

**HOUSING AND DEVELOPMENT BANK  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 December 2017**

## **INDEPENDENT AUDITORS' REPORT**

### **To The Shareholders of Housing and Development Bank- Egypt (S.A.E)**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Housing and Development Bank - Egypt (S.A.E), represented in the consolidated balance sheet as at 31 December 2017, and the related consolidated statements of income, changes in shareholders' 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 consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the instructions of preparation and presentation of financial statements for Egyptian banks issued by Central Bank of Egypt on 16 December 2008 as well as with relevant Egyptian Laws and regulations. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error. Management's responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 misstatements.

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

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

#### **Opinion**

In our opinion the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position of Housing and Development Bank - Egypt (S.A.E), as of 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the Year then ended in accordance with the instructions of the preparation and presentation of financial statements for Egyptian banks issued by Central Bank of Egypt on 16 December 2008 as well as with relevant Egyptian laws and regulations.

## Report on Other Legal and Regulatory Requirements

Nothing has come to our attention that causes us to believe that material violations were occurred regarding the provisions of the Central Bank of Egypt, Banking and Monetary System Law No. 88 of 2003 for the year ended 31 December 2017.

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

The financial information included in the Board of directors' report, prepared in accordance with the provisions of Law No.159 of 1981 and its executive regulations are in agreement with the Bank's accounting records within the limit that such information is recorded therein.

28 February 2018  
Cairo



Tarek Salah

Baker Tilly  
Public Accountants & Consultants

### Auditors

Sherif El - Kelany

Alfred for Accounting and Auditing  
Public Accountants & Consultants



Emad Ali Hassan Abu Ghazala  
Emad Ali Hassan  
Accountability State Authority