

Activities report for the Period from
1 Jan.2009 to 31 March.2009

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

	<u>Balance As Of</u>	<u>Balance As Of</u>	<u>Variance</u>
	<u>31 Mar.2009</u>	<u>31 Dec.2008</u>	<u>%</u>
<u>1) Balance sheet</u>			
(amounts in EGP Billion)			
- Total assets	61.2	57.1	7.2
- Contingent Liabilities & Commitments	13.7	13.3	3.0
- Loans & Overdraft (Net)	26.7	26.3	1.5
- Investments	8.3	5.1	62.5
- Treasury Bills and other Governmental Notes	10.7	12.4	(13.7)
- Customers Deposits	51.3	48.9	4.9
- Other Provisions	0.4	0.4	0.0
- Total Shareholders' Equity & Net Profit	5.8	5.6	3.6
<u>2) Income statement</u>			
(amounts in EGP Million)			
	<u>From 31 Jan 2009</u>	<u>From 31 Jan 2008</u>	<u>Variance</u>
	<u>to 31 Mar 2009</u>	<u>to 31 Mar 2008</u>	<u>%</u>
- Interest received	1,021.9	844.9	20.9
- Interest paid	(530.7)	(458.4)	15.8
- Banking Fees & Commissions	133.3	182.2	(26.8)
- Net Profit After Tax	497.9	446.5	11.5

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Unconsolidated Balance Sheet In
Mar. 31, 2009

	Note No.	<u>Mar. 31, 2009</u> <u>EGP</u>	<u>Dec. 31, 2008</u> <u>EGP</u>
<u>Assets:-</u>			
- Cash and Due From Central Bank	(5)	5,118,066,563	4,473,011,942
- Due From Banks	(6)	8,291,704,629	6,411,397,744
- Treasury Bills and other Governmental Notes	(7)	10,681,933,650	12,449,007,406
- Trading Financial Assets	(8)	758,193,635	497,554,487
- Loans and Overdrafts	(12) & (11)	26,727,428,671	26,330,327,878
- Financial Derivatives	(13)	697,768,236	704,890,792
<u>Financial Investments:-</u>			
- Available for Sale	(9)	5,650,268,726	2,762,232,984
- Held to Maturity	(9)	656,924,240	681,263,274
- Financial Investments in Subsidiary and Associated Co.	(14)	1,138,578,177	1,138,332,672
- Debit Balances and Other Assets	(16)	751,604,687	942,621,482
- Deferred Tax	(28)	27,977,947	21,840,568
- Fixed Assets (Net)	(17)	733,958,578	715,251,587
<u>Total Assets</u>		<u>61,234,407,739</u>	<u>57,127,732,816</u>
<u>Liabilities and Shareholder's Equity:-</u>			
<u>Liabilities:-</u>			
- Due to Banks	(18)	2,119,878,412	213,470,012
- Customers Deposits	(19)	51,300,180,130	48,938,109,663
- Financial Derivatives	(13)	574,775,091	636,914,744
- Credit Balances and Other Liabilities	(20)	967,377,695	1,235,780,102
- Long Term Loans	(21)	115,754,589	109,273,933
- Other Provisions	(22)	363,176,683	363,218,186
<u>Total Liabilities</u>		<u>55,441,142,600</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)	2,265,071,057	1,006,080,499
- Reserve for employee stock ownership plan (ESOP)		107,147,160	86,727,903
- Retained Earning		(1,942,684)	(1,942,684)
<u>Total Shareholders' Equity</u>		<u>5,295,275,533</u>	<u>4,015,865,718</u>
- Net Profit of the Period / Year		497,989,606	1,615,100,458
<u>Total Shareholders' Equity and Net Profit</u>		<u>5,793,265,139</u>	<u>5,630,966,176</u>
<u>Total Liabilities and Shareholders' Equity</u>		<u>61,234,407,739</u>	<u>57,127,732,816</u>
<u>Contingent Liabilities and Commitments</u>			
- letters of Credit, Guarantees and Other Commitments	(24)	13,721,541,672	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

Unconsolidated Income Statement For The Period Ended
Mar. 31, 2009

	Note No.	<u>Mar. 31, 2009</u>	<u>Mar. 31, 2008</u>
		<u>EGP</u>	<u>EGP</u>
			<u>(Restated)</u>
- Interest and similar income	(25)	1,021,874,530	844,789,734
- Interest and similar Expenses	(25)	(530,723,817)	(458,439,105)
<u>Net Interest Income</u>		<u>491,150,713</u>	<u>386,350,629</u>
- Fess & Commissions Income		149,349,876	192,871,129
- Fess & Commissions Expense		(16,029,590)	(10,667,364)
<u>Net Income From Fess & Commissions</u>		<u>133,320,286</u>	<u>182,203,765</u>
- Dividends Income		99,707,405	56,386,710
- Net Trading Income	(26)	172,922,295	128,646,620
- Provisions	(12) & (22)	(42,420,690)	(163,354,750)
- (Losses) Profit from Financial Investments	(9)	(2,354,217)	16,014,221
- Administrative Expenses		(252,913,703)	(187,424,812)
- Other Operating (Expenses) Income	(10)	(26,960,475)	94,320,142
<u>Net Profit Before Tax</u>		<u>572,451,614</u>	<u>513,142,525</u>
- Income Tax	(29)	(80,599,387)	(30,444,223)
- Deferred Tax	(29) & (28)	6,137,379	(36,212,666)
<u>Net Profit After Tax</u>		<u>497,989,606</u>	<u>446,485,636</u>
 <u>Earning Per Share</u>			
- Basic	(30)	1.51	1.35
- Diluted	(30)	1.47	1.34


Hisham Ezz El-Arab
Chairman
& Managing Director

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Unconsolidated Cash Flow For The Period Ended
Mar. 31, 2009

	<u>Mar. 31, 2009</u>	<u>Mar. 31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Operating Activities:-</u>		<u>(Restated)</u>
- Net Income Before Tax	572,451,614	513,142,525
<u>Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities</u>		
- Depreciation	46,334,096	32,180,440
- Provisions (Formed During The Period)	42,420,690	163,354,750
- Trading Financial Investments Evaluation Differences	(9,294,939)	(6,314,685)
- Impairment Of Assets	(2,329,265)	39,596,737
- Utilization Of Provisions (Except Provision For Doubtful Debts)	(3,962,272)	(12,298)
- Provisions No Longer Used	-	(94,395,171)
- Fcy Revaluation Differences Of Provisions Balances (Except Doubtful Debts)	2,899,477	(619,241)
- Losses From Selling Fixed Assets	(609,735)	(29,524)
- Losses From Selling Financial Investments	(7,567,855)	(7,926,142)
- Losses From Selling An Investment In Subsidiary	-	(50,258,991)
- Fcy Revaluation Diff.Of Long Term Loans	(560,550)	1,320,333
- Share Based Payments	20,419,257	13,792,481
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<u>Operating Profits Before Changes In Operating Assets And Liabilities</u>	660,200,517	603,831,214
<u>Net Decrease (Increase) In Assets</u>		
- Due From Banks	(2,425,305,063)	(6,430,858,152)
- Treasury Bills And Other Governmental Notes	193,665,319	(185,393,667)
- Trading Financial Assets	(251,344,208)	33,346,977
- Financial Derivatives (Net)	(55,017,097)	(54,487,847)
- Loans And Overdrafts	(434,661,139)	(3,090,458,189)
<u>Net Increase (Decrease) In Liabilities</u>		
- Debit Balances And Other Assets	180,789,985	(63,563,260)
- Due To Banks	1,906,408,400	1,571,518,492
- Customers Deposits	2,362,070,467	8,492,306,124
- Credit Balances And Other Liabilities	(349,001,794)	323,530,458
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<u>Net Cash Provided From Operating Activities</u>	<u>1,787,805,387</u>	<u>1,199,772,149</u>

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Unconsolidated Cash Flow For The Period Ended
Mar. 31, 2009

	<u>Mar. 31, 2009</u>	<u>Mar. 31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Investing Activities:-</u>		
- Sale Of Subsidiaries And Associated Companies	121,881,148	29,912,140
- Purchase Of Fixed Assets , Premises And Fitting- Out Of Branches	(58,043,594)	(52,193,502)
- Redemption Of Held To Maturity Financial Investments	33,520,654	145,248,747
- Held To Maturity Financial Investment Purchases	(9,181,620)	-
- Available For Sale Financial Investment	(2,878,138,621)	14,069,627
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<u>Net Cash (Used In) Provided From Investing Activities</u>	<u>(2,789,962,034)</u>	<u>137,037,012</u>
<u>Cash Flow From Financing Activities:-</u>		
- Increase (Decrease) In Long - Term Loans	7,041,206	6,422,990
- Dividends Paid	(478,236,553)	(336,727,470)
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<u>Net Cash (Used In) Financing Activities</u>	<u>(471,195,347)</u>	<u>(330,304,480)</u>
Net Cash And Cash Equivalent Changes	(1,473,351,994)	1,006,504,681
Beginning Balance Of Cash And Cash Equivalent	8,622,040,072	6,779,152,548
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<u>Cash And Cash Equivalent Balance At The End Of The Period</u>	<u>7,148,688,078</u>	<u>7,785,657,229</u>
<u>Cash And Cash Equivalent Are Represented As Follows:-</u>		
- Cash And Due From Central Bank	5,118,066,563	6,434,125,884
- Due From Banks	8,291,704,629	19,893,355,779
- Treasury Bills And Other Governmental Notes	10,681,933,650	2,979,216,629
- Due From Banks (Time Deposits)	(8,142,259,335)	(19,695,076,686)
- Treasury Bills With Maturity More Than Three Months	(8,800,757,429)	(1,825,964,377)
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<u>Total Cash And Cash Equivalent</u>	<u>7,148,688,078</u>	<u>7,785,657,229</u>

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Unconsolidated Statement of Changes in Shareholders' Equity as of
Mar. 31, 2009

	2008									
	Capital	Legal Reserve	General Reserve	Retained Earning*	Special Reserve	Reserve For A.F.S Investments *	Profits Of The Year	Reserve For Employee Stock Ownership	Total	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- 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 A.F.S Investments *	Profits Of The Period	Reserve For Employee Stock Ownership	Total	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- 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	-	-	-	-	-	-	497,989,606	-	497,989,606	
- Addition from Financial Investment Revaluation	-	-	-	-	-	122,126,653	-	-	122,126,653	
- Reserve For Employees Stock Ownership Plan (ESOP)**	-	-	-	-	-	-	-	20,419,257	20,419,257	
Balance At The End Of The Period	2,925,000,000	513,606,534	1,463,656,484	(1,942,684)	185,993,785	101,814,254	497,989,606	107,147,160	5,793,265,139	

* 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 March 31, 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 & five branches, in addition to forty eight 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 instruction 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>	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Cash & Cash Items	1,052,412,564	1,085,952,584
- <u>Reserve Balance With CBE:-</u>		
- Current Accounts	4,065,653,999	3,387,059,358
<u>Total Cash & Due From Central Bank</u>	<u>5,118,066,563</u>	<u>4,473,011,942</u>
(6) <u>Due From Banks</u>	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>(A) Central Bank:-</u>		
- Time Deposits	2,201,222,218	2,421,103,945
<u>Total Due From Central Bank</u>	<u>2,201,222,218</u>	<u>2,421,103,945</u>
<u>(B) Local Banks:-</u>		
- Current Accounts	26,407,047	65,708,935
- Time Deposits	402,490,104	309,143,900
<u>Total Due From Local Banks</u>	<u>428,897,151</u>	<u>374,852,835</u>
<u>(C) Foreign Banks:-</u>		
- Current Accounts	123,038,247	628,734,537
- Time Deposits	5,538,547,013	2,986,706,427
<u>Total Due From Foreign Banks</u>	<u>5,661,585,260</u>	<u>3,615,440,964</u>
<u>Total Due From Banks</u>	<u>8,291,704,629</u>	<u>6,411,397,744</u>
(7) <u>Treasury Bills And Other Governmental Notes</u>	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- 91 Days Maturity	1,904,350,000	3,515,475,000
- 182 Days Maturity	8,011,675,000	1,951,800,000
- 364 Days Maturity	762,575,000	5,627,175,000
	10,678,600,000	11,094,450,000
- Unearned Income	(530,226,925)	(612,265,165)
<u>Total Treasury Bills</u>	<u>10,148,373,075</u>	<u>10,482,184,835</u>
- Reverse Repose	533,560,575	1,966,822,571
<u>Total Treasury Bills And Other Governmental Notes</u>	<u>10,681,933,650</u>	<u>12,449,007,406</u>
(8) <u>Financial Assets For Trading</u>	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>- Debt Instruments:-</u>		
- Government Bonds	445,733,748	101,369,914
- Other Debt Instruments	45,612,890	44,776,795
<u>Total Debt Instruments</u>	<u>491,346,639</u>	<u>146,146,709</u>
<u>- Equity Instruments:-</u>		
- Foreign Company Shares	50,090,264	59,440,478
- Mutual Fund	216,756,733	291,967,300
<u>Total Equity Instruments</u>	<u>266,846,997</u>	<u>351,407,778</u>
<u>Total Financial Assets For Trading</u>	<u>758,193,636</u>	<u>497,554,487</u>

(9) Financial Investment

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
<u>- Available For Sale Financial Investment:-</u>		
- Debt Instruments Listed - Fair Value	4,866,817,242	1,921,272,094
- Equity Instruments Listed - Fair Value	187,287,968	244,823,746
- Unlisted Instruments	596,163,516	596,137,144
<u>Total Available For Sale Financial Investment</u>	<u>5,650,268,727</u>	<u>2,762,232,984</u>
<u>- Held To Maturity Financial Investment:-</u>		
- Listed Debt Instruments	287,589,764	306,374,803
- Unlisted Debt Instruments	369,334,476	374,888,471
<u>Total Held To Maturity Financial Investment</u>	<u>656,924,240</u>	<u>681,263,274</u>
<u>Total Financial Investment</u>	<u>6,307,192,967</u>	<u>3,443,496,258</u>
- Listed Balances	5,341,694,973	2,472,470,643
- Unlisted Balances	965,497,993	971,025,615
	<u>6,307,192,966</u>	<u>3,443,496,258</u>
- Fixed Interest Debt Instruments	4,848,677,492	1,833,967,710
- Variable Interest Debt Instruments	675,063,991	769,567,658
	<u>5,523,741,483</u>	<u>2,603,535,368</u>

	<u>Available for Sale</u>	<u>Held to Maturity</u>	<u>Total</u>
	<u>Financial</u>	<u>Financial</u>	
	<u>Investment</u>	<u>Investment</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 Deferece	(81,995,801)	-	(81,995,801)
- Deduct - Impairment Losses	(37,819,662)	(2,632,774)	(40,452,436)
<u>Ending Balance 31/12/2008</u>	<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	3,236,402,046	-	3,236,402,046
- Deduction (Selling - Recovery)	(472,822,220)	(33,520,654)	(506,342,874)
- Differences In Revaluation Of The Cash Assets In Foreign Currencies	4,641,573	9,181,620	13,823,193
- Profit From Fair Value Deferece	122,126,649	-	122,126,649
- Deduct - Impairment Provision	(2,312,307)	-	(2,312,307)
<u>Ending Balance 31/03/2009</u>	<u>5,650,268,726</u>	<u>656,924,240</u>	<u>6,307,192,966</u>
<u>- Profit (Losses) From Financial Investment</u>			
(Losses)Profit From Selling Available For Sale Financial Instruments		(4,679,568)	669,321
Losses From Impairment Of Equity Instruments Available For Sale		(2,312,308)	(12,150,838)
Return (Losses) Of Impairment From Available For Sale Debt Instruments		4,641,573	(22,763,269)
Profit From Selling Investments In Subsidiaries And Associates.		-	50,258,991
(Losses) Profit From Selling Available For Sale Held to Maturity Investments		(3,914)	16
		<u>(2,354,217)</u>	<u>16,014,221</u>

(10) Other Operating (Expenses) Income

	<u>Mar.31, 2009</u>	<u>Mar.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- (Losses) Profits From Assets & Liabilities Revaluation Except Trading	(12,411,954)	10,225,413
- Profits From Selling Equipments And Fixed Assets	609,735	29,524
- Provision No Longer Used	-	94,395,171
- Others	(15,158,256)	(10,329,966)
Total	<u>(26,960,475)</u>	<u>94,320,142</u>

(11) Loans And Overdrafts

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Discounted Bills	848,049,329	795,836,842
- Loans & Overdrafts To Customer	27,239,978,263	26,867,609,401
- Loans & Overdrafts To Banks	273,638,909	344,498,810
<u>Total Loans And Overdrafts</u>	<u>28,361,666,501</u>	<u>28,007,945,053</u>
- Unearned Bills Discount	(117,486,559)	(119,310,349)
- Provision For Doubtful Debts	(1,409,194,689)	(1,408,297,328)
- Interest In Suspense	(107,556,582)	(150,009,498)
<u>Net Loans And Overdrafts</u>	<u>26,727,428,671</u>	<u>26,330,327,878</u>

(12) Provision For Doubtful Debts

	<u>Mar.31, 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	-	41,399,398	41,399,398
- Recoveries From Written Off Debts	13,091,747	-	13,091,747
- Foreign Currency Revaluation Diff.	11,056,428	-	11,056,428
	<u>664,372,472</u>	<u>809,472,429</u>	<u>1,473,844,901</u>
- Usage During The Period	(64,650,212)	-	(64,650,212)
- Transferred from Specific to General	(15,423,260)	15,423,260	-
Balance At The End Of The Period	<u>584,299,000</u>	<u>824,895,689</u>	<u>1,409,194,689</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

	Notional Amount	Mar.31, 2009		Notional Amount	Dec.31, 2008	
		Assets	Liabilities		Assets	Liabilities
- Foreign Derivatives:-						
- Forward Foreign exchange contracts	5,029,783,577	19,932,238	20,929,745	2,572,060,181	31,916,357	31,680,875
- Currency swap	4,677,274,714	83,530,773	25,578,025	3,457,152,333	65,087,047	57,539,919
- Options	1,540,937,914	498,510	498,510	112,099,475	1,080,796	1,080,796
Total Derivatives (1)		103,961,521	47,006,280		98,084,200	90,301,590
- Interest rate derivatives:-						
- Interest rate Swaps	2,186,448,229	72,717,166	6,679,262	1,730,052	63,646,403	3,452,965
Total Derivatives (2)		72,717,166	6,679,262		63,646,403	3,452,965
- Commodity	1,450,449,400	521,089,549	521,089,549	1,235,414,832	543,160,189	543,160,189
Total Derivatives (3)		521,089,549	521,089,549		543,160,189	543,160,189
Total Assets (liability) For Trading Derivatives (1+2+3)		697,768,236	574,775,091		704,890,792	636,914,744

(14) Financial Investments in Subsidiary and Associated Companies

	Mar,31. 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	10,997,220	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	1,138,578,177		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	93,166,220	92,920,715
Total	1,138,578,177	1,138,332,672

(15) Capital Commitments

- Financial Investments:-

The capital commitments for the financial investments reached on the date of financial position EGP 202,658,018 as follows:-

	Investments value	Paid	Remaining
	EGP	EGP	EGP
- Available for Sale Financial Investments	619,524,493	417,612,725	201,911,768
- 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 9,132,339

(16) Debit Balances and Other Assets

	Mar.31, 2009	Dec.31, 2008
	EGP	EGP
- Accrued Revenues	459,339,625	406,019,416
- Prepaid Expenses	57,543,100	53,438,701
- Advances for Purchase of Fixed Assets	83,952,669	90,340,427
- Assets Acquired as Settlement of Debts *	48,326,607	52,165,659
- Accounts receivable and Other Assets **	102,442,686	340,657,279
	751,604,687	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**Mar.31, 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	-	-	37,349,877	-	17,521,065	8,135,563	2,034,582	65,041,087
Closing Balance (1)	61,069,448	333,362,619	556,606,090	21,076,715	207,254,562	225,152,730	93,318,010	1,497,840,174
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	-	4,048,264	23,018,626	276,559	10,600,834	6,189,276	2,200,537	46,334,096
Accu.Depreciation at End of The Period (2)	-	110,582,522	342,584,431	19,423,801	132,604,817	112,955,425	45,730,600	763,881,596
End of Period Net Assets (1-2)	61,069,448	222,780,097	214,021,659	1,652,914	74,649,745	112,197,305	47,587,410	733,958,578
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 72,410,874 Non Registered Assets While Their Registrations Procedures Are In Process.

(18) Due to Banks

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
(A) Central Bank:-		
- Current Accounts	30,698,176	75,056,264
Total Due to Central Bank	30,698,176	75,056,264
(B) Local Banks:-		
- Current Accounts	31,676,257	19,309,126
- Time Deposits	1,355,000,000	-
Total Due to Local Banks	1,386,676,257	19,309,126
(C) Foreign Banks:-		
- Current Accounts	699,590,251	116,257,050
- Time Deposits	2,913,728	2,847,572
Total Due to Foreign Banks	702,503,979	119,104,622
Total	2,119,878,412	213,470,012

(19) Customers' Deposits

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Demand Deposits	13,713,982,937	13,126,519,017
- Time and Notice Deposits	20,875,888,731	19,946,603,875
- Certificates of Deposit	8,143,709,352	7,395,350,361
- Saving Deposits	7,787,308,798	7,316,052,948
- Other Deposits	779,290,312	1,153,583,462
Total	51,300,180,130	48,938,109,663

(20) Credit Balances and Other Liabilities

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>EGP</u>	<u>EGP</u>
- Accrued Interest Payable	189,095,365	208,568,878
- Accrued Expenses	72,334,795	68,214,404
- Accounts Payable	611,062,976	702,565,326
- Income Tax	80,599,387	209,809,805
- Other Credit balances	14,285,172	46,621,689
Total	967,377,695	1,235,780,102

(21) Long Term Loans

	<u>Rate</u>	<u>Maturity Date</u>	<u>Maturing Through</u>	<u>Balance as of</u>	<u>Balance as of</u>
	<u>%</u>		<u>Next Year</u>	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
			<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- F.I.S.C.	7	3-5 years	14,000,000	40,439,600	30,439,600
- K.F.W	9 - 10.5	10 YEARS	6,804,179	21,652,212	16,010,946
- UNIDO	1	2011	459,423	728,162	847,580
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	28,742,540	50,153,365	58,804,557
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	65,000	125,000	125,000
- Social Fund	3 months T/D or 9% which more	2010	1,560,000	2,656,250	3,046,250
Total			51,631,142	115,754,589	109,273,933

(22) Other Provisions

	<u>Mar.31, 2009</u>					
	<u>EGP</u>					
	<u>Opening</u>	<u>Formed</u>	<u>FCY Balance</u>	<u>Usage</u>	<u>Balance</u>	<u>Closing</u>
	<u>Balance</u>	<u>During the Period</u>	<u>Reval. Difference</u>	<u>During the Period</u>	<u>No Longer Required</u>	<u>Balance</u>
- Provision For Income Tax Claims	146,909,685	-	-	-	-	146,909,685
- Provision For Legal Claims	1,271,113	68,292	-	(183,140)	-	1,156,265
- Provision For Contingent	206,313,939	953,000	2,860,992	-	-	210,127,931
- Provision For Other Claim	8,723,449	-	38,485	(3,779,132)	-	4,982,802
Total	363,218,186	1,021,292	2,899,477	(3,962,272)	-	363,176,683

	<u>Dec.31, 2008</u>					
	<u>EGP</u>					
	<u>Opening</u>	<u>Formed</u>	<u>FCY Balance</u>	<u>Usage</u>	<u>Balance</u>	<u>Closing</u>
	<u>Balance</u>	<u>During the year</u>	<u>Reval. Difference</u>	<u>During the year</u>	<u>No Longer Required</u>	<u>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.

(B) Reserves:-

- According to the bank statues 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) Contingent Liabilities And Commitments

	<u>Mar.31, 2009</u> <u>EGP</u>	<u>Dec.31, 2008</u> <u>EGP</u>
- Letters Of Guarantee	11,494,266,925	10,852,904,384
- Letters Of Credit (Import And Export)	1,483,288,210	1,933,869,400
- Customers Acceptances	743,986,537	504,220,921
Total	<u>13,721,541,672</u>	<u>13,290,994,705</u>

(25) Net Interest Income

	<u>Mar.31, 2009</u> <u>EGP</u>	<u>Mar.31, 2008</u> <u>EGP</u>
- Interest Received from Loans and similar items:-		
- Banks	47,339,471	321,742,984
- Clients	574,314,806	468,869,592
	<u>621,654,277</u>	<u>790,612,576</u>
- Treasury Bills and Bonds	316,427,760	50,048,380
- Reverse Repose	26,351,249	-
- Financial Investment In Debt Instruments Held to Maturity and Available for Sale	57,441,244	4,093,243
- Other	0	35,535
Total	<u>1,021,874,530</u>	<u>844,789,734</u>
- Interest Paid on deposits and similar items:-		
- Banks	30,305,516	61,961,572
- Clients	499,992,447	396,297,223
	<u>530,297,963</u>	<u>458,258,795</u>
- Other	425,854	180,310
Total	<u>530,723,817</u>	<u>458,439,105</u>
Net	<u>491,150,713</u>	<u>386,350,629</u>

(26) Trading Net Profit

	<u>Mar.31, 2009</u> <u>EGP</u>	<u>Mar.31, 2008</u> <u>EGP</u>
- Profit From Foreign exchange	81,813,058	59,663,984
- Profits (Losses) from Revaluing Trading	1,002,487	(737,507)
- Revaluations of Assets and Liabilities in Foreign Currencies	5,935,047	(1,966,640)
- Profit From Forward Foreign exchange Deals Revaluation	5,844,465	24,152,439
- (Losses) Profit From Interest rate Swap Revaluation	(342,130)	3,151,620
- Debt Instruments For Trading	87,187,348	40,036,376
- Equity Instruments For Trading	(8,517,980)	4,346,348
Total	<u>172,922,295</u>	<u>128,646,620</u>

(27) Comparative Figures

- The comparative figures are amended as well to confirm with the general assembly held on 5th of march, 2009 decisions, for ratifying the appropriation account of year 2008.
- 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>Mar.31, 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)	(23,661,895)	(26,037,670)
- Other Provisions(Excluded Loan Loss, Contingent Liabilities And Income Tax Provisions)	1,227,813	1,998,913
- Other Items(Other Investments Revaluation Difference)	28,996,205	28,533,744
- Reserve For Employee Stock Ownership Plan (ESOP)	21,415,824	17,345,581
<u>Total</u>	<u>27,977,947</u>	<u>21,840,568</u>

(29) Reconciliation Of Effective Tax Rate

	<u>Mar.31, 2009</u> <u>EGP</u>	<u>Mar.31, 2008</u> <u>EGP</u>
- Profit Before Tax	572,451,614	513,142,525
- Tax Rate	20%	20%
<u>Income Tax Based On Accounting Profit</u>	<u>114,490,323</u>	<u>102,628,505</u>
<u>Add / (Deduct)</u>		
- Non-Deductible Expenses	3,339,468	1,254,312
- Tax Exemptions	(39,707,984)	(36,327,837)
- Effect Of Provisions	(3,659,800)	(898,091)
<u>Income Tax</u>	<u>74,462,007</u>	<u>66,656,889</u>
Effective Tax Rate	13.01%	12.99%

(30) Earning Per Share**Mar.31, 2009****Mar.31, 2008****EGP****EGP**

- Net Profit For The Period	497,989,606	446,485,636
- Board Member's Bonus	(7,469,844)	(6,697,285)
- Staff Profit Sharing	(49,798,961)	(44,648,564)

Shareholders' Share In Profits**440,720,802****395,139,788**

- Number Of Shares	292,500,000	292,500,000
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Basic Earning Per Share**1.51****1.35**

- By Issuance Of ESOP Shares Earning Per Share Will Be:-

- Number Of Shares Including ESOP Shares	299,101,053	295,478,665
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Diluted Earning Per Share**1.47****1.34****(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:**Number of Shares**

- 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 offsite 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	5,118,066,563	-
- Due From Banks	8,291,704,629	-
- Treasury Bills And Other Governmental Notes	11,212,160,575	-
- Trading Investments	758,193,635	-
- Available For Sale Investments	5,650,268,726	-
- Customers' Loans and Overdrafts	13,866,124,500	14,114,346,510
- Banks' Loans and Overdrafts	-	273,638,909
- Held To Maturity Investments	-	656,924,240
- Investments In Subsidiary Companies	-	1,138,578,177
- Debit Balances And Other Assets	751,604,687	-
<u>Total</u>	<u>45,648,123,314</u>	<u>16,183,487,837</u>
<u>Liabilities:-</u>		
- Due to Banks	2,119,878,412	-
- Customer Deposits	43,124,714,895	8,175,465,235
- Long Term Loans	51,631,142	64,123,447
- Credit Balances and Other Liabilities	967,377,695	-
<u>Total</u>	<u>46,263,602,144</u>	<u>8,239,588,682</u>

(33) Interest Rate

The average interest rates applied for assets and liabilities during the Period in local currency are 9.74 % & 5.05% 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

1st Assets:-

	<u>Local Currency</u>	<u>Foreign Currency</u>
- Due From Banks	127,164,497	5,964,075,364
- <u>Loans & Overdrafts</u>	<u>EGP</u>	<u>%</u>
Agriculture Sector	52,422,986	0.18
Industrial Sector	10,387,050,762	36.62
Trading Sector	511,905,841	1.80
Services Sector	12,578,444,580	44.35
Household Sector	2,488,767,254	8.78
Other Sectors	2,343,075,077	8.26
<u>Total Loans & Overdrafts (Including unearned interest)</u>	<u>28,361,666,500</u>	<u>100.00</u>
Unearned Discounted Bills	(117,486,559)	
Provision for Doubtful Debts	(1,409,194,689)	
Unearned Interest & Commission	(107,556,582)	
Net Loans & Overdrafts	<u>26,727,428,670</u>	

2nd Liabilities:-

	<u>Local Currency</u>	<u>Foreign Currency</u>
- Due to Banks	1,373,685,830	746,192,582
- <u>Customers' Deposits</u>	<u>EGP</u>	<u>%</u>
Agriculture Sector	132,442,127	0.26
Industrial Sector	5,668,581,482	11.05
Trading Sector	2,012,489,966	3.92
Services Sector	11,146,116,105	21.73
Household Sector	26,450,878,399	51.56
Other Sector	5,889,672,051	11.48
<u>Total Customers' Deposits</u>	<u>51,300,180,130</u>	<u>100.00</u>

3rd Contingent Accounts:-

	<u>Local Currency</u>	<u>Foreign Currency</u>
Letters Of Guarantee	4,743,515,432	6,750,751,493
Letter Of Credit (Import & Export)	13,184,900	1,470,103,310
Customers Acceptances	62,207,940	681,778,597
<u>Total Contingent Accounts</u>	<u>4,818,908,272</u>	<u>8,902,633,400</u>

(36) Main Currencies Positions

	<u>Mar.31, 2009</u>	<u>Dec.31, 2008</u>
	<u>in thousand EGP</u>	<u>in thousand EGP</u>
- Egyptian Pound	15,628	(6,756)
- US Dollar	13,472	4,714
- Sterling Pound	(1,392)	(3,303)
- Japanese Yen	(349)	(333)
- Swiss Franc	952	1,024
- Euro	17,948	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.- joint stock co - manages the fund.
- The number of certificates reached 32,487,522 with redeemed value le 4,545,978,953.
- The market value per certificate reached EGP 139.93 on 28/03/2009.
- The bank portion got 1,741,501 certificates with redeemed value EGP 243,688,235 .

- 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.- joint stock co - manages the fund.
- The number of certificates reached 3,481,368 with redeemed value le 213,819,634.
- The market value per certificate reached EGP 62.28 on 26/03/2009.
- The bank portion got 171,660 certificates with redeemed value EGP10,690,985.

- 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.- joint stock co - manages the fund.
- The number of certificates reached 1,203,927 with redeemed value EGP 62,556,047.
- The market value per certificate reached EGP 51.96 on 29/03/2009.
- The bank portion got30,098 certificates with redeemed value EGP 1,563,892.

(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	371,344,556	
- Investment in Subsidiary Companies	1,138,578,177	
- Held To Maturity Bonds in Subsidiary	18,087,428	
- Available For Sale Mutual FundManaged by Subsidiary	77,175,206	
Customer Deposits	279,439,759	
Contingent Accounts	56,515,045	
	<u>Income</u>	<u>Expenses</u>
	<u>EGP</u>	<u>EGP</u>
- International Co. for Security & Services	261,189	11,792,783
- Corplease Co.	9,471,069	579,240
- Commercial International Life Insurance Co.	1,356,028	983,626
- Commercial International Brokerage Co.	504,788	419,286
- Dinamic Company	716	9,830
- Egypt Factors	138,810	7,404
- CI Assets Management	2,659,994	5,781
- Commercial International Capital Holding Co.	9,600	2,206