overall strategy remains unchanged from 2014.

EGYPTIAN MORTGAGE REFINANCE COMPANY (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

21 DEFERRED TAX LIABILITIES

	Liabilities 31 December 2014	Liabilities 31 December 2013
	LE	LE
Depreciation and amortization	(27,042)	(41,520)
Accrued interest income on treasury bills	(623,922)	(331,708)
Deferred tax (liabilities)	(650,964)	(373,228)
Net deferred tax liabilities	(650,964)	(373,228)

22 RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	31 December 2014	31 December 2013
	LE	LE
Profits before income tax	35,107,869	35,350,900
<b>Add/subtract the tax effect of below items:</b>		
Other additions - accrued interest income on 2013/2012 treasury bills	1,326,834	584,517
Other deductions - accrued interest income on 2014/2013 treasury bills	(2,495,688)	(1,326,834)
Other deductions - tax exempted income on investment certificates	(1,420,527)	(5,005,984)
Other Revenue	(6,535)	(56,500)
Depreciation and amortization	64,446	(133,092)
Real estate tax	65,235	65,234
Cost of investments in exempted income	648,559	2,312,105
Board of directors allowance	303,500	372,000
	<u>33,593,693</u>	<u>32,162,346</u>
Income tax with rate (25% till 1,000,000)	250,000	8,040,586
Income tax with rate (30% more than 1,000,000)	9,778,108	-
Income tax for the year at the effective tax rate	<u>10,028,108</u>	<u>8,040,586</u>
Effective tax rate	28.56%	22.75%

Income Tax Payable

	31 December 2014	31 December 2013
	LE	LE
Beginning balance	8,040,586	5,283,287
Accrued during the year	10,028,108	8,040,586
Settled during the year	(8,040,586)	(5,283,287)
Ending balance	<u>10,028,108</u>	<u>8,040,586</u>

23 RELATED PARTIES TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the company, entities controlled, jointly controlled or significantly influenced by such parties; The Company consummates transactions with related parties on an arm's length basis subject to the rules, policies and regulations applied in the Company and in accordance to the Article of Association that the company's transactions related to Real Estate finance activity through refinancing activities should limited only with the shareholders.

Transactions with related parties included in the statement of income during the year are as follows:

	31 December 2014	31 December 2013
	LE	LE
Interest income and commissions on mortgage refinance loans	55,052,010	53,953,444
Interest income on time deposits and current accounts	702,141	412,631
Financing charges	(15-B) 27,479	13,374