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Report on Review of unconsolidated Interim Financial Statements

To: The Board of directors of Commercial International Bank (Egypt) S.A.E

Introduction

We have performed a review for the accompanying unconsolidated balance sheet of Commercial International Bank (Egypt) S.A.E as of 30 September 2009 and the related unconsolidated statements of income, cash flows and changes in equity for the financial period from January 1st, 2009 up to September 30th, 2009, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these unconsolidated interim financial statements in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 27, 2002 and its amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of Review

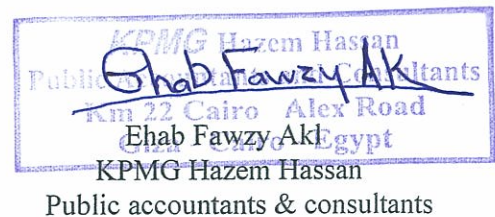
We conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of unconsolidated Interim Financial Statements Performed by the Independent Auditor of the Bank." A review of unconsolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these unconsolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements do not present fairly, in all material respects, the unconsolidated financial position of the Bank as at 30 September 2009, and of its financial performance and its cash flows for the financial period then ended in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 27, 2002 and its amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws.



Auditors



Cairo, 11 November 2009

Activities report for the Period from
1 Jan.2009 to 30 September.2009

The following are the significant variances for the Balance Sheet and Income Statement as of September 30,2009 compared to December 31,2008

	<u>Balance As Of</u>	<u>Balance As Of</u>	<u>Variance</u>
	<u>30 Sep.2009</u>	<u>31 Dec.2008</u>	<u>%</u>
<u>1) Balance sheet</u>			
(amounts in EGP Billion)			
- Total assets	60.1	57.1	5.3
- Contingent Liabilities & Commitments	12.1	13.3	(8.7)
- Loans & Overdraft (Net)	27.2	26.3	3.2
- Investments	10.3	5.1	103.4
- Treasury Bills and other Governmental Notes	9.8	12.4	(21.4)
- Customers Deposits	50.9	48.9	4.1
- Other Provisions	0.4	0.4	(0.1)
- Total Shareholders' Equity & Net Profit	6.6	5.6	17.6
	<u>From 31 Jan 2009</u>	<u>From 31 Jan 2008</u>	<u>Variance</u>
	<u>to 30 Sep 2009</u>	<u>to 30 Sep 2008</u>	<u>%</u>
<u>2) Income statement</u>			
(amounts in EGP Million)			
- Interest received	3,045.7	2,618.8	16.3
- Interest paid	(1,539.6)	(1,447.6)	6.4
- Banking Fees & Commissions	433.5	483.6	(10.3)
- Net Profit After Tax	1,357.0	1,320.8	2.7

S.A.E
Unconsolidated Balance Sheet In
Sep. 30, 2009

	Note No.	<u>Sep. 30, 2009</u> <u>EGP</u>	<u>Dec. 31, 2008</u> <u>EGP</u>
<u>Assets:-</u>			
- Cash and Due From Central Bank	(5)	4,173,466,534	4,473,011,942
- Due From Banks	(6)	6,489,758,105	6,411,397,744
- Treasury Bills and other Governmental Notes	(7)	9,783,643,420	12,449,007,406
- Trading Financial Assets	(8)	790,218,581	497,554,487
- Loans and Overdrafts	(12) & (11)	27,182,965,732	26,330,327,878
- Financial Derivatives	(13)	392,541,362	704,890,792
<u>Financial Investments:-</u>			
- Available for Sale	(9)	7,803,503,357	2,762,232,984
- Held to Maturity	(9)	599,198,914	681,263,274
- Financial Investments in Subsidiary and Associated Co.	(14)	1,138,311,222	1,138,332,672
- Debit Balances and Other Assets	(16)	1,014,070,928	942,621,482
- Deferred Tax	(28)	36,882,694	21,840,568
- Fixed Assets (Net)	(17)	744,375,704	715,251,587
<u>Total Assets</u>		<u>60,148,936,553</u>	<u>57,127,732,816</u>
<u>Liabilities and Shareholder's Equity:-</u>			
<u>Liabilities:-</u>			
- Due to Banks	(18)	746,253,433	213,470,012
- Customers Deposits	(19)	50,947,438,726	48,938,109,663
- Financial Derivatives	(13)	283,889,414	636,914,744
- Credit Balances and Other Liabilities	(20)	1,088,034,589	1,235,780,102
- Long Term Loans	(21)	96,845,301	109,273,933
- Other Provisions	(22)	362,678,480	363,218,186
<u>Total Liabilities</u>		<u>53,525,139,943</u>	<u>51,496,766,640</u>
<u>Shareholders' Equity:-</u>			
- Issued and Paid in Capital	(23)	2,925,000,000	2,925,000,000
- Reserves	(23)	2,196,921,519	1,006,080,499
- Reserve for employee stock ownership plan (ESOP)		146,845,365	86,727,903
- Retained Earning		(1,942,684)	(1,942,684)
<u>Total Shareholders' Equity</u>		<u>5,266,824,200</u>	<u>4,015,865,718</u>
- Net Profit of the Period / Year		1,356,972,410	1,615,100,458
<u>Total Shareholders' Equity and Net Profit</u>		<u>6,623,796,610</u>	<u>5,630,966,176</u>
<u>Total Liabilities and Shareholders' Equity</u>		<u>60,148,936,553</u>	<u>57,127,732,816</u>
<u>Contingent Liabilities and Commitments</u>			
- letters of Credit, Guarantees and Other Commitments	(24)	12,129,864,544	13,290,994,705

The Accompanying Notes are an Integral part of the Financial Statements and are to be Read Therewith
(Review Report attached)


Hisham Ezz El-Arab
Chairman
& Managing Director

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Unconsolidated Income Statement For The Period Ended
Sep. 30, 2009

	Note No.	<u>Last 3 Months</u>	<u>Last 9 Months</u>	<u>Last 3 Months</u>	<u>Last 9 Months</u>
		<u>Sep. 30, 2009</u>	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2008</u>	<u>Sep. 30, 2008</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
				<u>(Restated)</u>	<u>(Restated)</u>
- Interest and similar income	(25)	980,253,476	3,045,676,359	934,250,660	2,618,840,929
- Interest and similar Expenses	(25)	(480,150,210)	(1,539,561,730)	(519,209,834)	(1,447,572,006)
<u>Net Interest Income</u>		<u>500,103,266</u>	<u>1,506,114,629</u>	<u>415,040,826</u>	<u>1,171,268,923</u>
- Fess & Commissions Income		169,149,880	482,795,216	158,573,874	522,510,157
- Fess & Commissions Expense		(17,258,138)	(49,245,907)	(15,603,313)	(38,935,409)
<u>Net Income From Fess & Commissions</u>		<u>151,891,742</u>	<u>433,549,309</u>	<u>142,970,561</u>	<u>483,574,748</u>
- Dividends Income		34,426	124,483,365	3,223,940	127,332,469
- Net Trading Income	(26)	81,893,209	348,214,943	125,704,047	355,494,768
- Provisions	(12) & (22)	(26,775,880)	(88,273,820)	(35,025,381)	(199,380,131)
- Profit from Financial Investments	(9)	31,311,478	62,344,371	28,030,461	122,511,815
- Administrative Expenses		(256,456,363)	(787,045,957)	(235,330,607)	(642,814,015)
- Other Operating (Expenses) Income	(10)	15,831,130	(431,001)	(22,482,421)	109,931,639
<u>Net Profit Before Tax</u>		<u>497,833,007</u>	<u>1,598,955,839</u>	<u>422,131,426</u>	<u>1,527,920,216</u>
- Income Tax	(29)	(80,472,393)	(257,025,555)	(72,101,737)	(177,896,316)
- Deferred Tax	(29) & (28)	5,661,760	15,042,126	3,094,053	(29,176,368)
<u>Net Profit After Tax</u>		<u>423,022,374</u>	<u>1,356,972,410</u>	<u>353,123,742</u>	<u>1,320,847,532</u>
<u>Earning Per Share</u>					
- Basic	(30)	1.28	4.11	1.07	4.00
- Diluted	(30)	1.25	4.02	1.06	3.96



Hisham Ezz El-Arab
Chairman
& Managing Director

S.A.E
Unconsolidated Cash Flow For The Period Ended
Sep. 30, 2009

	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Operating Activities:-</u>		<u>(Restated)</u>
- Net Income Before Tax	1,598,955,839	1,527,920,216
 <u>Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities</u>		
- Depreciation	139,198,324	100,024,494
- Provisions (Formed During The Period)	88,273,819	199,780,767
- Trading Financial Investments Evaluation Differences	4,743,400	28,630,787
- Impairment Of Assets	4,690,062	39,349,989.66
- Utilization Of Provisions (Except Provision For Doubtful Debts)	(5,887,041)	(10,539,941)
- Provisions No Longer Used	-	(94,706,704)
- Fcy Revaluation Differences Of Provisions Balances (Except Doubtful Debts)	(259,087)	(478,731)
- Profit From Selling Fixed Assets	(15,344,069)	(5,008,077)
- Profit From Selling Financial Investments	(3,416,690)	(160,187,303)
- Profit From Selling An Investment In Subsidiary	-	(50,258,991)
- Fcy Revaluation Diff.Of Long Term Loans	434,463	(623,325)
- Share Based Payments	60,117,462	43,908,011
	1,871,506,482	1,617,811,193
 <u>Net Decrease (Increase) In Assets</u>		
- Due From Banks	(597,919,600)	3,295,057,442
- Treasury Bills And Other Governmental Notes	2,202,353,652	(1,683,978,012)
- Trading Financial Assets	(297,407,494)	(58,815,273)
- Financial Derivatives (Net)	(40,675,900)	(29,022,253)
- Loans And Overdrafts	(930,946,199)	(6,446,213,476)
 <u>Net Increase (Decrease) In Liabilities</u>		
- Debit Balances And Other Assets	(121,775,850)	(551,458,400)
- Due To Banks	532,783,421	787,563,625
- Customers Deposits	2,009,329,063	8,378,723,465
- Credit Balances And Other Liabilities	(404,771,069)	(75,160,573)
	4,222,476,506	5,234,507,738
<u>Net Cash Provided From Operating Activities</u>	4,222,476,506	5,234,507,738

S.A.E
Unconsolidated Cash Flow For The Period Ended
Sep. 30, 2009

	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Investing Activities:-</u>		
- Sale Of Subsidiaries And Associated Companies	53,998,565	(749,581,256)
- Purchase Of Fixed Assets , Premises And Fitting- Out Of Branches	(107,011,020)	(120,421,710)
- Redemption Of Held To Maturity Financial Investments	82,086,393	132,528,735
- Held To Maturity Financial Investment Purchases	(22,033)	-
- Available For Sale Financial Investment	(5,042,543,745)	(1,550,668,015)
	<u>(5,013,491,840)</u>	<u>(2,288,142,246)</u>
<u>Cash Flow From Financing Activities:-</u>		
- Increase (Decrease) In Long - Term Loans	(12,863,095)	(52,181,207)
- Dividends Paid	(478,236,553)	(336,727,470)
	<u>(491,099,648)</u>	<u>(388,908,677)</u>
<u>Net Cash (Used In) Financing Activities</u>	<u>(491,099,648)</u>	<u>(388,908,677)</u>
Net Cash And Cash Equivalent Changes	(1,282,114,982)	2,557,456,815
Beginning Balance Of Cash And Cash Equivalent	8,622,040,072	6,779,152,548
	<u>7,339,925,090</u>	<u>9,336,609,363</u>
<u>Cash And Cash Equivalent Balance At The End Of The Period</u>	<u>7,339,925,090</u>	<u>9,336,609,363</u>
<u>Cash And Cash Equivalent Are Represented As Follows:-</u>		
- Cash And Due From Central Bank	4,173,466,533	7,286,466,976
- Due From Banks	6,489,758,105	10,442,378,497
- Treasury Bills And Other Governmental Notes	9,783,643,420	4,901,473,704
- Due From Banks (Time Deposits)	(6,314,873,872)	(9,969,161,092)
- Treasury Bills With Maturity More Than Three Months	(6,792,069,096)	(3,324,548,722)
	<u>7,339,925,090</u>	<u>9,336,609,363</u>
<u>Total Cash And Cash Equivalent</u>	<u>7,339,925,090</u>	<u>9,336,609,363</u>

S.A.E
Unconsolidated Statement of Changes in Shareholders' Equity as of
Sep. 30, 2009

	2008		Capital	Legal Reserve	General Reserve	Retained Earning*	Special Reserve	Reserve For	Profits Of The Year	Reserve For Employee	Total
	EGP	EGP						A.F.S Investments *		Stock Ownership	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
- Beginning Balance	1,950,000,000	432,851,511	1,382,547,602	11,628,342	185,993,785	60,903,531	-	29,159,584	4,053,084,355		
- Derivatives Revaluations Settlement *	-	-	-	(13,571,026)	-	-	-	-	(13,571,026)		
- Capital Increase *	975,000,000	-	(975,000,000)	-	-	-	-	-	-		
- Net Profits Of The Year	-	-	-	-	-	-	1,615,100,458	-	1,615,100,458		
- Usage Part Of Reserve	-	-	-	-	-	(81,215,930)	-	-	(81,215,930)		
- Reserve For Employees Stock Ownership Plan (ESOP)**	-	-	-	-	-	-	-	57,568,319	57,568,319		
Balance At The End Of The Year	2,925,000,000	432,851,511	407,547,602	(1,942,684)	185,993,785	(20,312,399)	1,615,100,458	86,727,903	5,630,966,176		

	2009		Capital	Legal Reserve	General Reserve*	Retained Earning*	Special Reserve	Reserve For	Profits Of The Period	Reserve For Employee	Total
	EGP	EGP						A.F.S Investments *		Stock Ownership	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
- Balance At Beginning Of The Period	2,925,000,000	432,851,511	407,547,602	(1,942,684)	185,993,785	(20,312,399)	1,615,100,458	86,727,903	5,630,966,176		
- Transfer To Reserves	-	80,755,023	1,056,108,882	-	-	-	(1,136,863,905)	-	-		
- Dividends Paid	-	-	-	-	-	-	(478,236,553)	-	(478,236,553)		
- Net Profits Of The Period	-	-	-	-	-	-	1,356,972,410	-	1,356,972,410		
- Addition from Financial Investment Revaluation	-	-	-	-	-	53,977,115	-	-	53,977,115		
- Reserve For Employees Stock Ownership Plan (ESOP)**	-	-	-	-	-	-	-	60,117,462	60,117,462		
Balance At The End Of The Period	2,925,000,000	513,606,534	1,463,656,484	(1,942,684)	185,993,785	33,664,716	1,356,972,410	146,845,365	6,623,796,610		

* Note No. (23)

** Note No. (31)

The Commercial International Bank (Egypt) S.A.E.
Notes to the Unconsolidated Financial Statements
For the Financial Period
from January 1, 2009 to September 30, 2009

(1) **Organization and Activities**

Commercial International Bank (Egypt) S.A.E was formed as a commercial Bank on August 7, 1975 under the Investment Law No. 43 for 1974. The Bank is licensed to carry out all commercial banking activities in Egypt through its Head Office and one hundred & six branches, in addition to forty seven units.

(2) **Significant Accounting Policies**

A) **Basis of Preparing Financial Statements**

- The Unconsolidated Financial Statements are prepared in accordance with the Central Bank of Egypt regulations issued on 27th of June 2002 and its amendments in addition to amendments made to the financial investments issued on December 16, 2008 and in accordance with the related Egyptian laws and regulations.

B) **Transactions in Foreign Currencies**

- The Accounting records of the bank are maintained in Egyptian pounds. Transactions in foreign currencies conducted during the period are recorded at the foreign exchange rates prevailing at the time such transactions take place.
- Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date. Currency translation differences on all monetary financial assets and liabilities are reported in the income statement in the following items:-
 - Net trading income or net income arising from financial instruments originally classified as change in fair value through profit and loss for financial assets / liabilities held for trading or originally recorded at fair value through profit and loss.
 - Other operating income (loss) for other items.
- The changes in fair value arising from monetary financial instruments classified as monetary items foreign currencies as available for sale (Debt Instruments) should be segregated to revaluation differences arising from changes in the instrument amortized cost to be recorded in “income from loans” and differences arises from foreign exchange rate changes to be recorded in “other operating income” and differences arises from change in fair value to be recorded in “fair value reserve for available for sale investments”.
- Translation differences on non-monetary items (equity securities) held at fair value through income are also reported through income statement whereas for those classified as available-for-sale are recorded directly in equity within ‘Net unrealized gains and losses on available-for-sale assets’ item.

C) Realization of Income

- The bank applies the accrual basis in recording interest received from Loans & Overdrafts, Due from Banks, Treasury Bills, Reverse Repo and Bonds. Interest on past due Loans & Overdrafts are not recorded on the income statement. Dividends income is recognized when declared.

D) Treasury Bills

- Treasury Bills are recorded at face value. The issuance discount is recorded in Other Liabilities and deducted from the Gross Treasury Bills balance on the Balance Sheet and accounted for at amortized cost using the effective interest rate.

E) Financial Assets Designated at fair value through income:

- Consists of financial assets held for trading & financial assets that the bank upon initial recognition designates to be measured at fair value with changes reported in income.
- Financial instruments held for trading are those that the Bank holds primarily for the purpose of short-term profit-taking or if it represents a part of specified financial instruments portfolio and there is an evidence of short-term profit-taking. Also derivatives are classified as held for trading unless the derivatives are qualified under hedging accounting.
- Financial assets designated at fair value through income statement are recognized when It relates to an investment portfolio that are managed and evaluated on a fair value basis according to the investment strategies and the risk management and been reported to the senior management according to that basis.
- Any derivative or financial instrument that designated to be measured at fair value with changes through profit and loss is not reclassified during the holding period from the group of financial instruments if it is initially classified as change in fair value through profit and loss.
- At all circumstances the bank should not reclassify any financial instrument into financial instrument measured at fair value with changes through profit and loss or to financial assets held for trading.

F) Held to Maturity Investments

- Held to Maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the bank management has the ability and the intent to hold it for the foreseeable future or maturity. Any sales of a significant amount not close to their maturity -except the emergency cases - would result in the reclassification of all held to maturity investments as available for sale.

G) Available-for-sale Investments

- Non-derivative assets that have either been designated as available for sale or do not fit into one of the categories described above. Equity investments held without significant influence, which are not held for trading or elected to fair value through income, are classified as available-for-sale.

H) Financial Assets

- For the assets classified at fair value through P/L ,held to maturity investments and available for sale investments buying and selling operations are recognized as usual on the trade date which is the date that the bank is committed to buy or sell the financial asset .
- A financial asset that does not originally classify at fair value through P/L is initially recognized at fair value plus transaction costs. A financial asset that is originally classified at fair value through P/L is initially recognized at fair value only and the transaction costs are transferred to P/L in “Net income from trading activities”.
- A financial asset is derecognized when the rights to receive cash flows have expired or the Bank has transferred substantially all the risks and rewards of ownership.
- Available for sale investments and financial assets designated at fair value through P/L are subsequently held at fair value whereas held to maturity investments are measured at amortized cost using the effective interest rate method.
- Gains and losses arising from changes in the fair value of available-for-sale assets should be recognized directly in equity, through the statement of changes in equity, until the financial asset is sold, collected, or otherwise disposed of, at which time the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.
- Monetary assets’ interest income is recognized based on the amortized cost method in the income statement. The foreign currency revaluations differences related to available for sale investments are recognized in the income statement. Available for sale equity instruments related dividends are recognized in the income statement when they declared.
- Fair values are obtained from quoted market prices in liquid markets. Where no active market exists, or quoted prices are unobtainable, the fair value is estimated using a variety of valuation techniques – including discounted cash flow and other pricing models. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity may measure the equity instrument at cost minus any impairment losses.
- Debt instruments can be reclassified from the available for sale investments to held to maturity investments at fair value when the bank has the intention and ability to hold to maturity. Any related Profits and losses that was previously recognized in equity are treated as follows:
 - i. Financial assets with fixed or determinable payments and fixed maturity valued at amortized cost, using the effective interest method in case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.
 - ii. Profits & losses related to financial assets without fixed or determinable maturity are held in equity till selling or dispose the asset then removed from equity and recognized in the income statement. in case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.

I) Investments in Subsidiaries and Associated Companies

- These investments are evaluated at cost and in case of impairment of its fair value; the book value of each investment is adjusted by such impairment and charged to the income statement. In case of an increase in the fair value, such increase will be added to the same category in the income statement within the limit of the amounts previously charged. Also investments in jointly controlled companies are evaluated at cost.

J) Netting

- Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize an asset and settle the liability simultaneously.
- Treasury Bills, Repos & reverse Repos agreements are netted on the balance sheet in 'Treasury Bills and other discountable notes at CBE'.

K) Derivatives & Embedded Derivatives

- Derivatives are measured initially at fair value and subsequently re-measured at fair value. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative.

L) Repos & (Reverse Repos) Transactions

- Repos (Reverse Repos) agreements are eliminated (recorded) on the financial position under "Treasury Bills and Other Notes Discountable at the CBE" whereas its cost (revenue) is recorded in "interest received from treasury Bills & Bonds" item in Income Statement using the effective interest method.

M) Impairment of financial assets

M/1) Financial Assets held to maturity

- The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the balance sheet date ('a loss event') and that loss event or events has had an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated. Objective evidence that a financial asset or a portfolio is impaired includes observable data that comes to the attention of the Bank about the following loss events:
 - Significant financial difficulty of the issuer or obligor;
 - It becomes probable that the borrower will enter bankruptcy or other financial Re-organization.

M/2) Available-for-sale Investments

- The Bank assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets under available for sale investments or held to maturity investment is impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether impairment exists.

N) Assets Acquired for settlement of Debts

- These Assets are recorded in the Financial Statement under “debit balances & Other Assets “at cost and in case of a decrease of the fair value of these assets at the Financial Statement date, the difference is charged to the income statement and the increase of the fair value should be credited to the income statement within the limit of amounts charged in previous financial periods.

O) Provision for Doubtful Debts and Contingent Accounts:

- Provision for Doubtful Debts is established on the basis of an appraisal of the identified risk for specific loans and contingent accounts in addition to general percentages from one to five according to the basis of appraising the customer’s credit worthiness issued by the central bank of Egypt on 6th of June 2005.
- Provision for Doubtful Debts decreases by loans written off and increases by recoveries of loans previously written off. In addition to taking all the necessary legal action required, a continuous follow up is performed for the recovery of all or part of the written-off amounts.

P) Contingent Liability Accounts

- Contingent Liability Accounts include transactions in which the Bank is involved as a third party. Such transactions do not represent actual bank’s assets or liabilities at the Financial Statement date.

Q) Cash & Cash Equivalent:

- In the Statement of Cash Flow, the Cash and Cash Equivalent item includes balances of cash and due from Central Bank, current account balances with Banks and Treasury Bills with maturities of three months.

R) Depreciation and Amortization:

- Depreciation of Fixed Assets (except for land) is calculated on the basis of the estimated useful life of each asset using the straight-line method.
- Improvement and renovation expenses for the bank’s leased premises are amortized over the period of the lease contract or the estimated useful life whichever is lower.

S) Share-based payments to employees

- The Bank engages in equity settled share-based payment transactions in respect of services received from eligible employees.
- The fair value of the services received is measured by reference to the fair value of the shares or equity instruments granted on the date of the grant. The cost of the employee services received in respect of the shares or equity instruments granted is recognized in the income statement over the period that the services are received, which is the vesting period.

- The bank estimate of each balance sheet date the number of options expected to be exercised and account for the change in original estimates, if any, in income statement with the opposite equity account on the remaining period.
- The net amount received by employees after calculating any related cost will be accounted in capital with par amount and premium account at the date of exercising the option.

T) Taxes

- Income Tax on the profit or loss for the financial period comprises current and deferred tax is recognized in the Income statement.
- Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the financial position date.
- Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(3) Financial Instruments and their risk management

(3/1) Financial Instruments

- A) The bank's financial instruments are represented in the financial Assets and Liabilities. The financial assets include cash, due from banks, investments and loans to customers and banks. The financial liabilities include customers' deposits, due to banks and long-term loans. Financial investments also include rights and obligations stated under " contingent liabilities and commitments "

Note No. (2) Of the notes to the financial statements includes the accounting policies applied to measure and recognize significant financial instruments and the revenues and expenses related thereto.

B) Forward Contract

- According to Central Bank of Egypt instructions the bank doesn't execute deferred contracts except to the necessary limit of short term transaction to cover its requirements of Foreign currencies or the bank's customers' requirements to fulfill their obligations resulting from short- term transactions.

(3/2) **Risk Management**

A) **Interest rate risk**

- The value of some financial instruments fluctuates due to the fluctuation in interest rates related thereto. The bank follows some procedures to minimize this risk such as:
- Correlating between the interest rates on borrowing and lending.
- Determining interest rates in consideration with the prevailing discount rates on various currencies.
- Monitoring the maturities of financial assets and liabilities with its related interest rates.

Notes No. (32&33) of the notes to the Financial Statements disclose maturities of the assets and liabilities and the average interest rates applied to assets and liabilities during the period.

B) **Credit risk**

- Loans to customers and Banks ,financial Investments (Bonds), due from banks, rights and obligations from others, are financial assets exposed to credit risk which result in these parties' inability to repay in part or in full the loan granted to them at maturity.
- The bank adopted the following procedures to minimize the credit risk.
- Preparing credit studies about the customers before dealing with them and determining credit risk rates related thereto.
- Obtaining adequate guarantees to reduce the risks resulting from insolvency of customers.
- Monitoring and preparing periodic studies about customers in order to evaluate their financial and credit positions and estimate the required provisions for non - performing loans.
- Distribution of loans portfolio and due from banks over various sectors to avoid concentration of risk.

Note No. (35) Discloses the distribution of loans portfolio over various sectors.

C) **Foreign Currency Risk**

- The nature of the bank's activity requires the bank to deal in many foreign currencies which expose the bank to the risk of fluctuation in exchange rates. To minimize this risk, the bank monitors the balances of foreign currency positions according to Central Bank of Egypt instructions in that respect. Note No. (36) Of the financial statements discloses significant foreign currency positions at the financial statement date.

(4) **Accounting estimates and assumptions**

- The preparation of financial statements requires management to make subjective judgments and estimates, at times, regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures. Those judgments and estimates are based on historical experience and other factors containing the expectations of the future events that are reasonable estimated in accordance of the available conditions & information.
- The most significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

A) Impairment of the available for sale equity instruments:

- In the case of available for sale financial investments, a significant or Continuous decline in the fair value of the security below its cost is considered as impairment. Where such evidence exists, significant or Continuous decline needs a personal judgment. To make this judgment the bank assesses –besides other factors- the common share price volatility. In addition, impairment exists when there is objective evidence that a certain company has a financial difficulty in its cash flow from operating and financing activities, industry tool or sector or technological advances.

B) Derivatives' Fair Value:

- For the unquoted financial instruments, the fair value is determined using a variety of valuation techniques which are tested and reviewed periodically by high qualified staffs that are independent of those who created the models. The models used are validated prior put into use. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. While areas like the bank credit risk, counterparties, volatility and correlations require management to make judgments & estimations. Changes in the assumptions related to these factors may affect the financial instruments fair values which have been disclosed.

C) Held to maturity Investments:

- Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This category 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), investments should be reclassified as available-for-sale, which will be measured at fair value instead of amortized cost.

(5) <u>Cash And Due From Central Bank</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- Cash & Cash Items	990,296,029	1,085,952,584
- <u>Reserve Balance With CBE:-</u>		
- Current Accounts	3,183,170,505	3,387,059,358
<u>Total Cash & Due From Central Bank</u>	<u>4,173,466,534</u>	<u>4,473,011,942</u>
(6) <u>Due From Banks</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
(A) <u>Central Bank:-</u>		
- Time Deposits	2,210,755,649	2,421,103,945
<u>Total Due From Central Bank</u>	<u>2,210,755,649</u>	<u>2,421,103,945</u>
(B) <u>Local Banks:-</u>		
- Current Accounts	31,818,018	65,708,935
- Time Deposits	384,047,193	309,143,900
<u>Total Due From Local Banks</u>	<u>415,865,211</u>	<u>374,852,835</u>
(C) <u>Foreign Banks:-</u>		
- Current Accounts	143,066,215	628,734,537
- Time Deposits	3,720,071,030	2,986,706,427
<u>Total Due From Foreign Banks</u>	<u>3,863,137,245</u>	<u>3,615,440,964</u>
<u>Total Due From Banks</u>	<u>6,489,758,105</u>	<u>6,411,397,744</u>
(7) <u>Treasury Bills And Other Governmental Notes</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- 91 Days Maturity	3,034,250,000	3,515,475,000
- 182 Days Maturity	1,876,700,000	1,951,800,000
- 364 Days Maturity	5,313,475,000	5,627,175,000
	10,224,425,000	11,094,450,000
- Unearned Income	(440,781,580)	(612,265,165)
<u>Total Treasury Bills</u>	<u>9,783,643,420</u>	<u>10,482,184,835</u>
- Reverse Repos	-	1,966,822,571
<u>Total Treasury Bills And Other Governmental Notes</u>	<u>9,783,643,420</u>	<u>12,449,007,406</u>
(8) <u>Financial Assets For Trading</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- <u>Debt Instruments:-</u>		
- Government Bonds	482,854,343	101,369,914
- Other Debt Instruments	36,904,902	44,776,795
<u>Total Debt Instruments</u>	<u>519,759,245</u>	<u>146,146,709</u>
- <u>Equity Instruments:-</u>		
- Foreign Company Shares	61,409,709	59,440,478
- Mutual Fund	209,049,626	291,967,300
<u>Total Equity Instruments</u>	<u>270,459,335</u>	<u>351,407,778</u>
<u>Total Financial Assets For Trading</u>	<u>790,218,580</u>	<u>497,554,487</u>

	<u>Sep.30, 2009</u>	<u>Dec.31, 2008</u>
(9) <u>Financial Investment</u>		
- <u>Available For Sale Financial Investment:-</u>	<u>EGP</u>	<u>EGP</u>
- Debt Instruments Listed - Fair Value	7,155,417,084	1,921,272,094
- Equity Instruments Listed - Fair Value	121,846,941	244,823,746
- Unlisted Instruments	526,239,331	596,137,144
Total Available For Sale Financial Investment	<u>7,803,503,357</u>	<u>2,762,232,984</u>
- <u>Held To Maturity Financial Investment:-</u>		
- Listed Debt Instruments	264,530,664	306,374,803
- Unlisted Debt Instruments	334,668,250	374,888,471
Total Held To Maturity Financial Investment	<u>599,198,914</u>	<u>681,263,274</u>
Total Financial Investment	<u>8,402,702,270</u>	<u>3,443,496,258</u>
- Listed Balances	7,541,794,689	2,472,470,643
- Unlisted Balances	860,907,582	971,025,615
	<u>8,402,702,271</u>	<u>3,443,496,258</u>
- Fixed Interest Debt Instruments	6,011,154,875	1,833,967,710
- Variable Interest Debt Instruments	1,618,777,538	769,567,658
	<u>7,629,932,413</u>	<u>2,603,535,368</u>

	<u>Available for Sale Financial Investment</u>	<u>Held to Maturity Financial Investment</u>	<u>Total</u>
- Opening Balance 1/1/2008	2,347,587,666	443,894,166	2,791,481,832
- Addition	11,153,380,395	512,915,742	11,666,296,137
- Deduction (Selling - Recovery)	(10,611,700,507)	(273,556,529)	(10,885,257,036)
- Differences In Revaluation Of The Cash Assets In Foreign Currencies	(7,219,107)	642,669	(6,576,438)
- Profit From Fair Value Differences	(81,995,801)	-	(81,995,801)
- Deduct - Impairment Losses	(37,819,662)	(2,632,774)	(40,452,436)
Ending Balance 31/12/2008	<u>2,762,232,984</u>	<u>681,263,274</u>	<u>3,443,496,258</u>
- Opening Balance 1/1/2009	2,762,232,984	681,263,274	3,443,496,258
- Addition	9,010,188,417	-	9,010,188,417
- Deduction (Selling - Recovery)	(4,002,246,893)	(82,086,393)	(4,084,333,286)
- Differences In Revaluation Of The Cash Assets In Foreign Currencies	(5,729,370)	22,033	(5,707,337)
- Profit From Fair Value Differences	53,977,115	-	53,977,115
- Deduct - Impairment Provision	(14,918,896)	-	(14,918,896)
Ending Balance 31/03/2009	<u>7,803,503,357</u>	<u>599,198,914</u>	<u>8,402,702,271</u>

	<u>Last 3 Months Sep. 30, 2009</u>	<u>Last 9 Months Sep. 30, 2009</u>	<u>Last 3 Months Sep. 30, 2008</u>	<u>Last 9 Months Sep. 30, 2008</u>
- Profit (Losses) From Financial Investment	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
(Losses)Profit From Selling Available For Sale Financial Instruments	52,713,949	82,591,409	1,258,434	111,612,450
Losses From Impairment Of Equity Instruments Available For Sale	(12,606,588.00)	(14,918,896)	796,883	(966,850)
Return (Losses) Of Impairment From Available For Sale Debt Instruments	(9,204,689)	(5,729,370)	25,979,571	(38,383,140)
Profit From Selling Investments In Subsidiaries And Associates.	-	-	-	50,258,991
(Losses) Profit From Selling Held to Maturity Investments	(2,947)	(10,525)	(4,427)	(9,636)
Return (Losses) Of Impairment From Held to Maturity Investments	411,753	411,753	-	-
	<u>31,311,478</u>	<u>62,344,371</u>	<u>28,030,461</u>	<u>122,511,815</u>

	<u>Last 3 Months Sep. 30, 2009</u>	<u>Last 9 Months Sep. 30, 2009</u>	<u>Last 3 Months Sep. 30, 2008</u>	<u>Last 9 Months Sep. 30, 2008</u>
(10) <u>Other Operating (Expenses) Income</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- (Losses) Profits From Assets & Liabilities Revaluation Except Trading	15,269,259	6,554,742	(21,812,477)	12,246,128
- Profits From Selling Equipments And Fixed Assets	(49,152)	15,344,069	(26,401)	5,008,077
- Provision No Longer Used	-	-	-	94,706,704
- Others	611,023	(22,329,812)	(643,543)	(2,029,270)
Total	<u>15,831,130</u>	<u>(431,001)</u>	<u>(22,482,421)</u>	<u>109,931,639</u>

(11) Loans And Overdrafts

	<u>Sep.30, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Discounted Bills	731,223,796	795,836,842
- Loans & Overdrafts To Customer	27,791,421,279	26,867,609,401
- Loans & Overdrafts To Banks	181,212,584	344,498,810
<u>Total Loans And Overdrafts</u>	<u>28,703,857,659</u>	<u>28,007,945,053</u>
- Unearned Bills Discount	(102,202,158)	(119,310,349)
- Provision For Doubtful Debts	(1,282,628,871)	(1,408,297,328)
- Interest In Suspense	(136,060,898)	(150,009,498)
<u>Net Loans And Overdrafts</u>	<u>27,182,965,732</u>	<u>26,330,327,878</u>

(12) Provision For Doubtful Debts

	<u>Sep.30, 2009</u>		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Balance At Beginning Of The Period	640,224,297	768,073,031	1,408,297,328
- Formed During The Period	-	82,667,397	82,667,397
- Recoveries From Written Off Debts	17,256,829	-	17,256,829
- Foreign Currency Revaluation Diff.	(1,084,068)	-	(1,084,068)
	<u>656,397,058</u>	<u>850,740,428</u>	<u>1,507,137,486</u>
- Usage During The Period	(224,508,615)	-	(224,508,615)
- Transferred from General to Specific	206,179,428	(206,179,428)	-
Balance At The End Of The Period	<u>638,067,871</u>	<u>644,561,000</u>	<u>1,282,628,871</u>

	<u>Dec.31, 2008</u>		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Balance At Beginning Of The Year	491,530,222	598,439,016	1,089,969,238
- Formed During The Year	175,941,000	169,634,015	345,575,015
- Recoveries From Written Off Debts	63,759,860	-	63,759,860
- Foreign Currency Revaluation Diff.	5,054,571	-	5,054,571
	<u>736,285,653</u>	<u>768,073,031</u>	<u>1,504,358,684</u>
- Usage During The Year	(96,061,356)	-	(96,061,356)
Balance At The End Of The Year	<u>640,224,297</u>	<u>768,073,031</u>	<u>1,408,297,328</u>

(13) **Financial derivatives**

Derivatives

The bank uses the following financial derivatives for non hedging purposes.

- Forward contracts represents commitments of buying foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represents contractual commitments to receive or pay net amount on the basis of changes in foreign exchange rates or interest rates, and/or buying or selling foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.
- Credit risk is considered low, and future interest rate contracts represents future exchange rate contracts negotiated for case by case, these contracts requires financial settlements of any differences in contractual interest rates and prevailing market interest rates on future dates based on contractual amount (nominal value) pre agreed upon.
- Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts)/ contractual amounts are not exchanged except for some foreign exchange contracts
- Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities.
This risk is monitored continuously through comparisons of fair value and contractual amount, and to control continuously through comparisons of fair value and contractual amount, and to control the outstanding credit risk, the bank evaluates other parties using the same methods as in borrowing activities.
- Options contracts in foreign currencies and/or interest rates represents contractual agreements for the buyer (issuer) to seller (holders) as a right not an obligations whether to buy (buy option) or to sell (sell option) at a certain day or within certain period for a certain amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between the bank and one of its client (Off balance sheet). The bank exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.
- The contractual value for some derivatives options considered a base to compare the realized financial instruments on the balance sheet, but it didn't provide indicator on the projected cash flows of the fair value for current instruments, those amounts doesn't reflects credit risk or interest rate risk.
- Derivatives in the banks benefit represent (assets) conversely it represents (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time and also the range through which the financial derivatives can be in benefit of the bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. hereunder are the fair values of the booked financial derivatives.

For Trading Derivatives

	<u>Notional Amount</u>	<u>Sep.30, 2009</u>		<u>Notional Amount</u>	<u>Dec.31, 2008</u>	
		<u>Assets</u>	<u>Liabilities</u>		<u>Assets</u>	<u>Liabilities</u>
- Foreign Derivatives:-						
- Forward Foreign exchange contracts	1,287,260,665	9,106,186	9,030,398	2,572,060,181	31,916,357	31,680,875
- Currency swap	3,646,748,934	95,786,115	31,820,172	3,457,152,333	65,087,047	57,539,919
- Options	963,108,240	8,363,063	8,363,063	112,099,475	1,080,796	1,080,796
Total Derivatives (1)		113,255,364	49,213,633		98,084,200	90,301,590
- Interest rate derivatives:-						
- Interest rate Swaps	1,958,295,802	53,652,462	9,042,245	1,730,052	63,646,403	3,452,965
Total Derivatives (2)		53,652,462	9,042,245		63,646,403	3,452,965
- Commodity	435,318,850	225,633,536	225,633,536	1,235,414,832	543,160,189	543,160,189
Total Derivatives (3)		225,633,536	225,633,536		543,160,189	543,160,189
Total Assets (liability) For Trading Derivatives (1+2+3)		392,541,362	283,889,414		704,890,792	636,914,744

(14) **Financial Investments in Subsidiary and Associated Companies**

	Sep.30. 2009		Dec.31. 2008	
	Value (EGP)	%	Value (EGP)	%
(A) Subsidiary Companies:-				
- Commercial International Capital Holding Co.	1,045,411,957	99.98	1,045,411,957	99.98
(B) Associated Companies:-				
- Commercial International life insurance co.	44,520,250	45	44,520,250	45
- Corplease co.	32,000,000	40	32,000,000	40
- Cotecna Trade Support	48,750	39	48,750	39
- Haykala for Investment	600,000	40	600,000	40
- Egypt Factors	10,730,265	39	10,751,715	39
- International. Co. for Appraisal and Collection.	1,000,000	40	1,000,000	40
- International Co. for Security and Services (Falcon)	4,000,000	40	4,000,000	40
Total	1,138,311,222		1,138,332,672	

The Financial Investments in subsidiary companies are represented as follows :-

- Financial Investments listed in Stock Exchange	1,045,411,957	1,045,411,957
- Financial Investments Unlisted in Stock Exchange	92,899,265	92,920,715
Total	1,138,311,222	1,138,332,672

(15) **Capital Commitments**

- **Financial Investments:-**

The capital commitments for the financial investments reached on the date of financial position EGP 138,055,039 as follows:-

	Investments value	Paid	Remaining
	EGP	EGP	EGP
- Available for Sale Financial Investments	489,246,665	351,937,876	137,308,789
- Financial Investments in associates Co.	1,395,000	648,750	746,250

- **Fixed Assets and Branches Constructions:-**

The value of Commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amounted to EGP 4,820,989

(16) **Debit Balances and Other Assets**

	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- Accrued Revenues	457,682,491	406,019,416
- Prepaid Expenses	81,435,701	53,438,701
- Advances for Purchase of Fixed Assets	44,373,075	90,340,427
- Assets Acquired as Settlement of Debts *	47,806,607	52,165,659
- Accounts receivable and Other Assets **	382,773,054	340,657,279
	1,014,070,928	942,621,482

* This Include The Value Of Premises That Was Not Recorded Under The Bank's Name By EGP 24,832,854 Which Were Acquired Against Settlement Of The Debts Mentioned Above, In The Same Time The Legal Procedures Are Under Process To Register Or Sell These Assets Within The period required by law.

** Include EGP 15,955,151 as Assets Held For Sale.

(17) Net Fixed Assets**Sep.30, 2009**

	Land	Premises	IT	Vehicles	Fitting -Out	Machines & Equipment	Furniture & Furnishing	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Opening Balance (3)	61,069,448	333,362,619	519,256,213	21,076,715	189,733,497	217,017,167	91,283,428	1,432,799,087
Additions (Deductions) During The Period	83,672	568,975	110,656,105	-	37,208,081	15,095,294	4,710,314	168,322,441
Closing Balance (1)	61,153,120	333,931,594	629,912,318	21,076,715	226,941,578	232,112,461	95,993,742	1,601,121,528
Accu.Depreciation at Beginning of The Period (4)	-	106,534,258	319,565,805	19,147,242	122,003,983	106,766,149	43,530,063	717,547,500
Current Period Depreciation	-	11,963,055	66,694,068	805,409	34,614,909	18,641,948	6,478,935	139,198,324
Accu.Depreciation at End of The Period (2)	-	118,497,313	386,259,873	19,952,651	156,618,892	125,408,097	50,008,998	856,745,824
End of Period Net Assets (1-2)	61,153,120	215,434,281	243,652,445	1,124,064	70,322,686	106,704,364	45,984,744	744,375,704
Beginning of Period Net Assets (3-4)	61,069,448	226,828,361	199,690,408	1,929,473	67,729,514	110,251,018	47,753,365	715,251,587

Depreciation Rates**%5****%20****%20****%33.3****%12.5****%10**

- Net Fixed Assets Value On The financial position Date Includes EGP 68,820,496 Non Registered Assets While Their Registrations Procedures Are In Process.

(18) <u>Due to Banks</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
(A) <u>Central Bank:-</u>		
- Current Accounts	30,000,436	75,056,264
<u>Total Due to Central Bank</u>	<u>30,000,436</u>	<u>75,056,264</u>
(B) <u>Local Banks:-</u>		
- Current Accounts	16,665,302	19,309,126
- Time Deposits	450,000,000	-
<u>Total Due to Local Banks</u>	<u>466,665,302</u>	<u>19,309,126</u>
(C) <u>Foreign Banks:-</u>		
- Current Accounts	249,587,695	116,257,050
- Time Deposits	-	2,847,572
<u>Total Due to Foreign Banks</u>	<u>249,587,695</u>	<u>119,104,622</u>
<u>Total</u>	<u>746,253,433</u>	<u>213,470,012</u>

(19) <u>Customers' Deposits</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- Demand Deposits	14,383,167,607	13,126,519,017
- Time and Notice Deposits	19,002,470,996	19,946,603,875
- Certificates of Deposit	8,436,447,461	7,395,350,361
- Saving Deposits	8,271,586,131	7,316,052,948
- Other Deposits	853,766,531	1,153,583,462
<u>Total</u>	<u>50,947,438,726</u>	<u>48,938,109,663</u>

(20) <u>Credit Balances and Other Liabilities</u>	Sep.30, 2009	Dec.31, 2008
	EGP	EGP
- Accrued Interest Payable	176,285,750	208,568,878
- Accrued Expenses	92,390,832	68,214,404
- Accounts Payable	384,835,344	702,565,326
- Income Tax	257,025,555	209,809,805
- Other Credit balances	177,497,108	46,621,689
<u>Total</u>	<u>1,088,034,589</u>	<u>1,235,780,102</u>

(21) <u>Long Term Loans</u>	Rate %	Maturity Date	Maturing Through Next Year	Balance as of	Balance as of
				Sep.30, 2009	Dec.31, 2008
				EGP	EGP
- F.I.S.C.	7	3-5 years	18,681,156	42,376,800	30,439,600
- K.F.W	9 - 10.5	10 YEARS	3,610,120	8,735,366	16,010,946
- UNIDO	1	2011	580,591	1,074,069	847,580
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	20,900,857	29,517,714	58,804,557
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	40,000	80,000	125,000
- Social Fund	3 months T/D or 9% which more	2010	1,397,000	1,876,250	3,046,250
- Spanish Microfinance Loan	4	2012	3,296,276	13,185,102	-
<u>Total</u>			<u>48,505,999</u>	<u>96,845,301</u>	<u>109,273,933</u>

(22) Other Provisions**Sep.30, 2009****EGP**

	<u>Opening Balance</u>	<u>Formed During the Period</u>	<u>FCY Balance Reval. Difference</u>	<u>Usage During the Period</u>	<u>Balance No Longer Required</u>	<u>Closing Balance</u>
- Provision For Income Tax Claims	146,909,685	-	-	-	-	146,909,685
- Provision For Legal Claims	1,271,113	371,422	-	(190,504)	-	1,452,031
- Provision For Contingent	206,313,939	2,435,000	(284,965)	-	-	208,463,974
- Provision For Other Claim	8,723,449	2,800,000	25,878	(5,696,537)	-	5,852,790
Total	363,218,186	5,606,422	(259,087)	(5,887,041)	-	362,678,480

Dec.31, 2008**EGP**

	<u>Opening Balance</u>	<u>Formed During the year</u>	<u>FCY Balance Reval. Difference</u>	<u>Usage During the year</u>	<u>Balance No Longer Required</u>	<u>Closing Balance</u>
- Provision For Income Tax Claims	227,173,695	-	-	(10,264,010)	(70,000,000)	146,909,685
- Provision For Legal Claims	1,123,118	487,075	(1,194)	(337,886)	-	1,271,113
- Provision For Contingent	167,036,000	38,760,000	517,939	-	-	206,313,939
Provision For Other Claim	-	9,723,449	-	(341,489)	(658,511)	8,723,449
Total	395,332,813	48,970,524	516,745	(10,943,385)	(70,658,511)	363,218,186

(23) Shareholders Equity**(A) Capital:-**

- The authorized capital reached EGP 5000 million according to the extraordinary general assembly decision on 19 Mar,2006
- Issued and paid in capital reached EGP 2925 million to be divided on 292.5 million shares with EGP 10 par value for each share on 31/07/2008 according to board of directors decision on 21/02/2008 by using 975 million from general reserve.
- The extraordinary general assembly approved in the meeting of 26 June,2006 to activate a motivating and rewarding program for the bank's employees and managers through employee share ownership plans (ESOP) by issuing a maximum of 5% of issued and paid-in capital at par value ,through 5 years starting 31,dec 2006 and delegated the board of directors to establish the rewarding terms and conditions and increase the paid in capital according to the program.
- Dividend deducted from shareholders' equity in the period in which the General Assembly recognizes the shareholders of this dividend, which includes the share of workers in the profits and remuneration of the Board of Directors stated in the law

(B) Reserves:-

- According to the bank statutes 5% of net profit is to increase legal reserve until reaches 50% of the bank's issued and paid in capital
- Concurrence of central bank of Egypt for usage of special reserve is required.
- According to CBE regulations, a reserve and retained earnings accounts has been formed for difference revaluation for financial investment (available for sale) for prior years
- According to Central Bank of Egypt new regulation issued in December 16, 2008 regarding the rules of preparation bank financial statements and foundations for the evaluation, an amount of EGP 27,615 thousands has been deducted from the credit balances, special reserve and retained earnings by EGP 13,571 thousands in December 31, 2008 in result of fair value revaluations for those balances

(24) <u>Contingent Liabilities And Commitments</u>	<u>Sep.30, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Letters Of Guarantee	10,937,960,565	10,852,904,384
- Letters Of Credit (Import And Export)	731,120,379	1,933,869,400
- Customers Acceptances	460,783,600	504,220,921
Total	12,129,864,544	13,290,994,705

(25) <u>Net Interest Income</u>	<u>Last 3 Months</u>	<u>Last 9 Months</u>	<u>Last 3 Months</u>	<u>Last 9 Months</u>
	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2008</u>	<u>Sep. 30, 2008</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Interest Received from Loans and similar items:-				
- Banks	24,890,428	104,384,151	331,578,277	979,268,281
- Clients	519,271,528	1,631,607,438	500,324,582	1,416,901,532
	544,161,956	1,735,991,589	831,902,859	2,396,169,813
- Treasury Bills and Bonds	248,230,500	842,163,421	80,848,382	186,217,178
- Reverse Repose	23,747,868	74,641,951	-	-
- Financial Investment In Debt Instruments Held to Maturity and Available for Sale	164,112,284	392,815,402	21,493,408	36,350,463
- Other	868.00	63,996.00	6,011	103,475
Total	980,253,476	3,045,676,359	934,250,660	2,618,840,929

- Interest Paid on deposits and similar items:-				
- Banks	47,261,788	144,432,231	42,596,349	159,932,517
- Clients	432,730,697	1,394,135,448	476,332,192	1,286,877,710
	479,992,485	1,538,567,679	518,928,541	1,446,810,227
- Other	157,725	994,051	281,293	761,779
Total	480,150,210	1,539,561,730	519,209,834	1,447,572,006

Net	500,103,266	1,506,114,629	415,040,826	1,171,268,923
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(26) <u>Trading Net Profit</u>	<u>Last 3 Months</u>	<u>Last 9 Months</u>	<u>Last 3 Months</u>	<u>Last 9 Months</u>
	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2009</u>	<u>Sep. 30, 2008</u>	<u>Sep. 30, 2008</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Profit From Foreign exchange	58,699,941	222,864,442	84,939,301	214,537,355
- Revaluations of Assets and Liabilities in Foreign Currencies	(2,162,716)	(1,369,148)	3,832,648	(1,563,949)
- Profit From Forward Foreign exchange Deals Revaluation	(2,172,308)	(1,166,883)	1,721,321	248,741
- Profit From Intrest Rate Swaps Revaluation	(16,409,094)	(15,583,224)	(2,270,510)	(2,401,122)
- (Losses) Profit From Swap Deals Revaluation	861,784	409,439	3,659,753	13,086,161
- Debt Instruments For Trading	39,801,625	139,406,550	45,184,297	139,665,365
- Equity Instruments For Trading	3,273,977	3,653,767	(11,362,763)	(8,077,783)
Total	81,893,209	348,214,943	125,704,047	355,494,768

(27) Comparative Figures

- According to Central Bank of Egypt new regulation issued in December 16, 2008 regarding the rules of preparation bank financial statements , some items in income statement and cash flow statement have been restated

(28) Deferred Tax Assets and Liabilities

	<u>Assets (liabilities)</u> <u>Sep.30, 2009</u> <u>EGP</u>	<u>Assets (liabilities)</u> <u>Dec.31, 2008</u> <u>EGP</u>
Deferred tax assets and liabilities are attributable to the following:		
- Fixed Assets (Depreciation)	(25,424,044)	(26,037,670)
- Other Provisions(Excluded Loan Loss, Contingent Liabilities And Income Tax Provisions)	1,460,965	1,998,913
- Other Items(Other Investments Revaluation Difference)	31,517,523	28,533,744
- Reserve For Employee Stock Ownership Plan (ESOP)	29,328,250	17,345,581
<u>Total</u>	<u>36,882,694</u>	<u>21,840,568</u>

(29) Reconciliation Of Effective Tax Rate

	<u>Last 3 Months</u> <u>Sep. 30, 2009</u> <u>EGP</u>	<u>Last 9 Months</u> <u>Sep. 30, 2009</u> <u>EGP</u>	<u>Last 3 Months</u> <u>Sep. 30, 2008</u> <u>EGP</u>	<u>Last 9 Months</u> <u>Sep. 30, 2008</u> <u>EGP</u>
- Profit Before Tax	497,833,007	1,598,955,839	422,131,426	1,527,920,216
- Tax Rate	20%	20%	20%	20%
<u>Income Tax Based On Accounting Profit</u>	<u>99,566,601</u>	<u>319,791,168</u>	<u>84,426,285</u>	<u>305,584,043</u>
<u>Add / (Deduct)</u>				
- Non-Deductible Expenses	169,746	3,192,199	343,669	436,978
- Tax Exemptions	(27,116,406)	(86,050,704)	(20,234,948)	(95,983,785)
- Effect Of Provisions	2,190,693	5,050,767	4,472,679	(2,964,551)
<u>Income Tax</u>	<u>74,810,634</u>	<u>241,983,430</u>	<u>69,007,685</u>	<u>207,072,685</u>
Effective Tax Rate	15.03%	15.13%	16.35%	13.55%

(30) Earning Per Share

	<u>Last 3 Months</u> <u>Sep. 30, 2009</u>	<u>Last 9 Months</u> <u>Sep. 30, 2009</u>	<u>Last 3 Months</u> <u>Sep. 30, 2008</u>	<u>Last 9 Months</u> <u>Sep. 30, 2008</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Net Profit For The Period	423,022,374	1,356,972,410	353,123,742	1,320,847,532
- Board Member's Bonus	(6,345,336)	(20,354,586)	(5,296,856)	(19,812,713)
- Staff Profit Sharing	(42,302,237)	(135,697,241)	(35,312,374)	(132,084,753)
<u>Shareholders' Share In Profits</u>	374,374,801	1,200,920,583	312,514,512	1,168,950,066
- Number Of Shares	292,500,000	292,500,000	292,500,000	292,500,000
<u>Basic Earning Per Share</u>	1.28	4.11	1.07	4.00
- By Issuance Of ESOP Shares Earning Per Share Will Be:-				
- Number Of Shares Including ESOP Shares	299,101,053	299,101,053	295,478,665	295,478,665
<u>Diluted Earning Per Share</u>	1.25	4.02	1.06	3.96

(31) Share-Based Payments

- According to the extraordinary general assembly meeting on June 26, 2006, the bank launched new employees share ownership plan (ESOP) scheme and issued equity-settled share-based payments. Such employees should complete a term of 3 years of service in the bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date; otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting year (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest. The fair value for such equity instruments is measured by use of Black-Scholes pricing model.

Details of the rights to share outstanding during the Period are as follows:

	<u>Number of Shares</u>
- Outstanding At The Beginning Of The Period	2,978,665
- Granted During The Period *	3,622,388
- Forfeited During The Period	-
- Exercised During The Period	-
- Expired During The Period	-
- Outstanding At The End Of The Period	6,601,053

- The estimated fair value of the equity instrument granted to the first tranche is EGP 30.54 .

- The estimated fair value of the equity instrument granted to the second tranche is EGP 54.12 .

- The estimated fair value of the equity instrument granted to the third tranche is EGP 27.40 .

* Includes 1,489,333 shares to offset the dilution effect of the stock dividend granted in 2008.

* Includes 29,800 shares have been granted to CICH staff, The cost of this particular issue will be charged to CICH.

- The equity instrument fair value for the first and the second tranches have been adjusted to reflect the dilution effect of the Stock dividend that took place in 2008.

(32) Assets And Liabilities Maturities

	<u>Maturity Within One Year</u>	<u>Maturity Over One Year</u>
<u>Assets:-</u>		
- Cash And Due From Central Bank	4,173,466,534	-
- Due From Banks	6,489,758,105	-
- Treasury Bills And Other Governmental Notes	10,224,425,000	-
- Trading Investments	790,218,581	-
- Available For Sale Investments	648,086,273	7,155,417,084
- Customers' Loans and Overdrafts	12,214,253,417	16,172,330,759
- Banks' Loans and Overdrafts	-	181,212,584
- Held To Maturity Investments	-	599,198,914
- Investments In Subsidiary Companies	-	1,138,311,222
- Debit Balances And Other Assets	1,014,070,928	-
<u>Total</u>	<u>35,554,278,838</u>	<u>25,246,470,564</u>
<u>Liabilities:-</u>		
- Due to Banks	746,253,433	-
- Customer Deposits	42,497,377,937	8,450,060,789
- Long Term Loans	48,505,999	48,339,302
- Credit Balances and Other Liabilities	1,088,034,589	-
<u>Total</u>	<u>44,380,171,957</u>	<u>8,498,400,091</u>

(33) Interest Rate

The average interest rates applied for assets and liabilities during the Period in local currency are 6.88 % & 3.24% respectively.

(34) Tax Status

- The bank's corporate income tax position has been examined and settled with the tax authority from the start up of operations up to the end of year 1984.
- Corporate income tax for the years from 1985 up to 2000 were paid according to the tax appeal committee decision and the disputes are under discussion in the court of law.
- The bank's corporate income tax position has been examined and settled with the tax authority from 2001 up to 2004.
- Corporate income tax for the years 2005-2006 will be examined from the tax authority.
- The bank pays salary tax according to concerning domestic regulations and laws, and the disputes are under discussion in the court of law.
- The bank pay stamp duty tax according to concerning domestic regulations and laws, and the disputes are under discussion in the court of law .

(35) Distribution of Assets, Liabilities and Contingent Accounts

<u>1st Assets:-</u>	<u>Local Currency</u>	<u>Foreign Currency</u>
- Due From Banks	<u>32,018,018</u>	<u>6,457,740,086</u>
<u>- Loans & Overdrafts</u>	<u>EGP</u>	<u>%</u>
Agriculture Sector	79,952,885	0.28
Industrial Sector	11,316,862,165	39.43
Trading Sector	659,340,861	2.30
Services Sector	10,695,651,090	37.26
Household Sector	2,600,269,892	9.06
Other Sectors	3,351,780,766	11.68
<u>Total Loans & Overdrafts (Including unearned interest)</u>	<u>28,703,857,659</u>	<u>100.00</u>
Unearned Discounted Bills	(102,202,158)	
Provision for Doubtful Debts	(1,282,628,871)	
Unearned Interest & Commission	(136,060,898)	
Net Loans & Overdrafts	<u>27,182,965,732</u>	
<u>2nd Liabilities:-</u>	<u>Local Currency</u>	<u>Foreign Currency</u>
- Due to Banks	<u>469,167,651</u>	<u>277,085,782</u>
<u>- Customers' Deposits</u>	<u>EGP</u>	<u>%</u>
Agriculture Sector	195,987,625	0.38
Industrial Sector	5,132,745,850	10.07
Trading Sector	2,143,150,451	4.21
Services Sector	9,802,430,965	19.24
Household Sector	27,445,334,576	53.87
Other Sector	6,227,789,261	12.22
<u>Total Customers' Deposits</u>	<u>50,947,438,728</u>	<u>100.00</u>
<u>3rd Contingent Accounts:-</u>	<u>Local Currency</u>	<u>Foreign Currency</u>
Letters Of Guarantee	5,019,174,583	5,918,785,982
Letter Of Credit (Import & Export)	5,203,994	725,916,385
Customers Acceptances	24,313,805	436,469,796
<u>Total Contingent Accounts</u>	<u>5,048,692,382</u>	<u>7,081,172,163</u>

(36) Main Currencies Positions

	<u>Sep.30, 2009</u>	<u>Dec.31, 2008</u>
	<u>in thousand EGP</u>	<u>in thousand EGP</u>
- Egyptian Pound	1,750	(6,756)
- US Dollar	45,533	4,714
- Sterling Pound	1,014	(3,303)
- Japanese Yen	(232)	(333)
- Swiss Franc	1,573	1,024
- Euro	3,998	15,811

(37) Mutual Funds**- Osoul Fund**

- The Bank established an accumulated return mutual fund under license no.331 issued from capital market authority on 22/02/2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 39,579,418 with redeemed value EGP 5,764,742,232.
- The market value per certificate reached EGP 145.65 on 01/10/2009.
- The Bank portion got 1,592,725 certificates with redeemed value EGP 231,980,396 .

- Istethmar Fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on 26/02/2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 3,796,559 with redeemed value EGP 335,653,781.
- The market value per certificate reached EGP 88.41 on 27/09/2009.
- The bank portion got 194,744 certificates with redeemed value EGP 17,217,317.

- Aman Fund (CIB and Faisal Islamic Bank Mutual Fund)

- The bank and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on 30/07/2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 1,009,683 with redeemed value EGP 71,687,493 .
- The market value per certificate reached EGP 71 on 27/09/2009.
- The bank portion got 35,214 certificates with redeemed value EGP 2,500,194.

(38) Transactions With Related Parties

All Banking Transactions With Related Parties Are Conducted In Accordance With The Normal Banking Practices And Regulations Applied To All Other Customers Without Any Discrimination.

	<u>EGP</u>	
- Loans & Overdrafts	487,293,932	
- Investment in Subsidiary Companies	1,138,311,222	
- Held To Maturity Bonds in Subsidiary	14,159,875	
- Available For Sale Mutual Fund Managed by Subsidiary	46,215,046	
- Customer Deposits	253,958,504	
- Contingent Accounts	71,815,891	
	<u>Income</u>	<u>Expenses</u>
	<u>EGP</u>	<u>EGP</u>
- International Co. for Security & Services (Falcon)	663,971	35,865,280
- Corplease Co.	33,452,529	1,074,469
- Commercial International Life Insurance Co.	6,865,809	2,661,719
- Commercial International Brokerage Co.	2,924,071	1,625,223
- Dynamic Company	4,673	23,340
- Egypt Factors	1,175,734	21,681
- CI Assets Management	5,273	16,825
- Commercial International Capital Holding Co.	10,166	38,845
- CI Capital Investment Banking	69,552	2,406,319